

## ANNEX 2 PEOPLE INTERVIEWED

### Ministry for Foreign Affairs, Finland

Mr. Pertti Anttinen, Head of Unit, Ministry for Foreign Affairs, Finland, Department for Development Policy, Unit for Sectoral Policy, 3.12. 2007

Ms. Aino Elfvingren, Internal Auditor, Ministry for Foreign Affairs, Finland, Department for Development Policy, Unit for Evaluation and Internal Auditing, 3.12. 2007

Ms. Vuokko Heikkinen, Counsellor, Ministry for Foreign Affairs, Finland, Unit for Eastern and Western Africa, Department for Africa and Middle East, 15.11.2007

Mr. Sauli Heinimaa, Senior Auditor, Ministry for Foreign Affairs, Finland, Department for Development Policy, Unit for Evaluation and Internal Auditing, 3.12. 2007

Mr. Pasi Hellman, Counselor (from 1.4.2008 Deputy Director General), Ministry for Foreign Affairs, Finland, Department for Development Policy, 10.3.2008

Mr. Antero Klemola, Development Cooperation Advisor, Ministry for Foreign Affairs, Finland, Department for the Americas and Asia, 26.2.2008

Ms. Tiina Kuntsi, Secretary, Ministry for Foreign Affairs, Finland, Department for America and Asia (ASA), Unit for Latin America and the Caribbean (ASA-33), 3.12. 2007

Ms. Heli Lehto, Project Assistant, Ministry for Foreign Affairs, Finland, Department for Americas and Oceania, Unit for Asia and Oceania, 26.11.2007

Ms. Päivi Luostarinen, Deputy Director General, Ministry for Foreign Affairs, Finland, Department for the Americas and Asia, 26.2.2008

Ms. Marita Meranto, Departmental Secretary, Ministry for Foreign Affairs, Finland, Department for Americas and Oceania, Unit for Asia and Oceania, 26.11.2007

Mr. Rauno Merisaari, Senior Adviser, Ministry for Foreign Affairs, Finland, Political Department, Unit for Human Rights Policy, 16.11.2007

Ms. Maarit Nador, Ministry for Foreign Affairs, Finland, Department for Africa and Middle East, Unit for Eastern and Western Africa, 15.11.2007

Ms. Sirpa Mäenpää, Deputy Director General, Ministry for Foreign Affairs, Finland, Department for Africa and the Middle East, 21.2.2008

Ms. Emmi Oikari, First Secretary, Ministry for Foreign Affairs, Finland, Department for America and Asia (ASA), Unit for Latin America and the Caribbean, 13.11.2007

Mr. Leo Olasvirta, Head of the Unit, Ministry for Foreign Affairs, Finland, Unit for Non-Governmental Organisations, 21.2.2008

Ms. Heini Pulli, Programme Officer, Ministry for Foreign Affairs, Finland, Department for Africa and the Middle East / Unit for Southern Africa, 21.2. 2008

Ms. Ann-Sofie Stude, Counsellor, Ministry for Foreign Affairs of Finland, Department for Development Policy, Unit for Development Policy and Planning, 4.12.2007.

Mr. Kari Toiviainen, LCF Coordinator, Ministry for Foreign Affairs of Finland, Department for Development Policy, Unit for Development Policy and Planning, 15.11.2007

Ms. Hanna Väänänen, Regional Manager, Ministry for Foreign Affairs, Finland, Department for Africa and the Middle East / Unit for Southern Africa, 21.2. 2008

## **PEOPLE INTERVIEWED IN KENYA**

### **Embassy of Finland**

Mr. Antti Erkkilä, Advisor, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 16.1. 2008

Ms. Giorginah Gichohi, LCF Assistant, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 11.1. 2008

Dr. Sirkku Hellsten, Advisor, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 15.1. 2008

Mr. Samuel Mbithi Kimeu, Governance Specialist, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 7.1. 2008

Ms. Saida Mäki-Penttilä, Programme Officer, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 4.1. 2008

Ms. Marja Simojoki, LCF Coordinator, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 2.-3.1. 2008, 11.1. 2008

Ms. Heli Sirve, Ambassador, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 2.1.2008; 11.1.2008; 16.1.2008

Mr. Jukka Ilander, Advisor, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 16.1. 2008

### **Other donors and INGOs**

Ms. Nardos Bekele-Thomas, Deputy Resident Representative, United Nations Development Programme (UNDP), 14.1.2008

2008 Ms. Wambui Cathathe, Programme Officer, Danish Embassy, 16.1.

Ms. Charlotte Just, First Secretary, Danish Embassy, 16.1. 2008

Ms. Anne Kanene, Regional Representative, Eastern African Programmes, Save the Children Finland, 14.1. 2008

2008 Ms. Siv Cathrine Moe, First Secretary, Embassy of Norway, 16.1.

## **LOCAL COOPERATION FUNDS**

Mr. Jan Arke Munkeby, Counsellor (Development), Embassy of Norway, 16.1. 2008  
Ms. Sheila Ngatia, Assistant Resident Representative a.i., United Nations Development Programme (UNDP), 14.1.2008  
Ms. Jacinta Oichoe, Programme Officer, Danish Embassy, 16.1.2008  
Mr. Osendo Con Omore, Programme Officer, Danish Embassy, 16.1. 2008

Ms. Camilla Redner, First Secretary/Senior Programme Officer, Democracy and Human Rights, Embassy of Sweden, 14.1. 2008

### **Government of Kenya**

Mr. George Adhanja, Chief Executive Officer, NGO Council of Kenya, 10.1. 2008  
Mr. Jackson N. Kinyanjui, Director, External Resources Department, Ministry of Finance, Kenya, 10.1.2008  
Mr. Fred Olendo, Finance Officer, NGO Council of Kenya, 10.1. 2008  
Mr. Ambrose Orwa, Desk Officer, Europe 1 Division, External Resources Department, Ministry of Finance, Kenya, 10.1.2008

### **LCF Partner Organisations**

Ms. Nancy Bosire, Secretariat Manager, Kenya ICT Federation, 7.1. 2008  
Mr. Dan Juma, Deputy Executive Director, Kenya Human Rights Commission (KHRC), 14.1.2008  
Mr. Eric R. Krystall, Senior Advisor, Family Programmes Promotion Services (FPPS), 10.1. 2008  
Ms. Beatrice Kuria, Finance Manager, Kenya Human Rights Commission (KHRC), 14.1.2008  
Mr. Chris Mbiti, Program Manager, Poverty Eradication Network (PEN), 9.1. 2008  
Mr. Peter Mbugua, Orthopedic Manager, Association of the Physically Disabled in Kenya (APDK), 11.1.2008  
Mr. Peter M. Mutemi, Executive Director, Centre for Human Rights and Civic Education (CHRCE), 11.1. 2008  
Mr. Dancan Mwangi Ndegwa, Executive Officer, Association for Physically Disabled of Kenya (APDK), 11.1. 2008  
Mr. Daudi Nturibi, Programme Director, Family Programmes Promotion Services (FPPS), 10.1. 2008  
Mr. Phylemon Odhiambo, Puppetry Trainer, Programme Officer, Family Programmes Promotion Services (FPPS), 10.1. 2008  
Mr. Isaiah Olale Onyango, Finance and Administration Manager, Family Programmes Promotion Services (FPPS), 10.1. 2008  
Ms. Jane Onyango, Executive Director, Federation of Women Lawyers – Kenya (FIDA), 10.1. 2008  
Mr. Hubert Seifert, National Director, Association of the Physically Disabled in Kenya (APDK), 11.1.2008

Mr. Richard K. Tuta, Programme Officer, Centre for Human Rights and Civic Education (CHRCE), 11.1. 2008  
Mr. L. Muthoni Wanyeki, Executive Director, Kenya Human Rights Commission (KHRC), 14.1.2008  
Mr. Marcel Werner, Director, Kenya ICT Federation, 7.1. 2008

### **Beneficiaries of LCF partner interventions**

6 women and 2 children, APDK Office, Nairobi, 11.1.2008 (APDK)

Nguni Human Rights Chapter, Mwingi, 13 men and 2 women, 11.1. 2008 (CHRCE)

### **LCF Workshop Participants, Nairobi, 09.01.2008**

Ms. Anne Amadi, Deputy Executive Director, Women Lawyers Kenya (FIDA)  
Dr. Ekuru Aukot, Executive Director, Kitua Cha Sheria  
Ms. Nancy Bosire, Secretariat Manager, Kenya ICT Federation  
Dr. Margaret Hutchinson, Executive Director, Education Centre for Women in Democracy (ECWD)  
Mr. Mike Karanja, Finance Officer, Kituo Cha Seria  
Mr. John Karuga, Finance Officer, Slums Information Development and Centers (SIDAREC)  
Mr. Chris Mbiti, Program Manager, Poverty Eradication Network (PEN)  
Mr. Peter Mbugua, Orthopedic Manager, Association of the Physically Disabled in Kenya (APDK)  
Mr. Stephen Musau, Executive Coordinator, Release Political Prisoners  
Mr. Duncan Mwangi Ndegwa, Executive Officer, Association for the Physically Disabled in Kenya (APDK)  
Ms. Esther Obachi, National Secretary, Kenya Library Association  
Mr. Bonaventure O. Olutsachi, Project Manager, Maria Stopes Kenya  
Mr. George Onyango, Project Administrator, SIDAREC  
Mr. Isaiah Olale Onyango, Finance and Administration Manager, Family Programmes Promotion Services (FPPS)  
Mr. Richard K. Tuta, Programme Officer, Centre for Human Rights and Civic Education (CHRCE)  
Mr. Marcel Werner, Director, Kenya ICT Federation

### **PEOPLE INTERVIEWED IN NEPAL**

#### **Embassy of Finland and other donors agencies**

Ms. Arita Rai Gurung, Program Officer, British Embassy , 31.1.2008

Ms. Rauni Haapamäki, Counsellor (Development), Embassy of Finland, 28.1., 1.2. 2008  
Dr. Petri Hautaniemi, Counsellor (Development), Embassy of Finland, 30.12.2008  
Mr. Kikkan Haugen, Minister Counsellor, Royal Norwegian Embassy, 31.1.2008  
Ms. Pirkko-Liisa Kyöstiä, Chargée d'Affaires, Embassy of Finland, 28.12.2008  
Mr. Graeme Lade, Ambassador, Australian Embassy, 7.2.2008  
Ms. Eeva Maijala, Program Coordinator, Embassy of Finland, 28.1., 1.2. 2008  
Ms. Sanjana Pradhan, Public Affairs Officer, Australian Embassy, 7.2.2008

Ms. Jayanti Subba, Education Adviser, Embassy of Finland, 30.1.2008  
Dr. Munni Sharma, Program Coordinator, Embassy of Finland, 28.1.2008

### **Partner Organisations (Central Level)**

Mr. Sandesh Adhikari, Coordinator, Alliance For Peace, 29.1.2008  
Dr. C.M. Bandhu, General Secretary, Nepali Folklore Society, 29.1.2008  
Prof. Tulasi Diwasa, President, Nepali Folklore Society, 29.1.2008  
Mr. Bal Krishna Kattel, Program Coordinator, NGO Federation Of Nepal  
Dr. Jaya Raj Pant, Member, Nepali Folklore Society, 29.1.2008  
Mr. Bhim Regmi, Member, Nepali Folklore Society, 29.1.2008  
Dr. Abi Subaydi, Member, Nepali Folklore Society, 29.1.2008  
Mr. Dipendra Tamang, Director, Alliance For Peace, 29.1.2008  
Mr. Ashish Thapa, Ex.ecutive Director, Transparency International, 29.1.2008  
Dr. Netra Prasad Timsina, Vice President, NGO Federation of Nepal, 29.1.2008  
Mr Sangram Yba, Documentation Officer, Nepali Folklore Society, 29.1.2008

### **International Non Governmental Organisation/ International Organisation**

Mr. Santosh Bisht, Senior Advisor, Danida HUGOU, 31.1.2008  
Mr. Tej Raj Dahal, Planning and Monitoring Advisor, SNV Netherlands Development Organization, 31.1.2008  
Mr. Hans Heijdra, Director, SNV Netherlands Development Organization, 31.1.2008  
Mr. Joshi, Education Advisor, World Bank, 01.2.2008  
Ms. Subarna Rai, Program Monitoring Team Manager, SNV Netherlands Development Organization, 31.1.2008

LOCAL COOPERATION FUND

Mr. Gopal Sherchan, National Coordinator, Small Grants  
Program/GEF, UNDP, 01.2.2008

### **Government/ Social Organisation**

Mr. Sanjay Khannel, Program Director, National Planning  
Commission, 01.2.2008  
Mr. Raju Rj Joshi, Director, Social Welfare Council, 30.01.2008  
Dr. Ram Prakash Yadab, Vice Chairperson, Poverty Allevation Fund,  
01.2.2008

### **Partner Organisation District Level – Stakeholders Meeting, Gaja Youth Club, Baglung District**

Ms. Yam Maya Budha, Project Coordinator, Gaja Youth Club,  
02.2.2008  
Mr. Krishna Chhaniyal, Secretary, Gaja Youth Club, 02.2.2008  
Mr. Bishnu Paudel, Social Mobilizer, Gaja Youth Club, 02.2.2008  
Ms. Durga Paudel, Social Mobilizer, Gaja Youth Club, 02.2.2008  
Ms. Dil Maya Pun, Social Mobilizer, Gaja Youth Club, 02.2.2008  
Mr. Bhesha Raj Sharma, Information Officer, District Development  
Committee, 02.2.2008  
Mr. Krishna Pr. Sharma, Advisor, Gaja Youth Club, 02.2.2008  
Mr. Basanta Kumar Shrestha, Department Head, District Agriculture  
Development Office, 02.2.2008  
Mr. Bishnu Prasad Subedi, Senior Officer, District Cooperative  
Organization, 02.2.2008  
Mr. Hari Narayan Upadhyaya, Secretary, 02.2.2008

### **Lekhani Village Development Committee, 02.2.2008**

Mr. Tara Bh. BK, Board Member, Gaja Youth Club, 02.2.2008  
Mr. Tek Bh. KC, Secretary, Gaja Youth Club, 02.2.2008  
Ms. Pabitra Chalisi, Social Mobilizer, Gaja Youth Club, 02.2.2008  
Mr. Lal Chandra R.B, Advisor, Gaja Youth Club, 02.2.2008  
Mr. Nava Raj Gautam , Project Coordinator (LCF) , Gaja Youth Club,  
02.2.2008  
Mr. Parma Nanda Kadel, Chairperson, Gaja Youth Club, 02.2.2008  
Ms. Yam Pr. Kadel, Vic- secretary, Gaja Youth Club, 02.2.2008  
Ms. Laxmi Karki, Women Development Officer, Women  
Development Office, 02.2.2008  
Mr. Purna Bh. Pun, Board Member, Gaja Youth Club, 02.2.2008  
Ms. Sharmila Shrestha, Child Protection Officer, Gaja Youth Club,  
02.2.2008  
Mr. Narayan Singh, Social Mobilizer, Gaja Youth Club, 02.2.2008  
Ms. Nar Maya Sunar, Field Supervisor, Gaja Youth Club, 02.2.2008

LOCAL COOPERATION FUNDS

Ms. Manju Thapa, Field Supervisor, Gaja Youth Club, 02.2.2008

**Baglung District, Field Interaction, Tagrin VDC 03.02.2008**

Ms. Rupa Ali, Mamata Women Group, Tangran VDC, Secretary, 03.2.2008

Ms. Bindu Bhandari, Adarsh Women Cooperative, Bihu VDC, Member, 03.2.2008

Ms Sunita Chamtal, Lekhani Main Committee, Lekhani VDC, Member, 03.2.2008

Ms. Sabitri Gautam, Bhimpokrari Main Committee, Bhimpokhari VDC, Member, 03.2.2008

Ms. Shanti Kadel, Nauthula Women Group, Lekhani VDC, Member, 03.2.2008

Ms. Danu Kathri, Sayapatri Women Group, Dhuleyhati VDC, Chair, 03.2.2008

Ms. Dil Kumari Khanal, Shaktisali Women Group, Bihu VDC, Member, 03.2.2008

Ms. Radika Neupanay, Shivalaya Women Group, Bihu VDC, Member, 03.2.2008

Ms. Durga Pun, Shanti Women Coperative, Dhuleyhati VDC, Member, 03.2.2008

Dil Maya Pun, Mar goan Women Group, Tagrin VDC, Member, 03.2.2008

Ms. Shanti Rana, Pragati Women Group, Dhamja VDC, Member, 03.2.2008

Ms. Khima Shangri, Namuna Women Group, Bhimpokrari VDC, Chair, 03.2.2008

Ms. Kamala Shrestha, Shivalaya Women Group. Bihu VDC, Member, 03.2.2008

Ms. Kalpan Siris, Thuli gaon Women Group, Secretary, 03.2.2008

**Kaski District Partner Organisation (MCDAF)**

Ms. Sabina Acharya, MCDAF, Secretary, 04.2.2008

Mr. Madab Bastola, MCDAF, Project Coordinator, LCF, 04.2.2008

Mr. Chij BK, MCDAF, Board Member, 04.2.2008

Mr. Mahendra Kadel, MCDAF, Accountant, 04.2.2008

Mr. Shiva Sharma, MCDAF, Vice-president, 04.2.2008

Ms. Sita Sharma, MCDAF, Treasurer, 04.2.2008

Mr. Netra Subedi, MCDAF, Board Member, 04.2.2008

**Kaski District Field Interaction, Sardikhola VDC \***

Ms. Devi Acharya, Sirdikhola Women Cooperative, Secretary, 04.2.2008

Ms. Girdhari Acharya, Sirdikhola Women Cooperative, Loan Coordinator, 04.2.2008

Ms. Guna Duwari, Gachok Cooperative, Secretary, 04.2.2008  
Ms. Asha Kumar Guring, Machapuchhari Cooperative, Chair,  
04.2.2008  
Ms. Laxmi Lamsal, Gachok Cooperative, Member, 04.2.2008  
Mr. Hari Dutta Porkherel, Gachok Cooperative, Chair, 04.2.2008  
Ms. Binu Pun, Machapuchhari Women Cooperative, Accountant,  
04.2.2008  
Mr. Man Bh. Pun, Machapuchhari Cooperative, Secretary, 04.2.2008  
Ms. Geeta Thapa, Machapuchhari Cooperative, Accountant,  
04.2.2008

**Butwal District, Partner Organisation Interaction \***

Mr. Chiran Baral, Radio Program, Station Advisor, 03.2.2008  
Mr. Ram BK, Jagaran Media Center, President, 03.2.2008  
Mr. Suvash Darnel, Jagaran Media Center, Founder Member,  
03.2.2008  
Mr. Jeevan Nepali, Jagaran Media Center, Member, 03.2.2008

Mr. Dipak Pariyar, Jagaran Media Center, Member, 03.2.2008  
Ms. Sarita Pariyar, Jagaran Media Center, Reporter, 03.2.2008  
Note \* More than 100 people participated out of which majority  
were women

**LCF Workshop Participants, Kathmandu 06.02. 2008**

Mr. Rajendra Adhikari, Mother and Child Welfare Community, Jhapa,  
Program Coordinator  
Mr. Madab Pr. Bastola, MCDAF, Kaski, Program Coordinator  
Mr. Gunanidi Bhusal, SSDC, Kaplibastu, Executive Director  
Mr. Yam Pr. Kandel, Gaja Youth Club, Baglung, Vice- Secretary  
Mr. Bal Krishna Kattel, NGO Federation Nepal, Kathmandu, Project  
Coordinator  
Mr. Om Khadka, NEFEJ, Executive Director  
Dr. Sangita Rayamajhi, Nepal Folklore Society, Kathmandu, Vice-  
president  
Mr. Bijesh Shrestha, CPCS, Kathmandu, President  
Prof. Abhi Subedi, Nepal Folklore Society, Kathmandu, Executive  
Member  
Mr. Dipendra Tamang, Alliance for Peace, Kathmandu, Director  
Mr. Ashish Thapa, Transparency Internal Nepal, Kathmandu,  
Executive Director  
Mr. Leela Pr. Thapa, Jun tara Social Development Center,, Illam,  
Project Coordinator  
Mr. Netra Timilsena, NGO Federation Nepal, Kathmandu, Vice-  
president

**PEOPLE INTERVIEWED IN NICARAGUA**

LOCAL COOPERATION FUNDS

Ms. Ivonne Acevedo, Project Assistant, FIDEG, Managua, 23.1.2008.  
 Ms. Sonia Agurto, Vice-presidente, FIDEG, Managua, 23.1.2008.  
 Ms. Reyna Alemán Hernández, member Los Pipitos, La Trinidad, 25.1.2008

Mr. Jesper Andersen, Counsellor, Royal Danish Embassy, Managua, 22.1.2008  
 Ms. Majorie Arroyo, member Los Pipitos, La Trinidad, 25.1.2008  
 Ms. Maria Luisa Babini, Adviser governance and rural development, Embassy of Finland, Managua, 21.01.2008.  
 Mr. Eduardo Baez C., Director ejecutivo, Libros para Niños, Jinotepe, 25.1.2008  
 Ms. Juanita Blanco, National Police, Departamental Chief, Villa Sandino, 24.1.2008  
 Ms. Ninfa Blandon Cabrera, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008  
 Ms. Candelaria Caballero, member Los Pipitos, La Trinidad, 25.1.2008  
 Ms. Elizabeth Del Carmen Cárcamo Zárate, Productora Radial, Estelí, 25.1.2008  
 Ms. Isidora Gamez, member Los Pipitos, La Trinidad, 25.1.2008  
 Ms. Juan José Castillo Ruíz, Presidente Centro de Comunicación Mundo, Estelí, 25.1.2008  
 Mr. Eddy Contreras, Alcalde de Villa Sandino, Villa Sandino, 24.1.2008  
 Ms. Kenia Dinarle, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008  
 Ms. Gina Esperanza Salgado Peña, Executive Director Ixchen, Estelí, 25.1.2008  
 Ms. Argentina Espinosa A., Executive director, Ixchen, Managua, 23.1.2008  
 Ms. Carola Espinoza, Adviser, Embassy of Norway, Managua, 23.01.2008  
 Mr. Gustavo Fonseca Sevilla, member ASOPROPCN, Villa Sandino, 24.1.2008  
 Ms. Erica García M., Coordinadora de proyectos, Libros para Niños, Jinotepe, 25.1.2008  
 Ms. Patricia Gómez, B., Programme officer, Royal Danish Embassy, Managua, 22.1.2008  
 Ms. Yamil González Cabrera, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008  
 Mr. Rene González Mejía, Executive Director, Emprededores Juveniles, 23.1.2008.  
 Mr. Rafael Henriquez García, Gerente de programa fondo Común. Managua, 29.01.2008.  
 Ms. Tiina Huvio, Rural Development Adviser, Embassy of Finland, Managua, 21.01.2008  
 Ms. Emily Höckert, Embassy of Finland, Managua  
 Ms. Luyin Icabalzeta, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008  
 Mr. Valdrack L. Jaentschke, Viceministro, secretario de la Cooperación externa, Ministerio de relaciones exteriores, 22.01.08

LOCAL COOPERATION FUND

Mr. Fernando Jambrina, FED coordinator, Managua, 23.1.2008  
Ms. Susanna Janson Landin, First secretary, Development cooperation, Embassy of Sweden, Managua, 29.01.2008.  
Ms. Liliam Jarquin, Coordinator of small donations programme, UNDP, Managua, 29.01.2008.  
Mr. Pilar Juárez Boal, Counsellor, Delegation of the European commission, Managua, 29.01.2008.  
Mr Torleif Kveim, 1<sup>st</sup> Secretary, Embassy of Norway, Managua, 23.01.2008  
Mr. Marko Lehto, Officer Programme, PROGESTION, Villa Sandino, 24.1.2008  
Mr. Mark Litvine, Head of operations, Delegation of the European commission, Managua, 29.01.2008.  
Ms. Martha Lorena Pérez, Vicepresidente APIMUNIC, Granada, 25.1.2008  
Ms Marja Luoto, Ambassador, Embassy of Finland, Managua, 21.01.2008  
Bladimir Palacios Mairena, Vicepresidente de la Asociación Nicaragüense de No Videntes, Estelí, 25.1.2008  
Mr. Roger Peralta Mairena, Presidente, ASOPROPCN, Villa Sandino, 24.1.2008  
Ms. María Isabel Lara Martínez, member ASOPROPCN, Villa Sandino, 24.1.2008  
Ms. Janín Mejía Raudez, Presidente APIMUNIC, Granada, 25.1.2008  
Mr. Marlon Mesa, President Los Pipitos, La Trinidad, 25.1.2008  
Ms. Georgina Muñoz, Enlace Nacional, Coordinadora Civil, Managua, 22.1.2008  
Ms. Geisel Najera, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008  
Ms Diana Orosco Bravo, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008  
Mr. Mauro Orosco Bravo, Treasurer ASOPROPCN, Villa Sandino, 24.1.2008  
Ms. Aída Luz Ortuño, member Los Pipitos, La Trinidad, 25.1.2008  
Mr Kari Poti, Embassy of Finland, Managua, 23.01.2008  
Mr. Mario Quintana Flores, Enlace Nacional, Coordinadora Civil, Managua, 22.1.2008  
Ms. Carla Rodriguez, Programme officer, Ixchen, Managua, 23.1.2008  
Ms Elina Sana, Embassy of Finland, Managua  
Mr. Adelmo Sandino, Proyect coordinator, FIDEG, Managua, 23.1.2008  
Ms. Darling Sequeira, Chontales Municipalities Association, Villa Sandino, 24.1.2008  
Ms. María del Socorro Reyes García, Psychology Ixchen, Estelí, 25.1.2008  
Ms. Gloria Elena Talavera Martinez, Productora Radial, Estelí, 25.1.2008  
Mr. Salvador Tapia, Asesor desarrollo rural, Embajada de Finlandia, Managua, 21.01.2008  
Ms. Rosemary Vega Asesora asuntos sociales, Embassy of Finland, Managua, 21.01.2008

#### LOCAL COOPERATION FUNDS

## ANNEX 3 ANNUAL LCF DISBURSEMENTS PER COUNTRY / REGION IN 2004 – 2007

Country / Region	Disbursement EUR			
	2004	2005	2006	2007
Afganistan	603,122	651,027	279,025	102,545
Albania	25,500	21,500	65,370	20,000
Argentina	91,544	154,421	252,533	132,763
Armenia	0,000	56,135	99,575	141,100
Azerbaidzhan	0,000	52,436	70,000	33,383
Bangladesh	60,000	0,000	0,000	0,000
Belize	0,000	0,000	0,000	8,500
Bhutan	30,000	65,000	0,000	26,000
Bosnia- Herzegovina	43,334	10,000	30,000	53,000
Botswana	0,000	0,000	0,000	86,200
Brazil	132,255	55,652	133,053	178,718
Cambodia	0,000	0,000	75,896	86,469
Chile	105,429	59,621	7,040	9,900
China	82,000	0,000	0,000	226,800
China	26,384	86,506	59,936	39,547
Colombia	0,000	0,000	0,000	5,268
Croatia	66,666	50,230	33,946	0,000
East Timor	254,535	272,044	400,136	275,554
Egypt	190,917	272,191	248,622	310,761
Ethiopia	459,431	537,509	737,429	817,009
Georgia	0,000	89,527	95,000	168,830
Guatemala	0,000	0,000	0,000	186,718
Haiti	0,000	0,000	61,967	37,099
Honduras	0,000	0,000	0,000	74,415
India	412,656	362,396	352,759	308,575
Indonesia	317,117	162,094	332,509	277,925
Iran	24,999	16,239	8,760	0,000
Kazakstan	44,780	0,000	58,264	44,920
Kenya	1'556,059	1'034,873	1'320,353	944,637
Kyrgyzstan	0,000	28,995	22,298	3,100
Lao PDR	0,000	0,000	0,000	29,410
Lesotho	0,000	0,000	0,000	30,000
Macedonia	72,690	17,548	23,272	65,000
Malawi	0,000	0,000	50,000	50,000
Malesia	258,196	168,602	101,726	99,765
Morocco	134,947	185,239	93,896	97,410
Mexico	245,749	183,626	159,841	141,607
Mongolia	0,000	0,000	0,000	20,000

LOCAL COOPERATION FUND

Mozambique	989,726	1'104,102	879,744	463,063
Namibia	1'333,516	1'589,479	2'016,382	1'748,936
Nepal	161,487	465,977	491,783	377,671
Nicaragua	303,732	503,866	408,707	348,656
Nigeria	0,000	2,581	0,000	0,000
Pakistan	295,981	239,978	314,636	176,997
Palestina	338,400	99,201	472,542	370,500
Palestina	0,000	38,000	55,966	49,095
Peru	218,324	308,074	183,009	254,541
Philippines	144,177	169,147	147,722	148,887
North and South America (not detailed)	205,985	299,198	348,806	69,256
Syria	10,720	65,000	100,000	0,000
South Africa	3'400,692	3'613,759	3'053,138	2'051,499
South Caucasus	0,000	15,000	0,000	0,000
Sri Lanka	56,218	85,648	0,000	57,630
Swaziland	0,000	0,000	0,000	72,607
Tadzhikistan	0,000	0,000	56,593	0,000
Tanzania	1'306,179	1'052,420	579,640	888,210
Thailand	129,222	59,859	39,686	5,889
Tunisia	57,500	74,246	52,908	41,466
Turkey	28,251	12,000	53,883	59,990
Ucraina	0,000	0,000	0,000	44,311
Belorussia	0,000	0,000	0,000	5,400
Venezuela	192,003	221,994	93,096	120,495
Vietnam	296,615	457,613	564,740	291,513
Yemen	0,000	0,000	8,580	5,563
Yugoslavia, Belgrad	122,751	151,858	61,594	145,783
Yugoslavia, Pristina	0,000	0,000	0,000	99,847
Zambia	613,151	911,542	835,297	572,844
Zimbabwe	0,000	0,000	50,000	49,056
<b>TOTAL</b>	<b>15'442,939</b>	<b>16'133,949</b>	<b>16'041,658</b>	<b>13'652,633</b>

Source: MFA Intervention system, July 2008.

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## ANNEX 4 LCF SUPPORTED ORGANISATIONS INTERVIEWED AND PROJECTS VISITED FOR BENEFICIARY / TARGET GROUP INTERVIEWS AND ANALYSIS

KENYA		NEPAL		NICARAGUA	
ORGANISATION	PROJECT NAME AND BUDGET	ORGANISATION	PROJECT NAME AND BUDGET	ORGANISATION	PROJECT NAME AND BUDGET
<b>ASSOCIATION FOR THE PHYSICALLY DISABLED IN KENYA (APDK)</b> HQ: Nairobi Project: (APDK-NBI Branch & APDK-Mombasa (production))	Provision of Children Mobility Aids, Business Tricycles and Cerebral Palsy Wheelchairs (2005) Provision of Mobility Aids to Needy Children With Disabilities (2006) Budget in total EUR 266 768 (2001-07)	<b>GAZA YOUTH CLUB</b> HQ: Baglung Project: Baglung district	Empowering Rural Communities/Women Cooperatives and Democratic Governance Budget in total: 56 752 EUR (2004-07)	<b>IXCHEN</b> HQ: Managua Project: Bluefields	Incidencia para el acceso a la justicia en situaciones de violencia basada en género
<b>CENTER FOR HUMAN RIGHTS AND CIVIC EDUCATION (CHRCE)</b> HQ: Mwingi Project: Mwingi District, Kitui District, some parts of Machakos and pockets of Makeni District	Rooting enjoyment of citizen's rights and enhancing service delivery through community based paralegalism rooting enjoyment of citizen's rights and enhancing service delivery through community based paralegalism (2004) Enhancing sustainable	<b>FORUM FOR MULTIPURPOSE COMMUNITY DEVELOPMENT AND AWARENESS</b> HQ: Pokhara Project: Sardikhola, Machhapuchhre and Ghachock VDC of Kaski District	Democratic Governance and Empowerment program Budget 2004-07: 53 153 EUR	<b>Fundación Libros para Niños</b> HQ: Managua/Masaya Project: Barrio de Santiago, La Concepción, Masaya	Childrens libraries, 5 "Rincones de cuentos" (reading corners)/year established, training and strengthening of existing "rincones". Project budget 2007: EUR 52,500.

	community paralegalism and social accountability for effective and efficient service delivery (2005-2006) Enhancing women, youth and people with disability participation in leadership and decision making (since 2007) Budget in total EUR 235 591 (2002-2007)				
<b>FEDERATION OF WOMEN LAWYERS IN KENYA (FIDA)</b> HQ: Nairobi Project: Nationwide	Direct support to implementation of the 2006-2007 strategic plan: Legal aid services for needy women by providing training in a participatory manner and by developing and supporting organized groups to reach women with legal information  Total budget EUR 473 333 (2002-2007)	<b>JAGARAN MEDIA CENTRE</b> HQ: Kathmandu Project: Terai	Capitalizing Voices of dalits in constitution making process Radio at Butwal Budget 2007-08: 114 500 EUR	<b>Los Pipitos – Capítulo La Trinidad</b> HQ: La Trinidad Project: La Trinidad / communities	Fortalecimiento de las capacidades funcionales de la organización y su coordinación a nivel nacional. Project budget 2007: EUR 11,500..
<b>Family Programmes Promotion Services</b>	Puppets against anti-corruption (PAC)	<b>INTERNATIONAL ALERT</b>	Building Meaningful Dialogue in Nepal	<b>Empresarios juveniles de</b>	Empresarios Juveniles de Bluefields. Project

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<p><b>(FPPS)</b>  HQ: Nairobi  Project: 40 rural and urban centers</p>	<p>Puppets against good governance (PGG) (2000-2007)  School based puppetry project (SBPP) (2005-2007)</p> <p>Total budget EUR 407 652 (2000-2007)</p>	<p>HQ: London  Project: Kathmandu</p>	<p>Conflict Sensitivity Assessment of EFA programme in Nepal  Budget 2004-07: 87 104 EUR</p>	<p><b>Nicaragua</b>  HQ: Managua</p>	<p>budget: EUR 25,000.</p>
<p><b>KENYA HUMAN RIGHTS COMMISSION (KHRC)</b>  HQ: Nairobi  Project: Nationwide</p>	<p>Human Rights Education, Outreach and Advocacy: Funding has been used as part of the core support for the Kenya Human Rights Commission strategic plan for the period 2004-2008</p> <p>Total budget EUR 708 333 (2000-2007)</p>	<p><b>TRANSPARENCY INTERNATIONAL NEPAL</b>  HQ: Kathmandu</p>	<p>Anticorruption Project  Budget 2004-07: 90 800 EUR</p>	<p><b>FIDEG</b>  HQ: Managua</p>	<p>Observatorio de la apertura económica y comercial en Nicaragua. Project budget 2007: EUR 20,000.</p>
<p><b>POVERTY ERADICATION NETWORK (PEN)</b>  HQ: Nairobi  Project: Machakos and Kajiado Districts</p>	<p>Strengthening citizens participation in Machakos and Kajiado districts (2006-2007)  Total budget EUR 160 420 (2006-2007)</p>	<p><b>NEPAL FOLKLORE SOCIETY</b>  HQ: Kathmandu  Project: Whole country</p>	<p>Folklore and folklife study  Budget 2005-08: 167 000 EUR</p>	<p><b>APIMUNIC</b>  HQ: Granada  Project: Granada</p>	<p>PRONAT (Project Girls and Adolescent Workers). Project budget 2007 EUR 20,500.</p>
<p><b>KENYA ICT FEDERATION (KIF)</b></p>	<p>ICT strategies for Kenyan towns – how</p>	<p><b>ALLIANCE FOR PEACE</b></p>	<p>Raising awareness about human rights</p>	<p><b>ASOPROCN</b>  HQ: Chontales</p>	<p>Project: “Parque arqueológico en los</p>

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HQ: Nairobi (lap-top office) Project: Eldoret and Kisumu	residents' networks can trigger change through e-government (2007) Total budget EUR 89240 (2007)	HQ:Kathmandu	Youth voter education and outreach Budget 2006-07: 55 078 EUR		petroglifos de Piedra Pintada en las piramides de Garrobo Grande.". Total project budget EUR 432,000, financed in stages. 2007: EUR 70,000.
				<b>MUNDO (Center for research and social communication)</b> HQ: Esteli	Radio estereo " <i>Mundo en la canción</i> ". Project budget: EUR 34,000.
				<b>IXCHEN</b> HQ: Managua Project: Bluefields	Incidencia para el acceso a la justicia en situaciones de violencia basada en género

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## ANNEX 5 THE LOCAL COOPERATION FUND IN THE CASE STUDY COUNTRIES

### Development of the LCF in Kenya: 2005-2010

The implementation of the Local Cooperation Fund in Kenya started in year 2000. Within the evaluation period two LCF strategies have been prepared, for the years 2005-2007 and 2008-2010. Since 2005, the annual financial allocation has been 1.3 MEUR. Organisations and specific interventions are described in the country report, Annex 4.

#### *LCF strategy 2005-2007*

The key focus areas in the 2005-2007 LCF strategy were democracy, good governance, human rights and social (gender) equality which accounted for 51% of the total budget; poverty alleviation 14%; HIV/AIDS 11%; ICT/Others 2%. Out of the budget 80-90% has been allocated for Kenya, and the remaining funds for the accredited countries and administration (2-3%). In 2005 9% and in 2006 5% were allocated for Somalia (accredited country). Planned unallocated funds vary between 11% (2005), 14% (2006) and 27% (2007). Number of the planned interventions in the LCF strategy 2005-2007 was 22, out of which only three were new ones. Table 1 shows the use of LCF in Kenya in 2004-2007.

**Table 1 Use of LCF in Kenya, 2004-2007**

	2004	2005	2006	2007
LCF funds available (€)***	MEUR 1.5	MEUR1.3	MEUR1.3	MEUR1.3
Number of projects	29+4*+5**	24+4*	27+4*+2****	20+1*
Total funding/projects (€)	1567000	1 444 433	1 299 738	944637
Min/max per project (€)	1533/100000	6600/159 770	4500/119000	2940/100000
Average per project (€)	47510	51586	46347	44982

\*in accredited countries

\*\*2003 financial allocations but 2004 activities, not calculated in total for 2004

\*\*\*in addition transferred funds from previous years, if any

\*\*\*\*small grant 1-2000EUR

The 2005-2007 LCF strategy described the operating environment as promising after the 2002 elections. The democratic development or economic and institutional reforms did not, however, take place as expected: corruption and inequality increased instead and human rights situation worsened. The LCF strategy emphasised the role of the civil

society in social development and as a critical factor in the changes in the beginning of the year 2000.

According to the strategy, the Embassy followed the political and social development in the accredited countries and was willing to support positive changes and to address serious challenges through LCF support, such as the peace process in Somalia, democratisation process in Uganda, Eritrea/Ethiopia border conflict and the draught in the Horn of Africa. Even though during this period the bilateral support to Kenya was being restarted, LCF was still considered an important instrument to strengthen the civil society and to broaden the scope of the assistance. The LCF strategy emphasised complementarity to the bilateral assistance (justice and governance sector) and increased contacts with the civil society.

The conscious choice regarding LCF partners was to start long-term cooperation with well functioning and established organisations. Partners of the 2005-2007 strategy were stated to be mainly the same as supported earlier. Also new projects thematically supporting the bilateral projects in the energy and economic cooperation sector were identified.

Regarding the selection of the LCF partners, the following indicators were to be used: well-known; credible; having initiatives beyond the LCF support; high level of commitment; and commitment to implementation of MDGs and national development programmes. Cooperation was to be reviewed annually based on the level of impact.

#### *Implementation of the 2005-2007 strategy: annual report 2007*

Approximately 900 applications were received and as planned, the number of interventions was reduced. Altogether 21 interventions were supported, being 14 less than the previous year: 11 of them were continuation of previous support. Eight new agreements were made, out of which four were one-time payments mainly for training purposes. The Embassy has decided to limit funding the small projects only to exceptional cases to ensure that the support is not split into too many interventions. The funding for one project is limited to 100 000 EUR in three years.

#### *LCF strategy 2008-2010*

The focus areas have changed in the 2008-2010 LCF strategy. Democracy, good governance and human rights still account for 48% of the total allocation, while energy accounts for 15%, environment/forestry for 11%, poverty allocation (MDGs) for 5% and ICT for 5%. The accredited countries (Somaliland, Uganda, Seychelles) are allocated 8.5% and administration 2.5% of the funds. The budget includes annual allocations (2008) for the evaluation of the interventions (20 000 EUR) and LCF partner training (4000 EUR) as part of the administrative costs. Planned

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unallocated funds for 2008 are 3.8% (49 000 EUR – maximum being 50 000 as per the new norm proposal).

A detailed financial plan was made only for the year 2008 since it was expected that the 2007 elections might create other needs for the forthcoming years. The new LCF strategy increases focus on the bilateral sectors (environment; forestry; energy) with emphasis on poverty alleviation (support to the MDGs). Environment, forestry and energy sectors have several projects identified under them. The HIV/AIDS as a focus area ceases to exist after 2008 (allocation for one organisation in 2008), as there is already a significant number of actors and it does not logically fit in the thematic focus areas of the new strategy (interviews at the Embassy; annual report 2007).

The Strategy pays special emphasis to the sustainability of the previously supported organisations, operating environment, the new Finnish Development Policy, harmonisation (with other donors) and the Paris Declaration (sector selection). The strategy also states an intention to decrease the support of some long-term partners (KHRC; FPPS; FIDA).

The funding mechanisms used by the Embassy have been direct funding (in most cases), joint donor funding to fund one organisation jointly (FIDA; KHRC) and basket funding (NCEP I&II). The focus has been in funding service delivery, advocacy and human rights organisations in a balanced manner.

The selected LCF partners and specific interventions are presented more in detail in the LCF partner fact sheets in Annex 4.

### **Development of LCF in Nepal: 2004-2007**

The main objectives of Finnish development cooperation in Nepal are poverty reduction, assistance in the peace process and democratic development, improvement of human rights situation and promotion of sustainable economic and ecological development. The total disbursement of bilateral aid to Nepal was 5 MEUR in 2006 to be doubled by 2010 (€ 12 million). The main cooperation sectors with Nepal are education, water and sanitation and environment. In addition, support is provided through a number of Finnish NGOs working with local NGO partners while also Nepal's Peace Trust Fund and the OHCHR's Nepal's office receive assistance. The share of LCF has varied between 10 % in 2006 and 5,6 % in 2007: the amount of LCF is not growing but in the same time bilateral sector assistance is increasing. Table 2 shows the use of LCF in Nepal in 2004-2007.

**Table 2 Use of LCF in Nepal, 2004-2007**

	2004	2005	2006	2007
LCF funds available (€)	297 888	500 000	500 000	500 000
Number of projects	14	23*	31*	21**
Total funding/projects (€)	161 487	465 977	421 601	379 734
Min/max per project (€)	1 103 / 30 503	1 043 / 128 797	3 116 / 49 945	389 / 50 027
Average per project (€)	11 113	20 260	13 600	18 082

\*Five one-time grants provided as travel grants or other minor assistance (56 – 1619 €); \*\*= one one-time grant

The Local Cooperation Fund started operating in Nepal in 2004, covering the few earlier initiated activities of local cooperation; all the operations of the 1999-initiated Local Fund for Democracy, Good Governance and Human Rights; and a previously agreed cultural cooperation project. The local cooperation had been functioning with a very low budget (50 000 € in 2002 and 90 000 € in 2003; ASA 31, 29.11. 2004) while the Democracy Fund had been allocated the total amount of 555 000 € between 1999 and 2003 (Luukkanen 2003).

Democracy Fund was established in 1999 with an all-embracing purpose to “support / foster democratic process, promote good governance system in the public institutions, including the local authorities and civil societies, promote and secure social and gender equality and human rights, and alleviate poverty for a more equitable and sustainable development of the country”. The Fund was evaluated in 2003 as part of the assessment covering nine different countries (LCF Evaluation, 2003). The project approach, combining support to income generation with institution building and democracy assistance, had been created at least partially in the Embassy while the activities were implemented by local NGOs. The evaluation concluded that the fund-supported projects had reached their immediate objectives well although most of them suffered from the pressure of short-term funding commitments whose continuation was uncertain and conditional on performance. A long-term perspective (5-10 years) was recommend together with the revision of programme strategy through an up-dated analysis of the operating environment and “linking the intensive integrated grass-roots approach to national level democracy development through a systematic networking support around a relevant policy theme” (Luukkonen, 2003).

The first LCF strategy was elaborated in 2004 for 2005-2007. From the beginning the basic aim was to support and complement the Finnish

development cooperation in Nepal. The strategy describes briefly the country situation, concentrating on the conflict and political instability as the environment for the complex development setting. Consequently, the LCF strategy is considered as having an important role in implementing the general Embassy strategy addressing the Maoist conflict situation from three angles described as objectives:

- Addressing the root causes of the conflict- multi-dimensional poverty with numerous inherent inequities in the Nepalese society
- Assisting in the peaceful conflict resolution
- Addressing the already existing and potential future problems and challenges created or aggravated by the conflict.

As fourth objective the Embassy identified the initiation and testing of innovative approaches on how to best cooperate and support development in a conflict situation. The funding need was estimated at the annual level of 200 000 EUR for the Democracy fund projects (falling under the first objective) and around 290 000 EUR for the other projects. This together with the administrative costs would result in an annual allocation of 500 000 EUR – the allocation level that in practice has been maintained until the end of 2007. The actual disbursements have been lower especially in 2007 (Table 2.2.1).

In the plan prepared in 2006 for the period 2007-2008 the main objectives of the LCF are listed as follows:

1. Addressing multi-dimensional poverty and the numerous inherent inequities
2. Strengthening the voice of the voiceless: support to women's, dalit and janajati organizations e.g. in preparation for elections to Constituent Assembly
3. Alleviating consequences of the conflict: this covers support concerning Internally Displaced People, street children, city planning and infrastructure, cultural heritage, local languages and traditions as well as preservation of natural rarities
4. Creating and testing innovative approaches

The Embassy has had several modalities for funding the organizations:

1. Direct funding as in the case of Democracy Fund and most other projects: LCF has been used to fund a separate project proposal presented by an NGO.
2. Basket funding with a group of donors, such as the International Alert (INGO) project "Building meaningful dialogue in Nepal" in 2005-06 ; or the Human Rights Home (HRH) project "Strengthening the Human Rights Home in Nepal" in 2006
3. Funding national NGOs through an INGO: the project "Facilitation support to Madhesi Dalits to acquire citizenship cards in Rautahat and Mahottari districts" in 2007 was supported

by SNV Nepal and implemented by the Madhesi Dalit Network (several small NGOs).

The situation in Nepal has changed from 2004 and currently a new LCF strategy is under preparation by the Embassy. Most donors have shifted their agendas from coping with the conflict to the social inclusion agenda and the process of reconstruction, reconciliation and peace building, which will be reflected also in the LCF strategy. The aim is to link LCF strategically to the bilateral sectors. In addition, the aim is to concentrate in working in Terai area, where both the environment and water / sanitation projects will be implemented. Terai has been neglected by most donors but according to the Embassy analysis the region necessitates assistance due to the sensitive political, social and ecological situation.

### **Development of the LCF in Nicaragua: 2004-2007**

The main Finnish cooperation sectors with Nicaragua are rural development, local government and health. Finland has given budget support to Nicaragua since 2003. Harmonisation with other donors is a key aspect of Finland's cooperation policy in Nicaragua. Finland's goals have been to increase the ownership of the Nicaraguan government, harmonise the aid, and integrate the Finnish cooperation into Nicaragua's National Poverty Reduction Strategy and sector programmes. The implementation of Finnish funded programmes has been transferred almost completely to local partners, with the expatriates functioning as advisors.

The shift towards programme cooperation was made in a situation characterised by significant political problems at government level. These problems, combined with weak organisational performance have substantially hampered the implementation of the programmes especially in rural development and health sectors, while persistent problems have delayed initiation of the SWAPs.

The LCF allocations to Nicaragua increased steadily from approximately € 300,000 in 2004 to € 400,000 in 2006, falling back to € 350,000 in 2007 and € 300,000 requested for 2008. The current declining trend is linked to the specific country context of Nicaragua, where the like-minded donors (Nordic+) have managed to develop functional and well harmonised joint funding mechanisms for the key sectors. The use of LCF in Nicaragua in 2004-2007 is presented in Table 3.

**Table 3 Use of LCF in Nicaragua, 2004-2007**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007****</b>
LCF funds available (€)	308,956***	350,000	408,707****	350,000
Number of projects**	12+1	5+2	9+2	14

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Total funding/projects (€)*	272,773	232,590	268,707	338,400
Min/max per project (€)*	1,000/40,000	2,590/70,000	5,000/70,000	4,086/70,000
Average per project (€)*	22,731	46,518	29,856	24,171

Excluding joint donor funds; \*\*According to annual LCF report, includes joint donor funds (2004-2006); \*\*\*Includes € 58,956 transferred from 2003 funding; \*\*\*\*Includes € 58,707 additional allocation in late 2006; \*\*\*\*\*Based on Acta #3-2007.

Due to the political situation of the late 1990s, democracy, good governance and human rights, including citizens' participation and gender equity, became key themes of Finnish support to Nicaraguan civil society. A substantial part of this support was channelled through LCF. Within this focus area, the criteria for project selection included coverage (favouring large projects with national coverage), share of organisation's own funding, degree of networking and quality of the proposal. The guiding principle in the initial phase (i.e. 2002-2006) was to support the development of civil society's capacity for self-organisation, awareness and networking. These were believed to be essential for strengthening long-term impact and sustainability of the projects. Thus the focus was on advocacy work instead of service delivery, i.e. the organisations should not be replacing the state as service provider but rather influence public policy making. This strategy has had two main implications on the use of the funds: (i) the support has been concentrated in organisations based in the capital region, which often do not have strong basis at grassroots level, and (ii) direct results and impact are difficult to measure.

A special characteristic of the use of LCF funds during this phase was participation in joint donor funding mechanisms such as the Anti-Corruption Fund administered by Norway (since 2002), and the common fund to support civil society (Fondo Común de Sociedad Civil) administered by Oxfam GB (since 2005).

For 2005-2006 the Embassy prepared a two-year proposal for the use of LCF, the justification being reduction of administrative burden in the light of upcoming EU chairmanship. A total of € 700,000 was requested, divided evenly between 2005 and 2006. Some 29% of the appropriation was left unreserved, to be allocated according to emerging needs. Most funds were allocated to four relatively large projects (€ 40-70,000 per year) implemented by old partners (i.e. AMPDI, Ética y Transparencia, IHCA and IXCHEN) in continuation of previous or largely similar activities. The annual LCF report for 2005 is rather vague and incoherent, leaving almost all of the untied allocation of € 100,000 unaccounted, but other sources indicate that it was allocated through a new joint donor fund to support

civil society, in addition to continuing support to the Anti-Corruption Fund.

In 2006 new funding was directed mainly to small projects supporting civic education connected to national elections, decentralisation and trade capacity development (ICT and women entrepreneurs). Selection of organisations and projects to be supported was based on three different approaches: (i) previous contact in other context (e.g. budget support monitoring group); (ii) good previous experience through LCF funded projects; and (iii) involvement in current topical events. According to the report, 61% of the funds were used to support good government and the rest to support gender equity, human rights and economic development.

According to the LCF strategy 2007-2009, the main areas of support are: a) Cultural identity, including recovery and preservation of cultural identity processes, linking such processes to local economic development; b) Vulnerable groups, including support to projects focusing on children and youth, the elderly and disabled persons.

Other projects which are complementary to other Finnish support modalities, working with organisations that are not direct counterparts of the bilateral programmes but are strategically important, may also be considered as a priority. The two priority areas have equal priority, while complementary projects are tentatively allocated 10%.

Since 2007, Finland has participated in joint funds for CSO support using bilateral funding (democratic governance, sexual and reproductive rights), and thus these areas are excluded from LCF funding in the new strategy. Currently a similar joint fund is under preparation for rural development. Minimum size for projects is € 2,500 and maximum is € 70,000, the latter being for national level projects. The projects are mainly to be annual, but multi-year contracts can also be made with organisations that have proven capacity from previous cooperation. Projects that are innovative, have clear objectives that can be evaluated against established criteria and/or can produce sustainable results are prioritised. In 2007, support to many previous long-term partners was channelled through the joint funds.

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**ANNEX 5 LCF IN THE CASE STUDY COUNTRIES: KENYA**

**Evaluation of the Local Cooperation Funds:  
Role in Institution Building of Civil Society Organizations**

**Kenya Country Report**

**Pirkko Poutiainen**



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## ACRONYMS

APDK	Association of the Physically Disabled in Kenya
CBD	Central Business District
CBF	Capacity Building Fund
CBO	Community-Based Organisation
CBR	Community Based Rehabilitation
CDF	Community Development Fund
CHRCE	Centre for Human Rights and Civic Education
CIDA	Canadian International Development Agency
CLARION	Centre for Law and Research International
CS	Civil Society
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DANIDA	Danish International Development Agency
DFID	Department for International Department (United Kingdom)
DGDG	Democratic Governance Donor Group
ECWD	Education Centre for Women in Development
ERS	Economic Recovery Strategy
EU	European Union
FDP	Finnish Development Policy
FFS	Farmer Field School
FIDA	Federation of Women Lawyers – Kenya
FPPS	Family Programmes Promotion Services
GGP	Gender and Governance Programme
GJLOS	Governance, Justice, Law and Order Sector Reform
HABITAT	United Nations Human Settlement Programme
HAC	Harmonisation, Alignment and Coordination donor group, Kenya
HQ	Headquarters
ICT	Information and Communication Technology
IDRC	International Development Research Centre
IGA	Income Generating Activity
INGO	International Non-Governmental Organisation
KAMADEP	Kazi Mashambani Development Programme
KANU	Kenya National African Union
KHRC	Kenya Human Rights Commission
KJAS	Kenya Joint Assistance Strategy
KIF	Kenya ICT Federation
LATF	Local Authority Transfer Fund
LCF	Local Cooperation Fund
LGA	Local Grants Authority
MDG	Millennium Development Goals
MEUR	Million of Euro
MDKK	Million of Danish Crowns
M&E	Monitoring and Evaluation
MFA	Ministry for Foreign Affairs of Finland
NCEP	National Civic Education Programme, Kenya
NGO	Non-Governmental Organisation
OA	Organisational Assessment
OD	Organisational Development
PAC	Puppets for Anti-Corruption
PEN	Poverty Eradication Network

PoA	Plan of Action
PPG	Puppets for Good Governance
PRA	Participatory Rural Appraisal
PWD	Person With Disability
SBPP	School-Based Puppetry Project
SIDA	Swedish International Development Agency
SWAP	Sector-Wide Approach
SWOL/T	Strengths, Weaknesses, Opportunities and Limitations/Threats analysis
TPC	Training Planning Committee (Embassy of Finland, Kenya)
UN	United Nations Development Fund for Women
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIFEM	United Nations
USAID	United States Agency for International Development
USD	US dollar
WWG	Wildlife Watch Group

# 1 IMPLEMENTATION OF THE EVALUATION

## 1.1 Introduction

### 1.1.1 Civil Society Organisations in Kenya

Non-Governmental Organisation (NGO) activities in Kenya are spread in every corner of the country and cover almost every aspect of the economy. There are currently approximately 8000 registered NGOs including International NGOs (INGOs) but according to estimations the wider non-profit sector (including NGOs, self-help groups, women and youth groups) encompasses over 220,000 organisations. It is estimated that the annual income of NGOs is USD 1 billion, approximately 3% of the GDP (Kinyanjui, 10.1.2008). The Government now regards NGOs as true partners in development.

#### *History of civil society organisations*

The tradition of civil society organizations in Kenya is long and well-established, having its basis in the emergence of church based and independent secular organisations during the colonial period. At independence, Kenya pursued a growth-oriented development strategy supported by a high wage policy (National Development Plan, 1964-70). The economy has had four discernible phases. The early years of independence were marked by a rapid growth phase, followed by a second phase influenced by oil price rises and the coffee boom in the 1970s. The third phase covering the 1980s was a period of stabilization, while the 1990s was an era of liberalization and reduced donor inflows. Similarly the proportion of people below the national poverty line rose from 48% in 1990 to 56% in 2003. The economy improved and grew at 2.6 percent in 2004 compared with 1.8 percent in 2003.

The church based organisations were formed to address relief and welfare issues. Local welfare organisations were formed to deal with political overtones during the struggle for independence through their prominent role in nationalist movements, despite efforts by the colonial authorities to control and regulate their activities. After independence, they were often based on the Harambee motto where communities mobilised themselves and their resources and contributed freely to the development processes by building schools, health clinics etc. It is on this very basis that many NGOs still operate at the community level with different CBOs.

The 1970s were characterised by *de facto* one-party rule, which was formalised through a 1982 constitutional amendment making Kenya a one-party state and outlawing any alternatives to the ruling party, the Kenya National African Union (KANU). All political activity that was perceived as a threat to the KANU regime was prohibited while civil and political rights such as the right of assembly and expression were limited. During this period, rights advocacy groups consisted mostly of underground movements that communicated their message through distribution of literature banned by the Government. The most visible response by the civil society was through “people’s participation” initiatives that were housed within church-based organisations, constituting about the only political space that the one-party state did not overtly clamp down on.

Participatory Rural Appraisal (PRA) as a distinct practice for community practitioners offered a counterpoint to the Government’s District Focus for Rural Development policy which was top-down in its implementation. Radical politics began to tone down and the role of radical civil society groups in the macro-political process waned as PRA and the broader discourse of community participation got gradually absorbed into mainstream development programmes of bilateral aid agencies and service delivery-oriented NGOs (Cornwall, Musyoki and Pratt 2001).

It was not until the late 1990s that the civil society sector began to get politicised again, a change that attributed partly to that they could not ignore the momentum that was building up for constitutional change and the accompanying demands for better protection of citizens’ rights, and partly to the influence of the shift toward advocacy and rights-based approaches by some INGOs.

The legal restriction on party politics was lifted in December 1991. This opened up also a proliferation of NGOs working on human rights, focusing largely on civil and political rights and relying exclusively on external funding and with tenuous connection to grass-roots constituencies. Rights advocacy groups as well as other key actors such as religious leaders and professional organisations (f.ex. the Law Society of Kenya) focused their energy on openly agitating for a multi-party system. This agitation, along with campaigns for legal reform to repeal repressive laws (such as those allowing detention without trial) defined rights advocacy groups well into the early 1990’s. Since the mid-1990s a cross-section of rights advocacy groups and religious organisations led initiatives for an overhaul of Kenya’s constitutional structure primarily in order to dismantle the machinery of one-party rule and allow for genuine political transformation. However, many constituencies within civil society – such as women, pastoralists,

religious groups, and persons with disabilities – were riding on this wave of reform to demand the inclusion of their specific concerns. The KANU government finally agreed to initiate a comprehensive reform process in 1997 (Mutunga 1999; Cowen and Ngunyi 1997).

The reform process drew from previous civil-society led initiatives and came up with a broadly representative process preceded by a sustained nationwide civic education campaign. The constitutional reform process (which is still ongoing) has provided opportunities for collaboration between groups in rights advocacy and groups working in participatory development. One example of such collaboration is the “Basic Needs are Basic Rights” campaign which has been working to ensure the expansion of rights in the new constitution to include economic and social rights such as education, shelter and health.

The decade 1980- to late 1990s was characterised by a difficult relationship between state and civil society. There were major struggles around the questions of economic and political reform in a context of deteriorating economic performance aggravated by ethnic tension and often poor relations between the Government and the donors as well (Gibbon, 2000).

#### *Present day relationship between Government and civil society*

The Government elected into power with an overwhelming majority in 2002 supported the development of a new constitution and preparation of new policies and strategies for social and economic recovery and improved governance. It also inherited the old apathetic civil service and attitudes shaped by years of corruption and negligence (ILO 2004). Since 2002, enabling voice for accountability emerged as central to the manner in which the groups defined a rights based approach (Musembi and Musyoki 2004). Civil society supported communities to engage with government in claiming their rights.

The Government’s ambivalence to reforms has also been disorienting to civil society. Most reform initiatives that formed the core of the governments manifesto have not been implemented. CSOs have therefore been at a loss as to when to engage the government and when to disengage (Skadkaer 2007). Ambivalence has been witnessed in the government’s approach to reforming the constitution and in fighting corruption. There is a wide gap between rhetoric and action. As a result, an

overarching vision for civil society engagement with the government continues to be lacking.

The Economic Recovery Strategy, developed by the current government from the Poverty Reduction Strategy Paper, came to an end 2007. A new 5-year edition of the strategy is currently under consideration within the framework of Vision 2030. The Vision 2030 has three pillars, namely economic, social and political. The social pillar aims at a just and cohesive society with social equity in a clean environment while the political pillar pursues the issue-based, people centred result oriented and accountable, democratic political system. The Vision 2030 recognises the important role played by civil society, including the private sector in achieving its objectives. This offers CSOs opportunities to influence the contents of key pillars and issues which will be the basis of engagement for the next five years.

The ongoing constitutional reform process has provided opportunities for collaboration between groups working in rights advocacy and participatory development. The Kenya Joint Assistance Strategy (KJAS) also offers opportunities for CSOs. The presence of and partnerships with Northern NGOs provide possibilities for co-operative work on issues within the global agenda.

The Government mostly views CSOs as a vehicle for service delivery while donors often regard them as an instrument to control the Government. The strain of these agendas could create confusion or the possibility of co-option of CSOs. Competition for donor resources by CSOs has been narrowing the exploration for collaboration or scope for dialogue.

The Government is increasingly able to raise ordinary revenue to fund its expenditure which is a shift compared to the previous era. Previously the civil society and donor partnership had greater leverage on the Government which might not be the case at present (Skadkaer 2007).

### *Capacity of CSOs*

There are several strengths regarding the civil society in Kenya. There is a long and established tradition of civil society organizations engaging on diverse issues ranging from human rights to social justice. The country has also good examples of well-organized networks and collaborative efforts such as the network on land issues and the collaborative effort on constitutional reform that has effectively championed issues evolving around land reform through advocacy and policy engagement. In addition,

the civil society sector continues to attract well-qualified and experienced staff. CSOs contribute to democracy by influencing public policy and fostering voice and participation, which in turn are functions of internal governance practices. They have a capacity to offer citizens a say in decisions demanding accountability from state actors (Skadkaer 2007). An opportunity for further development of the civil society is the opening of the Government to CSO participation in policy formulation, implementation and review.

The fractious nature of Kenyan civil society remains, however, a serious challenge. The collapse of the umbrella organisation, National Council of NGOs of Kenya, is an important illustration of this fragmentation. In addition, CSOs are still experiencing a leadership crisis owing to migration of core leaders to the public and political sectors following the 2002 elections. Most organisations are facing high dependence on personalities, weak corporate governance, low or absent membership bases, and an over-reliance on donor support.

There is also unwillingness and inability to come to terms with the changed environment and hence a lack of reflection on strategy and scope for engagement (activism versus policy engagement) and scope of engagement (from human rights and democracy to social justice). Fragmentation due to internal divisions, ethnicity and politicization has, over the last three years, paralyzed the NGO Council and there is as yet no leadership or plan to revitalize this key organization.

The contribution of civil society organisations to democracy has not been limited to their capacity to influence public policy. They also foster voice and participation, which in turn are functions of internal governance practices. Their capacity to offer citizens a say in decisions and to enhance pluralism may be as important as their ability to influence policy and demand accountability from state actors. There are also arguments that “if civil society does not get its act together and create net-works (based on values and issues) and increase capacity and develop strategies for engagement, there is a real risk that it could be marginalized as a participant in democratic development – not by decision but by default” (Skadkaer 2007).

#### *NGO policy and regulatory system*

The NGO Policy was approved by the Government in 2006. The overall objective of the policy is to create an enabling environment for NGOs to

operate effectively in the social and economic transformation of the country (GOK 2006). The Government therefore expects the NGO Council to strengthen the self regulatory mechanisms already existing in the NGO sector. This policy document supports formation of partnerships between NGOs, private sector and communities for the purposes of creating synergies and coordination in operations, communications, resource use, enhancement of democratic principles and accountability.

The Government and CS sector representatives share the responsibility for regulating the sector in Kenya. The NGO Co-ordination Act (1990) provided for the creation of a self-regulatory body for NGOs – the National Council of NGOs – alongside the government oversight body: the NGOs Co-ordination Board. All NGOs registered by the NGO Co-ordination Board automatically become members of the

National Council for NGOs. The Council oversees adherence with a Code of Conduct. Its Regulatory Committee sits periodically and acts as a tribunal.

All NGOs registered by the NGO Co-ordination Board automatically become member of the National Council for NGOs. The NGO Council has for a long time been affected by political interests and consequently many civil society organisations do not respect or associate with the NGO Council.

The NGO must have a constitution specifying its objects. This must comply with requirements issued by the NGO Co-ordination Board. They are required to declare bank account details in their Annual Reports and to report any changes in address or changes in officers to the NGO Co-ordination Board. NGOs must also submit an Annual Return to the NGOs Board. Any serious concerns about NGOs are investigated by the NGO Co-ordination Board which can then dismiss the complaint, admonish the organisation, fine it, or suspend or cancel its registration certificate. The NGO Board can also order the freezing of bank accounts if appropriate. There are no special rules controlling receipt of funding from overseas.

### **1.1.2 Other Donors implementing Similar Instruments**

In Kenya there are both multi- and bi-lateral donors donors that implement similar small grants as the LCF. The main directly financing multi-lateral donor is EU. The UN system (UNDP, UNIFEM, UNICEF) functions mostly as an executing agency for some bi-lateral donor funds (e.g. SIDA, DFID) but it also finances directly some interventions. The main bi-lateral donors are USAID, CIDA, SIDA, DFID, DANIDA, Swiss Embassy, Austrian Embassy and Embassy of Norway while the key sectors for small grant funding are

human rights and administration of justice, legislative strengthening, anti-corruption, electoral processes, local governance, civic education, National Civic Education Programme (NCEP II, basket funding), conflict prevention and mitigation, youth, gender/FMG, capacity building and training, judicial reforms and policy change.

### *Embassy of Norway*

The Norwegian Embassy supports 8-10 Kenyan CSOs working on governance with an annual contribution of 3-4 million USD. Governance includes advocacy on democracy, human rights, gender and election-related matters. The capacity of CSOs is one of the main criteria for selection: the Embassy has limited staff and only organizations that have a strong administrative set-up and good financial management system are selected.

Grants are used to support operations but also core funding through multi-annual agreements which last at least 2-3 years. There is an annual meeting with each of the funded CSOs to discuss the report and the new proposal, but in case of joint donor funding (for example Kenya Human Rights Commission) the organization is met during the “donor day” for a joint review of achievements and budgets. In Embassy's opinion one of the main advantages of direct funding of CSOs is the continuous contact with the organizations, access to information and sharing of opinions.

The Embassy also funds donor baskets such as NCEP, Gender and Governance Programme (GGP) and Governance, Justice, Law and Order Sector Reform (GJLOS). The GGP which is funded through UNIFEM has more than 30 partners while participating donors are 8-9. From the Embassy point of view joint basket funding is not found as satisfactory as direct funding because the contact remains limited, partner organizations are too many (around 30) and there is not enough time to discuss with partners due to numerous basket meetings between the donors.

The impact is not regularly followed but the “awareness on people's rights” is mentioned as the main outcome of all governance initiatives, including the NCEP work. The Embassy informs Kenyan government annually about the amount and kind of support provided to the civil society. Current political situation in Kenya is seen as changing the ground also for CS but the direction is still completely open.

## *Embassy of Denmark*

The Danish Country Strategy for Kenya foresees improved governance as a key to societal development; consequently also the role of CSOs will be enhanced and strengthened. Civil society organisations are supported both through an Embassy-managed Local Grants Authority (LGA) and bilateral programs that provide funds to ten CSOs on long-term basis. The total Danish budget to Kenya was MDKK 292 (in 2007 EUR 39 million).

The overall purpose of the LGA is to “provide a flexible and non-bureaucratic instrument, allowing prompt and relevant response to development requirements in eligible countries.” Through the LGA the Embassy can use annually up to DKK 5.0 mill. (approx. EUR 670 000) without prior referral to the Ministry of Foreign Affairs and in accordance with the regulations stipulated in the Instructions and Guidelines (2006). These Minor projects are currently dealing with issues that range from good governance and environment to gender-based projects in different parts of the country. Due to the nature of these projects, grants for mini projects must not exceed a maximum of DKK 75,000 per project.

The partners of the LGA can include national authorities, NGOs, CBOs, associations, independent research institutes, foundations, etc.), local representations of multilateral organisations (UN-organisations and Multilateral Development Banks), private companies, individuals, local consultancy companies or local individual consultants.

The bilateral “Peace, Security and Development Programme“ has been implemented since 2005 on an annual budget of DKK 5.0 mill. (approximately 670 000 Euro) in the Coast Province, where five local CSOs are supported. The focus of the pilot is vulnerable local communities with a view to promoting dialogue, tolerance and inclusion of marginalised groups in the Kenyan democracy. Support is provided for implementing outreach activities, including information campaigns; public education activities; community forums; inter-faith dialogue meetings; training of peace and security facilitators; and information sharing and trust-building between religious community leaders.

The “Kenya Good Governance Programme” (2005-2010) supports the government reform program, including the key GJLOS Programme and anti-corruption activities. It also includes support to civil society in order to strengthen the role of civil society, enhance dialogue and interaction with the government with a view to improving democracy, human rights and good governance. The strategic NGO partners are FIDA, KHRC, CLARION (Centre for Law and Research International), Legal Resource Foundation

and Kituo cha Sheria, which are supported for five years with DEK 50 mill. (approximately 6,7 million Euro). All the five organisations were initially receiving funding from LGA for short projects. This helped to create the trust and good partnership that was renewed to support them in the framework of the bilateral programme. LGA was useful for their organisational development as also core funding can be provided. NGOs are also supported to assist community user groups through training and environmental projects as part of environment sector support.

Danish Embassy is now assessing the way forward with its assistance to CSOs and two academic studies will be conducted jointly with CIDA and DFID in 2008 to better focus the type of support. The aim is to identify the “core” of Kenyan NGOs and proper ways of promoting it.

### *Swedish Embassy*

The Swedish support to Kenyan civil society is integrated in the 5-year country strategy, which concentrates most bilateral assistance to democratic governance and natural resources (environment, water, agriculture) sectors. In 2004 the CS assistance was evaluated after many years of diverse NGO projects. The recommendation was that the Embassy did not have sufficient capacity to properly handle the funds and the support should be channeled through an umbrella organisation. The NGO Council having collapsed and no other CSO being interesting in taking up this role, the Embassy identified three UN organisations to carry out the work: UNICEF (on children-related issues), UNIFEM (to support women's and gender projects) and UNDP to manage the funds on democracy, human rights and good governance. In addition, also the GJLOS basket has been funded and some assistance is given through the PAMOJA-trust and Shelter-forum to work with land dwellers in areas affected by land use conflicts.

The funding provided through the UN organisations to CSOs was evaluated last year. While UNICEF and UNIFEM received a sufficient rating for their services, UNDP was assessed as not having the necessary capacity due to high turnover of staff, limited understanding of rights based approach and the impossibility of UNDP to provide core funding to CSOs. It was decided to stop working through UNDP and transfer the funds to the new Civil Society / Democratic Governance Facility to be established in near future by the Netherlands and Swedish support – probably also Denmark, Canada and Norway are interested. This Facility would call for proposals from CSOs and provide funding for initiatives addressing economic, social and cultural

rights in Kenya. The managing organisation has not yet been identified, but possibly it will be once again UNDP.

Generally the Swedish support goes to funding CSOs strategies instead of separate projects. The financial and general management system of the organisation are very important selection criteria and therefore these systems are audited before starting any partnership.

Although Swedish support has been implemented through joint donor baskets and UN organisations, the Embassy staff does not feel that the contact with civil society has been lost. The staff participates in semiannual meetings organised by UNIFEM and UNICEF together with NGOs (around 10 with both organisations) and in between they meet individually with most NGOs.

Impact is followed through reporting and the Embassy considers that the main impact of CS assistance is people's awareness of their rights. Sweden has supported Kenyan CSOs for a long time and contacts with many organisations are tight. The Embassy thinks that the complaint of CSOs about reduced funding due to donors supporting mostly the government since 2003 is not well grounded as there has not been any evaluation of it. CSOs have plenty of opportunities for working although in present situation there is the risk that they will become more as service delivers. The Embassy is, however, not going to take any premature decisions but will wait to see the outcome of the current political crisis.

## **1.2 Brief Review of the Intervention**

### ***1.2.2 Finnish Development Assistance in Kenya***

In the bilateral discussions in 2004 between Kenya and Finland it was agreed that the Finnish Government would support three sectors: Good Governance, Energy and Forestry. For Good Governance Finland together with other donors supports the Governance, Justice, Law and Order Sector Reform (GJLOS). Support to Energy and Forestry sectors are now in the initial phase. They take into consideration issues prioritised in the Development Strategy and the challenges related to Kenya's energy and forestry millennium goals.

Finland's aim is to increase trade with Kenya. The biggest obstacle is Kenya's bad reputation as an operational environment caused by

corruption, which has led to low interest from Finnish businesses. Finland has emphasised, in both its bilateral talks and in dialogues within the EU, the need to tackle corruption. Along with approximately 15 other donors, Finland participates in the basket financing of the GJLOS Reform Programme, which has been financed with 0.6 MEUR in 2004 and 2005. For the period 2005-2008 8 MEUR have been committed.

In bilateral dialogues, as well as in the dialogues with the UN framework and international development financing institutions, Finland has emphasised the achievement of the MDGs. Between 2005 and 2007, Finland financed a UNDP project with 2.8 MEUR, in which the Kenyan government was assisted to incorporate the MDGs in its National Development Strategy. Further support to the MDG process is at initial planning stages.

## **1.2.2           Development of LCF in Kenya**

The implementation of the Local Cooperation Fund in Kenya started in year 2000. Within the evaluation period (2004-07) two LCF strategies have been prepared, for the years 2005-2007 and 2008-2010. Since 2005, the annual financial allocation has been 1.3 million euro. Organisations and specific interventions supported are annexed to this report (Annex 3 ).

### *LCF strategy 2005-2007*

The key focus areas in the 2005-2007 LCF strategy were democracy, good governance, human rights and social (gender) equality which accounted for 51% of the total budget; poverty alleviation 14%; HIV/AIDS 11%; and ICT/Others 2%. Out of the budget 80-90% has been allocated for Kenya, and the remaining funds for the accredited countries and administration (2-3%). In 2005 and 2006 9% and 5%, respectively, were allocated for Somalia (accredited country). Planned unallocated funds vary from 11% (2005) to 14% (2006) and 27% (2007). The number of planned interventions in Kenya was 22, out of which only three new ones. Table 1 shows the use of LCF funding in 2004-2007.

The 2005-2007 LCF strategy described the operating environment as promising after the 2002 elections. However, the democratic development and the economic and institutional reforms did not take place as expected. Corruption was rampant and the operating environment was characterised by increasing inequality and worsening human rights situation. In this operating environment the LCF was considered an important instrument of

cooperation, particularly in strengthening the civil society, good governance, democracy and social/gender equality.

**Table 1** Use of LCF in Kenya, 2004-2007.

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>LCF funds available (€)**</b>	1.5 Million	1.3 Million	1.3 Million	1.3 Million
<b>Number of projects</b>	29+4*+5**	24+4*	27+4*+2****	20+1*
<b>Total funding/projects (€)</b>	1567000	1 444 433	1 299 738	944637
<b>Min/max per project (€)</b>	1533/100000	6600/159 770	4500/119000	2940/100000
<b>Average per project (€)</b>	47510	51586	46347	44982

\*in accredited countries

\*\*2003 financial allocations but 2004 activities, not calculated in total for 2004

\*\*\*in addition transferred funds from previous years, if any

\*\*\*\*small grant 1-2000 EUR

According to the strategy the Embassy follows the political and social development in the accredited countries and is willing to support positive changes and to address serious challenges with the LCF support. At the time in Somalia the peace process was progressing, as well as the democratisation process in Uganda (multi-party system and elections 2006). Also the Eritrea/Ethiopia border conflict and draught in the Horn of Africa were addressed.

Even though during this period the bi-lateral support was starting after a pause, LCF was considered an important instrument to strengthen the civil society and to broaden the scope of the assistance. The LCF strategy emphasised complementarity to the bi-lateral assistance (justice and governance sector) and broadened contacts with the civil society. Inclusion of LCF supported interventions in the slum areas was seen to have linkages with the HABITAT support through bi-lateral assistance. Slum areas were seen as a threat to social development and stability. Other LCF linkage was found with the Finnish bi-lateral support to the MDG implementation executed by the UNDP, where the awareness-raising considering the MDG objectives was supported. HIV/AIDS was considered as a huge problem to be addressed through LCF interventions, and ICT was seen as an important area for cooperation.

The aim was to work for long term with well functioning and established organisations. Partners of the 2005-2007 strategy were stated to be mainly the same as earlier. It was mentioned, though, that new LCF projects that would thematically support the new energy sector bi-lateral projects as well as economic cooperation have been identified. The following indicators were to be used in the selection of LCF partners: well-known; credible; having initiatives beyond the LCF support; level of own commitment; and commitment to implementation of MDGs and national development programmes. Cooperation was to be reviewed annually based on the level of impact.

#### *Implementation of the 2005-2007 strategy*

Approximately 900 proposals were received in 2007 but the number of funded interventions was decreased. Altogether 21 interventions were supported, being 14 less than the previous year. Of these 11 were continuation of the support for multi-year interventions implemented by long-term partners. Eight new agreements were made, out of which four were one-time payments mainly for training purposes (Kenya Library Association/World Social Forum; Kenya Forest Working Group; Wildlife Club of Seychelles). In addition, the support for the Ebenezer Children's Home continued. Long-term partnership is planned with Release the Political Prisoners and Kenya ICT Federation.

The Embassy has decided to fund small projects only in exceptional cases to ensure that the support is not split between too many interventions. The funding for one intervention is limited to 100 000 EUR in three years.

#### *LCF strategy 2008-2010*

The focus areas have changed in the 2008-2010 LCF strategy. Democracy, good governance and human rights still account for 48% of the total allocation; energy 15%; environment/forestry 11%; poverty alleviation (MDGs) 5%; and ICT 5%. The share for accredited countries (Somaliland, Uganda, Seychelles) is 8.5% while administration gets 2.5%. The budget includes annual allocations (2008) for the evaluation of the interventions (20 000 euro) and LCF partner training (4000 euro) as part of the administrative costs. Planned unallocated funds for 2008 are 3.8% (49 000 euro – maximum being 50 000 as per the new norm proposal).

A detailed financial plan was made only for the year 2008 since it was expected that the 2007 elections might result in new needs for the forthcoming years. Financial volume remains at the same relatively high level to complement the bi-lateral development cooperation in the same sectors, and to strengthen the enabling environment of civil society.

The new LCF strategy increased focus on the sectors of bi-lateral support (environment; forestry; energy; governance and justice) with emphasis on poverty alleviation as per the support to the MDGs. Several projects were identified under environment, forestry and energy sectors. The HIV/AIDS as a focus area ceases to exist after 2008 (allocation for only one organisation in 2008). The reasons for ending support to the HIV/AIDS which was still considered a huge challenge in the previous LCF strategy were the high number of donors for these interventions as well as the change in strategy priorities (interviews at the Embassy; annual report 2007).

The strategy indicates that both CSOs operating nationwide and locally have been included to ensure the social impact and contacts with the civil society at both levels, which is considered important by the Embassy. Special focus in the planning of the LCF support was on ensuring sustainability of the previously supported organisations, operating environment, the new Finnish Development Policy, harmonisation (coordination and collaboration with other donors) and the Paris Declaration (sector selection). The strategy also states the intention of decreasing support for some long-term partners (KHRC; FPPS; FIDA) but does not specify the reason for this.

The selected LCF partners and specific interventions are presented in detail in the LCF partner analysis (Annex 4).

### **1.2.3 Administration of LCF by the Embassy**

The Fund for Local Cooperation is advertised only in the Embassy website [www.finland.or.ke](http://www.finland.or.ke). As the Embassy pages are currently under construction it has not been possible to assess the contents.

The LCF is administered by the locally recruited Finnish LCF Coordinator (Programme Officer) and the Kenyan LCF Assistant (Administrative Assistant). Their job descriptions include also other tasks, although the job description of the LCF Assistant covers mostly LCF administration. Neither of them complained about lack of time for administering the LCF, but monitoring of the interventions is considered weak. Interventions are visited once a year. Advisors (Governance, Forestry, Energy, MDGs) participate in appraisal, selection, prefunding and monitoring visits if time permits.

Funding decisions are made approximately every quarter and/or when need arises. Proposals are first screened by the LCF Assistant who makes a pre-selection. LCF Coordinator further screens the proposals and presents them in the selection meeting chaired by the Ambassador and attended by the Advisors. According to the committee meeting minutes of 2.4.2007 Ambassador, Governance Advisor, Deputy Head of the Mission and Programme Officer (LCF Coordinator) participated and discussion on the proposals and on-going interventions was conducted. Some of the proposals were to be taken to a donor meeting for receiving further information. The minutes did not give clear indication on the reasons for approval or non-approval.

Monitoring of the interventions is irregular and insufficient. A best practise, however, is the regular external evaluation and auditing of interventions. Evaluation team saw only two of the monitoring visit reports (internal visit by NCEP II; PEN in Kajiado 8.11.2007 by the Embassy). For the Embassy's own visit a format for MFA project monitoring was used. The form was properly filled and included interesting information of the status of the project, including reasons for delay in implementation. This format could be used also by other Embassies for their monitoring visits.

In its report (142/2007) the National Audit Office of Finland reported on the use of LCF by the Nairobi Embassy. It stated that administration of the LCF has mainly followed the requirements. The issue of making payment in one instalment after signing of the Agreement (this was acted upon after the audit) was raised, as well as supporting result-based activities rather than core funding and the need for the expenditures to respond to the activities in the proposals. The report stated that in some cases supporting joint donor funds (korirahoitus) to decrease administrative burden of the organisation might be justified but it is not regulated by the Norm and thereby should not be allowed. It was stated that if the MFA considers this kind of funding modality appropriate it should be included in the Norm, and it has later been included. Special mention was made of the archives to be organised based on the interventions so that decisions, agreements and reports are easily available.

### **1.3 Objective and Purpose of the Evaluation**

One of the objectives/goals of the Local Cooperation Funds (LCFs) is to strengthen the local civil societies to enable them to continue their activities

for the benefit of the respective societies without external support. The main purpose of the evaluation is to assess to what extent the LCFs have achieved the overall goal and the objectives spelled out in the norms, to analyse any discrepancies encountered and to assess the entire governance system of the LCFs. The main users of the evaluation will be the Ministry, Embassies, and the local cooperating NGO's.

The objective of evaluation is two-fold: firstly, to offer expert views to the current status of the LCFs in terms of their role in the institution building of local civil society and through this angle to improve the LCFs as an aid instrument, and secondly, to streamline and clarify the roles and division of labour of governance to improve the overall management efficiency of the LCFs.

#### **1.4 Methodology used, Data Collection and Analysis**

The LCF evaluation mission in Kenya was carried out 31.12.2007-18.1.2008. The schedule is annexed to this report (Annex 1). The evaluation team comprised of three persons: Pirkko Poutiainen (Team leader); Merja Mäkelä (Consultant) and Regina Karega (National Consultant).

The team familiarized itself with the documentation provided by the Embassy (proposals; Agreements; progress and audit reports; evaluations). In-depth discussions were carried out with the Embassy personnel (Ambassador, LCF Coordinator and LCF Assistant, Advisors and regular Embassy staff), Government of Kenya (Ministry of Finance), NGO Council, bi- and multilateral donors, LCF partner organisations and the local level beneficiaries of the projects implemented by these organisations. In addition, a half-day participatory workshop with selected LCF partner organisations was conducted. A briefing and debriefing meeting with the Embassy was carried out in the beginning and at the end of the mission, respectively. In the debriefing the preliminary results and key findings were presented followed by immediate feed-back. Team meetings for analysis were held daily.

Out of 22 organisations/interventions implementing LCF interventions (2005-2007) nine were originally selected for the LCF evaluation:

- Association for Physically Disabled Kenya (APDK)
- Centre for Human Rights and Civic Education (CHRCE)
- Education Centre for Women in Democracy (ECWD) (cancelled)
- Women Lawyers in Kenya (FIDA)
- Family Programmes Promotion Services (FPPS)

- Kazi Mashambani Development Project (KAMADEP) (cancelled)
- Kenya Human Rights Commission (KHRC)
- Kenya ICT Federation (KIF)
- Poverty Eradication Network (PEN)

Two of the organisations, namely ECWD (office closed) and KAMADEP (in Western Kenya) were dropped during the mission due to the difficulty in moving in the country. It was not possible to arrange meetings with these organisations. Remaining seven organisations are presented more in detail in the Annex 4.

The key selection criteria were long-term LCF support; inclusion of at least one organisation under each LCF 2005-2007 strategy focus area; organisations with different size, mandate, status, capacity etc. Selection of the LCF partner organisations was carried out in collaboration with the Embassy.

Out of the seven remaining organisations FIDA (year 2007 funds not disbursed), FPPS and KHRC have been funded since year 2000 and are the longest-term LCF partners. Support to APDK started in 2001, CHRCE in 2002 which can also be considered as very long-term partners. KAMADEP (in 2005), PEN (in 2006) and KIF (in 2007) are the newest partners of the case study organisations.

**Table 2** Funding of case study organisations.

<b>Organisation</b>	<b>Funding started</b>	<b>Total funding (euro)</b>	<b>Annual maximum</b>
<b>FPPS</b>	2000	407 652	60 000
<b>CHRCE</b>	2002	235 591	65 411
<b>FIDA</b>	2000 (2007 not disbursed)	473 333	100 000
<b>KHRC</b>	2000	708 333	100 000
<b>APDK</b>	2001	266 768	83 435
<b>PEN</b>	2006	160 420	63 000
<b>KIF</b>	2007	89 240	49 240

During the second week of the mission a 1-day field trip was conducted in Mwingi, and a workshop with the LCF partners was organised.

## **1.5 Limitations**

- 1) Post-conflict violence during the field mission and its impact. The parliamentary and presidential elections in Kenya were conducted on 27.12.2007. The evaluation period was constrained by country-wide post-election violence. As a result, several modifications regarding the evaluation methodology needed to be undertaken, particularly related to the field trips and discussions at the local level. Travelling in most parts of Kenya was restricted and not considered safe. This included the centre of Nairobi during the opposition rallies and heavy security police presence and in slum areas (e.g. Kibera). Most of the multi-lateral donors (World Bank, UNDP, EU) kept their offices closed during the whole LCF evaluation period. At the later stage UNDP was operating from a hotel, and it was possible to meet them there. Meetings needed to be set up on daily basis according to availability of interviewees. At times, also mobility of the Finnish Embassy personnel was affected by the situation.

One of the main field trips was planned for Western Kenya (Kisumu, Kakamega) which was severely affected by the violence. It was not possible for the team to visit KAMADEP, one of the key organisations planned for LCF support in Western Kenya. It was equally impossible for the persons working there to leave the area and come to Nairobi. Another field trip was planned for Nairobi slum area (Kibera) to see the performance of the FPPS LCF 'Puppetry for Good Governance' project.

- 2) Lack of (impact) indicators and baseline data: Lack of indicators (quantitative/qualitative) in the LCF intervention plans and the LCF strategy against which the intervention can be measured at the individual intervention level was a challenge. For impact the results of previous evaluations and monitoring missions (MFA) and the views of those interviewed (Embassy; donors; other NGOs). In participatory workshops the team will utilise peer reviews for more reliable view regarding the impact.
- 3) Information storage and availability issues: LCF intervention related information was not available for the evaluation team electronically. This resulted in spending significant amount of time for photocopying since due to internal rules it was not possible to take the project files out from the Embassy.

## 2 KEY FINDINGS

### 2.1 Overall Progress of the Intervention

Comparing the progress to the results of the previous evaluation (2003), the financial volume of the instrument has remained at a quite high level, MEUR 1.3, even after the regular bi-lateral cooperation has started. An important improvement is the starting up of strategic thinking in a more systematic way. The requirement for preparation of a country specific LCF strategy has made the use of LCF support more focussed and increasingly benefitting other operations of the Embassy (Plan of Action). This has been a step forward but the strategies need to be further developed. Thematic and geographic expansion of the support is decreasing. The trend in the Embassy is to have more focussed and fewer interventions. Another important improvement has been the increasing use of (local) consultants for the evaluation of individual LCF interventions.

Allocation of LCF support to human rights, democracy and good governance is still predominant. Human resources have improved with the increased participation of Advisors in the LCF. A locally recruited LCF Coordinator and Assistant administer the LCF. Project administration skills have improved but technical expertise depends on the Advisors and their availability and interest on the work with the civil society. M&E skills and cooperation with the LCF partner organisations are still limited.

Monitoring is still very much dominated by follow-up of correct reporting and ensuring that the planned activities are carried out rather than monitoring the impact of LCF in the civil society.

Sustainability is still weak but has now been recognised as an important issue on which training has been provided to partner organisations. There is still an emphasis on supporting service delivery and advocacy organisations without including elements of organisational development in the form of core funding. Long-term commitment has been developed with several partners but funding is split to short projects.

Regarding the LCF partners, there is considerable variety in terms of size and scope of organisations. Most LCF interventions are still implemented by well-known larger organisations but also smaller local organisations are supported. There is, however, still no focus on organisational development of the LCF partners. With an increased participation of Advisors also the role of the Embassy has changed towards having more dialogue between the Embassy and the partners. Important change has also been the exclusion of INGOs or UN organisations from LCF support.

More details on the overall performance are presented in the Chapter 3.1.

## **2.2 Relevance and Ownership**

### **2.2.1 Partner Government**

Support to the civil society is very relevant in the current situation in Kenya. Also the Government considers civil society as an important actor in achieving the set development goals and objectives. However, the relevance of the LCF as an instrument to implement the partner country policies is minimal. The Government does not have a say in how the LCF support is used, and mostly it is used in thematic areas which are not necessarily in practise favoured by the Government (human rights; watch-dogs; anti-corruption) which decreases its relevance to the Government. Supporting these areas is, however, the comparative advantage of the LCF. The relevance of the LCF instrument to the Government increases when the LCF support is directed to the service delivery by the CSOs which is also the Government's expectation of CSO's role. The financial volume, however, is so limited that even in this role the relevance is insignificant.

For example the Ministry of Finance (Kinyanjui 10.1.2008) wishes to see the donors supporting civil society for infrastructure development rather than for their capacity building. The Ministry also emphasises that based on the Paris Declaration (ownership) they wished all the donor support to be channelled through the Government so that they could direct the assistance to the thematic areas of their interest. This trend was strongly opposed by the Embassy staff (and other interviewed donors) who planned to take up the issue in the forthcoming donor coordination meetings. The Embassy is willing to give information annually to the Government on the funded CSO interventions, but not to allow them to participate in decision-making.

The limited financial volume of the LCF and not allocating the funds in the priority areas of the Government decrease the relevance of the LCF to the governments. Relevance would increase with joint funding by donors if the support was directed to the interest areas of the Government. Despite of an insignificant relevance of the LCF as an instrument to the Government, it should be kept separate from the other forms of bi-lateral assistance *vis-a-vis* negotiations and decision-making with the partner Government to be able to support the civil society in a way that would not be possible through other channels of assistance and to maximise the benefit for implementing the Embassy Plan of Action. Sharing information with the Government on the LCF partner organisations and their annual financial allocations is an appropriate level of reporting regarding the LCF.

### **2.2.2 Implementation of the Finnish Development Policy**

The LCF strategies (2005-2007; 2008-2010) refer to the implementation of the Finnish Development Policy objectives and goals. All interventions within the LCF strategies of the evaluation countries were in line with the Finnish Development Policy. These form the overall framework for LCF implementation.

The Embassy considered the LCF very relevant as an instrument for getting information through keeping the contacts with the civil society, particularly in relation to the human rights situation and general political environment in the country. The LCFs have been mainly used for human rights, democracy and good governance issues by the Embassy (approx. 50%) and these areas are considered as a comparative advantage of the instrument. The LCF as an instrument has been used to address human rights issues when it has not been possible to mainstream them in other ways of assistance. Particularly the LCF support to the human rights and “watchdog” organisations for controlling the Government and private sector policies and interventions is considered highly relevant and the LCF has a comparative advantage in this area.

The relevance of information gathered from CSOs depends on how the information is used by the Embassy. The Advisors can most efficiently transfer the information to support the implementation of other Embassy objectives. Their involvement in the LCF selection, appraisal, monitoring and communication with LCF partners has significantly increased relevance of the instrument for achieving the overall objectives of the Embassy. A good example of combining the LCF and bilateral sector support is in the

forestry sector, where the LCF is planned to be used to support “watch-dog” organisations in the sector.

LCF was the only modality for cooperation when bi-lateral assistance was temporarily on hold. It resulted in quite high financial allocation for the LCF (1.3 million EUR annually). According to the Embassy LCF is still an important instrument even though the bi-lateral assistance has started. In the quickly changing political environment in Kenya the relevance of the LCF as an instrument has increased. The comparative advantage of the LCF as an instrument is – and should remain – its flexibility to react quickly to the changes in the country.

The focus of the new LCF strategy is on human rights, good governance and democracy issues in the bi-lateral thematic areas, and thereby being part of the Embassy Plan of Action is very positive and very much supported. It has increased relevance *vis-a-vis* both the Finnish Development Policy (coordinated effort) and also indirectly *vis-a-vis* the Government since thematic areas have already been agreed upon with the Government of Kenya. It has potential for broader impact through complementary efforts. Still there are focus areas that do not fully fit in the PoA (ICT; HIV/AIDS; poverty). LCF strategy should only comprise of those four key focus areas and all that do not fit in there should be phased out. The new focus is very well defined but the details and targets of the strategic focus areas within the strategy are very weak. The LCF strategy needs to be further developed to be target-oriented, result-based and measurable. It is particularly important in a country where the financial allocation is at that high level as in Kenya.

None of the LCF case study interventions were directly in the areas of trade and institutional cooperation. The Family Programme Promotion Services and Kenya ICT Federation had linkages with Finnish organisations, the Sampo puppet theatre and Turku University, respectively.

As required by the Norm, there have been contemporarily tendencies for increasing in-country spatial LCF coverage and limiting the number of the interventions. LCF support is directed both to the capital-centred and local CSOs all over the country. As a principle this is considered positive and a conscious effort not to support only the well-established, “elitistic” NGOs. On the other hand, it poses additional challenges for administration and efficiency of the LCFs, particularly for monitoring as well as impact of the interventions. Interventions have been primarily Nairobi-centred and the outreach depends on the outreach of the organisation. The number of interventions is still too high to enable efficient administration, particularly monitoring.

### **2.2.3 LCF partners**

All the selected case study organisations have strategic plans. LCF support is used within the strategic plans and thereby it is relevant for the organisations.

In the LCF evaluation workshop<sup>1</sup> most LCF partners confirmed that one year support does not allow participatory planning with the ultimate beneficiaries. This might decrease both relevance and efficiency of funding. This was evidenced e.g. by the Poverty Eradication Network (PEN): implementation was delayed because it was not realised how time-taking the organisational development of CBOs would be. In addition, the priority activities were not the same for the ultimate beneficiaries and PEN. Participatory planning is particularly important when operating in communities.

LCF partners find that the thematic focus of the support is responding to the needs of the LCF partners and the work of Embassy of Finland was found thorough and efficient. The Embassy contact was found valuable as LCF partners also get recommendations on other sources of funding. Those receiving joint funding appreciated the flexibility of the instrument e.g. core funding is provided in a single trench and there are no restrictions as long as use of funds is in line with the organisational strategy (FIDA). On the other hand, those receiving direct funding find the restrictions as a weakness: there can be no changes in the project after the agreement.

Concerning the organisational changes produced by LCF support, the partner organisations mentioned increased visibility and respect for the organisation – from personal to national level; more efficient service delivery; strengthening administrative systems and documentation; and up scaling of programmes. LCF was said to operate best for expanding and carrying out of project activities.

There are ways of improving the relevance for the organisations. For example, a Training Planning Committee (TPC) at the Embassy is bringing together few selected NGOs. The same members have been participating in the Committee since its creation and there is a need to open up the group for broader NGO participation e.g. in annual meetings with all the LCF recipients. To further improve relevance both for the Embassy and the partners it was recommended in the workshop that 1) bi-annual broad-based discussions will be held on the selected thematic areas which would

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<sup>1</sup> Workshop held on 9.1.2008

also improve the LCF strategy; 2) TPC should be re-named/mandated as planning committee with democratically elected membership of the LCF partners to increase dialogue and thereby also ownership of the partner organisations.

#### **2.2.4 Ultimate beneficiaries**

Most of the topics/issues supported with the LCF funding by case organisations are relevant for the ultimate beneficiaries. The Kenya ICT Federation intervention is the least relevant. It was an innovative initiative but in reality support to the public sector in ICT development, through private sector involvement. On a long run, beneficiaries in rural areas might also benefit. ICT development will ultimately lead to improved accountability of the public sector which can be expected to benefit civil society. However, this is a very long-term objective and LCF does not have comparative advantage in this kind of support.

Highest relevance of the support to the ultimate beneficiaries is in cases where the support has resulted in changes of formal or informal institutions. Out of the seven LCF case study organisations and interventions Federation of Women Lawyers and Kenya Human Rights Commission have had direct impact in changing the formal institutions, the legal and policy frameworks of the Government. The Association of Physically Disabled in Kenya has influenced directly the disability policy development through advocacy in addition to service delivery function. Centre for Human Rights and Civic Education has contributed to changes in legal system through expanding the services of paralegals and taking up individual cases which have resulted in changes of practises of the legal machinery. Family Programmes Promotion Services interventions have resulted in changes of informal practises e.g. in accountability of the police and teaching methods at schools. Intervention of the PEN is also very relevant to the beneficiaries but has suffered drawbacks due to overambitious objectives. It has also resulted in significant changes in informal institutions, particularly in increased awareness and strength of the communities to claim their right to decentralised government funds.

#### **2.2.5 Ownership**

The framework for LCF implementation is pre-set by the Finnish Development Policy and the norm and thereby donor-led. Accordingly, the

LCF interventions are supply driven since they are based on the LCF strategy. Focus areas are given but planning of individual projects can be demand driven. In most cases the short-term assistance provided within LCF does not allow participatory planning with the beneficiaries which decreases ownership for the beneficiaries. LCF interventions are demand-driven when they are drawn from organisations' own strategies.

### **2.2.6 Potential of other Forms of Development Assistance to promote LCF Objectives**

Donors have traditionally provided support to civil society in Kenya mainly through direct support, joint funds and/or through thematic basket funds. Direct support may be managed by the donor or through an intermediate organisation such as MS Kenya for Danida or specified UN Agencies for Sida. While most CSOs prefer direct support managed by the donor, this model is felt by donors to be inefficient and putting a strain on limited resources at embassies. Joint funding in form of basket funding has been developed for civil society. As a consequence there are now new opportunities for civil society to engage with the Government and donors on sector policy development, joint assistance strategy, sector budget groups, etc. Civil society has not, however, been able to fully take advantage of these new opportunities.

In Kenya there are experiences of supporting the civil society through basket funding executed by the Government. Donors and civil society have collaborated on implementing a national civic education programme (NCEPI&II) which is also supported through LCF. NCEP is currently in its second phase, and prior to the elections its focus was on a national elections programme. In addition it supports gender and politics programme. In 2003, a broad programme in governance and justice sector (GJLOS) was designed and is currently under implementation with expected civil society participation. Finland participates in the programme through sector support arrangement. NCEP and GJLOS provide a potential alternative for LCF as a civil society support instrument and give indication of the feasibility of these channels for LCF support.

GJLOS has been criticised widely of being designed as a funding mechanism for the government and not for CSOs or other non state actors. Similarly, CSOs are engaged in the programme without adequate capacity for strategy development, co-ordination and long-term planning (Wamugo & Pedersen 2005) while the participating CSOs are said to have been

selected by the Government without the development of open and objective selection criteria. Some CSOs were said to come to interpret the core objective of the programme as being concerned with modernization rather than reform. The programme has deepened the suspicion of CSOs on co-operative frameworks and they are viewed as mechanisms for donor-government control and CSO exclusion (Wamugo & Pedersen 2005).

NCEP II<sup>2</sup> has been criticised of being donor driven with minimal local ownership, having bureaucratic administration and limited cost-effectiveness and incentivising CSOs into cooperation at times against their will (Wamugo & Pedersen 2005). It has been recommended that future baskets need to consider issues of ownership, flexibility and responsiveness, and diversity of voice alongside cost effectiveness (Wamugo & Pedersen 2005). Cost effectiveness should not override programme effectiveness and a careful balance between the two should be considered.

There are also positive experiences of the achievements of the NCEP II in raising awareness in human rights leading to claims for accountability. According to an internal monitoring visit by the NCEP II<sup>3</sup> to the United Disabled Organization, one of the consortia that are implementing NCEP II, the public was said to be very articulate about their issues, their demands for reforms in Government and the need for various legislation to protect the needs of PWDs. In public hearings most members of the public indicated that their presentation and their articulation of issues was primarily due to the civic education offered to them through the NCEP II.

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<sup>2</sup> The second edition of NCEP began in April 2006 and the initial phase ended in September 2007 just before the general election. 42 CSOs grouped around four consortia are implementing the programme. Eight International Development Partners (IDPs) provide funding through a basket mechanism (a LCF partner). A Project Co-ordination Committee supported by a Financial Management Agent and a Technical Assistance Team manages the Project. There is a separate forum for IDPs, which has the final word on funding. It was anticipated in the project design that the NGO Council would play a coordinating and regulatory role for the implementing CSOs. However due to internal difficulties the Council could not participate in the programme.

<sup>3</sup> Field Monitoring Report 16-18 April 2006 (North and Central Rift Valley), Okero Otieno (Governance Project Officer), April 19, 2007

The experiences from these funds reflect the potential positive and negative challenges of channelling the funds through the SWAPs. Experience has shown that these models provide an opportunity for service delivery organisations and to a certain extent advocacy organisations and can have a broad impact in these fields. The agenda of these programmes is donor driven and Government controlled. The LCF support should be directed to where it has the comparative advantage which is addressing the sensitive issues in the society, and not be channelled through the Government controlled models of assistance.

Most LCF partners highly criticised the Government basket funding mechanisms and considered it as an exclusive instrument favouring bigger and well-established organisations. This includes also a risk of not supporting interesting and innovative interventions which are not eligible to these financing modalities. According to Wamugo and Pedersen (2005) the Kenyan civil society is presently unable to effectively engage within the broad opportunities offered by the Paris Agenda due to its fragmented nature and lack of cohesive strategy and leadership. The willingness of the Government and donors to implement the Paris agenda is obvious in the ERS, SWAPs and the KJAS. In this situation donors should place special emphasis in sorting out divisions and weaknesses in civil society through dialogue and organisational development (e.g. Wamugo & Pedersen 2005). This is also in favour of including organisational development aspects as part of the LCF support.

### **2.3 Sustainability**

Most LCF partners have several income-generating activities but are still highly dependent on donor funding. When collected, the membership fees do not cover the administrative costs of the organisation. Unless there are other means of fund raising (e.g. consultancy services; renting of a venue; selling products; endowment fund) the organisation will depend on the outside financing – either donor or Government financing. Organisations with regional focus such as FPPS and PEN are able to provide consultancy and training services all over Africa, particularly in the East African Region. This has increased their organisational sustainability, but income does not cover their programmes. The sustainability of activities is very low in the PEN intervention which aims at people taking responsibility of their own development and relies in the use of local human and natural resources. The tendency of joint donor funding favours the larger, well-established organisations marginalising the small CSOs working in communities. As a

result these small organisations might face more severe sustainability problems in the future. .

The percentage of LCF funding *versus* other donor funding among LCF partners varies between 10% and 50%. Organisations with lower percentage of LCF funding have better potential to sustain the organisation and their activities in the future since they have diversified funding sources. Only the LCF intervention targeting the private sector (Kenya ICT Federation) has been able to cover some core funding (one staff; annual meeting etc.) through membership fees.

Multi-year strategic plans by LCF partners have improved sustainability. In most cases these strategies include well prepared sustainability plans. At minimum, the strategies have plans for fund raising. Long-term funding is a pre-requisite for efficient functioning of CSOs and multi-donor diversified funding decreases financial vulnerability. With guaranteed funding they are able to concentrate on implementation rather than on time consuming fund raising. CSOs should be encouraged to make and develop their strategic plans that include elements of sustainability with clear annual targets; LCF support could be allocated also for this purpose.

CSOs working on service delivery and having a close linkage with the Government have potential for sustainability through the Government. For example, APDK has an exit plan to integrate all services with the Government. It operates closely with hospitals and Ministry personnel. It is highly unlikely that any Government will support CSOs focussing on human rights and good governance, particularly if they have a “watch-dog” role. The only funding alternative for these organisations is donor funding.

LCF partner organisations are also faced with rapidly changing donor priorities. The shift to finance human rights issues and good governance primarily through Government public sector caused serious difficulties for one of the LCF partner organisations (FPPS) which had been assisted by DFID in preparation of its strategic plan. When DFID funding priorities in Kenya changed, the support to FPPS was rapidly interrupted, and the Finnish LCF support remained as the only source of funding. This is an example of the vulnerability of even the larger organisations. LCF partners also indicated that donors in general do not encourage them to raise their own funds. In some cases the income generating activities do not easily fit in any of the donor criteria for funding, such as core funding for constructing an office which could later be rented to other organisations.

According to the Embassy sustainability is not sufficiently specified in the Norm. It is one of the selection criteria for LCF funding (Coordinator’s

Manual), but it is not further elaborated. The Embassy has, however, recognised the need to improve sustainability of LCF support both for organisations and activities. As best practice the Embassy has organised two trainings on sustainability for the LCF partners<sup>4</sup>. Services for the training were outsourced and funded with LCF administrative costs. Based on the training materials, assessment of some participants and the Embassy, the training was of high quality and motivating. The participants themselves came up with innovative ways for enhancing sustainability. Another training has been planned for 2008 on M&E – impact assessment.

Challenges identified in the above training were that communities also tend to over rely on development organisations and in some cases are unwilling to contribute to the development work since there is donor funding involved. Main challenge is registration of NGOs as “non-profit” which limits implementing income-generating activities. “Non-profit” should mean more “not for profit” so that income-generating is possible but not divided as profit. Micro-credit programmes and building endowment funds<sup>5</sup> at the community level were identified as ways for resource mobilisation.

Currently the approval of projects does not require sustainability issues to be addressed nor is any phasing out/exit strategy required. As per norm, organisation’s own funding is a pre-requisite for LCF funding while its share in the budget is a selection criteria.

At activity level technical and social sustainability can be achieved depending on how the intervention is included in the local context. For CBOs long-term support is a pre-requisite. CBO capacity cannot be built without participatory approach which requires long-term support (PEN experiences). CSOs should be encouraged to build capacity on making strategic plans that include elements of sustainability (economic self-reliance plan with clear annual targets).

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<sup>4</sup> Organizational Sustainability “From Theory to Practise”, 26-28.3.2007, Nakuru, Kenya. Facilitated by Mary Njenga-Murimi, OD Consultant Iceberg Africa” and SISA Center for Corporate Partnership “Sustainability”. Training course held for LCF partner organisations.

<sup>5</sup> Concept developed by Kenya Community Development Foundation (KCDF). Funds permanently invested with the aim that only the returns are used for identified purpose. Sources of the fund could be community fund raising; savings from IGAs; public funds (CDF, LATF, CAF); membership fees etc. Kshs 500 000 are required to start up a fund with the KCDF (or within a jointly agreed upon period).

CSO staff skills to manage operations independently vary affecting sustainability. In general, implementation capacity of the LCF partners is better than the management capacity. LCF as an instrument does not provide sufficient opportunities for development of the skills. The Embassy occasionally provides training in financial management and this has been considered useful by the partners. The training is, however, geared solely towards the LCF reporting requirements and it does not serve the purposes of addressing wider financial management needs of the organisations.

LCF partners' capacity to cooperate and maintain policy dialogue with the Government affects the impact and thus the sustainability of initiated activities. Human rights and "watch-dog" organisations have clearly impact at the policy and legislative levels through links with the Government (e.g. KHRC; FIDA). Also some service delivery organisations have this capacity (APDK) but in general their potential for policy and legislative dialogue is weaker.

There are no direct Government-civil society forums for policy dialogue. Community-based LCF interventions usually have a linkage with the Government, both as a claim holder and a partner. It has resulted in Government providing technical expertise for the activities conducted by service delivery CSOs (PEN; APDK).

## **2.4 Impact**

### **2.4.1 LCF interventions in Kenya**

The LCF interventions have undoubtedly had positive, albeit in few cases also negative, impact on community as well as national level. LCF support to human rights advocacy organisations has resulted in positive and significant impact regarding policy and legislative changes (e.g. anti-corruption laws; constitutional changes; rape as a penal code etc.). For example, KHRC is the leading human rights NGO in Kenya. Its achievements have been important in promoting human rights and good governance. Most supported human rights organisations are well-established, national level CSOs and the share of LCF support in their budget has been relatively low (5-10% or even less). The achievements and impact cannot be significantly attributed to the LCF support but to the regular work carried out with joint donor funding.

A good example of combining human rights work with concrete field action is the Association of Women Lawyers in Kenya (FIDA). It has been funded jointly by LCF and other donors. FIDA (K) has had impact in

changing the formal institutions at the policy and legislative level. It has been involved in the development of the Family Protection Bill, Equality Bill & Affirmative Action Bill as well as the enactment of the Sexual Offences Act. At community level FIDA trains community based human rights monitors to change the informal institutions such as practises of how organisations operate. This programme provides FIDA Kenya with first hand information of gender based violence cases in communities. Through the interaction and intervention of monitors women have been empowered, and made aware of their rights – consequently they are willing report the cases for documentation. Networking among monitors has improved the delivery of services and strengthened the visibility and outreach of FIDA.

Impact of LCF interventions has been maximized when addressing human rights, democracy and good governance issues by supporting human rights organisations and/or advocacy organisations that combine advocacy with action (e.g. provision of paralegal services). The information gathered through contacts between Embassy Advisors and partner organisations supports the work of the Embassy.

A good example of an LCF service delivery partner successfully combining advocacy work and service delivery is the Association of the Physically Disabled in Kenya (APDK). Share of LCF support to its operations is below 10% of the total budget. APDK has developed a holistic, community-oriented service delivery model that coordinates different services, addresses multiple needs of people with disabilities, and takes services closer to where people with disabilities live. APDK's approach mobilizes communities involving people with disabilities, community leaders, and other community members.

Local community LCF interventions which include poverty related service delivery have very limited impact and only locally. Lessons learned from these, sometimes innovative interventions are not transferred into Government planning processes or implementation methods. Nor are they reflected in the Finnish bi-lateral assistance. There was no evidence of replicability of these interventions.

A good example of a LCF partner engaged in service delivery is the Poverty Eradication Network (PEN). PEN's intervention concept is based on the belief that communities have the potential to initiate, manage and sustain their own development. This is to be achieved through community education and awareness about organisation development, good governance and leadership, decision-making, planning and monitoring,

business development and strategic partnerships. The link with achieving MDGs is stressed and achievements depend largely on access to decentralised funds<sup>6</sup>. The efforts related to agro-forestry and farmer field schools have been the most successful. Tapping of decentralised funds has been successful in few cases.

LCF intervention with PEN is a multi-faceted intervention and the technical capacity of the organisation is not sufficient for conducting all the planned activities. Other modalities of development assistance with broader financial and human resources would have a comparative advantage in implementation of such programmes. Organisations like PEN should concentrate on more targeted efforts based on their technical expertise and comparative advantage.

Local advocacy and human rights interventions combining service delivery face the same challenges. Even if they are locally important, changing of formal and informal institutions is a time-taking process. Instead of changing practices the only impact is often awareness raising.

A good example of such an LCF intervention is 'The Rooting of Citizen's Rights and Enhancing Service Delivery Project' by the Centre for Human Rights and Civic Education (CHRCE). At present CHRCE cooperates with more than 60 CBOs and groups through a network of 112 trained community paralegal workers and human rights monitors. CHRCE has managed to raise people's awareness on the importance of claiming their national Identity Card. Community members, including women, can and have confidence now to talk in Chief's barazas partly because they got training by CHRCE. This is a significant change in cultural practices i.e. informal institutions.

The major weakness affecting efficiency and impact is limited monitoring. Regularity of audits is very good. As best practice the individual interventions are evaluated systematically and allocation of 20 000 EUR is made in the new (2008-2012) strategy for evaluations. Evaluations vary in quality, and some concentrate mainly on evaluating the results, not the actual impact.

The attempt of the Embassy is to visit each intervention at least once a year. To a certain extent also Advisors visit the LCF interventions both in the offices and in the field. Information gained

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<sup>6</sup> Secondary School Education Bursary Fund (SEBF); Road Maintenance Levy Fund (RMLF); Rural Electrification Programme Levy Fund (REPLF); Local Authority Transfer Fund (LATF); Constituency HIV/AIDS Fund; Constituency Development Fund (CDF); Free Primary Education (FPE); Poverty Eradication Fund (PEF)

during those visits is not shared systematically but through informal discussions in the Embassy and donor meetings.

## **2.5 Efficiency**

Most LCF funds have been allocated to programmes and not for administrative costs. The Norm determines that the maximum share of administration in the overall LCF budget is 7%. In addition, a minimum of 10% counterpart funding is required for approving the LCF proposal, even if in kind. From the 7% administration costs, the Embassies are expected to fund auditing, monitoring and possible training costs. In Kenya the administrative costs are between 2-3%. Due to the high volume of the LCF in Kenya, the allocation has varied between 30 000- 50 000 EUR annually. Salaries of the LCF Coordinator and LCF Assistant are covered from the regular funds of the Embassy. Considering the costs of the LCF Coordinator and Assistant, as well as time use of the Advisors and other Embassy personnel, the cost-effectiveness decreases.

Evaluations of individual interventions have not included thorough cost-effectiveness analysis. Cost-effectiveness of selected LCF interventions varies. Most interventions have achieved the planned results which improves cost-effectiveness. For example in the case of ADPK, the LCF support only covered provision of mobility aids which were produced using low-cost materials. PEN intervention has faced delays and the NGO has requested no-cost extensions. For FPPS the constant need to train new puppeteers decreases cost-efficiency. In KIF intervention most funds were used for a seminar in Finland, and the remaining funds for meetings in two municipalities.

In case of joint funding for human rights organisations cost-effectiveness is more difficult to assess. FIDA has been constantly working beyond the limits of their human resources and KHRC has undoubtedly produced results. Cost-effectiveness analysis should be included as part of the evaluations of individual interventions and/or audits.

According to the Embassy the share of unallocated funds should remain the same as earlier i.e. 30%, or 20% at minimum. The comparative advantage of the LCF as an instrument is the possibility to use it much faster than other instruments which require at least 6-12 months to be operational (particularly bi-lateral assistance). The speed at which the country context can change was evidenced in Kenya during the mission: following the post-

election violence the Embassy started receiving immediately funding proposals on how to address the situation.

In 2006 the number of interventions supported with unallocated funds was 14 while the budgets ranged between EUR 780 and EUR 60 000. Unallocated funds have been used for on-farm tree planning (FOMAWA, EUR 32 200), ENO Conference (St. Henry's College, EUR 4500), training (Green Belt Movement, EUR 49 000), training on NGO sustainability and social audit (NGO Communication Network, EUR 6200), international development ethics conference (Makerere University, EUR 1750), biodiesel production for poverty alleviation (ESDA, EUR 12626), HIV/AIDS conference (Handicap International, EUR 11128), multimedia public awareness (Media Focus on Africa Foundation, EUR 60000), concert (Music Family Louhi, EUR 10000), polar meets solar cultural exchange and workshop (Mohammed Amin Foundation, EUR 3691), paralegal training in Gucha (CECLARD, EUR 40 000), regional women's conference (ECWD, EUR 34520), review of judicial independence (ICJ, EUR 15 000), and conference participation (Fauna and Flora, EUR 780).

In 2007 the number of interventions was six and financial allocations varied between EUR 2940 – EUR 61530. Unallocated funds were used for installation of electricity and piped water (Ebenezer Childrens' Home, EUR 8150), advocacy for abolition of death penalty (Release Political Prisoners, EUR 61530), forest management conference (Kenya Forest Working Group, EUR 8900), ICT policy open seminar (Kenya ICT Federation, EUR 2940), radio election programming (Media Focus on Africa Foundation, EUR 40500), and paralegal training (ALDEF, EUR 40 000).

Decreasing amount of unallocated funds is a positive trend. Likewise the increased focus of the 2007 projects and their closer linkages to the Embassy priority areas are welcome and should be continued.

LCF Coordinator/Programme Officer and LCF Assistant/Administrative Assistant have a detailed job description. They use significant amounts of their time to other duties. While the LCF Coordinator should continue having the role of administrator thereby increasing the efficiency of e.g. monitoring and communication with the LCF partners, the participation of Advisors in the LCF improves the focusing of LCF strategy. LCF portfolio related to the respective sectors of the Advisors is part of their job descriptions.

Non-availability of LCF applications/project documents/progress reports/final reports in electronic format decreases drastically the efficiency and information exchange to all directions. All information should be found

also electronically to complement the paper-based archives. Currently the archives are not LCF partner organisation/intervention based which renders the logical follow up of the support difficult. As per the norm (new norm proposal), separate LCF archives should be established within the Embassy.

Limited instructions for LCF strategy preparation and reporting are the biggest weaknesses regarding working tools. At present LCF strategy does not provide sufficient justification for selecting the funded organisations/interventions or how the selected interventions would benefit the implementation of overall Embassy objectives. In addition the format of the annual report (from the Embassy to the MFA) provides only little information on the organisation, project objectives, results achieved and impact of the intervention. The reporting system does not require the Embassy to analyse the information, assess the validity of the LCF strategy or incorporate lessons learned in the new plans.

Reporting by LCF partners is done as per the Agreements. Timing question concerning both the Kenyan financial year and irregular starting of the interventions complicate the reporting to the MFA. If the intervention starts in the middle of the quarter, the first report should be timed to immediately fit with the regular quarters of the Embassy work. This would harmonise the reporting period for all organisations whereby the feedback period could be planned accordingly. At the end of the Finnish calendar year the organisations could make a bi-annual instead of a quarterly report focusing more on the achieved results and the evidenced/expected impact, to be summarized in the Embassy report. This would constitute an impact assessment which can be verified by local external evaluations. In the workshop the LCF partners criticized the limited feedback received from the Embassy on the reports as feedback is given only when there is something to complain about.

Auditing of individual interventions by the Embassy has been regularly conducted. In case of irregularities, auditing results are immediately acted upon.

## **2.6 Effectiveness**

The financial responsibility was delegated to the Embassy during the period of the evaluation mission but it was not accompanied by devolution of full technical and financial decision-making power in strategic issues. Decision-making regarding the individual interventions lies with the Embassy.

As an instrument the LCF is faster than other forms of support. It does not require such a time-taking decision-making process as bi-lateral support. Particularly the use of the non-allocated funds makes the instrument flexible and fast. Decisions on annual financial allocations (MFA) have in many cases been delayed by 3-4 months annually which decreases this comparative advantage of the instrument. This has in some cases resulted in long financing gaps for long-term LCF partners who have been forced to stop some of the activities and temporarily put contracts of the personnel on hold. After the approval of the annual financial allocations the LCF administration is fast.

The financial allocation of the LCF portfolio is high (MEUR1.3) and the number of the projects has decreased which increases effectiveness and justifies the time used for administration, governance and technical aspects of the LCF.

## **2.7 Compliance and Coherence**

The framework for support is in line with the broad objectives of the Finnish Development Policy (MDGs, poverty etc.). This is also used as a selection criterion for the LCF support. The 2008-2010 LCF strategy is also more coherent with the other forms of Finnish development assistance in Kenya than the earlier strategies.

The highest financial allocation for one intervention of EUR 100 000 for three years, as well as the annual allocation of 1 MEUR for the whole portfolio, require governance practises which are close to the bi-lateral assistance, particularly concerning the M&E. The appraisal of the LCF proposals is undertaken internally and monitoring of the interventions and LCF partner organisations is carried out on *ad hoc* basis and too rarely. Systematic external evaluations and audits of the LCFs are undertaken, though, but the lessons learned should be more systematically fed back to the implementation practises. Increased use of outsourced services (local consultants, Universities) for evaluation of the whole LCF portfolio should be practised.

## **2.8 Coordination and Complementarity**

### **2.8.1 Donor Coordination Mechanisms**

There are three different donor coordination mechanisms for small projects in Kenya: 1) Small Projects Donor Round Table; 2) Democratic Governance Donor Group (DGDG at present under HAC – previous Like-Minded Donors' Group to civil society organisations; and 3) NCEP II (Uraia) basket funding group. In addition, the Embassy participates in meetings organised by the organisations receiving basket funding/joint donor funding from various donors.

As a concrete result of donor coordination there are several lists indicating the support to CSOs by different donors. The list prepared by DGDG (Like-minded donors' support to civil society) is updated regularly. It indicates the sectoral area, donor, name of the project/organisation, amount, duration and the project purpose. There is also a separate small projects funding criteria (2007) indicating the name of the scheme, maximum grant, type of projects funded/no funded and information about the scheme. An important function of the coordination mechanisms is to update a "watch list" of organisations which should not be funded. The list includes the name of group/CSO and a "reason to watch" column. These lists assist individual donors in ensuring that overlapping does not occur, and that possible mismanagement of funds and other "reasons to watch" are known to the donor community.

The minutes of the small donor RT meetings show that they do not function for improving the strategic thinking in terms of the support to the civil society. Concrete issues like updating the database and "reason to watch" list are discussed. CSOs are also invited to the meetings to present their programmes. Meetings include discussions on harmonisation of practises, e.g. issues related to taxes and VAT payments.

In Kenya donor mechanisms for civil society support are well developed. However, there is still need for further harmonisation regarding e.g. application forms even for basket financing. Lessons learned are not studied and shared systematically. There is a need to improve networking, coordination and sharing of the strategies of different donors, lessons learned and best practises.

### **2.8.2 Value added by the Finnish Support**

A good example of added value of the Finnish support is the training that the Embassy organised for for the LCF partners. In some cases other donors are also organising training, but mainly on administrative rules and financial management of the small grants. The Finnish Embassy has organised training sessions also e.g. in sustainability issues, which was highly appreciated by the partners. Training Planning Committee comprising of selected LCF partners and the Embassy discussed the training needs and the Embassy identified trainers within the LCF support.

### **2.8.3 Significance of the LCF support**

Significance of the LCF support regarding the capacity building of the civil society at the organisational level in Kenya is quite limited even though the annual financial allocation is quite high. The share of LCF support to the organisations' budgets varies between 5-90%. As discussed earlier, not allowing core funding within the LCFs decreases its potential as an instrument to have impact on organisational development. The LCF support goes directly for programmes which allows e.g. expansion of the activities, and to a certain extent the downwards accountability, but it does not necessarily contribute to building the technical capacity.

## **3 CONCLUSIONS AND RECOMMENDATIONS**

### **3.1 Overall performance**

LCF support proved to be a very significant aid instrument when the bilateral assistance in Kenya was on hold. It has remained as an important instrument particularly for the Embassy to keep contacts with the civil society and thereby obtain information which benefits the Embassy in its political and development assistance functions. Benefits have increased through a more focussed approach linking the bilateral development assistance sectors and the LCF support. Clear focus on human rights, democracy and good governance issues has further increased the relevance, benefitting particularly assistance to good governance and forestry sectors.

LCF portfolio is a balanced mixture of joint donor funding and direct assistance. Joint donor funding increases efficiency by decreasing administrative responsibility of the Embassy. It is targeted to well-established, capital-based human rights and advocacy organisations and

balanced through the support to smaller but creditable organisations operating in rural areas. Support to service delivery interventions which do not have an additional advocacy role, or are involved in complex multi-sectoral interventions beyond their capacity should not be supported.

LCF support has been able to change both formal and informal institutions, from policy and legislation to relationship between the civil society and local government. These changes cannot be attributed only to LCF support, as it often constitutes a minor share of organisations' budget. Long-term support to some selected organisations has increased sustainability and improved trust between the Embassy and the LCF partner. In general, the case study LCF partners have been able to achieve the expected results. There have been delays in implementation but after internal evaluations the partners have been able to adjust the performance.

### **3.2 Lessons learned**

- 1) Inclusion of Advisors in the appraisal, selection and communication between the Embassy and the LCF partners significantly increases relevance of LCF support to the Embassy.
- 2) LCF funds for administration (7%) give an opportunity for outsourcing services related to LCF, particularly evaluation.
- 3) Proactive approach by the Embassy in addressing recognized difficulties in the project implementation increases the relevance of the support to the partners.
- 4) Combination of different organisations and various ways of funding (joint funding, direct funding, Nairobi-based and locally-based LCF partners) increases relevance to the Embassy. Efficiency should not be the only criteria for LCF support.
- 5) Service delivery organisations have access to other forms of assistance (e.g. Government basket funding). LCF support should be guided towards human rights and advocacy organisations which often have donor funding as the only alternative because of the nature of their operations.
- 6) LCF support should be kept separate from the Government decision-making i.e. also from basket funding. Reporting on the LCF partners, allocations and names of the interventions annually is sufficient.

### **3.3 Key areas for modification**

- 1) Further development of the LCF strategy to include clear linkages between the LCF support and other development assistance and how the selected LCF interventions concretely contribute to the implementation of the Embassy Plan of Action.
- 2) Monitoring and more systematic dialogue with and feedback to the LCF partners.
- 3) Combining programme support with core funding to the organisation.
- 4) Reporting of impact of LCF interventions to the MFA.
- 5) Further decrease the number of LCF interventions and have long-term commitment with the selected interventions – not only organisations.

### 3.4 Recommendations table

<b>Issues</b>	<b>Recommendations</b>
<b>Relevance</b>	<ul style="list-style-type: none"> <li>- consider supporting peace-building efforts</li> <li>- increase further human rights, democracy and good governance focus within other forms of development assistance and do not support interventions without this focus</li> <li>- when intervention is local / community level, allow a period of participatory planning in the LCF proposals.</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>- provide long-term LCF intervention support, not only support to organisations on long-term</li> <li>- in-built organisational development aspects together with programme support in the proposals</li> <li>- include exit strategy in the proposals</li> <li>- monitor self-reliance/sustainability plans of the organisations as per their organisational strategies</li> <li>- support LCF partner strategy development processes.</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>- decrease support to service delivery interventions without human rights and advocacy focus</li> <li>- continue with well-established long-term partners</li> <li>- improve LCF strategy to become measurable and target-oriented</li> <li>- incorporate impact indicators in the proposals</li> <li>- carry out impact assessments of individual interventions or the whole LCF package; outsource assessment/evaluation</li> <li>- carry out gender audits of the whole LCF package; outsource the audit.</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>- consider financing LCF partner strategy implementation also in case of direct funding rather than a separate proposal</li> </ul>

<b>Efficiency</b>	<ul style="list-style-type: none"> <li>- consider financing LCF partner strategy implementation also in case of direct funding rather than a separate proposal</li> <li>- decrease or end LCF support in accredited countries</li> <li>- archives need to be organisation/intervention based; proposals and progress reports need to be available also electronically when possible; establish electronic archives for LCF</li> <li>- language of LCF implementation, also to the MFA, needs to be English so that local Embassy personnel is able to read it</li> <li>- LCF annual report to Finland needs to be impact focussed; impact assessment can be carried out prior to that and summarised in the report</li> <li>- number of unallocated interventions should be kept low and clearly focussed to support implementation of the Embassy Plan of Action</li> </ul>
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>- LCF strategy preparation should be systematised and opened up to dialogue with civil society</li> <li>- financial decision-making system (MFA) should be simplified to avoid interruptions in the support to the partner organisations</li> <li>- increased use of outsourced services for evaluating also the whole LCF portfolio</li> </ul>
<b>Compliance and Coherence</b>	<ul style="list-style-type: none"> <li>- appraisal, monitoring and impact assessment/evaluation should be closer to those of the bi-lateral assistance procedures</li> </ul>

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LCFs strategies and annual reports of the Embassy were studied during the evaluation. In addition, project proposals, agreements and numerous progress reports from and audit reports on the selected case study organisations were studied. Key reports of the organisations are also listed below.

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Center for Human Rights and Civic Education (CHRCE) *Mid Report for Enhancing Women, Youth and People with Disability Participation in Leadership and Decision-Making in Machakos, Mwingi, Kitui and Makueni Districts (1 April – 30 September 2007)*, submitted to the Embassy of Finland

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Organization Sustainability "From Theory to Practise", Training package for LCF partner training 26-28.3.2007 in Nakuru, Kenya, facilitated by Mary Njenga-Murimi, OD Consultant Iceberg Africa

Poverty Eradication Network, *Strategy Paper 2004-2007*

Poverty Eradication Network *Strengthening Citizens Participation in Selected Districts in Kenya (May 2006-April 2008)*, LCF proposal submitted to the Embassy of Finland (approved), no date

Poverty Eradication Network, *Strengthening Citizens Participation in Selected Districts in Kenya, Final Report (2006-2007)*, July 2007

Valtion Tarkastusvirasto, 2007 *Paikallisen yhteistyön määrärahan käytön tarkastus*, Tarkastuskertomus 142/2007

Wamugo Erasmus & Finn Skadkaer Pedersen 2005 *The Paris Agenda and its Consequences for Civil Society in Kenya, Final Report*, May 2005.

## ANNEX 1 MISSION SCHEDULE

COUNTRY MISSION SCHEDULE: 31.12.2007 – 16.1.2008

Day #	Date	Activity	Location
1 (Mon)	31.12	Arrival (MM;PP) (at night)	Nairobi
2 (Tue)	1.1	Team meeting; reading	Nairobi
3 (Wed)	2.1	(i) Meeting with the Ambassador; (ii) Meeting with the LCF Coordinator	Embassy of Finland, Nairobi
4 (Thu)	3.1	Meeting with the LCF Coordinator (full day)	Embassy of Finland, Nairobi
5 (Fri)	4.1	Meetings with Embassy Programme Officer (MDGs)	Embassy of Finland, Nairobi
6 (Sat)	5.1	Reading and writing; team meeting	Hotel
7 (Sun)	6.1	Reading and writing	Nairobi
8 (Mon)	7.1	(i) Meeting with Embassy Governance Specialist; (ii) Kenya ICF Federation	Embassy of Finland, Nairobi Kenya ICT Federation Office
9 (Tue)	8.1	Opposition rally prohibited movement	Hotel
10 (Wed)	9.1	(i) Workshop with NGOs (half day); (ii) Poverty Eradication Network	Nairobi
11 (Thu)	10.1	(i) NGO Council; (ii) Ministry of Finance, Kenya; (iii) FPPS; (iv) FIDA	Offices of the organisations, Nairobi
13 (Sat)	12.1	Analysis, writing	Nairobi
14 (Sun)	13.1	Analysis and writing	Nairobi
15 (Mon)	14.1	(i) UNDP; (ii) Save the Children Finland; (iii) Embassy of Sweden; (iv) KHRC	Offices of the organisations, Nairobi; UNDP
16 (Tue)	15.1	Meeting with Embassy Advisor (Good Governance)	Embassy of Finland, Nairobi

17 (Wed)	16.1	(i) Debriefing at the Embassy (2 hours) (ii) Meeting with Embassy Advisor (Forestry); (iii) Meeting with Embassy Advisor (Energy); (iv) Embassy of Denmark; (v) Embassy of Norway	Nairobi
18 (Thu)	17.1	Departure	

## ANNEX 2 PEOPLE INTERVIEWED

### **Embassy of Finland**

Mr. Antti Erkkilä, Advisor, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 16.1. 2008  
Ms. Giorginah Gichohi, LCF Assistant, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 11.1. 2008  
Dr. Sirkku Hellsten, Advisor, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 15.1. 2008  
Mr. Samuel Mbithi Kimeu, Governance Specialist, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 7.1. 2008  
Ms. Saida Mäki-Penttilä, Programme Officer, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 4.1. 2008  
Ms. Marja Simojoki, LCF Coordinator, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 2.-3.1. 2008, 11.1. 2008  
Ms. Heli Sirve, Ambassador, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 2.1.2008; 11.1.2008; 16.1.2008  
Mr. Jukka Ilander, Advisor, Ministry for Foreign Affairs of Finland, Embassy of Finland, Nairobi, 16.1. 2008

### **Other donors and INGOs**

Ms. Nardos Bekele-Thomas, Deputy Resident Representative, United Nations Development Programme (UNDP), 14.1.2008  
Ms. Wambui Cathathe, Programme Officer, Danish Embassy, 16.1. 2008  
Ms. Charlotte Just, First Secretary, Danish Embassy, 16.1. 2008  
Ms. Anne Kanene, Regional Representative, Eastern African Programmes, Save the Children Finland, 14.1. 2008  
Ms. Siv Cathrine Moe, First Secretary, Embassy of Norway, 16.1. 2008  
Mr. Jan Arke Munkeby, Counsellor (Development), Embassy of Norway, 16.1. 2008  
Ms. Sheila Ngatia, Assistant Resident Representative a.i., United Nations Development Programme (UNDP), 14.1.2008  
Ms. Jacinta Oichoe, Programme Officer, Danish Embassy, 16.1.2008  
Mr. Osendo Con Omore, Programme Officer, Danish Embassy, 16.1. 2008  
Ms. Camilla Redner, First Secretary/Senior Programme Officer, Democracy and Human Rights, Embassy of Sweden, 14.1. 2008

### **Government of Kenya**

Mr. George Adhanja, Chief Executive Officer, NGO Council of Kenya, 10.1. 2008  
Mr. Jackson N. Kinyanjui, Director, External Resources Department, Ministry of Finance, Kenya, 10.1.2008  
Mr. Fred Olendo, Finance Officer, NGO Council of Kenya, 10.1. 2008

Mr. Ambrose Orwa, Desk Officer, Europe 1 Division, External Resources Department, Ministry of Finance, Kenya, 10.1.2008

### **LCF Partner Organisations**

Ms. Nancy Bosire, Secretariat Manager, Kenya ICT Federation, 7.1. 2008  
Mr. Dan Juma, Deputy Executive Director, Kenya Human Rights Commission (KHRC), 14.1.2008  
Mr. Eric R. Krystall, Senior Advisor, Family Programmes Promotion Services (FPPS), 10.1. 2008  
Ms. Beatrice Kuria, Finance Manager, Kenya Human Rights Commission (KHRC), 14.1.2008  
Mr. Chris Mbiti, Program Manager, Poverty Eradication Network (PEN), 9.1. 2008  
Mr. Peter Mbugua, Orthopedic Manager, Association of the Physically Disabled in Kenya (APDK), 11.1.2008  
Mr. Peter M. Mutemi, Executive Director, Centre for Human Rights and Civic Education (CHRCE), 11.1. 2008  
Mr. Dancan Mwangi Ndegwa, Executive Officer, Association for Physically Disabled of Kenya (APDK), 11.1. 2008  
Mr. Daudi Nturibi, Programme Director, Family Programmes Promotion Services (FPPS), 10.1. 2008  
Mr. Phylemon Odhiambo, Puppetry Trainer, Programme Officer, Family Programmes Promotion Services (FPPS), 10.1. 2008  
Mr. Isaiah Olale Onyango, Finance and Administration Manager, Family Programmes Promotion Services (FPPS), 10.1. 2008  
Ms. Jane Onyango, Executive Director, Federation of Women Lawyers – Kenya (FIDA), 10.1. 2008  
Mr. Hubert Seifert, National Director, Association of the Physically Disabled in Kenya (APDK), 11.1.2008  
Mr. Richard K. Tuta, Programme Officer, Centre for Human Rights and Civic Education (CHRCE), 11.1. 2008  
Mr. L. Muthoni Wanyeki, Executive Director, Kenya Human Rights Commission (KHRC), 14.1.2008  
Mr. Marcel Werner, Director, Kenya ICT Federation, 7.1. 2008

### **Beneficiaries of LCF partner interventions**

6 women and 2 children, APDK Office, Nairobi, 11.1.2008 (APDK)  
Nguni Human Rights Chapter, Mwingi, 13 men and 2 women, 11.1. 2008 (CHRCE)

### **LCF Workshop Participants, Nairobi, 09.01.2008**

Ms. Anne Amadi, Deputy Executive Director, Women Lawyers Kenya (FIDA)  
Dr. Ekuru Aukot, Executive Director, Kitua Cha Sheria  
Ms. Nancy Bosire, Secretariat Manager, Kenya ICT Federation  
Dr. Margaret Hutchinson, Executive Director, Education Centre for Women in Democracy (ECWD)  
Mr. Mike Karanja, Finance Officer, Kituo Cha Seria  
Mr. John Karuga, Finance Officer, Slums Information Development and Centers (SIDAREC)  
Mr. Chris Mbiti, Program Manager, Poverty Eradication Network (PEN)  
Mr. Peter Mbugua, Orthopedic Manager, Association of the Physically Disabled in Kenya (APDK)  
Mr. Stephen Musau, Executive Coordinator, Release Political Prisoners  
Mr. Duncan Mwangi Ndegwa, Executive Officer, Association for the Physically Disabled in Kenya (APDK)  
Ms. Esther Obachi, National Secretary, Kenya Library Association  
Mr. Bonaventure O. Olutsachi, Project Manager, Maria Stopes Kenya  
Mr. George Onyango, Project Administrator, SIDAREC  
Mr. Isaiah Olale Onyango, Finance and Administration Manager, Family Programmes Promotion Services (FPPS)  
Mr. Richard K. Tuta, Programme Officer, Centre for Human Rights and Civic Education (CHRCE)  
Mr. Marcel Werner, Director, Kenya ICT Federation

## **ANNEX 3: LCF CASE STUDIES**

### *ASSOCIATION OF THE PHYSICALLY DISABLED Kenya (APDK)*

The Association for the Physically Disabled of Kenya, (APDK) was first established in 1958 with the aim of empowering persons with disabilities through various programmes. It is a service delivery CSO now recognized as the leading NGO provider of comprehensive rehabilitation services to people with disabilities (PWD) in Kenya. It has a broad donor base with annual budget of EUR 2 million. The LCF support was approx. 7-10% in 2007. Support is quite limited so only a limited part of the outcomes and impact can be attributed to the LCF support.

#### Relevance

Support in the disability issues is also a high priority in the Finnish Development Policy. It also supports the achievement of the Millennium Development Goals (MDGs) of eradicating extreme poverty and hunger, and achieving universal primary education. It is also in line with the focus areas of the Finnish Development Policy related to poverty alleviation, basic health and education and disability as a cross-cutting issue.

In the Embassy LCF strategic plan the APDK support has been under the thematic area of poverty alleviation (2005-2007) and MDGs (2008-2010). In the new strategy the support to APDK has been included as a human rights intervention as it improves access for better services to the disabled children. This intervention combines advocacy work for the disabled with service delivery. The LCF contribution is only a provision of mobility aids, but it indirectly enables the organisation to carry out its advocacy work.

APDK as an organisation has a strategic plan and the LCF support is part of the strategy implementation. APDK services fulfil a need that no other agency is addressing in the target communities at any significant scale. Demand for services has consistently increased over the course of the intervention.

The Kenyan national development programme, Economic Recovery Strategy (ERS), specifically targets marginalized groups and includes service provision to disabled persons. The government has recognized its limitations and has turned to civil society to play an increased role in achieving the ERS goals in this area. APDK complements the services of government through close collaboration, which includes sharing of staff, facilities, and expertise. The close collaboration has extended to the appointment of high level representatives from the Department of Social Services, and Ministry of Health and Education as members of APDK committees, both at a governance and operational level, so that they are involved in the key decision making processes.

The LCF support to the APDK's intervention is highly relevant for the actual beneficiaries and highly consistent with the priorities and needs of the target beneficiaries. It is estimated that 3.3 million people in Kenya experience a disability, with the majority living in rural areas. Even this is considered a low estimate since many disabled children are hidden away out of shame and /or ignorance on the part of parents. It is estimated that only 10 % have access, or are able to afford therapeutic or rehabilitation services. PWDs also make up a disproportionate amount of the poor and that poverty is both a cause and consequence of disability.

Waiting lists exist for some APDK products and services, and many people with disabilities who could benefit from APDK the services are still prevented from or unable to access APDK services, even within existing catchment areas. The need and demand for APDK services exceeds APDK's current capacity. An additional expansion of the APDK intervention is in high demand to further extend the reach and impact of the intervention. APDK HQ is in Nairobi and it has nine branches outside Nairobi in the most densely populated centres.

#### Sustainability

External support is still needed to sustain and strengthen the benefits of the APDK projects. APDK has made considerable efforts and significant progress toward minimizing its future reliance on foreign support for sustaining the benefits of the program under review. Among the key factors that contribute to sustainability are strong local ownership at many levels, diversity of revenue sources and partnerships, achievements in building institutional capacity to maintain results, and central positioning of APDK in the domestic institutional and policy environment concerning disabilities.

APDK has had strong partnership with hospitals (Kijabe and Nazareth Hospitals) since 1990 which have a team of orthopaedic surgeons who provide corrective surgery for APDK patients at reasonable fee, and since 2001 with Kikuyu Orthopaedic Rehabilitation Centre. While also posing a considerable risk to APDK's ability to deliver the support should the government withdraw its support, close partnership with the Ministry of Health poses both potential for the long-term sustainability of the APDK's projects and its benefits.

APDK also provides services for others than the target group. Services are on cost-sharing basis for children and adults but those who cannot afford the fees are assisted free of charge as long as they are below 18-21 years (the limit has shifted upwards). The beneficiaries are required to raise at least 10% of the device price. For those who cannot afford, the socio-economic status is carefully assessed by the social worker.

Mobility aids workshop (whirlwind wheelchairs, tricycles and crutches) has a production capacity of 80 wheelchairs and 50 business tricycles per

month. All devices are sold at subsidised rates but for the poorest they are given for free. Such mobility aids were recently imported at a high cost and found unsuitable for the rough terrain in the country, and spare parts were lacking. Now they are prepared using appropriate technology (e.g. bicycles from India). Prices have gone down drastically and wheel chairs are now affordable to more people.

#### Impact

APDK has developed a holistic, community-oriented service delivery model that coordinates different services, addresses multiple needs of people with disabilities, and takes services closer to where people with disabilities live. APDK's approach mobilizes communities, involves people with disabilities, community leaders, and other community members in service delivery.

In total 1224 aid items have been delivered to target beneficiaries with LCF support. Products have been distributed to remote parts of Kenya, mostly North-Eastern Part. Target group is children with disabilities and young adults from economically disadvantaged backgrounds. Objective and operations of the APDK as a whole are very interesting. They increase access of disabled children to schools and participating in community life; increase mobility and enable access to employment empowering disabled to earn living and become fully integrated in the society. Unfortunately none of this impact is reported in LCF progress/final reporting. Changes in the quality of life are the real impact, not just mentioning the number of mobility aids provided. In addition, proposals do not include any other success indicators except the estimated number of the mobility aids to be provided.

APDK is not only making services available for the first time to many people with disabilities, but these services have made a considerable contribution toward the goal of improving the life quality of disabled people in Kenya. APDK has established an effective system for gathering statistics on service delivery numbers, such as the number of surgical referrals made or the number of mobility aids delivered to clients, but follow-up on whether or not those services had the desired effect on the client's life appears to be *ad hoc* and anecdotal.

APDK services have achieved positive outcomes for persons with disabilities, caregivers of children with disabilities, and the communities in which people with disabilities live. They have:

- Improved mobility and physical health of people with disabilities
- Increased understanding of and support for people with disabilities
- Decreased isolation and increased peer support among people with disabilities
- Increased support for women and girls

- Increased access to education among children with disabilities
- Increased independence of people with disabilities through economic sustenance
- Increased personal empowerment of people with disabilities
- Improved community attitudes and perceptions toward people with disabilities

APDK's expertise and focus on disabilities, the resources it has mobilized for the program, and the management and accountability processes it has introduced have ensured that health care resources are directed to disability services and have been instrumental in building Ministry of Health capacity to provide them effectively.

#### Efficiency

The APDK LCF intervention met the targets set out in the proposal at the output and outcome levels. Production of orthopaedic appliances fell short of the overall targets of the APDK, but nonetheless grew by 140% over the three-year project period. This is a sign of high demand.

#### Effectiveness

Ministry of Health contributions of staff salaries and space, high levels of volunteer involvement, and cost-sharing by clients have made the APDK project a highly cost-effective means of achieving outcomes for people with disabilities. The LCF support includes only provision of mobility aids.

APDK's model of CBR and especially of mobile clinics has proven very effective in increasing access to services by taking those services to the communities and into the homes where people with disabilities live. In a context of deep poverty, where transportation infrastructure is poor or non-existent, where stigma and shame causes the seclusion of persons with disabilities in their homes, and where NGOs have taken advantage of rural people and failed to deliver on their promises, simply making services available in the community does not guarantee their use by all who need them. APDK's approach of engaging community leaders, recruiting and training community health workers, and organizing people with disabilities and their allies, therefore, has been instrumental in ensuring that people who need the services use them. Similarly, APDK's involvement of community members in branch management through participation in branch committees has been effective in maintaining the relevance of APDK's work to community needs, and in building broad community buy-in for the provided services.

#### Cross-cutting issues

APDK currently tracks beneficiaries by gender, and the program has produced some additional outcomes for women and girls. Nevertheless

gender equality does not appear to be integrated throughout the program in a systematic or intentional manner. Monitoring of gender equality is currently limited to output tracking, and gender equality has minimal focus in training, staff allocation, or service responses.

*CENTER FOR HUMAN RIGHTS AND CIVIC EDUCATION (CHRCE)*

CHRCE is a human rights organisation founded in 1998 by local human rights activists from Mwingi district in Eastern Province of Kenya. The organisation currently operates under the legal cover of Kenya Human Rights Commission (KHRC) as an independent organisation. CHRCE is a young organisation slowly departing from its forming stage and moving on to a process of growth. It has implemented various human rights projects and activities in both Mwingi and Kitui districts, including civic and human rights education, paralegal training, human rights clinics, advocacy and monitoring of human rights violations. LCF support to the CHRCE has included Rooting of Citizen's Rights and Enhancing Service Delivery (2004); a Paralegal Project and Enhancing Social Responsibility (2005-2006) and Enhancing Women, Youth and People with Disability Participation in Leadership and Decision making (since 2007). CHRCE funding from the LCF is approx. 20% of the budget and thereby significant to the organisation.

Relevance

LCF supports the implementation of the 2007-2009 strategy – Community Empowerment Programme, Goal: Enhance Community Effectiveness in Addressing Human Rights Issues at Grassroots. Activities are located in the local communities of the Mwingi district. The speciality is to deal with human rights issues at the community level *vis-a-vis* some other human rights organisations which are more of advocacy nature and based in the capital. LCF intervention was designed as an interactive process where community paralegal workers mixed with all existing (sectoral) community groups (e.g. youth, women, faith based). The communication was another aspect of the design where paralegal workers emphasised communication based on local dialect (internal evaluation).

Activities of CHRCE are very relevant in Mwingi and other three districts where local people are trained as paralegals. The relevance for the ultimate beneficiaries is very high because CHRCE deals with everyday issues like land, family violence, women's rights and child labour. Community has limited capacity to confront issues as they arise due to inadequate knowledge of the steps that are required to be taken in case of issues of human rights violations. Authorities have been intimidating community

efforts, in particular the provincial administration through the Chief's office.. Communities do not take seriously child violation cases and they are easily negotiated out of court. Most of the perpetrators embark on giving bribes to children's parents.

Those trained as community paralegals disseminate information on human rights aspects in other development fields. Relevance is decreased because those participating in the activities are mainly the elderly. No youth and very few women are involved which is a challenge for both sustainability and relevance of the activities. Activities are not thereby reaching the whole community.

Problems such as famine have affected the Mwingi District - at times most people are busy looking for food and during rains the relevance of the intervention decreased. Mwingi district is also very wide and it is difficult to follow-up of the progress. CHRCE does not have sufficient number of lawyers for referral cases. It has faced also resistance from the politicians and cultural resistance because they are addressing women's rights.

### Sustainability

CHRCE has mainly operated based on the donor-funded projects. Despite of relationships with a number of donors, its funding base remains uncertain, unreliable and unpredictable. It also does not have its own office and relies on renting. CHRCE has made progress in a sense that they have an undeveloped plot of land secured through members' contribution.

In the 2005-2006 proposal sustainability is considered to be achieved because trained community paralegal workers are community members and will remain there even after the support has ended. The established committees (village elders, primary school committees, CDF, CBF, CAF, councillors) will continue serving as members of public and overseeing allocation of public funding. CHRCE has planned to introduce locally active development groups into the local human rights chapters and combine their advantages and experiences. Still the intervention highly relies on establishing new groups the sustainability of which is questionable without technical and financial support. The most important present challenges which decrease sustainability are mobility problems of the field personnel and the need for continuous skills development of the paralegals.

CHRCE aims to improve sustainability by training in fund raising; selling of the newsletter; private sector linkages with SafariCom and Equity Bank; and involving Italian volunteers. CHRCE has also recognised the problem of involving only the elderly as paralegals and are targeting more youth in the new proposal. They would also like to start several IGAs (brick making, goats) and to introduce membership fee.

### Impact

CHRCE has made contribution to human rights awareness and empowerment of the local community, as well as human rights movement in Kenya. It has implemented various human rights projects and activities in both Mwingi and Kitui districts, including civic and human rights education, paralegal training, human rights clinics, advocacy and monitoring of human rights violations.

The first LCF intervention with CHRCE was 'Rooting of Citizen's Rights and Enhancing Service Delivery Project'. The external Mid-Evaluation stated that the LCF intervention had only minimal effect in mobilising, organising and empowering community human rights organisations and structures to bring sustainable social change. Intervention was also said to lack efforts to concretise advocacy and lobbying skills to enable community members to hold the individuals, institutions and the Government accountable and responsible to them. It was stated that this can be done only if community groups can only be mobilised, organised and empowered to form alliances and local chapters to institutionalise their capacity to push the Government and leaders to address their collective needs. The LCF intervention had enhanced creation of awareness on legal, human rights and governance issues within the communities in Mwingi District, it had not planned strategies to ensure that the members are empowered to form systems and structures for guarding their rights and ensuring that they are protected within the communities.

Prior to LCF support period for CHRCE, 45 community paralegal workers had been trained in 2002-2003 to run human rights clinics based at the local level in Mwingi. The first LCF support facilitated 36 paralegal workers who had remained active within 34 locations (out of 38) in Mwingi District to carry on with community-based legal and human rights clinics.

To respond to the issues raised by the Mid-Evaluation, the second LCF support aimed at institutionalising the operational framework and thereby taking a step towards increased sustainability. The evaluation of the Paralegal Project and Enhancing Social Responsibility Project in 2006 indicated that there are still challenges even though communities had been sensitised and responsive to issues affecting them directly and indirectly. These challenges included male dominance in leadership and decision-making processes at the community level (80%); women youth and disabled are just to accept the decisions – they are not part of the process; the poorest do not have means to enhance realisation of justice in rape, domestic violence and FGM cases.

Based on the experiences of the previous assistance the third LCF proposal 'Enhancing Women, Youth and People with Disability Participation in Decision-making in Machakos, Mwingi, Kitui and Makueni Districts' was initiated by the CHRCE. It is a new LCF intervention (started 2007). The

results it has achieved are mainly organisation of nine workshops: five for women leaders, three for youth, and one for persons with disability. It has reached 134 women which was more than expected (sign of demand); 78 youth and 21 disabled. Those trained are expected to transfer the information in the already existing community meetings within their localities, and empower the fellow colleagues. Individual cases have been taken up.

At present CHRCE cooperates with more than 60 CBOs and groups spread all over the Region, having a network of 112 trained community paralegal workers and human rights monitors. CHRCE has managed to get many people interested in getting their national Identity Cards. Community members, including women, can and have confidence now talk in Chief's barazas partly because they got training by CHRCE which is a big change in cultural practises i.e. informal institutions.

The added value of the LCF support is that CHRCE started the paralegal training with LCF funding.

#### Efficiency

An organisational assessment (OA) of the CHRCE was carried out in 2003 which paved the way for further organisational development. The assessment showed multiple and serious weaknesses of the organisation regarding the performance of the Board, administration and management. The Board members were considered highly motivated and experienced in human rights advocacy, and being graduates in human rights and a practising lawyer. They were said to have good access to and be associated with many human rights organisations in the country. However, they did not have the sufficient experience or exposure to managing organisations which was reflected in the organisational development of the CHRCE at that time.

After this period during the last three years CHRCE has been undergoing a major transition, including an internal re-organisation based on the 2003 OD assessment (2007-2009 strategy). The OA recommended functional analysis; broad manual guidelines; staff skills audit; financial and administration policy and M&E tool. These policies were put in place and institutionalised 2004-2005. It evolved from a community lobby group with loose management Board doubling as members of the Secretariat staff as well as policy making arm to a complete power separation organs with Board of Directors, Management Committee and Secretariat. It has taken a decade to institutionalise CHRCE.

The 2007-2009 Strategic Plan is well prepared e.g. describing the programme areas, Community Empowerment Programme and Institutional Capacity Enhancement Programme, in a full log frame format. CHRCE

describes as their major challenges funding and sustainability, infrastructure, government and public relations, M&E. CHRCE clearly is an organisation with willingness to learn. LCF intervention reporting includes always recommendations for further development, and recommendations of the evaluations are taken into consideration and acted upon.

A good practise is that CHRCE reporting includes comments/demands from the groups trained (CBOs). It gives an indication on the way forward in the awareness raising process and the intervention in general. It gives it the flexibility to change based on demand. Demand-based intervention development is clearly seen in this intervention. Another good practise is that internal evaluation mechanism included organisation of the evaluation workshop (12-13.12.2006). The workshop brought together key players of the project, community paralegals, selected community members, District Council and Provincial Administration personnel. The workshop used the SWOT-analysis for implementation taken place, and listed location specific recommendations for improving the performance.

CHRCE has developed a monitoring tool which is not adequate yet to carry out M&E based on qualitative and quantitative progress indicators. It lacks the resources, systems and tools for efficient M&E (2007-9).

#### *FEDERATION OF WOMEN LAWYERS-KENYA (FIDA)*

FIDA (K) has been supported by the LCF through joint donor funding and is at the tail-end of its current strategic plan, which commenced in 2005 and runs until the end of 2007.

#### Relevance

FIDA (K) has a reputation of being the premier provider of legal aid services to the Kenyan woman. It has successfully taken on critical public interest cases whose outcome has not only made a historical judicial mark but have also been an encouragement to many women (Odera & Kamau, 2007). In the country context FIDA activities of providing legal assistance for poor women are very relevant. Target group is very poor women. FIDA is addressing issues of law which are not very well understood – also issues which other lawyers are not interested in. FIDA combines legal assistance with counselling services and therapy. Demand for the services is very high and FIDA is not able to respond due to lack of human resources. FIDA is also recognised by the Government and the Court refers to them in some cases.

### Sustainability

FIDA (K) has good working relations with the Judiciary, Children's Department, and sections of the Police, Donors, CSOs and its target community or clientele. It has managed to successfully raise funds both internally (such as from Friends of FIDA (K)) and externally from its various donors. The organisation has been involved in the recent past in strengthening its financial management as well as its human resource management systems, including the recruitment of a Human resources Officer.

The Government of Kenya under the GJLOS Programme is at an advanced stage of nominating FIDA (K) as one of the few sites for hosting the pilot Legal Aid Scheme. The organisation is therefore assured of sustained work from numerous sources. In an effort to strengthen its financial sustainability FIDA has established an Endowment Fund and using internally generated funds commenced investing them in Unit Trust Funds in the Kenyan Market (Old Mutual Equity Fund). The objective is eventually to purchase its own premises.

FIDA (K) does not have adequate expertise at the Council level to explore and drive the issue of financial sustainability, including endowment funds and other investments. It is also experiencing frequent staff turn-over that could adversely affect the smooth running of some of its programmes, their departure might not necessarily impact on the project's sustainability but result in constant training for the new staff which drains the limited human resources. The organisation is not transferring its human resources into 'public interest litigation' as it had planned to do.

### Impact

Main impact of FIDA is that it has been able to change formal institutions through awareness raising. Alternative dispute resolution mechanisms have been employed to assist women to claim their rights faster thus avoiding long litigation procedures. FIDA has been involved in the development of the Family Protection Bill, Equality Bill & Affirmative Action Bill as well as the enactment of the Sexual Offences Act and has contributed to changing the formal institutions.

According to reports a total of 28,048 clients were seen in the organisations' three offices based in Mombasa, Nairobi and Kisumu between 2005-2007 (Odera & Kamau, 2007). There are a total of eight lawyers in the three offices representing clients. In the three years 2005-2007 a total of nine hundred and fifteen (915) women have been trained in self-representation (Odera & Kamau, 2007).

Although commendable progress has been made with self-representing women, challenges have also arisen as repeated or advanced training is needed, negative reaction has been encountered among magistrates who

are not aware of the scheme or women's spouses are represented by lawyers who attempt to intimidate them.

FIDA continues to train community based monitors. This programme provides FIDA Kenya with first hand information of gender based violence cases occurring within communities. The role of the monitor is to monitor gender based violence cases, prepare brief and forward the same to FIDA Kenya offices for action. The monitors are trained periodically and expected to send monthly reports to Nairobi. There are a total of one hundred and fifty seven monitors (157) of which fifty eight (58) are based in Nairobi, thirty seven (37) in Coast and sixty two (62) in Nyanza and Western Kenya. The information generated from the monitors is analysed and used in the Annual report. Reported cases are referred to the Legal Aid Team for necessary intervention.

Monitors are recognized within the communities they work and by officers of the provincial administration. Through the interaction and intervention of monitors women have been empowered, and made aware of their rights and are willing to open up and report cases for documentation. Networking among monitors has improved the delivery of their services and strengthened the visibility and reach of FIDA Kenya. Local leaders are aware and appreciate the work being carried out by the monitors.

FIDA Kenya has established a working relationship with the provincial administration working primarily with chiefs and assistant chiefs. The focus of the partnership is to empower this cadre of administrators with knowledge and information about women's right and social justice issues. Chiefs are the first line of interaction between citizens and the government and therefore are an important point for delivery of services. The intervention of FIDA Kenya are thus relevant and compliment the government's efforts to reform the public service to make it more responsive and effective to citizens needs.

FIDA Kenya has to a certain extent missed the opportunity to engage or understand the policy reform prevailing in the country (Odera & Kamau 2007). The Government has initiated significant policy reviews primarily aimed at improving service delivery, demystifying the role and functions of government agencies and encouraging citizen's participation in governance issues. FIDA (K) is well regarded and well positioned to take advantage of its reputation to influence the on-going policy reform. However it is critical that it access the right forum of engagement.

In relation to Legal Aid and Rights issues the following was observed:

- significant increase in the number of women receiving legal aid through FIDA (K) impacting not only women but children as well;

- has successfully filed several public interest litigation cases that articulate the rights of women; selected cases challenge the status quo and patriarchal attitudes that are reflected in the current judicial and legislative practise;
- has undertaken extensive capacity building initiatives aimed at building its knowledge and practise of Public Interest Litigation through training that include external experts as resource persons;
- trained a number of pro-bono lawyers and its staff on how to successfully prosecute a PIL case, thereby creating additional capacities; in an effort to create sustainable capacities within the women themselves trained a number of them on self-representation (in the first half of 2007 over 100 cases were filed on behalf of the self-representing women, out of these there were six successful conclusions);
- continues to develop collaborative relationships with CSOs as well Government departments;
- has successfully pursued ADR approach to facilitate faster out of the court settlements; has developed a good relationship with the government and government agencies including KHRC (Odera & Kamau, 2007).

#### Efficiency

FIDA (K) has managed to successfully generate funds for its program of its activities, especially those it runs under the 'basket fund'. The budgets are developed with the respective teams and therefore reflect the activities and plans to be implemented. FIDA (K) has appropriate procedures that ensure proper procurement procedures are taking place. Embassy of Finland participates in presentations of FIDA's Annual Reports and forthcoming plans.

#### Effectiveness

In order to be more effective in addressing women's rights issues should consider a strategic policy shift from focusing on welfare litigation to one of public interest litigation. Although FIDA had taken on a number of PIL cases, it is still continuing to spend more time on the welfare litigation. PIL cases are not only time consuming as a lot of research must be undertaken, but they are also expensive.

It was mentioned by the FIDA management and observed during the interviews that the personnel involved in legal aid clinics face both physical and emotional pressure, and that there is need for the organisation to monitor this potential burn-out syndrome. The strong demand was clearly visible during the visit, when long queues of women were awaiting their turn for assistance.

#### *POVERTY ERADICATION NETWORK (PEN)*

#### Relevance

The intervention concept is based on the belief that communities have the potential to initiate, manage and sustain their own development. This is to be achieved through community education and awareness about organisational development, good governance and leadership, decision-making, planning and monitoring, business development and strategic partnerships. It operates in communities of Ngong and Kangundo Divisions in Kajiado and Machakos Districts.

It was unfortunately not possible to thoroughly assess the relevance of the intervention to the ultimate beneficiaries. LCF intervention through PEN introduces a different type of development as a pilot. It is truly participatory as a concept and community-based. When assessing the impact, it can be concluded that the intervention is locally relevant because it promoted use of local resources, also decentralised funds, in a difficult geographical area and with people below the poverty line. If experiences cannot be transferred to broader Government (or donor) planning processes relevance and impact decrease. There would be possibility for replication in the vicinity since problems are very much the same in the semi-arid areas. PEN has recognised the need for documentation and importance of books/publications in promoting the approach and exchanging experiences. This should be included in the potential forthcoming LCF support for the organisation.

PEN has submitted a new proposal to the Embassy of Finland “Investing in Communities to Attain the MDGs”. The planned period was 2007-2008. The activities of the “Strengthening Citizens Participation in Selected Districts in Kenya Project” started with a delay and there is an obvious need to ensure the long-term sustainability of the initiated activities. The proposed initiative is a continuation of the previous activities with a new name.

PEN (together with the Ministry of Environmental Conservation) has submitted also another proposal on “The Greening of Machakos” to the Embassy of Finland in 2007 as part of the “One Billion Tree Campaign” of the UNEP. “Investing in Communities to Attain the MDGs Project”, however, is assumed to be based on an internal assessment of what are the needs of the CBOs to sustain their activities of the “Strengthening Citizens Participation in Selected Districts in Kenya Project”. It is more feasible to support the continuation of the previous project rather than starting a new initiative even though it is an important one, and can be seen as a continuation of the previous support since the geographical area is the same. Since they are in the same geographical area, combining of the interventions is also an option, particularly when tree planning is already incorporated in the previous intervention.

Submission of several proposals with a different name and addressing similar issues could indicate that the name has been changed based on the present donor interest and sent for various donors. MDGs have gained increasing focus and are used to attract funding even if the content is more or less the same. This might also be a result of the Embassy policy not to finance long-term interventions, but support can be allocated for an organisation on long-term basis. This results in increased number of interventions and confuses M&E of the results and impact. It would be better to call clearly similar interventions by the same organisation as Phase I and Phase II etc. so that also the outsiders can understand the sequencing and that it is possible to enhance the organisational memory.

#### Sustainability

PEN has established good working relationship with the Government in its operating geographical area at the national, district and local levels. This is evidenced by the support PEN got from the Government when initiating/implementing the Kalama Community Based Development Project in Machakos. It builds on already existing activities of various groups thus based on the needs of the beneficiaries. At the activity level Government linkage and improved access for using the decentralised funds improve sustainability as well as introduced IGAs. Activities are based on strong community ownership but it is time-taking to create the enabling environment to achieve it. This LCF intervention, however, is the only one of the case studies which has an in-built exit strategy even at the activity level because of its approach. Approach used which is based on group training to improve organisational capacity of CBOs by training groups and group leaders to manage the projects improves sustainability. LCF funding only compliments local funding and groups' own resources.

Consultancies and training carried out by PEN in the whole region contribute positively to organisational sustainability.

#### Impact

Expected outputs of the PEN LCF intervention were multi-faceted: 1) enhanced institutional capacities of CBOs; 2) IGAs and microfinance; 3) agro-forestry; 4) farmer field schools; 5) school governance; and 6) community advocacy on decentralised funds. Target area was very limited: two communities and two CBOs with altogether 38 self-help groups. At the end of the 2-year period the status was as follows<sup>7</sup>. Participatory organisational assessments had been carried out which indicated severe weaknesses within the governing structures of CBOs who did not

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<sup>7</sup> Poverty Eradication Network, Strengthening Citizens Participation in Selected Districts in Kenya, Final Report (2006-2007), July 2007, submitted to the Embassy of Finland

understand their roles, were not transparent in their dealings which led to diminished confidence and members' commitment. As a result training and mentoring programme needed to be designed and carried out.

There was a need first to consolidate its leadership and membership and only then the leadership programme could begin. Equally, training in resource mobilisation and financial management was required since institutionalising accountability at the community level and CBOs was one of the key aims. It was also realised that there is generational and educational gap which prohibited preparation of community plans. Regarding income generation and microfinance to create a community capital base for future investments only training has been organised and minimum savings have occurred since trust needed to be build first. Bureaucracy at the MoE has affected activities regarding school governance. There is interest at the local level but no approval from the higher levels.

Most successful have been the efforts related to agro-forestry and farmer field schools. Some tree nurseries have been established and they have started functioning as IGA through selling of seedlings. A challenge has been that some sites do not have water. Four Farmer Field Schools (FFS) have been set up which has led to high production of maize for food security and kale for IGA and replication in a few farms. The FFS schools have provided an avenue through which other partners are able to reach farmers and train them. The Kenya Agricultural Research Institute is working with one of the schools in promoting organic farming. Facilitation by the MoA extension officers has been affected due to lack of skilled staff in the Ministry within the Division. Tapping of decentralised funds has been successful in few cases. As a result of direct intervention by the community resource persons and increased participation five projects (RMLF – KES 4.8 million to Kajjado; LATF – KES 300 000 for dispensary and KES 120000 for teacher toilets; CDF – borehole, dam, school; Njaa Muru Project by MoA – joint fruit processors; Secondary School Bursary – six orphans) were fast tracked or allocated funds. Communities, also women, participate now in the Chiefs' barazas where information on the decentralised funds is shared and discussed.

LCF intervention with PEN is a multi-faceted intervention and the technical capacity of the organisation is not sufficient for addressing all the technicalities. Other modalities of development assistance with broader financial and human resources would have a comparative advantage is implementation of such programmes. Organisations like PEN should concentrate on more targeted efforts based on their technical expertise and comparative advantage.

There is a real danger that if CDF and other decentralised funds are not available (e.g. for political reasons) most of the efforts would collapse. Then the only impact would be increased awareness of rights which is not sufficient for the beneficiaries in the operating environment.

The LCF intervention has contributed to changes of the local level institutions (formal – community structures; informal – ways of operating at local level in between Government and civil society).

The Embassy field visit notes indicate that the gender balance in the activities has been noted and groups involve both women and men, including people with disabilities<sup>8</sup> but reports do not provide information in the GDD form in general. Participation of women and men in the FFS is reported. The log-frame of the intervention includes targets for women (at least 1/3) and men in the CBO Committee.

#### Efficiency

PEN as a LCF partner has good quality analytical reports identifying the challenges and way forward. According to the audit report financial management and reporting is good. Log-frame in the new proposal is based on the MDG targets as “reduction of extreme poverty in Kangundo and Kajiado districts by 2015”. In the beginning of the LCF support PEN did not correctly estimate how difficult and time-taking community based development is. The proposal was not realistic. The project started with delay as the local communities and groups took a while to understand the goal of the intervention that the main issue was to be trained in improving the governance and management of the already existing groups rather than having big investments.

#### Effectiveness

In some areas nurseries established do not have water. Challenges in the operating environment are multiple, and e.g. lack of water can hamper all the other efforts. The PEN approach requires also a lot of planning which has potential to improve sustainability on a long-term. Interests of the beneficiaries have shown to be different and a challenge is how effectively incorporate both planning and implementation to achieve better results. Strong reliance only on the Government technical assistance has and will decrease effectiveness.

### *FAMILY PROGRAMMES AND PROMOTION SERVICES (FPPS)*

#### Relevance

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<sup>8</sup> Field visit (8.11.2007) notes by the Embassy “Intervention Profile/Performance Summary”

The LCF intervention 'Puppets Against Corruption and Good Governance' is highly relevant for awareness raising in good governance, sensitisation of electorate and anti-corruption. It uses an innovative approach which makes it interesting for the target beneficiaries, particularly the youth. It has been quickly able to respond to the daily issues, which has increased its relevance. Target group are the very poor people e.g. in the slum areas. 'School Based Puppetry Project' is an investment in the future, and drama as a tool is very relevant particularly when working with school children and introducing good governance and democracy issues. FPPS has a strategic plan including organisational analysis and the LCF support is supporting implementation of the FPPS strategy.

#### Sustainability

As an organisation FPPS operates regionally and provides services as consultants in other countries which is the main source of funding apart from donors. They receive donor funding only for programmes, not for core funding. Despite of consultancies in the East Africa Region FPPS is still donor dependent. For example when DFID as the main donor pulled out as a result of their priority change as a donor to address good governance and anti-corruption issues only through public sector the FPPS funding dropped 40% and activities were drastically scaled down. DFID led the FPPS strategy development and as a result of their priority change FPPS "suffered a big blow". Publicity and advertising the approach and methodology is a weakness. Radio/TV potential should be looked into. FPPS as an organisation has potential for continued donor funding because it responds to different topics which are important at the time. FPPS produces the puppets itself in their workshop and sells them which gives additional income.

Puppets could also be used in other LCF interventions i.e. mainstreaming drama and puppetry. It has proven effective in addressing sensitive and taboo issues. It could be highly relevant now to address the core problems of the post-election violence e.g. ethnicity. However, there are no linkages with other LCF projects/organisations. This is an opportunity but it is not utilised. The Embassy should facilitate these linkages in between the LCF partners through organising regular (bi-annual) meetings.

Puppeteers as trained and independent artists are able to sell their services. They have been e.g. advertising commercials for Unilever and reached better results than other campaigns by the company which is also a sign of effectiveness of using puppets. Puppeteers are also used by other organisations for awareness raising. Puppeteer networks are quite loose and are not necessarily sustainable due to high turn-over. Puppeteers drop out

when they get other income. They mostly work in low income areas and have shows for free.

The approach used at schools increases sustainability. Teachers, headmasters, administration and students are included in the implementation. Inclusion of school head teachers and institutional managers made them collaborators and advocates. There was resistance in the beginning by MoE, Nairobi City Council and KIE in accepting puppetry as an alternative teaching method rather than a new content area but they realised later the potential it has. Teachers also felt that their timetable was overcrowded already since more emphasis was on examination subjects. Now there is a close link with education authorities like MoE, Schools Inspectorate; Kenya Institute for Education; and Kenya Institute for Special Education. There is a plan to include use of puppets in the Teacher Training College curricula which needs to be discussed with the financier of the College. This is critical for successful development and implementation of an innovative approach which is breaking development barriers and myths. Linkage with Association of Head Mistresses has been created to use their advocacy work in promoting inclusion use of puppets in the curriculum. Support from parents has increased ownership.

#### Impact

Both Puppets for Good Governance (PGG) and Puppets for Anti-Corruption (PAC) were participatory interventions aiming empowering under-privileged and disadvantaged communities to have better citizens – enhances governance, justice, fairness and equality. Puppets for Good Governance evolved from the Puppets for Anti-Corruption and targeted particularly the 2007 elections.

304 puppeteers have been trained operating in over 40 rural/urban centres. During 2002/2005 3700 performances held and approx. 1 million people reached. Performances were organised in Nairobi slums (Kibera, Kangeni, Koriobangi) and other parts of the country. Since the purpose of the intervention is attitudinal change, it is difficult to assess the impact. Puppeteers are able to effectively mobilise, communicate their messages and educate audiences. According to the LCF evaluation (Onsongo 2005) the impact is mainly in sensitisation of communities about governance issues and that people can discuss openly sensitive and “taboo” issues. It has also provided skills to youth and community groups in cultural communication. Performance is followed by dialogue with community. The FPPS also follows up to a certain extent what happens after dialogue and how and when it leads to action.

Key issue is that through puppeteers it has been possible to address quickly every day challenges. It is an innovative method which enables dialogue in sensitive issues and leading to action. For example, in Kibera slum where the police demanded bribes for security, a performance was organised

which demonstrated a need for a meeting in between the police and the Kibera residents. As a result, regular police patrols were established in the area at that time. In Ngong Bul Bul a lad taken was finally returned to indigenous people. FPPS has also cooperated with FIDA and directed gender-based violence cases to their attention. In order to address these sensitive issues a community cultural diagnosis is carried out prior to performances.

During 2007 the emphasis was on general elections to address emerging political tension and violence, inter and intra ethnic animosity and already widespread political chaos. FPPS LCF intervention sensitised people in free and fair elections; involved them in debates on peaceful co-existence; educated people in what the manifestos of the political parties in practise mean to their way of life and thereby linked the every-day life and national politics. They also encouraged community members to report corrupt practises to make complaints. Performances have provided a forum for a dialogue. 19 performances were carried out and approximately 51000 people were reached. "Eyes on the Leadership" awareness raising campaign was a success and visible even during the field mission.

After the bursting of post-election violence in the early 2008 it can be said that efforts for peaceful co-existence were not sufficient, but this development could not have been stopped by any other means either. Using puppets in solving the challenges of the aftermath of violence would provide an opportunity to address very sensitive issues like ethnicity. LCF support should be directed to these efforts of FPPS if they see a role for themselves in peace building. "Eyes on Leadership" campaign should also be supported to assess how the next government performs. The campaign has a "watch-dog" role and could come a force in itself.

Another ambitious effort by the FPPS is School-Based Puppetry Project (SBPP) as a pilot project (10 schools). The results of the pilot project indicate that school administration and managers appreciate puppetry as innovative teaching tool and want more training. Approach motivates teachers/students and makes them more confident. Puppetry has been particularly beneficial for introvert children who are mentally/physically challenges. They are able to speak through puppets, better able to communicate, express themselves and thereby break barriers (e.g. with autistic children). Puppetry clubs have been established in the pilot schools. Important impact the LCF intervention has had is an acceptance of an alternative teaching method in schools which is not only based on technical knowledge but teaching also social skills.

Main challenge of using puppets is whether the performances are really leading to action and change in the attitudes or is it more considered as entertainment. Impact indicators of PGG are not realistic or measurable and

cannot be easily monitored. The SBPP indicators are easier to monitor and impact can be verified.

FPPS has submitted a new proposal to the Embassy of Finland on Environmental Education and Action together with Kenya Organisation for Environmental Education. The proposal is in line with the new Finnish Development Policy. The comparative advantage of FPPS in the present country context would be to contribute to peace-building efforts. If FPPS sees a role for themselves in this, the LCF should rather support this kind of initiative.

#### Efficiency and Effectiveness

Scaling down of donor funding (DFID) had impact on effectiveness of FPPS as an organisation. It did not affect the LCF activities since the Finnish funding continued with already specified activities and objectives.

Dropping out of puppeteers leads to constant need for training decreases effectiveness and efficiency. Effectiveness has also been low when community diagnosis has not been carried out prior to the performance i.e. when methodology has not been properly followed.

Programme Officer and Finance Manager attended a course of project management (2-day) organised by the Embassy which improved knowledge and skills of these officers and improved efficiency of financial management. Reporting has been regular and external evaluations have been carried out.

#### *KENYA ICT FEDERATION (KIF)*

LCF intervention was an effort to promote development through e-government in local communities, an area that has not been seen on the radar of national development strategists. Challenge in assessing the KIF LCF intervention is that there were no appropriate proposals, progress reports (1-pagers) or evaluations. Progress reporting and financial reporting have not been adequate and it is questionable how the requirements binding other organisations have not been applied in this case.

#### Relevance

Relevance of the intervention is relatively low for the civil society at present since the IEC strategy implementation has not started. It has been and is relevant for the concerned City Councils. Open Source Software (OSS) could have later on relevance but whether KIF is the most appropriate organisation to implement that is questionable. OSS development is financed by the private sector but it does not have clear networking with

CSOs. In May 2007 seminar which was main part of the Capacity Development Open Source Software intervention no CSOs were present, only private sector and University representatives.

KIF strategy mentions assisting rural-based organisation in developing ICT strategies and extending rural ICT access but KIF has not been able to accomplish that. This would have been directly relevant for the civil society. The KIF Board decided as the target areas those with highest population (Eldoret, Nakuru, Kisumu) for marketing and business purposes. This is a clear indication of KIF being a business initiative. Even interest in Kisumu is less than the two other towns. Intervention is not relevant for poor and rural people. It is relevant for local authorities in two towns and business people in particular. Potential to make more grass-roots responsive programme exists but membership might not be interested in developing it further. Selection of the target group for LCF support is not relevant. KIF initiative is not, or has not proven to be, a development-oriented initiative but a business initiative. Purpose to improve the relationship between the City Councils and the residents, however, this is expected to happen as a result of technical innovations. The dialogue with the residents on the issue is yet to take place.

In the LCF strategy (2008-2010) the linkage in between the KIF and other focus areas is to link Kisumu as one of the MDG towns to KIF ICT support, however, interest of the membership remains a question. It has potential to improve good governance issues – transparency - but the proposal needs to take into consideration the wider development context.

Relevance of LCF support to KIF is that without the support it is unlikely that local government model project would not have been developed. KIF is an engineering and economic initiative for policy and innovative technology applications. Technical research on appropriate ICT solutions has not materialised yet but active discussions with e.g. IBM, Google are on-going.

Part of the capacity building effort was a seminar in Turku School of Economics. Proposal for going to Turku came from the Embassy but was an excellent choice (KIF interview) since School of Economics was very well resourced and seminar was extremely powerful. Institutional linkages in between KIF and Turku School of Economics were created but are on ad hoc basis. Those who went to the seminar in Turku understood the importance and benefits of the OSS.

#### Sustainability

Sustainability can be negatively affected by the maintenance and access issues related to technology. As a result of the recent violence, the

development of the ICT sector will be on hold. It is questionable whether ICT is a priority which will be funded by the City Councils (computers; maintenance) vis-a-vis provision of basic services to residents in the present situation.

KIF as an organisation (core funding for 1 full-time person) is financed by the members but activities from other donors. Core budget is used for annual meeting; lobbying, research Without LCF support they would not have carried out the work as planned in the ICT strategy. They did not actively search for funding from LCF but found out the possibility by accident. It has linkages with IDRC (Canadian Research Institute) which works in close linkage with the Government. IDRC is more emancipatory and development-oriented, and its operations are based on rural ICT needs assessment.

KIF has also close cooperation with the Kenya Private Sector Alliance (KEPSA); MoI&C; E-Governance Directorate and Kenya ICT Board (funded by the World Bank) which increase sustainability. For technical solutions it has also links with International Electronics Engineering.

### Impact

ICT policy exists in Kenya and KIF contributed to its development, but this cannot be attributed to the LCF support. Lobbying and advocacy are strengths of the KIF. The LCF project has achieved some intended results. Both Councils developed an ICT strategy inspired by e-government measures. The strategies were formally adopted by the respective Councils. The ICT strategies were action oriented and have resulted in the launch of Council web-sites where tenders for services are advertised (difficult to access) with SMS info-lines by both Councils (not yet operational). ICT is on the budget of the City Councils of these two towns.

Activities under the project included consultation workshops with Municipal Council staff and executives and local residents and business networks, demonstration and training seminars, and site visits by engineers to assist web and SMS development. The LCF support has partly decreased the knowledge and exposure gap between Nairobi and the selected towns and responded to the need to close this 'digital divide'. Through the consultation process, parties understood and accepted that ICT could be an avenue to much needed services delivery improvement by the Councils.

Innovative mobile technology has potential to have significant improvement in the lives of the rural people on long-term but its development needs to take into consideration a broader development context. ICT has potential to increase accountability and transparency of the public services but does not guarantee it. Strength of the intervention is that it has brought private sector into the development of the ICT.

KIF has collaboration with FAO OSS applications e.g. tracking down locust movements. It has contributed also to pricing policy brainstorming so that

through mobile technology producers and buyers can be in direct contact without middlepersons.

#### Efficiency

KIF has a lot of contacts in the private sector, local authorities and universities which are efficiently utilised. It operates with membership funds and one full-time person. All reporting has not been up to the standard (1 page A4) and only activity level reporting (final report better as per request of the Embassy). As an organisation it is a “lap top office” – a loose organisation which has affected e.g. LCF reporting negatively. Most of the LCF funds were used for the workshop (EUR 39 000) and the limited remaining funds (EUR 7000) for other purposes.

#### Effectiveness

The KIF LCF proposal did not have any indicators for measuring impact. In the interview with KIF, M&E was considered as their weakness. They do not have understanding of how the ultimate beneficiaries think related to the support since there is no link with the ultimate users. The support was a top-down improvement of service delivery of the Municipal Councils to the residents of the municipalities. It is expected that the benefits will trickle down to the beneficiaries through technology development. The financial volume of the LCF support was limited and out of 171 municipal councils only 2 were targeted. This is a catalytic intervention the sustainability of which is questionable. Support did not build organisational capacity of CSOs or KIF, only local government. LCF intervention is considered gender-neutral and no special consideration e.g. for women’s access to ICT/OSS has not been mentioned or considered.

#### *KENYA HUMAN RIGHTS COMMISSION (KHRC)*

The Commission has observer status with the African Commission of Human and People’s Rights, is a member of the International Federation of Human Rights and a partner with Penal Reform International. LCF support is allocated as core basket funding to the implementation of the KHRC 2004-2008 Strategic Plan (SOs 1-8). LCF support of the KHRC overall funding is approximately 5%. Reporting is done by the organisation annually. Since LCF support can be used for implementing eight SOs, it was not possible to assess during the evaluation what of the KHRC performance can be attributed to the LCF support.

### Relevance

KHRC as an organisation, its mandate and programmes are very relevant in the Kenyan country context where the human rights situation has not improved together with the economic development. KHRC operates also in a watch-dog role. It is very relevant also for some of its partner organisations which it has “upgraded” as independent organisations (e.g. CHRCE). Through its regional offices KHRC is able to address also issues which are of importance at the every-day lives at the local level e.g. harmful traditional practises and citizenship issues. Thereby it is relevant both at the policy and local levels. KHRC is facing challenges in balancing the national level efforts with the regional efforts. It also wants to conduct more research-based advocacy work to address broader rights like water. This trend would increase its role in the development dialogue and be an even more important partner for the Embassy.

After the post-election violence KHRC puts emphasis on understanding the nature of the violence, its core problems and initiating forces. This increases the relevance in the present situation. This means addressing e.g. transitional justice cases, rights of the IDPs and rape cases. New strategic plan will be ready by Mid-February 2008 addressing these new elements. Otherwise it will be a continuation of the previous activities. KHRC is a well recognised organisation with good organisational capacity and proven track record. LCF should continue supporting it also in the future as a long-term partner.

### Sustainability

The KHRC states organisational sustainability as one of the main challenges. In addition to LCF support has few long-term donor commitments for funding. KHRC stated that long-term core funding gives them stability, flexibility, scope to adjust to changing situation and decreases transaction costs. KHRC has a staff of 24 in Nairobi.

Relatively high salaries paid by the organisation might decrease sustainability. On the other hand, if an organisation wishes to attract professional personnel, salaries need to reflect professionalism. NGOs are competing for the same human resources and donor community. It is justified that the salaries are competitive to ensure professionalism in a market economy. If the quality of personnel is not at the high level, it affects sustainability negatively. As an organisation KHRC has grown a lot which has resulted also in internal debates and disagreements of the direction to take – how to prioritise in between addressing the civic and political rights and economic, social and cultural rights.

### Impact

KHRC is a leading human rights NGO in Kenya. Its achievements have been significant in promoting human rights and good governance. The Summary Progress and Plan (April 2007) outlines the achievements carried out during previous 12 months. It is not possible to list the achievements in this report. Few achievements amongst eight SOs supported by LCF are mentioned briefly below:

SO 1) a module for training teachers on human rights in schools; draft report on discrimination during application for national IDs in Northern Region; 30 community groups organised countrywide; autonomous intervention by communities on critical issues that affect them; training module of Government monitoring.

SO2) youth memorandum of human rights issues in the National Youth Policy; production of advocacy materials on trade and human rights; KHRC and communities influenced the proposed amendments to CDF Act; draft report on transitional justice issues in the preparation of National Land Policy; civil society memorandum on the Kenyan Education Policy.

SO3) media commentaries on topical human rights and social justice subjects; visibility of the organisation; 4 exhibitions.

SO4) working paper on the study on gender and participation in community advocacy initiatives; implementation of effective Performance Management Systems.

More of the activities and impact on [www.khrc.or.ke](http://www.khrc.or.ke)

#### Efficiency

KHRC has a clear monitoring system for its projects and programmes. Its technical annual reporting to donors is very good. According to the audit report (29.8.2006) it has a different bank account as per donor conditionality. Significant alterations were made in between the budget lines which ought to have obtained donor approval, particularly related to doubling of the personnel costs. Audit report proposed also separate narrative report on how particularly the LCF funds had been used. This is, however, not in line with harmonisation principles of basket funding. Audit report also paid attention to KHRC commingling funds of donors thereby no audit trail is available of the use of the funds.

Emphasis of actions is still at the policy level. It has also regional structure but only one person in the regional office. KHRC considers network in the regions important but needs to balance in between the structure and available human resources.



**ANNEX 5 LFC IN THE CASE STUDY COUNTRIES: NEPAL**

**Evaluation of the Local Cooperation Funds:  
Role in Institution Building of Civil Society  
Organizations**

**Nepal Country Report**

Merja Mäkelä



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## ACRONYMS

ADB	Asian Development Bank
AfP	Alliance for Peace
AIN	Association of International NGOs
AU\$	Australian Dollar
BOG	Basic Operating Guidelines
CA	Constituent Assembly
CAD	Canadian Dollar
CBO	Community-Based Organisation
CCO	Canada Cooperation Office
CF	Canada Fund
CIDA	Canadian Development Agency
CS	Civil Society
CSO	Civil Society Organisation
DANIDA	Danish International Development Agency
DAP	Direct Aid Programme
DDC	District Development Committee
DEP	Democracy Education Programme
DFID	Department for International Department (United Kingdom)
DF	Democracy Fund
EFA	Education for All
EoF	Embassy of Finland
FFP	Friends for Peace
GEF/SGP	Global Environmental Facility / Small Grants Programme
GTZ	German Development Agency
GYC	Gaja Youth Club
HUGOU	Human Rights and Good Governance Programme
GDP	Gross Domestic Product
HDI	Human Development Index
HRD	Human Resource Development
HRH	Human Rights Home
IA	International Alert
IDEA	Institute for Democracy and Electoral Assistance
IGA	Income Generating Activity
IIDS	Institute for Integrated Development Studies
INGO	International NGO
IUCN	International Union for Conservation of Nature
JMC	Jagaran Media Centre
KTM	Kathmandu
LCF	Local Cooperation Fund
LDF	Local Development Facility
MCDAF Forum	Multipurpose Community Development and Awareness Forum

MDG	Millenium Development Goal
M&E	Monitoring and Evaluation
MEUR	Millions of Euro
MFA	Ministry for Foreign Affairs of Finland
NFS	Nepal Folklore Society
NORAD	Norwegian Development Agency
ODA	Overseas Development Assistance
OHCHR	Office of the High Commissioner for Human Rights of the United Nations
PRSP	Poverty Reduction Strategy Paper
NFN	NGO Federation of Nepal
NGO	Non-Governmental Organisation
SANDEEP	Sanstogat Deego Pariwartan programme
SDC	Swiss Agency for Development Cooperation
SNV	Netherlands Development Organisation
SWC	Social Welfare Council
SWNCC	Social Welfare National Coordination Council
TIN	Transparency International Nepal
TMI	The Mountain Institute
TOT	Training of Trainers
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USD	United States Dollar
VDC	Village Development Committee
W/S	Workshop
WWF	World Wildlife Fund
WWG	Wildlife Watch Group

# 1 IMPLEMENTATION OF THE EVALUATION

## 1.1 Introduction

### 1.1.1 *Country Context*

Nepal is situated in the Himalayan range between China and India having rich natural resources and development potentials. The total population of the country is about 27 million out of which 31% lives below poverty line (World Development Report 2007). The life expectancy is 63 years for women and 62 years for men while the average adult literacy rate is 49% (male 68 % and female 42 %). More than 39 % of the population is according to UNDP (2006) below 15 years while 23% of the population aged between 15 and 24 years is neither enrolled in school nor in the labour force.

The Hindu cast system is key to understand part of the segmentation of the society leaving important groups as the low cast and outcast (Dalit) people excluded. Nepalese society is segmented, due to ethnic division, religious discrimination, strict cast systems and gender based exclusion where certain groups have been marginalized. The extremely difficult and weak infrastructure has secluded a huge area of the country out from state as well as other development benefits. In order to cope with such difficult situation people have traditionally formed self help groups and civil society organizations to help each other in time of crises.

In the introduction of multiparty democracy in 1990 CSOs played a crucial role by actively participating in the process. After 1990 the most marginalised and excluded groups were still left without any clear voice and representation. In 1996 the Communist Party of Nepal (Maoists) mobilised for an armed struggle or “The People’s War”, against the Government in Kathmandu. They demanded a radical transformation of the power structure including abolition of the monarchy and development of an economic policy favouring the marginalised and the excluded.

Parliament was dissolved in 2002 and in 2005 the King reintroduced autocratic rule, sidelining the political parties. This gave rise to a popular movement where the CSOs played an active role demanding the reintroduction of multiparty democracy and end to the power of the King. In this process an increasing understanding developed for a dialogue between the political parties in the parliament (the 7 party alliance) and the Maoists thereby resulting in Maoists joining the mainstream politics (parliament) to conduct and participate in the Constituent Assembly (CA) election rescheduled already twice and now to be held 10<sup>th</sup> April 2008.

Building a conducive environment for holding the CA elections and building peace throughout the country have been current priority issues for the CSOs in Nepal.

### *PRSP and Millenium Development Goals*

The Tenth Plan, also known as Poverty Reduction Strategy Paper (PRSP, 2002-07) of Government of Nepal was the main medium-term strategic planning document targeting to bring about sustainable reduction in poverty. PRSP was guided by the considerations of rural orientation of poverty reduction strategy, priority to actions and interventions bearing quick results, strong strategic focus and strategic flexible document. The PRSP relied heavily on private sector, NGOs, INGOs and CBOs for carrying out economic activities, infrastructure development and service delivery wherever possible, both in partnership with central and local governments and agencies, and to complement the role of the government in development.

In 2007 a Three-Year Interim Plan was prepared with the special emphasis on increasing public expenditure to assist relief and generate employment as well as on peace building, reconstruction, rehabilitation, reintegration, inclusion and revitalization of the economy, giving special attention to women, dalits, indigenous groups, Madhesi community, the poor, and people from remote areas who have been excluded from the development process. Once again NGOs are cited as an important partner in implementing the different priority areas of the Plan. A number of activities are identified to “make NGOs, communities and the civil society active in the empowerment and development of target groups”, including the review of Social Welfare Act and other regulations, encouragement of NGOs in social, economic and developmental activities as partners of development, mobilizing NGOs in the area of their comparative advantage with a view to optimize their inherent capacities and motivating the INGOs to implement programs only through local bodies, NGOs and other CBOs. The importance of monitoring and evaluating NGOs regularly to increase their transparency and effectiveness is underlined.

The strategy of the international community in supporting Nepal’s efforts to achieve the Millennium Development Goals (MDGs) has largely focused on economic growth and infrastructure development. It is, however, clear that the extremely complex social environment (gender, caste, ethnicity, urban/rural divide) has not been properly taken into account and this hinders the achievement of MDGs. In most MDGs the progress has been positive: for example, poverty levels (MDG 1) have declined from 42% in 1996 to 31% in 2004 but the progress for different groups and different parts of the country is uneven. Similarly the promotion of gender equality

and empowerment of women (MDG 3) has improved and the gender disparity in all levels of education is being reduced although it remains pronounced for Madeshi middle castes and Madeshi janajatis. Nepal is still off track from reaching the primary education for all (MDG 2); caste and ethnic group disparities are high. In 2006 education attracted a government budget of only 3.4% of GDP. The MDGs 6 and 7 may potentially be achieved and the country is on track for the MDGs 4 and 5. (DFID 2007).

#### *NGOs and government relationship*

Prior to 1990, the government policy on NGOs and Civil Society (CS) was not favourable, Panchayat regime (1961-1990) exercising tight control over society. NGOs were controlled by the state through the establishment of Social Welfare National Coordination Council (SWNCC). After the 1990 movement policies regarding the formation of NGOs were liberalized resulting in the massive formation of NGOs. The SWNCC was reorganised into the Social Welfare Council (SWC) under the Ministry for the Social Sector and funding regulations were changed so that foreign funds could flow directly to the NGOs. The unofficial data confirms that there are more than 40,000 NGOs operating in Nepal and 15,043 registered with the SWC.

In 2005, SWC enforced again a strict code of conduct for social organizations. This code was criticized by CS actors and after the restoration of democracy it was cancelled. Still any organisation wishing to engage in development activities must get an official approval from the local government and register at the District Administration Office, renewing the registration annually. Those receiving funds from donors must register with the SWC and submit accounts audited by a government-approved auditor.

Civil Society Organizations play an important role in sustaining the livelihood of communities especially in rural Nepal. The important role of civil society and non-governmental organizations has been recognized in the Three-Year Interim Plan (2007-2010): they are considered as key partners in grass root level development. According to the Plan states that it has not been possible to direct the investment and activities of NGO sector to areas of national priority through the means of effective facilitation, coordination, monitoring and evaluation. The CS and non-governmental sectors are recognized as an important opportunity becoming increasingly useful for development process while the need to develop mechanisms for their regular monitoring and evaluation is emphasized (Government of Nepal, 2007). Currently the regulatory system is weak and it is felt by donors that this leaves the NGO community vulnerable to accusations of irregularities (Denmark DFID Norway SDC SNV USAID 2007).

Civil society is therefore an important force for their valuable contribution in the political, social, economical and cultural forefront. Due to the long tradition of feudalistic and autocratic governance that existed in Nepal and the existing volatile political environment the civil society is operating in an extremely difficult socio-political, economical, cultural and legal environment. The present political crises particularly in last few years such as the frequent changes in the political system have worsened the situation for the functioning of CSOs especially in rural areas as they were threatened by the government as well as by the Maoist insurgents. Nevertheless in many areas the government people have not been able to operate while different CSOs have become service delivers due to their easier access to local communities.

SWC is a main body that coordinates and facilitates NGOs/CBOs in Nepal governed by the Social Welfare Act 1992 and Social Welfare Regulation 1992. It has 188 INGO and 24 000 NGO members but many of the existing NGOs have not been registered in the SWC. SWC operates autonomously with the Council Board, in which nine different ministries and six NGOs are presented. The role of SWC is undermined by its political affiliations and by its general weakness in effective coordination and record keeping. According to the Three-Year Interim Plan the Social Welfare Act, including Society Registration Act, will be reviewed and the SWC will be developed into Social Development Council by making necessary institutional and procedural reforms.

The SWC estimates that 1/3 of donor funds in Nepal go through the NGO sector. Majority of donors working in development sector are partnering with NGOs/CBOs to implement development activities as they are considered cost effective, less bureaucratic and having high mobilization capacities. During the conflict years most donors started working through NGOs as they had access to rural areas unlike the government agencies that were conformed to district headquarters. This has caused uneasiness in the relationship between the government and NGOs as they are competing for the same development funding.

#### *NGO capacity*

Most NGOs operate in the fields of social reform and citizens' awareness building. The NGO sector in Nepal can be characterised by:

- Strong urban / rural divide, rural organisations having less capacity and limited access to financial resources
- Increased politicization shown by political affiliation of both individual national and local NGOs as well as NGO Federation
- Low capacity in organisation management and technical expertise

- Limited sustainability and almost total dependency on external donor funding, resulting in donors setting the agenda and NGOs becoming executing agencies to implement donor-designed interventions
- Domination by higher caste men with limited representation of other castes, dalits or women, capture of benefits by elites

A number of INGOs and donors have recognized the importance of enhancing the capacity of their partner NGOs, including HRD as one of the major components. As a result there are number of organizations/ INGOs providing training on capacity enhancement (leadership development, community development, ToT, facilitation skills) - such as SWC, national NGOs (Samuhik Abhiyan, ICA Nepal, Didi Bahini and USC Nepal) and NGO Federation, which builds the capacity of its member organizations and district chapters. The Sanstagat Deego Pariwartan (SANDEEP) implemented by Save the Children- US is a unique programme supporting 40 NGOs in the Mid/Far West and Eastern regions of Nepal through training both staff and board members thereby taking a more institutional approach to capacity building of organisations. There is a strong feeling that INGOs should concentrate on developing the capacity of NGOs instead of taking the role of implementers. There is an increasing tendency towards CS involvement in building capacity of people to organize themselves, mobilize resources, and work together to solve common problems.

Majority of CSOs function without any kind of physical, human and financial support structure. This is further intensified by lack of coordination and cooperation among themselves and international linkages. Most CSOs are urban based. However, CSOs are quite diverse and have demonstrated their strength by participating in non –partisan political activities during the democratic movement in 2006.

To a certain extent CSOs promote and practice positive values following democratic norms within the organization and society through their participation and support to the democratization process and promotion of transparency, non violence, gender equality and environmental sustainability. They are, however, weak in tackling corruption, financial transparency, poverty and gender equity value system within the organizations. The government frequently criticizes the CSOs of not being transparent in their actions.

CSOs have been contributing in empowering the marginalized communities and supporting the rural communities to enhance their economy. However, they have little influence in public policies through the government and decision-makers. As a result they are weak in influencing and lobbying with the state on human rights and accountability issues or drafting of social

policies. They have not been able to hold state and public sector accountable.

#### *NGO and INGO coordination*

NGO Federation of Nepal (NFN) is the umbrella organization of more than 4,000 NGOs and it has developed its own code of conduct for the effective functioning of its member NGOs. It aims to promote and protect social justice, human rights and fair development. NFN has regional committees in the country's five development regions and local chapters in all 75 districts. The NFN undertakes some of the following activities:

- National forum for advocacy and social reform
- Lobbying for the official representation of NFN on development related activities in national, regional and international fora
- Performing as watchdog regarding activities of the government, development partners and INGOs
- Monitoring NGO activities and disseminating information
- Supporting capacity building of NGOs and their staff

NFN is currently active in establishing a civil society learning and resource centre in Kathmandu together with organisations of indigenous people. Some donors such as CIDA are supporting the initiative.

International NGOs working in Nepal have formed an informal network called The Association of International NGOs (AIN) in 1996. The aim is to promote mutual understanding, exchange information and share experiences and learning of our work in Nepal for more effective collaboration. At present the AIN comprises more than 70 INGOs, working on a wide-range of issues and sectors. Over the years INGOs have played a crucial role as key stakeholders and partners in the development of Nepal and we would like to continue to engage with the Government, donors, various sectors of the civil society, NGOs and poor and excluded people on these issues. AIN is a discussion partner with the government (Planning Commission) to develop alignment of civil society initiatives.

#### **1.1.2. Other Donors Supporting Civil Society**

##### *Canadian Embassy*

Canadian Embassy has supported civil society in Nepal since 1987 through its Canada Cooperation Office (CCO). Two different kinds of funding mechanisms are used:

1. Canada Fund (CF), which has the purpose of addressing basic human needs and socio-economic infrastructure as well as

promoting gender equality, human rights, democracy and good governance. The sub-projects are linked to Canada's ODA priorities. It is a responsive mechanism to support specific local needs and demands, working with Community Based Organisations. The budget for 2007/2008 is 230 000 CAD (154 000 Euro). The projects funded by the CF are approved by the ambassador.

2. Local Development Facility (LDF) is a CIDA strategic facility, responsive and proactive, concentrating on the work in the context of conflict and peace building inclusive of economic and social issues at the grassroots level. It also aims to enhance CIDA's understanding in this area.

No official call for proposals is organized for the LDF while the CCO receives annually around 500 applications in form of concept papers or well defined project documents annually; around 15 % of them get approved and at any time there are approximately 50 projects running. Most proposals are written in Nepali and some are still in very initial stages when the CCO people start working with the organization to elaborate them to fundable projects. The most important qualities of an organization to be selected are capacity, credibility and participation at different levels, also crosschecking with other donors is done along with a field visit. Average length of funding is for 2 – 2.5 years and average amount of funds provided for an organization are 30 000 dollars (CF) and 60 000 (LDF).

CCO emphasizes close relationship with organization that are funded: in the beginning a joint orientation is organized with all the CSOs to discuss the reporting mechanisms, contract contents, financial management and security issues. Monitoring by CCO takes place at least once a year in the field and in the same also District authorities are visited to discuss the projects and general development issues. Also external evaluations are conducted. Result-based management is emphasized, with proper result indicators set jointly with local community groups. Accordingly the reports include analysis of changes and CCO reports to CIDA Canada concentrate on qualitative changes. A quarterly workshop is organized with all partners to discuss the progress of projects and the costs to cover participation in orientation, meetings and training are included in the project budget (50 000 Rupees per project). CCO considers that this has had a major impact on strengthening many NGOs in Nepal since the beginning of 1990s.

Links and learning from LDF to bilateral projects are stressed to have more weight on policies. Also peer learning between the NGOs through exposure visits is encouraged.

*Norwegian Embassy*

The Norwegian Embassy is not directly involved in supporting the CSO in Nepal but the assistance is channeled through other organizations and Norwegian NGOs. This arrangement is considered as satisfactory also considering the limited human resources in the Embassy.

There are four different ways of support:

1. Support through 15-20 Norwegian NGOs, that partner with Nepalese NGOs - this support, which amounts to 7 % (7 mill USD) of Norwegian bilateral assistance , is administered mainly by NORAD in Oslo
2. Support to some selected NGOs for human rights and democracy work (1-2 mill USD): mostly for research (IDEA) or publications
3. Support through DANIDA - HUGOU since 2002: annually 0.5 mill USD are provided to projects on human rights, democracy, social inclusion
4. Support through DFID since 2007: also this fund supports initiatives on human rights, democracy and social inclusion, assisted also by Swiss and Canadian embassies
5. In addition Norway supports jointly with Canada and Denmark some national alliances to observe the forthcoming elections.

#### *Danida – Human Rights and Good Governance Programme (HUGOU)*

Danida Hugou is a Danish bilateral programme which started operating in 1995. It has currently 35 staff working on seven different components (Human Rights organizations, Social Inclusion, Media component, Justice component, Elections and Democratic processes component, Anti-corruption component and Local Governance component). Annual Danish funding is around DKK 25 million (Euro 3,35 mill).

Funding is provided both to government and non-government organizations, but Hugou puts a lot of emphasis on the capacity building and institutional support of CSOs as they are seen as catalysts of transformation in the Nepalese society. Around 300 project proposals / concept notes are received annually and they are assessed according to the specific screening criteria. The final funding decision is made by the Danish Embassy in quarterly meetings but usually the Hugou selection is not challenged. Even longer than 5 year contracts are made.

The Hugou approach divides NGOs in three categories:

- 1) the well established ones, which have complete separation of powers between executive and implementation. Consequently their financial management is considered transparent as well as their recruitment policy etc.
- 2) Organisations that need some support but are on their way of becoming well established

- 3) Local NGOs that are willing to develop but do not have adequate capacity.

Each type of organization needs different kind of support, resources and assistance. Hugou helps the selected NGOs by assisting them in analyzing the organization and designing the intervention. They provide core funding which can be used for buying equipment or for training. Hugou also helps in establishing linkages with other organizations.

By the end of 2007 Hugou was supporting 55 partners. An evaluation was made in January-February 2008 and according to the results they will decide how many will continue to be supported – a new 5-year strategy will be made in 2009. Hugou is funded by interested in doing joint funding of organizations with other donors and they propose that the EoF could have an Advisory Board to support the LCF.

#### *GEF/SGP – UNDP*

The Global Environmental Facility / Small Grants Programme provides funds for NGOs, CBOs or grassroot organizations to implement projects in six thematic areas: biodiversity, climate change, international waters, land degradation, persistent organic pollutants and climate change adaptation. The funds are advertised once a year and 200-400 applications are received annually. The initial selection process is done by outsourced consultants who screen the non-eligible projects. A more detailed portfolio analysis is conducted of the remaining 40-50 proposals and finally 12-15 proposals are selected for funding by the National Steering Committee. The GEF/SGP Nepal has an annual budget of 500 000 – 800 000 USD and the same amount of funds is looked for as co-funding from other donors.

The maximum grant is 50 000 USD averaging around 20 000 USD for 1-2 years. Government shares costs through DDCs, VDCs and line agencies (often in kind such as adult education etc.) while the NGOs and CBOs also do their own part generating and mobilizing resources either in cash or in kind (digging wells, repairing roofs etc). Capacity building of NGO/CBO and beneficiaries is emphasized (10-20 % of budget) as well as the promotion of sustainable livelihoods and gender / social inclusion aspects. Financial monitoring is considered as a good monitoring tool and journalists are used for assessing projects: GEF encourages journalists to travel to project areas and report their findings through newspaper articles. All the proposals have to include an exit strategy to improve sustainability.

#### *Australian Embassy*

Australian Embassy has a Direct Aid Programme (DAP) funding 1-year projects implemented by either NGOs or INGOs. One funding is usually between 5000 – 10 000 AU\$ (2500-6500€) and projects are supposed to have very tangible results such as roads, school buildings or infrastructure related to water and sanitation. The Embassy receives annually 70-90 applications strictly on the Embassy format, of which 12-13 projects are selected by a committee of four persons: DAP Coordinator, Ambassador, I secretary and an AusAid representative. The capacity of the organisation is an important selection criteria as well as sustainability of the project. NGOs contribute 20-25 % to the project budget; no salaries or training is funded.

The Embassy has also run joint funding programmes with GTZ and British Embassy but prefer funding alone as it gives more visibility and publicity to the Australian Embassy – Australian identity is an important factor for running DAP. Coordination with other donors has mostly taken place as assessing the credibility of organisations applying for funds.

### 1.1.3 Donor Coordination

Donor coordination meetings to discuss and share experiences about small grant funds are *ad hoc* and take place maximum twice a year. No donor has taken lead to organize the meetings. Generally the discussions are short and do not follow any preset agenda.

Donors (at least Norwegian Embassy, British Embassy, CCO, Finnish Embassy and Australian Embassy) do, however, exchange informally information about organizations and applications – they are generally well aware of organizations that are not trustworthy or that have applied funds for the same purpose from many donors.

All the interviewed donors would appreciate better coordination and joint efforts to monitor and evaluate the utilization of civil society support.

A study on *Donor Best Practices Towards NGOs in Nepal* (Singh and Ingdal, 2007) was commissioned by the donor Heads of Agencies Group to offer advice for harmonising and developing guiding principles for donors' engagement with civil society. The main recommendations include:

- Initiate joint audits of commonly funded partner organisations
- Include use of public audits in partnership guidelines
- Increase transparency in selection process of partners

- Introduce in donor agencies the practice of declining responsibility because of conflict of interest in case of staff having close friendship / family ties with members of the Nepali NGO
- Zero tolerance for documented misuse of funds
- Donors' assistance aimed at capacity-building of implementing NGOs should be made complementary to each other to avoid overwhelming the NGOs
- Minimum standards are suggested to be included in standard contracts with NGOs, including coordination of donors at partner level and partner's responsibility to call for annual meeting for donors / funding partners.

Following the recommendations of the report, the donor coordination group suggested in its Final Report (Denmark DFID Norway SDC SNV USAID 2007) that donors should complete a common matrix of NGO linkages (NGOs that are funded by more than one agency), use that map to take joint audits where possible, and consider an approved guide to public audit methodologies. The transparency of decision making process for NGO proposals through websites or other means is encouraged. The capacity building / institutional strengthening of implementing NGOs is considered as part of a process and donors are to map assistance to capacity building using this as a basis for harmonising approaches. It is also stressed that due consideration should be given to NGO requests for organisational capacity building requests within proposals, including elements for wider fundraising activities.

In 2003 the Finnish Embassy adopted among other bilateral donors and UN agencies the Basic Operating Guidelines (BOG) for the implementation of development activities. The BOG were designed in view of the resumption of armed hostilities and the break-down of the ceasefire on 27 August 2003, to emphasise the importance and responsibility of all parties to the conflict to maintain development space and provide access to beneficiaries in Nepal. The BOGs rely strongly on internationally recognised Humanitarian Law principles and reflect the specific conflict situation in Nepal.

## **1.2 The Local Cooperation Fund in Nepal**

### *1.2.1 Finnish Country Programme in Nepal*

Nepal is one of the long-term partner countries of Finnish Development Cooperation. The main objectives of cooperation are poverty reduction, assistance in the peace process and democratic development, improvement of human rights situation and promotion of sustainable economic and ecological development. The total disbursements of bilateral aid to Nepal

was 5 MEUR in 2006 but it is expected to double by 2010 (12 MEUR). The condition for increased cooperation is the favourable development of peace situation, strengthening of Nepalese government's capacity to receive and utilize aid as well as to improve good governance and decrease corruption.

The main cooperation sectors with Nepal are education and natural resources including water and sanitation, environment, forests and climate change. In addition, support is provided to a number of Finnish NGOs working with local NGO partners. Also Nepal's Peace Trust Fund and the OHCHR's Nepal's office receive assistance.

The education sector in Nepal is assisted through sub-sector budget support to Nepal's Education for All -programme 2004-2009. The water and sanitation project was launched in October 2006 at village-level in the Far-Western region of Nepal, while the long-term rural water management project in Lumbini, a traditional cooperation sector, ended in the beginning of 2006. A replication of the Lumbini project will start later in 2008 in the Western Nepal. In environmental sector the Dharan-Biratnagar industrial corridor's environmental project in Terai started its two-year extension in 2006. The aim is to strengthen environmental management in the provinces to enable them to provide technical and financial support to businesses following the so-called private-public partnership model. In 2007 Finland signed an agreement with the Government of Nepal to participate in the Nepal Peace Trust Fund with 3 MEUR.

During the period 2006-2007 altogether nine Finnish NGOs implemented in Nepal 23 projects with funding from the MFA. The total annual funding is shown in the Table 1 indicating the constant increase of funding levels. Most projects deal with health, education, community development and environment. All the projects are executed in cooperation with Nepali NGOs and CBOs.

**Table 1 Finnish bilateral and NGO support to Nepal, in Euro**

<b>Sector</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Education</b>	1 735 594	3 101 123	2 945 242	2 317 910
<b>Water and sanitation</b>	1 128 529	200 188	198 674	2 242 527
<b>Environment</b>	822 830	692 069	633 528	742 688
<b>Human rights, democracy and civil society support*</b>	N.A.	1 150 000	650 371	1 000 000
<b>LCF</b>	161 487	465 977	491 783 (7.4)	377 671

			%)	(4.4%)
<b>Total</b>	N.A.	5 609 357	4 919 598	6 680 796
<b>Share of LCF from bilateral support</b>		8.3 %	10 %	5.6 %
<b>Finnish NGO programmes</b>	1 215 738	1 404 568	1 687 705	1 882 524

\*= support to the Nepal's Peace Trust Fund and the OHCHR's Nepal's office  
Source: [www.formin.fi](http://www.formin.fi); ASA-31

Table 1 shows all the Finnish assistance to Nepal from 2004 until 2007. The share of LCF changed from 10 % in 2006 and 5.6 % in 2007: while the amount of LCF is not growing the bilateral sector assistance is increasing.

### 1.2.2 Development of LCF in Nepal: 2004-2007

The Local Cooperation Fund started operating in Nepal in 2004, covering the few earlier initiated activities of local cooperation, all the operations of the 1999-initiated Local Fund for Democracy, Good Governance and Human Rights (Democracy Fund), and a previously agreed cultural cooperation project. The local cooperation had been functioning with a very low budget (50 000 € in 2002 and 90 000 € in 2003; ASA 31, 29.11. 2004) while the Democracy Fund had been allocated the total amount of 555 000 € between 1999 and 2003 (Luukkanen 2003). The Embassy claimed that the level of local funds had been too low considering that Nepal was one of the long-term development cooperation partner countries.

Democracy Fund was established in 1999 with the purpose to “support / foster democratic process, promote good governance system in the public institutions, including the local authorities and civil societies, promote and secure social and gender equality and human rights, and alleviate poverty for a more equitable and sustainable development of the country”. The Fund was evaluated in 2003 as part of the assessment covering nine different countries (LCF Evaluation, 2003). By that time 11 projects had been supported, reaching an estimated 5000 households or 30 000 people with a total budget of 427 000 €. The project approach, combining support to income generation with institution building and democracy education, had been created at least partially in the Embassy while the activities were implemented by local NGOs. The evaluation concluded that the fund-supported projects had reached their immediate objectives well although most of them suffered from the pressure of short-term funding commitments whose continuation was uncertain and conditional on performance.

The evaluation further recommended the continuation of the programme with a long-term perspective (5-10 years), revision of programme strategy through an up-dated analysis of the operating environment and “linking the intensive integrated grass-roots approach to national level democracy development through a systematic networking support around a relevant policy theme” (Luukkonen, 2003).

The first LCF strategy was elaborated in 2004 for the three-year period 2005-2007. From the beginning the basic aim was to support and complement the Finnish development cooperation in Nepal. The strategy describes briefly the country situation, concentrating on the conflict and political instability as the environment for the complex development setting. Consequently the LCF strategy is considered as having an important role in implementing the general Embassy strategy addressing the Maoist conflict situation from three angles described as objectives:

- o Addressing the root causes of the conflict- multi-dimensional poverty with numerous inherent inequities in the Nepalese society
- o Assisting in the peaceful conflict resolution
- o Addressing the already existing and potential future problems and challenges created or aggravated by the conflict

As fourth objective the Embassy identified the initiation and testing of innovative approaches on how to best cooperate and support development in a conflict situation. The funding need was estimated at the annual level of 200 000 Euro for the Democracy Fund projects (falling under the first objective) and around 290 000 Euro for the other projects. This together with the administrative costs would result in an annual allocation of 500 000 Euro – the allocation level that in practice has been maintained until the end of 2007. Disbursements have been lower especially in 2007 (Table 1).

In the plan prepared in 2006 for the period 2007-2008 the main objectives of the LCF are listed in the following way:

1. Addressing multi-dimensional poverty and the numerous inherent inequities
2. Strengthening the voice of the voiceless: support to women’s, dalit and janajati (ethnic group) organizations e.g. in preparation for elections to Constituent Assembly
3. Alleviating consequences of the conflict: this covers support concerning Internally Displaced People, street children, city planning and infrastructure, cultural heritage, local languages and traditions as well as preservation of natural rarities
4. Creating and testing innovative approaches

Table 2 shows the use of LCF in Nepal for the four-year period 2004-2007.

**Table 2 Use of LCF in Nepal, 2004-2007**

	2004	2005	2006	2007
LCF funds available (€)	297 888	500 000	500 000	500 000
Number of projects	14	23*	31*	21**
Total funding/projects (€)	161 487	465 977	421 601	379 734
Min/max per project (€)	1 103 / 30 503	1 043 / 128 797	3 116 / 49 945	389 / 50 027
Average per project (€)	11 113	20 260	13 600	18 082

\*Five one-time grants provided as travel grants or other minor assistance (56 – 1619 €); \*\*= one one-time grant

Annex 5 shows the organisations and the titles of projects funded in 2004-07, together with annual disbursements and total funding per project. The projects under the Objective 1 are the old Democracy Fund projects implemented by district-level NGOs in rural areas- all grassroots community projects are still called Democracy Fund projects. Four organisations fall under the Objective 2: support for Jagaran Media Centre, Jagaran Media, Alliance for Peace (Raising awareness about human rights, Youth voter education) and SNV / Madhesi Dalit Network, while only three organisations with their projects are under the Objective 3: Nepal Folklore Society, Child Protection Centres and Services (street children) and support for Nepal Forum for Environmental Journalists. The projects implemented by TIN (Anticorruption project), International Alert (Building meaningful dialogue in Nepal), Mahaguthi (Craft with conscience) as well as the Fair Trade project were selected under the component 4 as representing innovative approaches.

A number of projects do not seem to fall under any objective and obviously Embassy has had difficulties in categorising them.

The Embassy has used three different ways in funding organizations:

1. Direct funding as in the case of Democracy Fund and most other projects: LCF has been used to fund separate project proposals presented by the NGOs.
2. Basket funding with a group of donors, such as the International Alert (INGO) project “Building meaningful dialogue in Nepal” in 2005-06, or the Human Rights Home (HRH) project “Strengthening the Human Rights Home in Nepal” in 2006. HRH is an informal alliance, managed by the NGO Federation of Nepal. HRH activities were jointly funded by LCF, CIDA, SDC (Switzerland) and Danida, Danida coordinating the donors group.

3. Funding national NGOs through an INGO: the project “Facilitation support to Madhesi Dalits to acquire citizenship cards in Rautahat and Mahottari districts” in 2007 was supported by SNV Nepal and implemented by the Madhesi Dalit Network (several small NGOs).

In 2004 the Embassy signed six contracts under the LCF component 1, two of which were continuation of previous years’ projects. In addition four shorter projects were started, a small assistance was provided to a concert for disabled people and the Nepal Folklore Society (NFS) was supported – the funding for NFS will continue until May 2008. The Democracy Fund (DF) projects used to have 1-year contracts but after the 2003 evaluation the Embassy started signing 2-3 year agreements as the nature of projects (democracy education and income generation activities) necessitates longer involvement. Also some of the contracts made in 2004, especially the one with Transparency International Nepal (TIN) are multiannual but other initiatives can be of a very short duration. An example of a short contract is the project for providing citizenship cards for Madhesi Dalits in Rautahat and Mahottari districts in 2007, having a duration of only four months. One-time assistance has usually been provided for travel grants.

The term “Democracy Fund projects” still refers to all grassroot community projects under the LCF component 1. They are considered separate from the rest of the LCF fund and even their management has been handled by two different persons. The emphasis is on the poorest districts with the lowest Human Development Index (HDI), gender equality and income-generation. The projects aim to promote democratic governance in target VDCs and empower rural women and members of cooperatives.

Since 1999 the DF projects are designed in the same way. They start with women’s education programmes on democracy and human rights and continue by forming of savings and credit groups or strengthening of the existing groups. Consequently the groups register as cooperatives. Agro-based micro enterprises were supported through training, equipment and extension services, varying from livestock raising to vegetable growing and dairy cooperatives. Also building of infrastructure (roads, schools) has occasionally been financed. Altogether 10 different NGOs have received DF grants during the four-year period 2004-2007, four of them for the whole period and even before 2004. In 2004 the Embassy had reserved 200 000 € for these projects but only 75 149 € were used as prefunding visits could not be conducted in the difficult security situation. The projects have not been evaluated in 2004-2007.

In 2004 a number of initiatives with relatively high budgets were agreed upon. These include the support to TIN (90 800 €), Institute for Integrated

Development Studies (IIDS, 142 661 €) and NFS (167 074 €). TIN managed to use up all the allocated funds only in January 2008 when the final report was received by the Embassy, although the original agreement on the Anti-corruption project was made for two years (2003-2004). Compared to all the other organizations the agreement with TIN was rather exceptional: not only were the administrative, core operation costs eligible, but TIN was also allowed to use the money in building an endowment fund which is planned to help in sustaining the future activities.

IIDS signed an agreement with the Embassy in January 2005 to conduct a study titled “Building Consensus among Principal Stakeholders on Major Issues for Sustainable Peace and Conflict Resolution in Nepal”. The completion date of the project was twice extended until July 2006. The proposed activities included organizing focus group meetings to receive feedback on position papers, finalizing the papers, dissemination of study results, initiation of advocacy program and convening of meetings of Friends of Nepal. From the beginning there were delays in the implementation of the project and many activities (such as focus group meetings) did not take place at all. The Embassy later realized that both the project plans and the agreement were not sufficiently detailed to properly follow and enforce the implementation. The external audit conducted in April 2007 concluded that IIDS had clearly deviated from the proposed objectives and activities and that at least 16 000 € were questioned as ineligible expenditure.

The agreement with NFS was signed in December 2004. The first activity was the preparation of a detailed action plan for the folklore and folklife study project in 2004-05. Consequently the research teams started the study and documentation of folklife among different ethnic groups of Nepal. By January 2008 six out of seven planned studies had been finalized. NFS has been regularly reporting its activities and accounts are well kept.

Wildlife Watch Group was funded from 2004 until 2006 for two different projects: initially the organization compiled a report for understanding the state of conservation efforts in the context of the armed conflict in Nepal; the reports were also published. In 2006 WWG was also funded to organize an international conference “Conservation in conflict” with support from the LCF, WWF, TMI and IUCN. An external auditing was commissioned by the Embassy to scrutinize the unclear accounts of the organization: the book keeping system was found unsatisfactory and unprofessional. Moreover, transparent procedures in bidding had not been followed.

International Alert is an INGO that gained the trust of a group of donors in 2005 by conducting good, analytical and challenging studies with highly competent staff about the current political situation in Nepal. Finnish

Embassy together with other donors such as Norway and Denmark funded a study “Building meaningful dialogue in Nepal”, of which LCF funded about 20 % (54 000 USD). In addition, IA was contracted to provide overall support to the Embassy on conflict assessment and to make a conflict sensitivity assessment of Education for All (EFA) programme in Nepal. IA was not, however, able to keep up with its commitments and the changing situation in Nepal. The vague reports were a disappointment to everybody. All in all IA lost its face with donors in Nepal, not only with Finland, that had been spending a considerable share of LCF budget to support the organization.

Another way of channelling assistance was used in 2007 when LCF funded the project “Facilitation support to Madhesi Dalits to get citizenship cards in Rautahat and Mahottari districts”. Organisations belonging to the Madhesi Dalit Network implemented the project which was coordinated and supported by the SNV, that also provided advisory services to the Dalit organisations. The project had a duration of four months, during which more than 50 000 Madhesi Dalit received the citizenship certificate that will allow them, among other things, to vote in the Constituent Assembly elections, expatriate for employment, receive widow and old age allowance from the government, claim land registration certificates and open bank accounts.

This experience of collaboration with the SNV was very positive. SNV is an INGO present in Nepal since 28 years having reoriented itself from an implementing agency to an advisory organisation specialised in institutional development and capacity building. SNV emphasises the importance of developing meso-level organisations (government bodies at district level, NGOs, private organisations and community groups) that can facilitate up and downward linkages enhancing leverage. It is funded by international multi- and bilateral donors. SNV follows strictly the mainstreaming of social inclusion and gender policies at different levels of its organisation conducting regular gender auditing in all programmes.

The situation in Nepal has changed from 2004 and currently a new LCF strategy is under preparation by the Embassy. Most donors have shifted their agendas from coping with the conflict to the social inclusion agenda and the process of reconstruction, reconciliation and peace building. This will be reflected in the new LCF strategy. The main responsibility of strategy preparation remains with the LCF Programme Coordinator, but planning will be a joint effort of the staff. The aim is to link LCF strategically to the bilateral sectors and to concentrate in working in Terai area, where both the environment project and water and sanitation projects have been implemented. Terai has been neglected by most donors but according to

the Embassy analysis the region necessitates assistance due to the sensitive political, social and ecological situation.

### *1.2.3 Administration of LCF by the Embassy*

The Fund for Local Cooperation is regularly advertised in the Embassy website ([www.finland.org.np](http://www.finland.org.np)). The main components of the strategy are presented together with the contact numbers of the two Programme Coordinators (one for DF and one for the others), an overview of the application process and a downloadable Project Proposal Format. The selection criteria are listed in the website. Many of the organizations have, however, heard from LCF from other sources, such as other NGOs, embassy staff, or friends.

A Fund Administrator was hired in 1999 to manage the DF projects and she has continued in this task up to 2008. A locally employed Project Assistant (now Program Coordinator) was hired in 2005 to manage part-time the other projects. The general opinion in the Embassy is that the human resources to manage the number and volume of LCF activities are sufficient only for the administration, not for monitoring of the projects. The Program Coordinator and the Project Officer (as the DF administrator is now called) are both having plenty of other tasks in addition to the LCF. The Development Councillors have participated in the screening of LCF concept papers and project proposals as well as in the prefunding and monitoring visits of the organizations. Some organizations and projects funded by the LCF have actually been discovered or proposed by the advisors (such as Madhesi Dalit Network in Terai area).

Funding decisions are usually made in Embassy meetings when a sufficient number of proposals have accumulated– normally this happens quarterly. Around 200 proposals are received annually. Proposals are presented for the selection by the Program Coordinator and according to the minutes from 2007 (Selection meetings 0107, 0407, 0707) the decision is mostly taken by a team composed by the Chargée d’Affaires, one of the Development Councillors, Program Coordinator and Project Officer. Proposals are mostly rejected because they are either too small or too expensive, sometimes they are not ODA eligible, organization is an INGO and thus not eligible or the project simply does not fit under the strategy components; and sometimes the Embassy has received a negative assessment of the organization from other donors. If not rejected, organizations are shortlisted for funding, in which case they are later visited and the organization is assessed by the Program Coordinator, Project Officer or Councillors.

Monitoring of projects has not been regular. Sometimes the monitoring visit has taken the form of a PR visit by the Chargé d'Affaires or by some other guest from the MFA. No monitoring reports are available at the Embassy and there are no instructions for the issues to be monitored during the trips.

According to the 2004 strategy a mid-term review of the whole programme was planned to be conducted in 2006 but the review was not done. In November 2006 the Nepal LCF was assessed by the Conflict Advisor in the MFA Department of Development Policy. The assessment concluded that the strategy, components and projects were coherent with the Finnish and Nepali development policies but funding of INGOs such as International Alert and Transparency International should have been discontinued (or at least reconsidered). The strategy components were considered very relevant in the Nepal conflict situation and linking of democracy education with income generation was found well justified .

#### *1.2.4 Purpose of the evaluation*

The main purpose of this evaluation is to assess to what extent the LCFs have achieved the overall goal and the objectives spelled out in the LCF norms (to strengthen the local civil societies to enable them to continue their activities for the benefit of the respective societies without external support) to analyse any discrepancies encountered and to assess the entire governance system of the LCFs. The objective of evaluation is twofold: firstly, to offer expert views to the current status of the LCFs in terms of their role in the institution building of local civil society and through this angle to improve the LCFs as an aid instrument, and secondly, to streamline and clarify the roles and division of labour of governance to improve the overall management efficiency of the LCFs.

#### *1.2.5 Methodology used, data collection and analysis*

The evaluation Team for Nepal was composed of three persons: Pirkko Poutiainen, Team Leader; Merja Mäkelä, international consultant; and Kanta Singh, national consultant. The visit to Nepal was made from 28<sup>th</sup> January to 8<sup>th</sup> February. The schedule is presented in Annex 1. The Team familiarized with the documentation provided from the Embassy (project proposals, documents, reports) and consequently it was briefed by the Embassy staff. A number of discussions with Embassy staff responsible for the LCF administration, selection of projects and monitoring of activities were conducted at different occasions during the two-week visit.

Seven organizations implementing LCF projects were selected for a more detailed study. All the project documents and reports were reviewed and

the representatives of these NGOs were visited mostly in Kathmandu. Two members of the Team (Merja Mäkelä and Kanta Singh) visited the Baglung-based Gaza Youth Club and Kaski-based Forum for Multipurpose Community Development in their respective headquarters; in addition, groups of project beneficiaries were attended in the districts. In the same time the Team Leader made a visit to the Jagaran Media Centre project activities in Butwal. A number of donors were interviewed in Kathmandu to find out about their ways of assisting the Civil Society in Nepal. Also the National Planning Commission, Social Welfare Council and NGO Federation were interviewed. The list of people met is shown in Annex 2 while the case study organisations and their projects are analysed in detail in the Annex 4. Time for field visits was very short and therefore also the depth of information can be considered limited.

During the second week the Team organized a workshop in the Embassy to share ideas with NGO representatives – the report of the workshop is presented as Annex 6. At the end of the country visit a debriefing meeting was held in the Embassy to discuss the preliminary findings with the Embassy staff and to get feedback on the Team impressions.

The interviews and discussions followed the list of key questions presented in the Interim Report.

## **2 KEY FINDINGS**

### **2.1 Relevance and ownership**

Support to Civil Society through LCF is highly relevant in the current situation in Nepal. Civil Society is officially recognized by the government as an important development partner. The need to better control, monitor and evaluate the sector is recognized in the Three-Year Interim Plan. The National Planning Commission is well aware that government has plenty of problems in reaching the most remote areas or in providing services to all Nepalese regardless their gender and social group while it is easier for NGOs to operate in rural areas in a flexible way. Many donors have for years channelled funds for development through the NGOs and there are expectations from the government's side to increase their service delivery role. Although the government plans concentrate on reconstruction, rehabilitation of physical infrastructures and economic recovery, much emphasis is also put on social reintegration, inclusive development and social transformation that have been supported by the LCF. NGOs are regularly filling gaps and working on sectors where the government is not able to operate.

The characteristics of LCF funding from 2004 until 2007 fit well in the priorities of Finnish Development policy as expressed in the current and previous policy documents: there is emphasis in poverty reduction through income generation in the poorest districts as well as democracy education, human rights issues, gender and good governance (anti-corruption). Finnish development assistance to Nepal is planned to double by 2010 from 6 to 12 MEUR; consequently the share of LCF will decrease to 3.3 % of the total aid which will reduce the relative importance of LCF. Support to CS will continue to be important especially as the role of democratic government and governance is still underdeveloped both at central and local level.

The division of LCF projects between DF and others is artificial and obscuring the opportunities of synergies and lessons to be shared between the projects and organisations. In reality many organisations work on same type of issues although at different levels and beneficiaries: democracy projects conduct democracy education mostly with women in local communities while AfP targets the youth for the same issues and Jagaran Media Centre works with Dalit communities.

The Embassy recognizes that LCF has given the staff a good opportunity to familiarize with the Nepalese NGOs, create contacts and get insight of the political and social situation: this contact is considered as one of the most important features of LCF. While the geographical coverage may be desirable, the extension of activities in areas distant from Kathmandu or from the headquarters of bilateral projects may significantly reduce the contact with the implementing NGOs. Most LCF-funded NGOs are operating in Kathmandu but the DF projects are being implemented in villages by district-based NGOs. In 2007 DF projects were running in eight districts and in addition the SNV-assisted Madhesi Dalit project took place in two Terai districts and one community development project in Mugu, which is the poorest district in the country (Poverty Alleviation Fund, 2007). The project in Mugu has never been visited by the Embassy staff because of difficult travelling conditions. Monitoring has been conducted by the United Missions. Other NGOs are visited maximum once a year, sometimes even less. Most organizations are unhappy about the lack of monitoring and feedback by the Embassy.

The relevance of LCF in Nepal is reduced by the limited monitoring of projects and organizations implementing the interventions. In case of other than DF projects this has resulted in lost opportunities of getting information and making impact through the funded interventions. For example TIN has not been visited by the Embassy staff either in Kathmandu or in districts where local chapters presumably exist; they rarely get any feedback on the new proposals or financial and technical reports; and TIN's

exposure or networking has not improved through Embassy contacts. In the same time the Embassy has not been able to benefit in detail from TIN's study results, experience and views on Nepalese society.

The lack of monitoring and evaluation has also reduced the relevance of DF projects. These projects have been implemented since 1999 with the same approach which is relevant in principle. The evaluation field visits revealed that in some occasions conflicts have emerged in communities due to lack of proper gender and social inclusion approach. NGOs do not always have the necessary skills to promote and advice on income generation and other development interventions, neither are they able to react to the emerging conflict situations. The projects have not been evaluated and NGOs are still presenting the same type of blueprint proposal with blanket implementation. Following the recommendation of the 2003 evaluation, funding for NGOs has been extended even for 6-7 years to improve their sustainability. Unfortunately this has created a dependency syndrome on donor: for example, when asked in the meetings with GYC beneficiaries about the right time for letting the cooperatives stand by their own, women told (after years of support) that "baby is just born, and it cannot be abandoned" and that "our need will never be fulfilled". The project proposal do not have phasing out strategies.

The relevance of some capital-based projects is reduced because of badly defined proposals and loose agreements combined with lack of monitoring: the examples include the contracts with IIDS, WWG and IA. Expectations were high when starting the support to debate and research related to the conflict situation in Nepal. None of these organizations was capable of fully meeting the terms of agreements. The result has been mismanagement and sometimes under-utilisation of funds. It seems, however, that the Embassy has learnt the lesson and more emphasis is now being paid to tie the inputs to outputs. The Embassy is now even too careful in deciding to take new NGOs on board and disbursing funds: in 2007 less than 80 % of allocated funds were disbursed.

LCF projects have never had a close linkage to the sectors of bilateral assistance. This has reduced the relevance of LCF projects. Finland is a small donor in Nepal and the Embassy human resources are limited. Using LCF in the priority sectors of education and natural resources that have already been agreed with the government and that form the bone of Embassy Plan of Action would improve the relevance. Focus could, however, be on the issues that the NGOs mostly work on and on which they are strong: social inclusion, human rights, empowerment of poorest and excluded groups, gender and peace building. Generally addressing poverty may not be the comparative advantage of LCF in Nepal: bigger bilateral, sector projects may be more relevant for this purpose. Many

NGOs work on human rights and democracy issues in which the Embassy has now created a wealth of expertise and contacts, it would be more relevant to pursue this way. Linking the grassroots level to national level would further increase the relevance – it can take place also by using the lessons learnt in bilateral cooperation.

Evaluation of LCF projects would produce important information on their real relevance and lessons learnt by NGOs, project beneficiaries and other stakeholders. These lessons and best practices should be reflected and integrated in the LCF Strategy, Embassy thinking in general and bi-lateral programmes in different sectors. The relevance could be further accentuated by sharing these lessons with the NGOs and other donors, not to mention District authorities and line agencies that are often involved in the DF projects.

Implementation of some projects is obviously suffering from limited capacity of NGOs in project management, financial management, organisational development, learning from doing and subject matter expertise. This was witnessed during the field visits in Kaski and Baglung where NGOs are stretching their capacity to implement very complicated, integrated rural development projects combined with democracy and human rights education. When screening the proposals, capacity assessment should be more emphasized – if the skills are not there but the organisation shows potential, the NGO should be assisted by providing training either through core funding or by organizing training with other donors working with NGOs. Some other donors provide capacity building through meetings and orientation sessions but the human resources of the Finnish Embassy are too limited for this type of support – outsourcing might be a possibility.

Close collaboration with line agencies and government authorities is important for NGOs and makes their work more relevant in the local context. For example, the GYC in Baglung is successfully working with the District Development Committee which gets both contacts and information through the GYC or the Agricultural officer who is able to provide technical assistance to CBOs but can get transportation only through the NGOs.

#### Ownership

The role of LCF development interventions in promoting participation and local ownership is still low. This is partially due to the strong prebuilt approach used in the DF projects and on the difficulty of NGOs in facilitating participatory planning among their beneficiaries. Usually the activities are decided by the NGO and beneficiaries only participate in NGO-conceived programs. Participatory planning and project design is not

encouraged by short prefunding visits and NGO budgets don't usually have provisions for these processes. This undermines the ownership both by NGOs and CBOs and is not conducive for building of a strong civil society.

To mainstream gender and social inclusion it would be necessary to conduct a baseline study (situation analysis) and participatory planning with stakeholders. The strategy does not have objectives or indicators that detail targets regarding gender or SI. The same applies to project proposals and reporting by NGOs. The capacity to work on these issues is low in organisations.

Other than DF projects are more demand-driven and respond to the organisations' needs and their strategic plans. All the case study NGOs have a strategic plan. The divide between urban (Kathmandu)-based and rural NGOs is significant both capacity-wise and concerning their linkages. While rural NGOs are well positioned to conduct participatory planning they generally have little capacity to do it.

## **2.2 Sustainability**

Most organizations funded through the LCF have several income sources but all rely heavily on international donors. The case of TIN is particular: whereas it had previously contacts with many donors (Swiss Agency for Development Cooperation, USAID and The Asia Foundation) for the past two years it has almost entirely depended on Finnish funds as well as on the support from Transparency International Berlin. Also Nepal Folklore Society gets practically all of its funds from LCF. The studied district-based organisations have more donors: for GYC in particular, LCF is only one of the donors, while 25 % of the MCDAF budget comes from LCF.

The district-based NGOs respond to any call for proposals that could cover their budget for operating in the area. This has resulted in organizations stretching their capacity beyond their mission and in the fields that originally were none of their expertise. For example, GYC works on such diverse fields as quality education, women empowerment and good governance, library management, landslide restoration, small infrastructure, income generation (dairy, agriculture), disabled people and drinking water and sanitation. MCDAF in Kaski district is also dividing its time between community school support, integrated pest management, and health projects. Recognising the limited resources and structures of these organizations the diverse activities could be sustained only if the NGOs had a strong learning environment and capacity building component.

As most donors do not provide core funding to NGOs, the leaders spend much of their time in trying to identify and lobby for possible new projects.

It is practically impossible for a national and even a district-based NGO to work without donor funding as national sources (government, foundations, private sector) are almost non-existing and salaries for professional staff constitute a high percentage of costs. In the case of Jagaran Media Centre core funding was used to purchase equipment for the radio station. When this is combined with funding a programme that works on nationally relevant issues, an institutional mechanism is established to follow up human rights violations of the marginalised group even though on a limited geographical area only. TIN is the only organisation that has received core funding for the establishment of an endowment fund. Sometimes organisations deduct money from staff salaries to establish a so-called “internal fund” that can be used to cover ‘gaps’ between projects.

Generally the NGOs have not been able to build organizational sustainability with the LCF assistance. The only example of a financial sustainability plan is the Jagaran Media Centre: its 5-year Strategic Plan includes a detailed economic self-reliance plan including advertisement, fund raising (volunteer, creative program, personal grant and other fund), sponsoring and grants. District-based NGOs are sometimes able to attract minor funds from District Development Committees or from Village Development Committees: this is the case of MCDAF. Staff-wise these NGOs can partially be sustained by district-level line agencies, which have professional staff.

Usually NGO staff is not permanent but rather hired for specific projects, sometimes from communities with very short training and limited skills. This causes problems in some villages as community facilitators entirely depend on the NGOs and are not interested in building financial sustainability of activities. For example in Kaski, the facilitators were dismissed after the Democracy Education Programme ended and they are not keen on providing any volunteer help to the cooperatives to stand on their own.

CBOs assisted by NGOs are very vulnerable and their development into self-sustaining entities is a slow process. Savings and credit groups that are turned into cooperatives exist in villages since long time. Becoming a proper cooperative necessitates training and support that cannot be completed in 2-3 years. The mission Team got the impression that the two visited NGOs do not necessarily have the skills to mentor the cooperatives. Even the links with the District Women Officer, who would be able to allocate government funds to groups, have not been properly developed.

Kathmandu-based organizations have more access to donors than the ones in districts. AfP is a young and dynamic organisation, which has created a good model of working through all different political parties and their

student wings in the capital and in districts thereby building a strong and visible network throughout the country. The leaders of AfP especially praised the assistance from Danida-Hugou as an example of good partnership and close contact through which they have learned a lot and their organisation has become stronger. AfP operates basically throughout the country but is specialised on peace and democracy education and advocacy among young people through short-term projects. Until now they have had only two donors but much of the work is done free by volunteering students. The organisation finds innovative ways of implementing projects with limited funds such as using a mobile van for voter education or lobbying for meeting space and snacks from student organisations.

Usually the NGO staff have sufficient skills to administer the operations; in case of flaws in financial management, the Embassy is willing to provide them training. Nevertheless, the external auditing has frequently found problems in the financial system, including inadequate documentation and problems in bidding processes (IIDS, WWG). This is, however, common also with bigger, Kathmandu-based NGOs that should have good capacity. Probably the problem is not due to lacking skills but rather on attempts to extract funds from the project for other purposes. The legislation regulating NGOs in Nepal is quite strict and those registered with the SWC are required to present audited accounts each year for registration renewal, necessary to get tax deductions and access donor funds.

All the studied NGOs have strategic plans which vary in quality. A big problem with the district-based NGOs is that they are not learning organisations but rather small consultancy agencies implementing donor agendas. Some organisations manage to have dialogue at policy level, such as TIN, IA, Jagaran Media Centre; while other NGOs have either limited contacts (AfP, MCDAF, GYC) or very vague ideas of how to get the message to policy makers (NFS). According to the SNV, the Madhesi Dalit Network has direct contact with parliament members but they find it easier to lobby the SNV instead of their own representatives.

### **2.3 Impact**

The impact of LCF projects in Nepal has never been properly studied or measured through any evaluation by the Embassy or by the organisations themselves. Impact and its indicators are normally not mentioned in the proposal outline nor in the requirements for the reporting. Even the Embassy's LCF Strategy is not target-oriented and indicators for impact are missing. Although the impact is not measured, the NGO reports and visits

to the organisations revealed that changes are taking place due to the LCF funded activities. LCF has potential of being a much more important instrument as it is now but it suffers of a low profile and lack of systematic M&E and sharing of achievements and lessons.

While baseline studies would be useful to study the impact, they have not been done for proposals or in the beginning of projects. The new proposal made by the GYC in 2007 has a short chapter on impact assessment anticipating the possible impacts (increased income of marginalised people, increased self confidence and ability to make decisions, sustained saving practice thanks to the cooperatives, strengthening of the social fabric) and tools (forms and formats) to properly monitor the impacts through indicators. A simple base line or at least analysis of socio-economic context by village and its caste composition is also included.

Some organisations implementing DF projects in 2007 have been working in the same or nearby communities for several years (5-6, for example GYC since 2002). This would certainly give good basis for studying the impact and looking at the social, economic and also environmental changes that have taken place in the villages due to democracy education and promotion of income generation. This not being done there is very little learning from the previous experiences and in reality it is difficult to justify the continued funding.

Most organisations target the impact in excluded and marginalised social groups. Beneficiaries of many LCF funded initiatives are women (DF projects) although the approach should be gender-based having both women and men as beneficiaries. Social inclusion is recognised at policy level in most organisations but in practise the capacity to use gender approach and social inclusion tools vary and the policies are not properly followed. In some cases organisations work only with socially excluded groups: Jagaran Media Centre works with dalit communities and the Madhesi Network project assisted specifically the Madhesi population of Terai in obtaining citizenship cards. The Nepal Folklore Society studies different ethnic groups but the organisation itself is exclusive (very few women/dalit/ethnic group members in the staff/board/membership) while the Alliance for Peace has both women and men members originating from different social groups.

The JMC claims to have impact especially because it operates in a way that is unusual for a media centre: it combines information with action, having potential to function as a Dalit rights “watch dog” organisation. Listeners’ Clubs in 9 districts have active participants and the capacity of members (both male and female) has been enhanced through training on leadership,

advocacy and Dalit rights. This will increase the impact of the radio work as there is increased and diversified outreach in districts.

The impacts of DF projects that could be further studied include the following:

- Women now know that VDC funds are available for women projects and they have requested and demanded funds
- In some VDCs women have accessed the health budget
- Women now go to VDC meetings although they are still not treated as equals by men
- Women are aware of their rights and responsibility – but in the same time the NGOs do not have skills in mitigating the problems that raise due to their awareness!
- The workload of many women has significantly increased due to the project: they are involved in DEP as well as cooperatives and new IGAs which require lots of time
- In one community of Kaski women started receiving equal wage for same work as men. Previously women used to receive only half the money for the same load of fuelwood but now both men and women are treated the same
- Women are organized into groups and they are asserting their rights through their involvement in various committee formed in their community.

While discussing with some of the higher class and dalit women that had participated in the DEP in Kaski district, the views of the impact were very diverse: the higher class women thought that their thinking had changed but for the Dalit nothing had changed as they or their children were still not seen as equal citizens and they had no access to other people's houses. Also the real impact of educating only women was questioned by many: this was rather creating conflict with men and also internally as women alone were not able to put in practise the lessons learnt on human rights and transparency. Similarly for example the usefulness of the vegetable collection centre divided opinions: some people said that clearly they were not earning more through the centre than when marketing their products alone. Some of the Dalit women were criticizing the introduction of animals such as pigs by the projects as the poorest people do not have enough resources to feed them.

All the studied NGOs have an outreach in the society, either at district or national level. For the DF projects the outreach is in the villages (VDC) as well as more extensively in the districts. AfP works all over the country through the youth and student wings of all seven political parties; TIN has presumably local support groups in eight districts and journalists have been trained in the media programme write articles on cases that take place

throughout the country. Jagaran Media Centre transmits radio programmes through its own radio in Butwal as well as through other radio stations. International Alert helped to establish in 2004 Friends for Peace (FFP), an NGO and peace building resource centre, and has been working in partnership with them ever since. The outreach of NFS is more limited: it studies the ethnic groups but has not yet been able to empower or even inform them.

## **2.4 Efficiency**

DF projects funded through LCF have been able to reach a high number of women and men in different districts. For example, the GYC project in Baglung reached around 350 women in year 2 and in the last two years more than 1400 women attended the democracy education classes. More than 1700 women participated in savings and credit groups. The total cost for the five years of the project was less than 70 000 Euro. The NGOs are capable of reaching high numbers of people.

The need for continuous training is emphasised by the NGOs but usually the facilitators and other project staff have to put up with short courses that provide enough knowledge and skills only for those that have sufficient basic training. In GYC and MCDAF the field supervisors, most of whom are women, have university training. Community facilitators come from their respective communities and have a lower level of schooling. CBO (savings and credit group) members are often illiterate, especially women and dalit, which reduces their capacity to participate in training and effectively utilise the knowledge and skills learnt during the courses. According to interviewed women the DEP teachings are fast forgotten if not implemented in everyday life.

Opportunities to share lessons learnt with each other are rare and NGO staff recognises not being always capable of implementing the project plans. The NGO workshop participants identified the following topics as important for training for NGO staff: education and awareness on sector policies; networking and alliance building; exposure opportunities; professional subject matter expertise; management training; advocacy skills and lobbying. In districts the NGO staff emphasised the need to get training on subject matter areas of projects.

The relative advantage of NGOs may not be in poverty reduction although combining democracy education and human rights advocacy with income generation may facilitate the access to rural population. The visited NGOs do not have sufficient expertise on all subject matters (dairy, agriculture, vegetable collection, organic farming, economic analysis of alternatives), neither do they have necessary means to work on the whole income

generation chain starting from identification of proper activities through extension and training to marketing and transportation of goods. In some cases (Baglung) a road was built with LCF assistance to link the village to the main ADB-funded road, but there is very little to market from the area. Therefore the impact of the road may be important for transportation of people but it does not really have impact on their income.

The issue of geographical coverage is important in a country like Nepal with extremely difficult terrain and limited infrastructure. The Embassy has concluded that the comparative advantage of LCF as instrument is not in the most remote areas although the poorest districts are also the most remote ones.

Governance of the LCF programme in the Embassy is running smoothly, tasks are sufficiently clear and there have been positive attempts of external communication with other donors. The use of Development Councillors for appraisal of proposal and NGOs, or monitoring of projects have not been institutionalised in the Embassy. While field visits are made, they are not regularly reported; private notes are written but not for circulation. This makes learning from lessons difficult as findings are not shared and discussed with others.

LCF coordinator does not have a detailed job description but the job descriptions are made for individuals based on their duties. At the moment the coordinator uses less than 50 % of her time on LCF while other duties such as visa applications are more time consuming. There has been no specific training on LCF management and the job is learned by doing. Cooperation with the Area Unit in Helsinki is good and contacts are almost daily.

Archiving system is excellent but unfortunately only partially electronic. Documents are filed by organisation and year, resulting in an easy and accessible system and fast tracking of information. The MS Excel-files of annual funding are not complete for all organisations.

Agreement format is changing constantly but the old format did not have the necessary clause to stop funding an NGO that clearly did not deliver what was agreed upon. In the cases of WWG, IIDS and IA the Embassy was able to cancel the last payment. An inception period would be needed for larger contracts so for the Embassy to control that things get on the right track from the beginning.

The Embassy makes an annual report to the Area Unit on the utilisation of funds, using project-specific forms prepared by the MFA. These forms give very little information about the organisation, project objectives, results

achieved and impact of the intervention. The reporting format is entered in the intervention system in Helsinki. It does not require the Embassy to analyse the information, check the validity of the Strategy or incorporate lessons learnt in the new plans. Forms being uninformative and non-analytical they are not of much use to the Area Unit in providing strategic guidance to the Embassy or in following the impact of LCF.

## **2.5 Effectiveness**

The 2004 LCF strategy has not been substantially changed after its adoption. Minor changes were introduced in 2007 but basically the components have remained the same. The political situation in the country had, however, already changed in 2006 and the conflict was officially although not factually over. The type of projects funded by the Embassy in 2007 were very similar to those in 2004.

The actual setup of cooperation among the Embassy staff to screen and monitor the projects and organisations would be conducive to an effective use of LCF if institutionalised and made more efficient through regular information sharing and feedback to organisations.

The Embassy does clearly not see LCF as an instrument for capacity building of the civil society and it has never been emphasised even in the discussions with the Area Unit. The lack of capacity in NGOs is recognised but there has not been any systematic attempt to address the issue.

The SNV / Madhesi Dalit Network project is an example of the use of LCF as a flexible, fast and accurate development cooperation instrument: the Conflict Advisor, who has been in contact with Terai problematic during her work trips was familiarised about Madhesi citizenship problem by Madhesi activists and leaders. When the citizenship cards were issued by government's special mobile teams in preparation of the CA elections to be held in June in 2007, much of the Madhesi community was deprived from certificates causing unrest among the population. Due to inadequate preparation the poll was postponed to November 2007. Considering the scenario the Embassy of Finland and SNV/Nepal decided to take the opportunity and support Madhesi Dalit community in two districts of Terai to obtain citizenship certification. The decision was made quickly and LCF funds were used to fund the project which was successfully implemented by local Madhesi Dalit NGOs.

The use of LCF for DF projects is, on the other hand, an example of non-accurate adoption of LCF: the same approach has been implemented for many years without refocusing the interventions and without effectively partnering with the NGOs.

Ministry's Quality Group recommended in November 2006 that the number of organisations to be funded from LCF should be reduced. The Area Unit has advised the Embassy to cut the number of the organisations and to specify the expected number of LCF projects in the Strategy. The Kathmandu Embassy has also been told by the Area Unit that the annual amount of LCF can be reduced (from the current level) to meet the needs and the number of the projects.

Another option that has been proposed is the funding of smaller organisations through bigger umbrella NGOs that would monitor and build the capacity of smaller ones. This resembles the model used in the SNV / Madhesi Dalit Network project, in which SNV coordinated and supported by advisory services the small Madhesi NGOs in two districts of Terai. Some donor agencies (f.ex. Danida-HUGOU, CCO) have negative experiences of flooding a single NGO with funds as this will often lead to nepotism and mismanagement of money.

## **2.6 Compliance and coherence**

The LCF projects funded in Nepal generally fall well under the priorities of the Finnish Development Policy. The coherence has not been fully addressed as the LCF strategy and its implementation has been quite separate from priorities of the bilateral programmes and the general country strategy.

The Nepalese government would like to see NGO sector implementing more service delivery programmes as their resources are limited in many areas of the country. NGOs should fill the gaps left by the inadequate state and markets. In the same time there are expectations of having a more transparent and accountable NGO sector. Government feels that INGOs financing local counterparts abide themselves by principles of local harmonisation and local ownership but bilateral donors are often seen as pushing their own agenda. It is also felt that as most NGOs work on social sectors, reconstruction and peace building, they create strong demand from people that cannot be fulfilled by the government. NGOs should thus also work on the supply side.

Planning Commission and Association of International NGOs (AIN) are consulting with each other to develop a mechanism of collaboration and coordination. The aim is the alignment of aid and channelling of funds to geographical and thematic areas of national priority. This is not currently taking place either with INGOs or with bilateral donors.

Generally the Kathmandu Embassy is following the instructions and administrative rules of the Ministry. There has been learning from the lessons from the past.

## **2.7 Coordination and complementarity**

Most donors present in Nepal implement programmes that support the NGOs / CBOs. Some donors are not directly involved with the supported organisations but channel the funds through others (Norway). CCO and Danida-HUGOU have larger programmes as well as assistance to funded NGOs through training, monitoring and mentoring.

Donor coordination of NGO support is limited to *ad hoc* meetings and giving each other information about the credibility of organisations applying for funds. There is little sharing of experiences, and there have not been any joint evaluations or discussions about harmonised interventions. The initiative taken by the Donor Working Group on Best Practice Towards NGOs is a positive step that should be pursued and supported also by Finland.

The LCF is considered by partner NGOs as a flexible instrument that responds well to their needs and priorities, including the contemporary issues of peace building, human rights and democracy education. EoF is, however, only one among the donors funding interventions on these themes. The positive image of LCF depends naturally also on the Embassy staff and particularly on the Coordinator who has been helpful and friendly in her relationship with the NGOs. LCF is criticised of not supporting theoretical, technical knowledge and capacity building, not providing exposure opportunities and not pursuing networking and alliance building among NGOs. The assessments from NGOs show that they do not consider the Finnish LCFs important within the overall context of civil society capacity building in the country.

Embassy has organised some meetings with Finnish NGOs operating in Nepal. Some of them work on issues that are either same or close to the LCF projects, such as assistance to street children that is provided both by a Finnish NGO through MFA funding and a Nepali NGO through LCF funding. There have not been any systematic attempts to coordinate the two programmes.

## **3 CONCLUSIONS AND RECOMMENDATIONS**

### **3.1 Overall performance**

Due to political reasons LCF has had more importance in Nepal than elsewhere. In many areas of the country only NGOs have been able to work during the conflict years and civil society has been instrumental in carrying out development assistance in Nepal.

The administration of LCF in the Embassy of Finland in Nepal is satisfactory with good collaboration among the Embassy staff in project selection and informal sharing of information. Although the Project Coordinator has not received any training in fund administration, the Embassy is performing the tasks in a sufficiently professional manner concerning the screening of organisations, conducting the project selection meetings, making agreements with organisations and filing the project reports and other information.

Generally the Embassy staff finds the LCF an important and useful instrument but its utilisation has so far been vague and relatively inefficient. The roles of different staff in the selection and monitoring of projects and organisations have not been institutionalised and no overall evaluation or analysis is made of LCF as part of the country assistance. LCF is not seen as an instrument for the institution building of CSOs.

The performance of NGOs receiving LCF funds has been variable but generally there is a trend of improvement since 2006. Some excellent cases of successful support have been recorded in 2007 such as support to Alliance for Peace, Jagaran Media Centre and the SNV/Madhesi Dalit Network projects. This support involves more contact with NGOs, more detailed and accurate project proposals and, in the case of JMC, support to both core and programme functions.

The number of organisations to be supported is diminishing and this will make the monitoring work of the Embassy easier. The Strategy is not well focused, and so far the projects have not been sufficiently monitored. The most incising problem is the lack of evaluation of democracy fund projects, which have been implemented the same way for many years. Learning from the wealth of experience will be one of the main challenges of the Embassy in managing LCF in Nepal.

### **3.2 Lessons learnt**

- The involvement of all Embassy staff in proposing organisations for funding, in screening the proposals and in monitoring of projects increases the efficiency and provides opportunities for sharing and reflecting on the LCF
- It is important both for the Embassy and for the organisations to regularly monitor and periodically evaluate the development interventions and the performance of the organisation. When the element of M&E is missing, same type of mistakes continue to be repeated year after year reducing the efficiency and impact of interventions
- It is efficient to use core funding combined with programme funding for NGOs that have potential and can be closely monitored to build the capacity of the organisation and the staff
- Regular feedback to NGOs on the contents of the project is an essential element of the LCF. Similarly networking with NGOs funded from the LCF increases the efficiency and effectiveness of the instrument
- The sustainability of NGO projects in districts is based on long-term contracts, periodic evaluations and integration of lessons learnt as well as on close collaboration between NGOs and government authorities/line agencies. This improves the potential of having policy impact in the working area

### **3.3 Key areas for modification**

The key areas for modification are:

- LCF as whole in the Embassy:
  - should be considered as one instrument, the division between democracy projects and others is artificial
  - institutionalising some best practices such as information sharing and utilisation of Development Councillors for project screening and monitoring
- Relationship between the Embassy and the Area Unit:
  - reporting should include much more analysis and information on the impact of the LCF; Area Unit to participate more effectively in the preparation of the Strategy to ensure that the agreed bilateral priority sectors are included in the strategy in a way that will support the implementation of the Finnish development assistance programme in Nepal – flexibility should, however, be maintained in the use of LCF. In July 2008 the Area Unit

informed the evaluation team that they had participated in the preparation of the Strategy by commenting its draft version

- Relationship between the Embassy and the NGOs:
  - o more monitoring of projects is needed – NGOs require mentoring and feedback to develop the organisation and the capacity
  - o learn jointly from the projects implemented with LCF funding
  - o networking through biannually meetings jointly with all NGO partners
  
- Relationship with other donors
  - o Pursue coordination and cooperation with other donors to
    - Increase joint funding of organisations and projects
    - Share lessons learnt and experiences of supporting civil society
    - Support the regulation and coordination of the Nepalese NGOs in general

### 3.4 Recommendations table

Issues	Recommendations
Relevance	<ul style="list-style-type: none"> <li>o LCF support should concentrate on geographical areas that can be monitored by the Embassy and on thematic priority areas of bilateral assistance to improve the use of advisors, to make it more efficient and to benefit from information – but flexibility should be allowed</li> <li>o Issues should still be those of social inclusion, human rights, empowerment of poorest and excluded groups, gender and peace building as they are priority issues in Nepal, NGOs are strong in these fields and mainstreaming has not taken place</li> <li>o If Terai (or any other) is selected as priority area, there should be thematic and geographical coordination with other donors</li> <li>o LCF should be one instrument only, the division between democracy and other projects should be removed</li> <li>o Monitoring, feedback and contacts with organisations should be increased to mentor</li> </ul>

	<p>the organisations, control the use of funds and to share lessons learnt</p> <ul style="list-style-type: none"> <li>o If the human resources for proper monitoring are not sufficient, consider outsourcing</li> <li>o The Embassy should carry out evaluations of projects without delay, especially the Democracy projects</li> <li>o Project budgets should include provisions for participatory planning and capacity building on gender and social inclusion</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>- at least 5 years commitments are recommended for projects looking for behaviour changes or organisation development, with new release of funds annually based on the project report/audit/evaluation</li> <li>- provide both core funding and programme funding to NGOs that have development potential</li> <li>- NGOs should be encouraged to build capacity on making strategic plans that include elements of sustainability (economic self-reliance plan with clear annual targets)</li> <li>- stop funding blueprint proposals that hinder organisational development</li> <li>- consider joint funding of organisations with other donors, concentrating on long-term partners with outreach to grassroots and national level</li> </ul>
Impact	<ul style="list-style-type: none"> <li>- new LCF strategy should define clear, measurable targets and results</li> <li>- the strategy should be done in close collaboration with the Area Unit</li> <li>- norm and guidelines should stress on the importance of following and reporting the impact – Embassy should conduct annually an analysis of the LCF package and its impact</li> <li>- raise the profile of LCF by verifying and reporting the impact, stress the importance of participatory situation analysis and baseline studies by partner NGOs</li> <li>- Introduce participatory M&amp;E to find out about the diverse views of beneficiaries</li> <li>- consider funding capacity building on applying gender and social inclusion approaches both at Embassy and NGO level</li> <li>- external evaluations of selected LCF projects should</li> </ul>

	<p>be conducted annually and impact assessments periodically - funds can either be included in proposals or a separate Embassy LCF evaluation project can be elaborated. Evaluations can be outsourced</p>
Efficiency	<ul style="list-style-type: none"> <li>-Embassy should meet more with the NGOs receiving funds, networking and sharing lessons – also coordinating with other donors</li> <li>-communication system and the use of Advisors (Education and Conflict) in assessing proposals and organisations, monitoring projects and giving feedback to organisations should be continued and institutionalised</li> <li>- develop the archiving system toward electronic archives</li> <li>- improve and institutionalise donor coordination</li> <li>- accept concept papers and proposals in Nepali</li> <li>- increase monitoring and field visits, emphasise contact with NGOs</li> <li>- a detailed job description for the position of LCF coordinator is needed</li> <li>- when funding projects with larger budgets (&gt; 50 000 €/year, inception period needed)</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>- start preparing the new strategy from an empty table with proper country analysis, lessons learnt from previous projects and analysis of LCF comparative advantage</li> <li>- use the complementarities of EoF team for the preparation of strategy, either as an internal or broader exercise (with area unit / selected LCF recipients)</li> <li>-bi-annual meetings should be organised with NGOs to review the progress and raise issues of concern</li> <li>-LCF is effective in poverty alleviation only at individual and limited local level, therefore the emphasis should be on other issues of comparative advantage: democracy and human rights, gender, social inclusion...</li> <li>- gender audits (every three years) of the whole LCF should be conducted ; before adopting the new LCF strategy, a gender audit and a social inclusion audit should be conducted</li> </ul>
Compliance and coherence	<ul style="list-style-type: none"> <li>o LCF should be seen and considered as part of the Embassy country strategy</li> <li>o Evaluation of the data should be started</li> </ul>

	<ul style="list-style-type: none"> <li>○ Democracy projects and other should be merged under one LCF umbrella</li> </ul>
Coordination and complimentarity	<ul style="list-style-type: none"> <li>○ There is need to improve networking, coordination and sharing of strategy, lessons learnt and best practices</li> <li>○ Embassy should participate in the donor group working on best practices toward NGOs</li> <li>○ attempts to coordinate with Finnish NGOs working in Nepal should be made more systematic</li> <li>○ internal coordination in the Embassy should be institutionalised and systematic to use the advisors for feedback</li> <li>○ use the LCF experiences within bi-programmes</li> </ul>

## Annex 1. Mission schedule

Date	Hour	Activity / Organisation	Persons met, organisation	Observations	Responsible
21/01/08	8:00 am 12:00am	Reunin Equipo Evaluación	Hotel Mansión Teodolinda		CR, MT, PV
	2:00 a 4:00pm	Reunión con equipo LCF en <b>Embajada Finlandia</b>	Managua Rotonda el Gueguense 500 metros al sur 278-1216 / 18 Con <b>Maria Luisa Babini</b>	Confirmado	CR, MT, PV
22/01/08	8:30 a 9:30am	Entrevista con Representantes de <b>Coordinadora Civil</b>	<b>Georgina Muñoz</b> <a href="mailto:enlace@ccer.org.ni">enlace@ccer.org.ni</a> y <b>Mario Quintana</b> <a href="mailto:mquintana@ccer.org.ni">mquintana@ccer.org.ni</a> Oficinas de la Coordinadora Civil - Teléfono 27810 38/2785459 Celular: 885-7660 Banpro Altamira 10 varas abajo, Casa 98. Managua, Nicaragua E-mail: <a href="mailto:ccer@ccer.org.ni">ccer@ccer.org.ni</a>	Confirmado Vía telefónica el 21/12/07 Entrevista con Georgina Muñoz	CR, MT, PV
	10:00: a 11:00m	Entrevista con representante de <b>Ministerio de Relaciones Exteriores</b>	<b>Señor Valdrack Jenkins</b> (Vice Canciller de Cooperación Externa) Ministerio de Relaciones Exteriores Del cine González 1 cuadra al Sur, sobre Avenida Bolivar Tel: (505) 244 8000 - 244 8007 Apartado Postal No.127 Managua, Nicaragua	<b>Confirmado con Sra. Marta Susana Castrillo M.</b> Secretaría de Cooperación Externa Ministerio de Relaciones Exteriores	CR, MT, PV
	2.00 – 4.00	<b>Embajada Finlandia</b>	Reunión con <b>María Luisa Babini</b> . Revisión de documentos.		PV, CR
	3:15- 4:15 pm	<b>Embajada de Dinamarca</b> Fondo Común Sociedad Civil	<b>Sra. Patricia Gómez</b> <a href="mailto:patgom@um.dk">patgom@um.dk</a> < <a href="mailto:patgom@um.dk">mailto:patgom@um.dk</a> > Programme Officer Telef. Directo (+505) 268 02 50, Ext. 122 Embajada Real de Dinamarca TEL: + (505) 268 02 50	Confirmada Por Correo electrónico	MT

<b>Date</b>	<b>Hour</b>	<b>Activity / Organisation</b>	<b>Persons met, organisation</b>	<b>Observations</b>	<b>Responsible</b>
23/01/08	8:00 a 9:00am	<b>Embajada de Noruega</b> Fondo Común Sociedad Civil, FED y Fondo Anticorrupción	<b>Camilla Helgø Fossberg, PhD</b> Primer Secretaria Real Embajada de Noruega Managua, Nicaragua Tel + (505) 2664119 Email: <a href="mailto:che@norad.no">che@norad.no</a>	Confirmada Entrevista por correo electrónico Con Camila	PV
	9:30 a 11:00 am	<b>IXCHEN</b> Managua	<b>Sra. Argentina Espinoza</b> Contiguo a donde fue el Cine Salinas, frente esquina opuesta a la leche agria El Baquero, Barrio El Riguero, Managua. Tel. 2784365, 2708131 <a href="mailto:ixchen@ibw.com.ni">ixchen@ibw.com.ni</a>	Confirmada Entrevista se habló directamente con Doña Argentina Vía telefónica el 21 /12/07	CR – MT
	11.30 a 12:30 pm	<b>FORUM SYD / FED</b>	<b>Sr. Fernando Jambrina Rodríguez</b> Coordinador de Programa FED-ForumSyd Apartado Postal 2277 Managua, Nicaragua Casa Sol, de Casino Pharaohs 1 1/2 cuadra abajo Tel. 505 2702650 Ext. 40 Fax. 505 277 0214 Cel. 6020208 <a href="mailto:fernando.jambrina@forumsyd.org">fernando.jambrina@forumsyd.org</a> <a href="http://www.latinoamerica.forumsyd.org">www.latinoamerica.forumsyd.org</a>	Confirmado, por correo electrónico	MT – CR
	2:00 a 3:30	<b>Empresarios Juveniles</b> <b>Managua</b>	<b>Sr. René González Mejía</b> , Director EJNI, Tel. 2669554 Camas Luna Montoya 1c. al Este, Edificio INDE, Frente a la Mueblería Lolo Morales <a href="mailto:ejn@inde.org.ni">ejn@inde.org.ni</a>	Confirmado con Sr. René González	MT, CR, PV
	3:45 a 5:00 pm	<b>Entrevista FIDEG</b>	<b>Sra. Sonia Agurto</b> , Vice- Pdte. Tel. 2668708-09, 2668869, 8827732 Res. Bolonia, Pricessmart 200 mts. al norte. <a href="mailto:fideg@tmx.com.ni">fideg@tmx.com.ni</a>	Confirmada via telefónica se habló con Maria Lúdia Asistente del Dr. Martinez C 21/12/07	MT, CR, PV
24/01/08	06:00	Salida de Managua en automóvil			MT, CR, PV
	10:00	<b>ASOPROPCN / Parque</b>	<b>Ing. Roger Peralta Mairena</b> , Tel. 516-0055	Confirmado	

Date	Hour	Activity / Organisation	Persons met, organisation	Observations	Responsible
	am a 3:00 pm	arqueológico	Frente a la Alcaldía de Villa Sandino, Chontales <a href="mailto:maisalar@hotmail.com">maisalar@hotmail.com</a>	Con Maria Isabel Lara la mujer de el Ingeniero Peralta, vía telefonofica el 21/12/07 , recomienda que visiten el proyecto	
	4.00 pm	Proyecto <b>PROGESTION</b>	<b>Marko Lehto</b> , ATP Villa Sandino	Confirmado con Markko Letho	
25/01/09	8.00 am	Salida a <b>Granada</b> en automóvil.			MT, PV
	9:00 a 12:00am	Visita campo / <b>APIMUNIC / PRONAT</b> ( mujeres y Jóvenes)	<b>Sra. Janín Mejía Raudez</b> , Tel. 8292955 De la Escuela Padre Misieri 2 c. al norte Granada <a href="mailto:apimunic@yahoo.es">apimunic@yahoo.es</a>	Confirmado con Doña Junín Mejía El día 7 01/08 via telefónica.	
	13.00	Salida a Jinotepe			
	13:30a 16:00p m	Visita campo / <b>FUNDECO/ Rincones de cuentos Jinotepe</b>	<b>Sr. Eduardo Báez</b> , Pdte., Tel. 5321196 Del BDF 1c. al Oeste, Jinotepe <a href="mailto:lpninos@yahoo.com">lpninos@yahoo.com</a> Una vez se encuentren en Jinotepe el equipo y el Sr. Báez se trasladarán al <b>municipio de La Concha</b> (muy cercano), para entrevista con beneficiarias.	Confirmado vía telefónica se habló con Arlen Mena, telefono celular de Don Eduardo Báez 8553442 21/12/07 Sugiere que los proyectos del norte de Esteli están más consolidados hubiese sido mejor visitarles en Estelí	
25/01/08	6.30 am	Salida a Estelí en automóvil			CR
	10:00 a 12 :00am	Entrevista / <b>Mundo en la canción</b> / capacitación y medios	<b>Sr. Juan José Castillo Ruiz</b> , Tel. 7140162, 7133186 De donde fueron las bodegas de ENABAS, 2c. al este, ½ c. al sur, <b>Estelí</b> . <a href="mailto:rsmundo@ibw.com.ni">rsmundo@ibw.com.ni</a>	Confirmada con Don JJCR, celular de él 8357935, vía telefónica el 21/12/07	

Date	Hour	Activity / Organisation	Persons met, organisation	Observations	Responsible
	14:00 a 16:00 pm	Visita campo / <b>Los Pipitos- Capítulo La Trinidad /</b>	<b>Sr. Marlon Ariel Meza Salinas</b> , Pdte. J.D. Capítulo Los Pipitos de La Trinidad Tel. 7162384, De la Texaco 1 c. al Oeste y 3½ c. al norte, la Trinidad . <a href="mailto:lospipitoslatrinidad@yahoo.com">lospipitoslatrinidad@yahoo.com</a>	Confirmada la entrevista con Sra. Candelaria Caballero	
26 /01/08		<b>Trabajo en Equipo</b> de la Misión	Managua	Elaboración de matrices	MT,CR,P
27/01/08	06:00 am	Salida consultor internacional PV	Managua		
27/01/08		<b>Trabajo en Equipo</b> de la Misión en Informe y análisis	Managua	Avances en el documento final	MT, CR

28/01/08		Trabajo en Equipo de la Misión,		Elaboración de informe y preparación taller con organizaciones de la Sociedad Civil.	
29/01/08	8.30- 9.30	<b>Embajada de Suecia</b>	<b>Sra. Susanna Janson Landin</b> Oficial Adjunta de Programa Embajada de Suecia - Managua Tel + 505 255 8417 Fax + 505 2666 778 Cel + 856 7277 email: <a href="mailto:silvia.ponce@foreign.ministry.se">silvia.ponce@foreign.ministry.se</a>	Confirmado por e-mail por Silvia Quevedo Ponce	MT, CR
	9.45- 10.45	<b>Fondo Común de Apoyo a Sociedad Civil Oxfam-Nicaragua</b>	<b>Sr. Charles Grigsby</b> , Representante Oxfam GB. <b>Sr. Rafael Enriquez</b> , Sec. Técnica Fondo Común Tel. 2660085 De Plaza España, 1 c. abajo, 2 c. al lago, ½ c. abajo.	Confirmada por Nadia	MT, CR
	14.45-	<b>PNUD</b>	<b>Sra. Lilliam Jarquin</b>	Confirmada por Nadia	MT, CR

	15.45	<b>Programa de pequeñas donaciones</b>	Coordinadora del Programa Edificio Ofiplaza El Retiro. De la rotonda El Periodista 150 mts. al sur. Edificio No.6 segundo piso. Oficina 623 Tel.2547963 / 2547964		
	16.00-17.00	<b>Comisión Europea</b>	<b>Sr. Marc Litvine</b> , jefe de operaciones. <b>Sra. Pilar Juárez</b> , jefa de la sección desarrollo humano Del Colegio Teresiano, 1 c. al este, frente a clínica Tiscapa. Tel. 2704499	Confirmada por Nadia	MT, CR
30/01/08	8.00 am a 6.00 pm	Trabajo de equipo de evaluación. Elaboración de informe.	Hotel Mansión Teodolinda		MT, CR
31/01/08	8.00 – 9.30 am	<b>Trabajo en Equipo de la Misión</b>	Hotel Mansión Teodolinda		MT, CR
	10:00 - 12:00 am	<b>Debriefing Embajada</b>	Embajada de Finlandia Managua		MT, CR
	2:00-6:00	Trabajo en Equipo, Informe Borrador Final	Hotel Mansión Teodolinda		MT, CR
02/02/08	06:00 am	Salida consultor internacional MT			

## **ANNEX 2: Persons interviewed**

### **Embassy of Finland and other donors agencies**

Ms. Arita Rai Gurung, Program Officer, British Embassy , 31.1.2008

Ms. Rauni Haapamäki, Counsellor (Development), Embassy of Finland, 28.1., 1.2. 2008

Dr.Petri Hautaniemi, Counsellor (Development), Embassy of Finland, 30.12008

Mr. Kikkan Haugen, Minister Counsellor, Royal Norwegian Embassy, 31.1.2008

Ms. Pirkko-Liisa Kyöstilä, Chargée d'Affairs, Embassy of Finland, 28.12008

Mr. Graeme Lade, Ambassador, Australian Embassy, 7.2.2008

Ms. Eeva Maijala, Program Coordinator, Embassy of Finland, 28.1., 1.2. 2008

Ms. Sanjana Pradhan, Public Affairs Officer, Australian Embassy, 7.2.2008

Ms. Jayanti Subba, Education Adviser, Embassy of Finland, 30.1.2008

Dr. Munni Sharma, Program Coordinator, Embassy of Finland, 28.1.2008

### **Partner Organisations (Central Level)**

Mr. Sandesh Adhikari, Coordinator, Alliance For Peace, 29.1.2008

Dr. C.M. Bandhu, General Secretary, Nepali Folklore Society, 29.1.2008

Prof. Tulasi Diwasa, President, Nepali Folklore Society, 29.1.2008

Mr. Bal Krishna Kattel, Program Coordinator, NGO Federation Of Nepal

Dr. Jaya Raj Pant, Member, Nepali Folklore Society, 29.1.2008

Mr. Bhim Regmi, Member, Nepali Folklore Society, 29.1.2008

Dr. Abi Subaydi, Member, Nepali Folklore Society, 29.1.2008

Mr. Dipendra Tamang, Director, Alliance For Peace, 29.1.2008

Mr. Ashish Thapa, Executive Director, Transparency International,  
29.1.2008

Dr. Netra Prasad Timsina, Vice President, NGO Federation of Nepal,  
29.1.2008

Mr Sangram Yba, Documentation Officer, Nepali Folklore Society, 29.1.2008

**International Non Governmental Organisation/ International Organisation**

Mr. Santosh Bisht, Senior Advisor, Danida HUGOU, 31.1.2008

Mr. Tej Raj Dahal, Planning and Monitoring Advisor, SNV Netherlands Development Organization, 31.1.2008

Mr. Hans Heijdra, Director, SNV Netherlands Development Organization,  
31.1.2008

Mr. Joshi, Education Advisor, World Bank, 01.2.2008

Ms. Subarna Rai, Program Monitoring Team Manager, SNV Netherlands Development Organization, 31.1.2008

Mr. Gopal Sherchan, National Coordinator, Small Grants Program/GEF,  
UNDP, 01.2.2008

**Government/ Social Organisation**

Mr. Sanjay Khannel, Program Director, National Planning Commission,  
01.2.2008

Mr. Raju Rj Joshi, Director, Social Welfare Council, 30.01.2008

Dr. Ram Prakash Yadab, Vice Chairperson, Poverty Allevation Fund,  
01.2.2008

**Partner Organisation District Level – Stakeholders Meeting, Gaja Youth Club, Baglung District**

Ms. Yam Maya Budha, Project Coordinator, Gaja Youth Club, 02.2.2008

Mr. Krishna Chhaniyal, Secretary, Gaja Youth Club, 02.2.2008

Mr. Bishnu Paudel, Social Mobilizer, Gaja Youth Club, 02.2.2008

Ms. Durga Paudel, Social Mobilizer, Gaja Youth Club, 02.2.2008

Ms. Dil Maya Pun, Social Mobilizer, Gaja Youth Club, 02.2.2008

Mr. Bhesha Raj Sharma, Information Officer, District Development Committee, 02.2.2008

Mr. Krishna Pr. Sharma, Advisor, Gaja Youth Club, 02.2.2008

Mr. Basanta Kumar Shrestha, Department Head, District Agriculture Development Office, 02.2.2008

Mr. Bishnu Prasad Subedi, Senior Officer, District Cooperative Organization, 02.2.2008

Mr. Hari Narayan Upadhyaya, Secretary, 02.2.2008

**Lekhani Village Development Committee, 02.2.2008**

Mr. Tara Bh. BK, Board Member, Gaja Youth Club, 02.2.2008

Mr. Tek Bh. KC, Secretary, Gaja Youth Club, 02.2.2008

Ms. Pabitra Chalisi, Social Mobilizer, Gaja Youth Club, 02.2.2008

Mr. Lal Chandra R.B, Advisor, Gaja Youth Club, 02.2.2008

Mr. Nava Raj Gautam , Project Coorinator (LCF) , Gaja Youth Club, 02.2.2008

Mr. Parma Nanda Kadel, Chairperson, Gaja Youth Club, 02.2.2008

Ms. Yam Pr. Kadel, Vic- secretary, Gaja Youth Club, 02.2.2008

Ms. Laxmi Karki, Women Development Officer, Women Development Office, 02.2.2008

Mr. Purna Bh. Pun, Board Member, Gaja Youth Club, 02.2.2008

Ms. Sharmila Shrestha, Child Protection Officer, Gaja Youth Club, 02.2.2008

Mr. Narayan Singh, Social Mobilizer, Gaja Youth Club, 02.2.2008

Ms. Nar Maya Sunar, Field Supervisor, Gaja Youth Club, 02.2.2008

Ms. Manju Thapa, Field Supervisor, Gaja Youth Club, 02.2.2008

**Baglung District, Field Interaction, Tagrin VDC 03.02.2008**

Ms. Rupa Ali, Mamata Women Group, Tangran VDC, Secretary, 03.2.2008

Ms. Bindu Bhandari, Adarsh Women Cooperative, Bihu VDC, Member, 03.2.2008

Ms Sunita Chamtal, Lekhani Main Committee, Lekhani VDC, Member, 03.2.2008

Ms. Sabitri Gautam, Bhimpokrari Main Committee, Bhimpokhari VDC, Member, 03.2.2008

Ms. Shanti Kadel, Nauthula Women Group, Lekhani VDC, Member, 03.2.2008

Ms. Danu Kathri, Sayapatri Women Group, Dhuleyhati VDC, Chair, 03.2.2008

Ms. Dil Kumari Khanal, Shaktisali Women Group, Bihu VDC, Member, 03.2.2008

Ms. Radika Neupanay, Shivalaya Women Group, Bihu VDC, Member, 03.2.2008

Ms. Durga Pun, Shanti Women Coperative, Dhuleybhati VDC, Member, 03.2.2008

Dil Maya Pun, Mar goan Women Group, Tagrin VDC, Member, 03.2.2008

Ms. Shanti Rana, Pragati Women Group, Dhamja VDC, Member, 03.2.2008

Ms. Khima Shangri, Namuna Women Group, Bhimpokrari VDC, Chair, 03.2.2008

Ms. Kamala Shrestha, Shivalaya Women Group. Bihu VDC, Member, 03.2.2008

Ms. Kalpan Siris, Thuli gaon Women Group, Secretary, 03.2.2008

**Kaski District Partner Organisation (MCDAF)**

Ms. Sabina Acharya, MCDAF, Secretary, 04.2.2008

Mr. Madab Bastola, MCDAF, Project Coordinator, LCF, 04.2.2008

Mr. Chij BK, MCDAF, Board Member, 04.2.2008

Mr. Mahendra Kadel, MCDAF, Accountant, 04.2.2008

Mr. Shiva Sharma, MCDAF, Vice-president, 04.2.2008

Ms. Sita Sharma, MCDAF, Treasurer, 04.2.2008

Mr. Netra Subedi, MCDAF, Board Member, 04.2.2008

**Kaski District Field Interaction, Sardikhola VDC \***

Ms. Devi Acharya, Sirdikhola Women Cooperative, Secretary, 04.2.2008

Ms. Girdhari Acharya, Sirdikhola Women Cooperative, Loan Coordinator, 04.2.2008

Ms. Guna Duwari, Gachok Cooperative, Secretary, 04.2.2008

Ms. Asha Kumar Guring, Machapuchhari Cooperative, Chair, 04.2.2008

Ms. Laxmi Lamsal, Gachok Cooperative, Member, 04.2.2008

Mr. Hari Dutta Porkherel, Gachok Cooperative, Chair, 04.2.2008

Ms. Binu Pun, Machapuchhari Women Cooperative, Accountant, 04.2.2008

Mr. Man Bh. Pun, Machapuchhari Cooperative, Secretary, 04.2.2008

Ms. Geeta Thapa, Machapuchhari Cooperative, Accountant, 04.2.2008

**Butwal District, Partner Organisation Interaction \***

Mr. Chiran Baral, Radio Program, Station Advisor, 03.2.2008

Mr. Ram BK, Jagaran Media Center, President, 03.2.2008

Mr. Suvash Darnel, Jagaran Media Center, Founder Member, 03.2.2008

Mr. Jeevan Nepali, Jagaran Media Center, Member, 03.2.2008

Mr. Dipak Pariyar, Jagaran Media Center, Member, 03.2.2008

Ms. Sarita Pariyar, Jagaran Media Center, Reporter, 03.2.2008

Note \* More than 100 people participated out of which majority were women

**LCF Workshop Participants, Kathmandu 06.02. 2008**

Mr. Rajendra Adhikari, Mother and Child Welfare Community, Jhapa, Program Coordinator

Mr. Madab Pr. Bastola, MCDAF, Kaski, Program Coordinator

Mr. Gunanidi Bhusal, SSDC, Kaplibastu, Executive Director

Mr. Yam Pr. Kandel, Gaja Youth Club, Baglung, Vice- Secretary

Mr. Bal Krishna Kattel, NGO Federation Nepal, Kathmandu, Project Coordinator

Mr, Om Khadka, NEFEJ, Executive Director

Dr. Sangita Rayamajhi, Nepal Folklore Society, Kathmandu, Vice-president

Mr. Bijesh Shrestha, CPCS, Kathmandu, President

Prof. Abhi Subedi, Nepal Folklore Society, Kathmandu, Executive Member

Mr. Dipendra Tamang, Alliance for Peace, Kathmandu, Director

Mr. Ashish Thapa, Transparency Internal Nepal, Kathmandu, Executive Director

Mr. Leela Pr. Thapa, Jun tara Social Development Center,, Illam, Project Coordinator

Mr. Netra Timilsena, NGO Federation Nepal, Kathmandu, Vice- president

### ANNEX 3: Reference material, literature reviewed

Project proposals, agreements and reports from the seven organisations were studied during the evaluation as well as Embassy strategy papers, LCF plans and reports; other communication with the Area Unit 2004-07.

ADB 2005 *Overview of Civil Society – Nepal*. 12 p.

Government of Nepal, National Planning Commission 2007 *Three-Year Interim Plan. Approach Paper*. 77 p.

Alliance for Peace 2007. [www.aftnepal.org](http://www.aftnepal.org)

Canadian Cooperation Office (CCO) Kathmandu Nepal 2007. *CIDA Program in Nepal A Briefing*. 7 p.

Canadian Cooperation Office (CCO) Kathmandu Nepal 2007 *Fifteen years of Canada Fund Support to Nepal*. 27 p.

Canadian Cooperation Office (CCO) Kathmandu Nepal 2007 *Support for Local Initiatives- Nepal*. 14 p.

CDO Nepal Community Development Organisation Nepal 2005 *Annual Report*. 13 p.

Denmark DFID Norway SDC SNV USAID 2007 *Donor Working Group on Best Practice Towards NGOs – Final Report*. 7 p.

DFID Nepal Country Factsheet 2007.  
<http://www.dfid.gov.uk/countries/asia/nepal.asp>

Eldis, [www.eldis.org](http://www.eldis.org) 2007

Embassy of Finland 2007 *Nepal Local Fund for Democracy, Good Governance and Human Rights*. 3 p.

Embassy of Finland Nepal, [www.finland.org.np](http://www.finland.org.np)

Government of Nepal, National Planning Commission 2007 *Three-Year Interim Plan Approach Paper*. 70 p.

KB Chitracar & Co. Chartered Accountants Kathmandu Nepal 2007. *Audit report of IIDS* 19 p.

KB Chitracar & Co. Chartered Accountants Kathmandu Nepal 2006 *Audit Report Audit of Wildlife Watch Group* 23 p.

Nepali Folklore Society 2005 – 06 – 07 *Nepali Folklore and Folklife* A Biannual Newsletter of Nepali Folklore Society. Vol 1 No.1, Vol 2, No. 1., Vol 1. No. 4.

Singh A Ingdal N 2007 *A Discussion Paper on Donor Best Practices Towards NGOs in Nepal for the Working Group*. Donor Heads of Agencies. 34 p.

SNV Netherlands Development Organisation 2007. *25 years in Nepal*.

Transparency International Nepal 2007 [www.tinepal.org](http://www.tinepal.org)

Vehnämäki Mika 2006 *Lausunto; Laaturyhmä 27.11. 2006; HEL5051-76, KAT5003-45, KAT0003-45. Nepal; Paikallisen yhteistyön määräraha vuosille 2007-2008*. 4 p.

## ANNEX 4. Case study analysis

### *GAJA YOUTH CLUB*

Gaja Youth Club (GYC) is an NGO founded in 1994 in Baglung District under the organization Registration Act of Nepal. Its major objective is to alleviate poverty as well as empower and uplift the deprived, neglected and poor people of the district. It has been implementing a number of development projects with the assistance of many multilateral agencies such as Save the Children Norway, Embassy of Australia, Canadian Cooperation Office and Caritas Nepal. In addition, it receives limited funds from DDCs and VDCs. The implemented projects cover a variety of fields: quality education, women empowerment and good governance, peace building, peace development and conflict transformation, poverty alleviation (IGA), library management, landslide restoration, small infrastructure support program, drinking water and sanitation and a CAHD project for disabled. The first project funded by the LCF was the Democracy Fund Project in 2002 “Empowering Rural Communities through the Promotion of Dairy Cooperatives and Democratic Governance” in the VDCs of Lekhani and Bihun, followed in 2003 by a similar 1-year project in Lehani, Tangram and Bihun VDCs. The third project (2005-07) continued in Bihun and Tangram, with extension to Dudilabhathi, Dhamja and Bhimpokhara VDCs. The project finished in April 2007 and now a new proposal has been made to cover four new VDCs in the same area. Between 2004 and 2007 GYC received 56 752 € of LCF funds.

The project document with its objectives and activities has been more or less the same since 2002. The overall objective is on one side to strengthen democratic governance, protect the rights of target communities and peace building, and on the other side to alleviate poverty and empower and enhance decision making/management capacity of target groups and cooperatives in socio-economic domain. This is expected to result in awareness and responsiveness of target groups (community members, local bodies and leaders) to promote democracy, good governance and human rights and in uplifting the social and economic status through improved and increased production and marketing of micro-agriculture and livestock goods.

The activities have included Democratic Educational Programs (DEP) based on functional literacy classes, Training of Trainers to local facilitators, orientation days to elected authorities; training of groups / cooperatives on concepts of group formation, savings and credit and cooperatives management; promotion of improved vegetables, seeds, small livestock and resource based enterprise development; and institutionalization of savings and credit cooperatives. The new proposal also includes financial support to carry out the annual plan of VDC level core committees and financial

support to construct a building for women groups. Previously the VDCs were already supported in road construction with LCF funds. Since 2002 the most important target group has been women while much less attention has been paid to work with men and children.

#### *Relevance*

As everywhere in the country, also in Baglung the issues of democracy, human rights and poverty alleviation are very relevant and also communities feel the importance of the project. The awareness and skills of women have clearly been enhanced by the project activities although less than 50 % (around 2000) of households in the targeted VDCs have been included since 2002. Savings and credit groups have been organised to formal cooperatives in five VDCs and they have mobilised big amounts of money that has been lent to group members as well as used to road construction as community contribution. This shows that there are good opportunities for resource mobilisation when families find the activity worthwhile. Currently in the target VDC s there are no other projects implemented by external organisations.

The project design did never attempt to build a system that would ensure reaching all the households and influence also the families that do not attend trainings and literacy classes. Similarly some target groups were excluded as a proper initial baseline study had not been conducted – this made it difficult to target the poorest and most marginalised households. GYC is aware of this but proper gender or social inclusion policies have not been introduced in the new proposal, although the proposal gives information about the households according to ethnic division. Context analysis or planning of projects have not been participatory and there is little ownership of the interventions. This indicates the low level of learning in the organisation as gender and exclusion problems in the communities are obvious even during a short visit. Knowledge about proper targeting would be very important for NGOs that work on community projects.

While most community members that participated in the training and DEP were women, men were left out from classes as well as from cooperatives. Women learnt about human rights and democracy but in the same time they could not implement the lessons because their families and husbands had not been exposed to the same issues. A gender approach would have been better: the resistance of men could have been reduced while in the same time empowering women. Human rights and democracy issues could have become community issues instead of remaining in the classroom.

GYC is a locally-based, growing organisation, formed by young people who are committed to their work. Their relationship with different political parties and local authorities as well as line agencies is good and working linkages and collaboration exist at all levels – this is a best practice that

could be adopted by other NGOs. GYC has experience of implementing projects on many different fields but in the same time this is also one of its most difficult problems: thin spreading around the geographic and subject matter areas has induced GYC not to specialise in anything but rather to respond to donor agenda, while little organisational and institutional learning is taking place. Relevance of GYC activities is also undermined by not disseminating and replicating the results and lessons learnt in project: there is thus little influence on district or national policies.

GYC works on sectors where the government is not able to operate, such as landslides, thereby filling the gaps left by government services.

In the national poverty index Baglung is the 16. out of 75 districts and therefore in the group of 25 wealthiest areas in the country.

### *Sustainability*

The annual GYC budget is around 22 million Rupees (235 600 Euro), of which the share of LCF funding was around 8 % in 2007 (18 000 Euro). The sustainability of GYC as NGO is still limited: membership fees are low and funding from local agencies is almost non-existent. If the visibility of GYC as an active NGO having impact in communities was developed, there might be opportunities to mobilise resources also from DDC and VDCs. Collaboration with line agencies has always been close and some technicians have been seconded to GYC projects from the government. At times it is difficult to mobilise them, but this is, however, building a resource base both in the GYC and in the government service.

GYC does not have any fund raising strategy apart from participating in the calls for proposals of different donors. New projects are on pipeline and GYC is optimistic about getting funding also in the future.

From the organisation point of view it is not very positive that GYC is presenting the same proposal since six years: maybe because of thinking that this is the only key to receive funding from LCF or because GYC leaders are not learning at all from the previous experiences. There is a risk that GYC continues with this narrow vision, as an upper-class male organisation dominated by few members not opening to others. Critical evaluation of previous projects and serious social inclusion and gender policy in the organisation could improve the sustainability. Board and staff (34 persons, increasingly also women) are not working as a team and there are very few contacts between them.

Local communities are clearly very dependent on GYC and its projects. When asked in the meetings about the right time for letting the cooperatives stand by their own, women told that "baby is just born, and it

cannot be abandoned” and that “our need will never be fulfilled” – GYC should clearly design a phasing out strategy in the communities already in the project proposals. Cooperatives have been created, but they need a lot of advice and support to be operational and transparent structures that really help their members. GYC could link the cooperatives more with district line agencies (f.ex. District Women Development Officer) which could later support them and access funds from for example the Poverty Alleviation Fund.

Raising of women’s awareness on their rights is bearing fruit: both in Bhimpokhara and in Dhamja women have requested that their share (60 000 Rupees) of VDC budget should be used on women’s programs and in 2007 they have actually been granted 10 000 and 50 000 Rupees, respectively. This combined with the efficient mobilisation of funds in groups is a good sign for the financial sustainability of future development activities.

### *Impact*

No evaluations have been conducted in the GYC projects and the level of monitoring data is limited. Impact is reported in a descriptive and superficial way while very little monitoring of quantitative data is done. The positive impact of the three projects is reduced simply because no gender approach or social inclusion policies was adopted: at least in some VDCs a conflict has been created as women demand for their rights but these cannot be granted and agreed by men. Only women-targeted activities are reported under the heading of gender while no data on the inclusion of ethnic or other social groups is provided.

The impact of IGA remains to be seen: will the cooperatives be sustained, has the strengthening of savings and credit groups been sufficient and can they really be useful to the members? The impact of the new road linking the Tangram village to the new road from District headquarters, which was partially built with LCF funds is linking the village to the market and it reduces travelling time. On the other hand the goods for marketing have not significantly increased and the real impact of the road should be studied. It has an environmental impact as well, but Environmental Impact Assessment has not been made.

Women now know that VDC funds are available for women projects and they have requested and demanded funds; they have also accessed the health budget. Women now go to VDC meetings although they are still not treated as equals by men. The workload of many women has significantly increased due to the project: they are involved in DEP as well as cooperatives and new IGAs which require lots of time.

Some women are now individually taking up cases of mediating divorces – this is a significant impact in the local culture and merits further investigations.

GYC is considered as a transparent organisation by its staff but it is difficult to say how transparent it is vis-à-vis the communities. The organisation promotes democracy, human rights, the rights of women and the disadvantaged groups as well as transparent governance in the DEP but the lessons are confined in the classroom and not brought into the community level thereby reaching out to the society. Understanding of these issues beyond the lessons is still limited and the organisation does not have the knowledge or proper tools to change itself. Capacity building would be needed also at the GYC board and staff level to bring about real change. As organisation GYC has no gender policy but both men and women are employed as social mobilisers and also women have career opportunities inside the organisation.

### *Efficiency*

The efficiency of GYC projects is enhanced by the close collaboration with district line agencies, local authorities and political parties. On the other hand the policy of responding any call for proposals does not make the work efficient and it does not encourage to make the best use of GYC members or staff. The staff is complaining about their limited professional skills and expertise in some activity areas and they claim the need to share their experiences with each other as well as with other NGOs. In the same time the visibility of the NGO has not been increased in the district – this would make it possible to attract cooperation from others and put GYC in contact with other NGOs and associations as a successful implementer of development interventions.

The work in communities has involved a number of young, female social mobilisers who have been trained by the project after having a college education: they are appreciated by the community but they don't have much experience and their status in villages as non-married women is low – the traditions will change slowly. It might be more efficient to train local resource people (also facilitators) but they rarely have enough training to make the best use of the NGO courses.

GYC has always reported regularly about the financial and technical management of the project. Reports are very descriptive and not analytical. GYC claims that almost no feedback is given by the Embassy on reports.

### *Effectiveness*

The way of working with a local NGO that has a good relationship with local CBOs is positive for reaching the local people. The effectiveness is reduced by limited targeting, lack of gender and social inclusion tools,

### *Implementation machinery and management (governance)*

The GYC governance system can be characterised by the following aspects:

- The strategic plan and human resources policy exist
- There is a weak Monitoring and Evaluation system and practically no evaluations have been done in the projects implemented by the GYC
- Most staff (both men and women) think that the environment in the organisation is friendly and good for learning, not hierarchical - but the sharing of experiences and lessons learnt among staff and members is not institutionalized
- The staff includes very few persons from ethnic groups, only one board member comes from an ethnic group
- The management is transparent, social auditing is conducted by the NGO
- Coordination and linkages with government (line agencies, District authorities) is good as well as cooperation with donors as GYC gets funding from many sources
- GYC programmes are driven by the donor agenda and many activities are based on the donors' priorities while GYC has a limited capacity and skills for some activities
- Human Resource Development is weak and donors are not fund it
- GYC is not able to disseminate the lessons learnt (which are not systematically followed) or the impact, and there is practically no impact on policies even at district level
- Board members are distant from projects, they do not give sufficient direction to the staff
- GYC leaders know that they should have result-based monitoring but do not have enough knowledge
- The office space is rented and small

### *Coordination and complementarity*

GYC is an active member of the NGO Federation local chapter. It is not cooperating or coordinating with other NGOs in the actual field work and no sharing of experiences is taking place. Coordination is done with the District line agencies and District Development Committee.

### *MULTIPURPOSE COMMUNITY DEVELOPMENT AND AWARENESS FORUM (MCDAF)*

Multipurpose Community Development and Awareness Forum (MCDAF) is a young, relatively dynamic, local NGO based in Pokhara, Kaski District. Kaski is the fifth wealthiest district in Nepal according to the Poverty Alleviation Fund Poverty Index. MCDAF was established in 2000 and the

main focus is on the implementation of community projects ranging from integrated pest management to income generation and democracy education. MCDAF is one of the NGOs that respond to donor calls for proposals on many fields of activity but do not specialise on one type of activity. The NGO does, however, have a strategy and they are planning to do have an external organisation assessment conducted this year to evaluate the situation. There is emphasis on learning and MCDAF leaders are keen on adjusting their direction according to well grounded recommendations from the assessment.

The project "Democratic Governance and Empowerment Program in Shardikhola, Machapuchre and Ghachowk VDCs of Kaski district" (two years 2006-08) was designed to empower the communities of three target Village Development Committees (VDCs) of Kaski district, through the promotion of vegetable farming and animal husbandry together with the improvement of local governance and human rights situations in the target VDCs. The VDCs consist mostly of Dalit and Indigenous communities. Specific objectives were to

- facilitate a total of 1,470 women or their spouses to form into ward (community) level savings and credit groups and VDC level cooperatives. The women groups, while transforming into cooperatives, would build/ strengthen their management and institutional capacities through their access to social mobilization, training and educational programs (related to skill development, democratic governance, equality, human rights and peace building) offered by the project.
- facilitate the target women/ households to undertake feasible agro-based (agriculture and livestock) micro-enterprises.
- Educate the local bodies and social workers affiliated with CBOs about the principles/ concepts of democratic governance, human rights, social/ gender equality and peace building.

The budget agreed for the project implementation is 53,153€ but the actual disbursements in 2006-07 amount only to 18 203 €. The project implementation will end in June 2008.

#### *Relevance*

The MCDAF projects are very similar to other Democracy Fund initiatives and they can be considered relevant to beneficiaries covering democracy education, income generating activities, cooperative formation and resource mobilization. Project design follows the model introduced by the Embassy with the same blueprint model and blanket approach applied to all communities. It is obviously very relevant to local community members as they have been able to mobilise large amounts of financial resources through savings and credit groups to start businesses; leader farmers (both

men and women) have received assistance in form of plastic greenhouses and farming inputs such as improved seed. There are no other organisations working in the VDCs.

The NGO works closely with the Dalit and ethnic groups and many women of these communities are also participating in the agriculture programme although the relevance of the project for them is lower: many don't have any access to land and the animals promoted by MCDAF (such as goats and pigs) need plenty of fodder which the Dalits in particular cannot procure. MCDAF thus supports the government policy of non-discrimination although the impact may still be limited. This shows that good targeting of different social groups through feasible activities would increase the relevance of the project.

One of the cooperatives has a special social inclusion fund: poorest people get small loans from this fund with a lower interest rate. Some groups have also collected funds for flood victims in Terai showing an elevated sense of social responsibility.

### *Sustainability*

MCDAF is mostly operating with funds from donors such as Caritas and LCF (previously also UNICEF) but they are also implementing a programme funded by the national Department of Education. Some resources are also mobilised from the local authorities and line agencies (DDC and VDCs, District Education Office, District Agriculture Office) as diversification of funding partners is considered as a good strategy. There is, however, no proper plan for fund raising. Technical support is also sought from district line agencies and the NGO has a good relationship with local government agencies and people. There are some minor income generating activities such as sewing of bags and training of women and CBOs in the district but these businesses are still limited and the capacity is low. In 2007 EoF support constituted 25 % of the MCDAF budget. New donors are being contacted and MCDAF has by so far been successful in obtaining funds.

One of the lessons learnt from the MCDAF is that Cooperative formation has to take place early in the process to mobilize resources for the IGAs from savings and credit programme. This increases the financial sustainability and self-help nature of the community activities. It seems, however, that the sustainability and organisational capacity of cooperatives have not really been addressed: cooperatives do have savings and credit systems and this makes them very popular among community members; but the discussions with groups showed that there is a complete confusion about how to go on and what should be done in the future – or where to look for help. The four cooperatives would like to build an office but the

only idea on how to realise this plan is to increase the number of cooperative members (they already have more than 200 members) and raise the monthly fee.

Cooperatives have not been linked with District Women's Office, who could direct decentralised government funds to the cooperatives. The facilitators, leader farmers and cooperatives depend entirely on the MCDAF which has a strong tendency to emphasise its role as the benefactor of the community. When asked if the VDC groups and cooperatives could write proposals to get funds for the projects, the groups indicated that they cannot but certainly the MCDAF staff could help. This is negative for the organisational and financial sustainability.

Some activities have little sustainability because a proper economic analysis has not been done: for example, raising of improved variety of pigs necessitates a lot of food which excludes some groups such as Dalits from this activity; similarly the establishment of a vegetable collection centre has been done without studying properly the costs and benefits (not only economic but also social) of such a centre. Farmers do save time when not transporting goods individually, but in the same time the selling price is lower.

Staff skills in some subject matter areas are low. More technical expertise both at NGO and at line agency level would be necessary to implement components such as organic farming in a sustainable way. The organic farm that was visited during the field trip did not have a composting system and boxes of chemical fertilisers were found in the greenhouse. When MCDAF started implementing the LCF funded project, democracy training was initiated also within the organisation. Environment is not considered as an issue in the project.

#### *Impact*

MCDAF is planning to do an evaluation of the organization and its impact if sufficient funds are found this year. The results of the evaluation will be reflected in the new 5-year strategic plan thereby improving the impact. No evaluation of the LCF-funded project has been done and the indicators followed in the reporting are those of activities. Monitoring of activities is more descriptive than quantitative. Impact indicators have not been established.

Democracy training and subsequent increase in the capacity of the organisation staff is one of the impacts. Women in the 3 VDCs claim that their mindset on issues related to human rights, democracy and transparency of public actions has changed since they have attended the Democracy Education Programme. Some very interesting debates took place during the visit of the Mission Team in the communities, when dalit

and higher class women discussed the changes in the behaviour: changes are still limited because classes are attended by women only and men's thinking has remained more or less the same. Women alone, without the help of men and the rest of the family, cannot change the caste system and the situation of lower class women. There are also divergences of views on the advantages of the vegetable collection centre, pig farming and organic farming, both concerning their economic benefits and the exclusion of poorer, landless groups from the activities.

An important impact is the change of gender-based wage discrimination whereby at least in one VDC women have started receiving equal wage for same work. Previously women used to receive only half the money for the same load of fuelwood but now both men and women are treated the same way.

Strong ownership of the project activities is not promoted and for example many cooperative members do not see the cooperative as their own but rather a MCDAF-run activity. Participation is restricted to activities, not to planning, monitoring or evaluation of the project.

The lessons learnt during the DEP classes are appreciated by beneficiaries but according to interviewed women and men the change of mindset is not reflected in the way cooperatives are run. For example women feel they are too weak and due to their illiteracy cannot enforce transparency in the cooperative management but they have to accept that the phenomena such as corruption take place.

#### *Efficiency*

Coordination with other NGOs and associations is needed as well as exposure through visits and meetings – one exposure visit was organised last year for 35 people affiliated with the project. The use of technicians and facilitators with limited professional knowledge and skills reduces efficiency and affects the impact of the project.

The overwhelming number of diverse activities does also reduce efficiency. Lots of resources are used to do a bit of everything with low capacity instead of focusing on few issues that could form the hard core of MCDAF mission. As MCDAF is essentially a social welfare organisation, it is difficult to see its efforts in agriculture very efficient or reaching a long lasting impact.

Reporting by MCDAF is regular every six months, and reports are clear but very descriptive. Also MCDAF complains about limited feedback from the Embassy. In three years Embassy staff has visited the project three times: it is near to Pokhara and thereby easy to reach.

#### *Implementation machinery and management (governance)*

MCDAF is a young and dynamic organisation which could benefit from capacity building and mentoring to increase its transparency and governance practices as well as to focus its work on the fields of its comparative advantage. Because of LCF support it has started operating in

three VDCs, building their network in the district and strengthening their competence on the subject matter areas of the project. Now the NGO is thinking about expanding to Terai area but the reasons for this are not clear. Being based in Kaski and having only limited human and financial resources it is difficult to imagine how this type of extension would work out. The NGO office is small, rented space, but apart from the couple of rooms and sewing machines there has not been much other investment.

#### *Effectiveness*

One of the main issues related to impact, efficiency and effectiveness is the flaw in the approach which does not take into account the gender differences and the need to include all the social categories in the DEP. Women find it difficult to practice the DEP lessons outside the classroom and even to remember the 30 principles in the Democracy programme—after a few months the guidelines have been forgotten and a refresher course would be needed to remind them of these issues and how to apply the lessons learnt. The courses seem to be effective in increasing awareness but not when it comes to changing people's behaviour.

The attitude to the work in MCDAF is positive and staff is keen on learning and improving the NGO performance – therefore it would be very wise to guide the NGO in making better plans and more focused targeting with innovative approaches.

#### *Coordination and complementarity*

MCDAF is member of the NGO Federation local chapter. It has good contacts with government agencies and the District Development Committee is very favourable to this project. Nevertheless no attempt has been made to influence the district policies and share lessons learnt in the project. Synergies are found with the government programmes, for example in one of the VDCs the MCDAF has facilitated the District Agriculture Development Office to establish a small irrigation program funded by the central government. MCDAF contributes to the initiative and trains farmers on improved production practices.

#### *JAGARAN MEDIA CENTER (JMC)*

Jagaran Media Centre (JMC) is an organisation established by a group of young Dalit journalists to protect and promote the rights of Dalits through the use of mass media.

Two support programmes have been funded by LCF: Capitalizing Voices of Dalits in Constitution Making Process (CAVDCOMP) 1.12. 2006 – 30.11. 2008 and “Support to Jagaran Radio at Butwal” in 2007. The budgets for the projects were Euro 83 500 and Euro 31 029, respectively.

The objectives of the CAVDCOMP project are:

- To prioritize and establish the agenda of Dalits from massive discussions in restricting the state and constituent assembly
- To aware, sensitise and pressure political parties for the respected proportional representation in the new forming state from Constituent Assembly
- To initiate dialogue of Constituent Assembly amongst Dalits and to establish it as a major agenda amongst the national political sphere
- To develop critical mass about Dalits' rights

The activities include the organisation of a National Citizen Assembly of 2 days in Kathmandu, broadcasting of a weekly interactive radio program of 30 minutes from 10 FM radios around the country and the strengthening and mobilisation of 'Katwal' (radio) Listeners' Clubs in 10 districts to advocate Dalit issues. 'Katwal' is a weekly radio magazine of 30 minutes broadcasted from 13 different FM stations and there are currently more than 400 such Clubs in the country.

The program on Jagaran Radio at Butwal aims at "establishing as a model FM station of excluded groups, acting as a platform to raise the voice for the voiceless and empowering the community and initiating dialogue on inclusiveness and helping to reform the state". The Jagaran Radio Support Fund was established at central level as a basket fund to be used for the implementation of the station, attracting support from local community of Butwal, individual donors, donor agencies, INGO etc. Radio station is run by the Steering Committee formed by local community members and by staff hired to work in the radio. Finnish funds have been used in 2007 to buy equipment for the radio station and to train Steering Committee members and staff on issues related to running the station.

#### *Relevance*

The JMC projects funded by the LCF are highly relevant as they focus on human rights of Dalit as well as other marginalised groups giving voice to the voiceless. Dalit are mentioned in the government's Three-Year Interim Plan as an important beneficiary group of development activities. There are serious Dalit human rights violations and caste based discrimination in Tarai where the Butwal radio station has been established and the target group is composed by very poor people without access to rights or services. The Centre is owned and managed by Dalits and the Katwal radio is the first of its kind for the Dalit community thereby being highly relevant for 25 % of Nepali population. A group of Dalits from India have also recently visited the radio station in Butwal to study the opportunity of replicating such radio programmes in India.

The relevance is increased through the combination of the radio as a powerful tool and the follow-up action, e.g. the case of two Dalit women that were used as sex slaves in a hotel was raised with the police.

Consequently the women were freed and the hotel owner jailed, while the two women received a compensation of 20 000 NRs. Similarly a Dalit man was selected as a chair of the school management committee but the local authorities did not approve – after raising the case in the radio the man is now the chair of the school committee.

Also replicability of activities increases relevance: even though the radio station functions only in 3 districts through CDs/cassettes and listeners groups in villages, JMC is able to combine work at both national and district level: the voice of dalits has been raised and commitments to the cause by Dalit members of interim parliament have been sought and ensured.

The funding is highly relevant for the organisation as the activities are part of the 5-year strategic plan – in addition, there is an added value of the Finnish support: Finland is the first donor to provide core funding for the newly established organisation in form of equipment and training of staff. Without there would not have been any possibility to start the Butwal radio station. This is a best practise of combining core funding and programme funding, while other donors have been interested in programme funding only.

### *Sustainability*

Currently the JMC is almost completely donor dependent being a new organisation, established only in 2000. The 5-year strategic plan (2008-2012) indicates the detailed economic self-reliance plan including advertisement, fund raising (volunteer, creative program, personal grant and other fund), sponsoring and grants. According to the plan the share of grants is 55 % in 2008 but gradually the share of advertisements and sponsoring is planned to increase covering 80 % of financial needs in 2012. Marketing offices will be created in Kathmandu, Butwal, Bhairahawa, Kapilvastu and Nawalparasi. The Butwal radio station competes with other stations but it is the only one transmitting programmes on the 5 local languages: the interest on this Dalit radio station might increase sustainability. The funding for CAVDCOMP is only for two years which is a short time to assist the building of JMC activities. Longer-term commitment would be needed.

JMC is currently operating in a rented office but plans exist to construct its own office and rent it for other organisations. Land is already available.

### *Impact*

JMC operates in a way that is unusual for a media centre: it combines information with action, having potential to function as a Dalit rights “watch dog” organisation. It provides an example of a Dalit-run organisation boosting the self-esteem of the group and creating in the same time an example of multi caste working environment (non-exclusiveness policy).

By March 2007 the strengthening of Listeners’ Clubs had been started in 9 districts through the newly established District Coordination Committees. Participation in these Clubs is active and the capacity of members (both

male and female) has been enhanced through training on leadership, advocacy and Dalit rights. This will increase the impact of the radio work as there is increased and diversified outreach in districts.

Also the JMC organisation has been impacted through training of the Butwal radio station Steering Committee and staff in production, social marketing, use of technical equipment and project management.

#### *Efficiency*

The efficiency of JMC is enhanced by the use of volunteers. The use of LCF to strengthen the JMC is an example of best practise through combining core and programme funding for a new organisation, working on nationally relevant issues. The funding helps in the establishment of an institutional mechanism which follows up human rights violations of the marginalised group even though on a limited geographical area only.

#### *Effectiveness*

It is too early to assess the effectiveness of JMC work but there is definitely potential for the expansion of the Butwal station as a community radio with limited costs. The effectiveness could be further enhanced by using community facilitators, but currently there are no women facilitators to discuss with women who are usually not comfortable with talking to men. There is an idea to have community members working as local male and female facilitators thereby increase efficiency and effectiveness.

The JMC's way of working shows that there is even more potential to link the issues from community and district level to the national level: issues can be easily brought to the national level debate.

#### *Coordination and complementarity*

It is not clear if there is coordination and complementarity with other Dalit organisations in the area: this aspect should be made more explicit.

#### *TRANSPARENCY INTERNATIONAL*

The original agreement between the EoF and Transparency International Nepal (TIN) was signed on 19<sup>th</sup> December 2002 for three years, with the budget of 90 800 €. The organisation has, however, asked and been provided two times a no-cost extension to the agreement (first until July 2007 and then until December 2007). The relationship between the Embassy and TIN goes back to 2000 when the previous president Dr Panday had been invited to present a paper in a workshop in Helsinki; in 2001 TIN organised a seminar on "Transparency in Development Aid" with the Embassy support.

The overall goal of the programmes implemented with LCF has been to strengthen TIN's anti-corruption coalition work with the government, major

constitutional bodies and the people while the LCF money in particular was planned to be used for:

- Examining Public Sector Units and their procurement practices, disseminate the study results, present report to respective ministers and coordinate follow up actions with civil society partners
- Provide assistance to TIN local support groups in districts (8) and provided overhead expenses to TIN to implement this program
- Establishing an endowment fund.

The funds could not entirely be used for the planned activities and therefore changes were made later to support other activities mentioned in the TIN Strategic Plan 2005-2010 such as preparing discussion papers, providing further assistance to district groups, supporting state anti corruption bodies and training journalists. The no-cost extension lasted from December 2005 until December 2007. The final report was received by the Embassy in January 2008 and now TIN has presented another proposal for further funding. According to TIN the main reason for lagging behind with the use of the funds was the difficult conflict situation and the impossibility to work in the rest of the country.

#### *Relevance*

The mission of TIN is very relevant in Nepal, where corruption has become more and more rampant during the last years. There are several anticorruption NGOs while the government has its own agency called Corruption Investigating Agency (CIA). TIN is a watchdog organization and its funding from LCF is justified as receiving support from the government would compromise the role of the organisation.

Government's Three-Year Interim Plan recognises the importance of work done by TIN and the Government Transparency Index produced by the organisation is referred to as an important source of information. The mission of TIN falls well under the priorities of Finnish Development policy as well, as good governance is one of the cross-cutting issues.

TIN deals with a very sensitive and relevant issue in Nepalese society. It has been capable of keeping a non-partisan image which is very positive in dealing with the donors. The momentum to show its strength should be now but TIN gives the impression of hiding behind its good reputation and not leading a lively, challenging debate on the actual governance situation in Nepal. EoF funding is very relevant to TIN as in 2007 Finland was its only donor apart from the Transparency International Berlin.

TIN works on human rights issues through research, training and articles but it is blind both in gender and social inclusion which are not considered as issues for anti-corruption and good governance. The organisation is not

attempting to reach local, rural level people or dalit and ethnic groups. There is no women-based ownership of anticorruption agenda in TIN.

### *Sustainability*

Transparency International Nepal is a solid organisation with a General member body, Executing Committee and an Advisory Council which invites members among distinguished persons, even foreigners. There is a good strategy which defines the priority areas of action.

Financial sustainability of TIN has improved with the endowment fund that was established with contribution from LCF. The fund has almost 6 million Rs (67 000 €) and this has been planned to be used for building an office space. Domestic funding is seen as a problem by TIN as being a watchdog organisation they are not expecting to be financed by the government – this would compromise their integrity. Fund raising is considered difficult and no plans exist on this regard. Membership fee is very low and there are only 32 individual members – there is no plan to expand the membership. Most members are influential high-cast people who would be financially capable of contributing funds. Their status in the society does also ensure the continuation of TIN.

TIN used to organise training for smaller anticorruption NGOs but the training manual produced with USAID funding is considered user-friendly also by other NGOs that are now organising their training events without TIN.

TIN gives a strong impression of a somewhat stagnant organization, which is diminishing in size rather than growing bigger: staff is reducing and membership is not being increased. Dependence on the LCF is extremely high (90 % of budget in 2007) and there are no plans to contact other donors although the Executive Director assures that new projects are on pipeline. The eight local support groups could add something to the sustainability but they are rather dormant.

### *Impact*

The major impact of LCF through TIN has been the publishing of Government Transparency Index, facilitation of writing newspaper articles (visits by journalists have been funded to investigate corruption and governance cases throughout the country), setting of local support groups and lobbying for Anticorruption convention. Ratification of the convention has been postponed until the next Constituent Assembly. TIN is also responsible for organising the annual Anticorruption rally which has increased the awareness of good governance issues both in the capital and also at district level.

It seems that the loose monitoring and control exercised by the Embassy has led to the negative impact of TIN not feeling any pressure for accountability and performing.

#### *Efficiency*

The use of funds cannot be considered efficient: the agreement was made five years ago for a three year period but only now TIN has been able to use the funds. The conflict situation is blamed for the slow disbursement but it is difficult to believe that there wouldn't be any anticorruption activities to conduct beyond the ones detailed in the original proposal.

The original project proposal is only five pages long and very superficial, with vague estimated budget and no timetables or other details for the project implementation.

The Embassy has not taken the opportunity to communicate with TIN and share experiences, views or lessons learnt on political situation in general and on anticorruption campaign and transparency in particular.

#### *Implementation machinery and management (governance)*

TIN has a complete separation of decision making and implementation powers. Financial management is transparent and accounts are even published in the website. There are high intellectual skills and resources as well as capacity to analyse, design, write proposals and prepare reports. Many members are civil society activists which makes them busy with also other than TIN activities

The staff of TIN has been reduced instead of expanding – this shows the nature of the organisation as stagnant with little dynamism.

#### *Effectiveness*

TIN is far from reaching its vision of corruption free Nepal as corruption is more rampant than ever. People are more aware of the problem also through the work of TIN in producing publications, studies, articles and training journalists to write about the problems. The effectiveness could, however, be increased by making the organisation more dynamic. TIN is definitely not effective in mobilizing people, local support groups are as dormant as the central office and not visible in districts. In the same time TIN is not reaching the ordinary people but only some sections of the urban society. There is access to policy level, but advocacy is not done.

#### *Coordination and complementarity*

TIN works with other smaller anticorruption NGOs and supports them with advice and information. TIN thinks that they would have been able to share

lessons learnt and training with the Embassy and the other NGOs receiving LCF funds but this opportunity has not been used.

### *ALLIANCE FOR PEACE*

Alliance for Peace (AfP) has implemented two projects in 2006 and 2007 with funding from the LCF: “Raising Awareness about Human Rights Amongst and Sensitization of Student Leaders of Nepal” and “Youth Voter Education and Outreach”. The first 6-month project trained 27 student leaders from 16 districts on human rights issues with the assistance of UN Office of the High Commissioner for Human Rights, Kathmandu. The program used a participant-centred approach that encouraged reciprocal learning through an exchange of experiences among participants, facilitators and resource persons. Subsequently the trained youth implemented training programmes in their respective districts. The main outcome of the project was mentioned as “a higher level of consciousness about Human rights among the student leaders and youths” as young people were learned about international humanitarian laws and international Human rights laws.

The second project had the objective of encouraging youth voter turnout for the Constituent Assembly Elections using different means as activities: publication and dissemination of voters’ guides, flyers and posters; production and broadcasting of public service announcements such as radio jingles in 12 different languages; websites, email groups, blogs and opinion poll section; and youth outreach mobile campaign in the majority of districts of Nepal. In addition, in five regional headquarters a Forum was organized to discuss the issues concerning CA elections and its process.

The new proposal “Integrated Youth Development Program” has the objective of developing life, leadership, technical skills and theoretical knowledge of young leaders.

In total AfP has received 55 078 Euro from LCF in 2006 and 2007.

### *Relevance*

The relevance of AfP in Nepal is very high: it targets youth and students (more than 60 % of Nepalese are young people) and it aims “To create an aware and concerned student and youth body who participate actively in the democratic process and are proponents of human rights, good governance and democracy.” It is making an effort to include youth within both political and non-political spheres, being one of the very few organizations working on this issue. Young people in Nepal are severely affected by the changing socio-political situation of the country and they are easily attracted to extreme movements, having a high anti-state feeling. Youth is considered an important force also in the National plans.

Information about elections does not reach all levels of society and information is needed. In the same time AfP is sensitising the youth not to get involved in drugs and it is creating alternative, positive role models to follow. The AfP project falls under the LCF strategy component 2, strengthening the voice of voiceless, especially the voice of youth.

AfP is a young organisation led by young people and therefore the relevance of the projects in influencing national policies is rather low. They target student leaders which can be considered as an investment in the future, as they often become leaders and caretakers in the future.

The development interventions are demand driven and strongly responding to the aspirations of the organisations membership and strategic plans.

#### *Sustainability*

It was initially difficult for AfP to attract donors because being young and not the special target group for any donor. The situation is now changing as they have gained plenty of experience and a positive reputation with the funding from the Embassy of Finland and Danida-HUGOU. AfP is also getting donations but they do not accept funds from everybody because of having their own strong mission and not wanting to compromise their independence. In 2007 LCF funding constituted 35-40 % of AfP funding.

The real source for AfP sustainability is their organisation that is able to mobilize a large number of volunteers as human resources for project implementation: these volunteers are young and a peer group to project target groups thereby increasing the credibility. AfP programmes are not expensive but rather innovative, careful with spending and using available connections: they work through all the student wings of the seven political parties as well as through government agencies. Coordination and linkages are good. AfP is building contacts with other donors and by now the responses have been positive giving guarantees for future funding.

The sustainability of the project “Training on Raising Awareness about Human Rights Amongst and Sensitization of Student Leaders of Nepal” was planned to be ensured by training the student leaders in training skills. Approximately 1000 other students were trained by them after the project.

#### *Impact*

The organisation has implemented only short-term projects making it difficult to reach or assess the impact. They network with political parties and provide a quick response to emerging, burning issues. The projects have probably had an impact on political youth organizations but not yet at national or policy level. Young people have difficulties in having access to political decision makers or policy making bodies.

After the 2006 project “Training on Raising Awareness about Human Rights Amongst and Sensitization of Student Leaders of Nepal” an informal network of Human Rights defenders (HRD) was set up and the HRDs have subsequently been in touch with OHCHR as soon as they have heard of an incident of Human Rights violations. Information on many of these cases was shared by AfP with regional and international HR organizations and with UN mechanisms.

The Project also increased AfP interaction with the broader HR movement and grassroot activists in Nepal, particularly with those working with Dalits, Janajatis, Madhesis and women.

Trained youth have also been involved in HR campaigns including a campaign against racial discrimination, while 4-5 youth trained by AfP have started their own NGOs.

### *Efficiency*

The work of AfP can be considered low-cost– as young people they work a lot even without compensation and invent low-cost solutions to financial problems, such as the use of a mobile van during the voter education campaign, or covering of hall rental and snacks by student unions in colleges. The aim is to keep budgets low also in the future. To reach the country, AfP works through the seven parties, having access also to local level. It is a small, dynamic organization and there are frequent meetings to communicate about endeavours.

Many different approaches and tools are used: meetings, training, radio jingles in 12 languages, booklets, pamphlets, website in Nepali and posters which all attract their target group, the youth.

AfP staff and volunteers do not necessarily yet have sufficient skills to implement complicated programs but the funded projects have been tailored to their capacity. The use of the UN Office of the High Commissioner for Human Rights as trainer in the first project was suggested by the Finnish Embassy and this made the implementation of the project possible. It significantly improved the capacity of AfP.

The proposals and reports do not present gender-disaggregated indicators or outputs, neither is social inclusion in any way quantified in the reports and proposals. The organisation does not yet have the capacity and tools to apply mainstreaming of these policies. Good governance and human rights are mainstreamed in the projects and in the organisation. More emphasis is now put on equal representation of men and women in projects: for example, the last project with Danida-HUGOU funding had more 50 % women participants. Environmental issues have not been included in projects.

### *Implementation machinery and management (governance)*

AfP management is well-functioning, structure is good and there are plenty of contacts countrywide for example through the participants of the LCF funded project “Training on Raising Awareness about Human Rights Amongst and Sensitization of Student Leaders of Nepal”. The participants came 16 different districts representing a wide range of cultures and religions. An informal network of Human Rights defenders was created as a result of the training and three HRDs have already started establishing local NGOs.

AfP has nine staff and a high number of volunteers working with them. All program decisions are made by the administrative staff which is held accountable to an Executive Board. The Executive Board reports to a General Assembly of all the organisation’s members.

#### *Effectiveness*

The short-term nature of AfP projects undermines the effectiveness of interventions. Many issues and recommendations come out from the short projects but they are not necessarily followed through new interventions. AfP works with all parties and in different areas of the country, but while the geographical coverage is good, it also makes the work superficial and not necessarily reaching the objectives with those limited resources.

#### *Coordination and complementarity*

AfP coordinates the activities with different student organisations and donors that are also shown as links in the website. More collaboration with Embassy would be appreciated as well as networking with other NGOs receiving LCF funds.

#### *NEPAL FOLKLORE SOCIETY*

The Agreement between the Embassy and Nepal Folklore Society (NFS) was signed in 2005 to implement a project called “Folklore and folk life study: A survey of living cultural heritage of Nepal (2004-2008). The objective is to collect, analyse and document the folklore and folklife of seven ethnic groups of Nepal. Documentation is done through fieldwork with qualified experts. For each individual ethnic group, the material collected during the field work is being worked into a report form and edited into a Nepali language book, with an English summary. Also video documentaries will be prepared and the collected material will be preserved and stored for the use of interested parties.

The project started with a four month preplanning period funded by the Embassy. The project budget covers also the cost of administrative personnel including Executive Director, Office Manager, Administrative Manager, Account, Office Secretary and Office Helper.

The total budget is 167 074 Euro and the amount disbursed in 2004-07 was 161 548 Euro including the preplanning funds.

#### *Relevance*

The relevance of Nepal Folklore Society project "Folklore and Folklife study project: A Survey of Living Cultural Heritage of Nepal" is high: nobody is doing this work in the country although there are more than 100 ethnic groups with very diverse languages and cultures. The conservation of cultural heritage is important also for the national policies and for national awareness. Collection and dissemination of cultural heritage gives voice and visibility to all groups. Also LCF policies and the Embassy LCF strategy support cultural work.

The project has been the backbone of NFS activities for many years and the funding has allowed the NFS to improve its visibility, print a newsletter and organise conferences and meetings. It has attracted young researchers to the NFS.

The relevance is so far undermined by the lack of a proper dissemination plan.

There is no evidence that NFS includes cross-cutting issues in the studies. Some gender disaggregated data is being collected but in a superficial way, lumped under the title "gender issues" – gender is thus not mainstreamed in the project. Most members as well as researchers are men from the higher classes and women (only one board member is woman), or people from ethnic groups are not well integrated in the organisation.

Human rights have not been included as a study subject, neither the environment although ethno-botany does get some attention.

The ultimate plan of the NFS is to make a study of 92 ethnic groups of Nepal.

#### *Sustainability*

Financially LCF has been the main provider of NFS budget for many years. The organisation claims to have a yearly budget of 28 000 € although LCF has provided 40 000 - 50 000 € annually since 2005. Institutional contacts are many but financial dependence on Embassy of Finland is very high. No strategy for fund raising has been elaborated; there are high hopes of receiving more funding from the EoF.

There are plans to transform the Society to a permanent Academy – this has good possibilities of success as members are well-connected and wealthy people with good links to the political and economic establishment. Also international contacts and linkages are good. NFS is clearly a Kathmandu-based activity, run by high-class elite, with limited contact with districts. NFS is not working through the Nepalese society as a whole to create awareness on the importance of collecting and conserving Nepali folklore.

If second-generation leadership in NFS is not strengthened and leadership remains with 1-2 persons, the sustainability will be low; the main responsible persons are senior citizens of relatively high age while few youth are involved in the management of the organisation.

There is generally lack of vision to sustain the activities in a long run. Many ideas float around: contacts with Ministry of Education, incorporation of the project in the national development process, exhibitions etc. but many ideas are not realistic and at least not followed by the members.

#### *Impact*

The real impact of the project is still difficult to assess. Although material on six of the seven planned ethnic groups has been collected, no publications or other material have yet been finalised and the dissemination of the material has not been properly planned. There is certainly impact on young researchers who have received training on participatory work with ethnic groups and an opportunity to work in the field in real situations. NFS has developed a databank of information and some objects have been collected from villages.

As a whole the project has had very little impact yet. Much depends on a good dissemination plan through modern means such as documentaries, website, DVD, music CDs etc. Otherwise there is a risk that the material will remain in drawers and it will be used only by a limited group of researchers thereby reducing the possible positive impact of the project.

#### *Efficiency*

The use of funds has been efficient until now – the final efficiency will be established when the material is disseminated.

#### *Implementation machinery and management (governance)*

Most people working with the NFS are volunteers but six staff have been hired with LCF funds to run the project for three years. Most responsibilities are in the office in Kathmandu. The use of volunteers is both an advantage and a disadvantage: people that are involved are knowledgeable and enthusiastic but in the same time they are active on many fields of the society.

Office space is excellent with rooms in two floors. As the project is in practice the only activity of NFS, it can be said that LCF provides core funding to the organisation by paying the rent, electricity, stationery, printing and salaries for the personnel. In addition 10 % are paid for the overhead costs.

There are considerable writing and reporting skills in the organisation and the quality of the project proposal is good. The management of NFS is controlled by one person which is not a sign of good governance.

## *INTERNATIONAL ALERT*

International Alert (IA) is an INGO that first began work in Nepal in 2002 and established an office in Nepal in 2004. In 2004 it helped to establish Friends for Peace (FFP), an NGO and peace building resource centre, and has been working in partnership with them ever since. IAs work in Nepal has concentrated on issues related to the role of women, business, development and security in Nepal's peace process.

The IA managed to impress the Finnish Embassy and a group of other donors (SDC, DfID, GTZ, SNV, Canadian Cooperation Office and the Norwegian and Danish Embassies) in 2005 with some of its sharp political situation analysis. This resulted in obtaining funding for the project "Rethinking Aid" that was to support the donor community in laying the foundation for meaningful dialogue between the conflicting parties in Nepal through the design of development assistance strategies with a positive impact on the conflict dynamics and contribution to the development of a conflict-sensitive aid management framework. IA was unable to maintain the stability and consistency of its staff in 2006, and donors were not able to follow through on discussions in practice. Finnish LCF funding to the project was around 36 000 €.

The second project funded through LCF was a framework contract that aimed to provide the Embassy of Finland with a conflict perspective for exploring relevant conceptual issues related to development and conflict, and to make conflict-related recommendations on programme planning, implementation and monitoring. The main focus in 2006 was on education as a peacebuilding tool in Nepal. The report had some impact on the review of the EFA programme whereby more inclusive processes for consultation around EFA have been designed.

Other contributions to the Finnish Embassy included writing a follow-up concept note on the EFA assessment report; commenting on programming documents (e.g. Education-for-All and School Sector Approach), providing assessments of new programmes (e.g. the Rural Water and Sanitation project), and attending meetings where appropriate (e.g. to brief the Finnish Ambassador to India on the changing context).

At the beginning of 2007, the contract was terminated by the Finnish Embassy, half-way through the project. The termination was due to the IA's inability to deliver due to poor design of the contract document and continuous staff turnover.

In total the LCF disbursements to the IA amount to 87 104 Euro in 2005-07.

## *Relevance*

The IA projects can be considered relevant both from the Embassy and IA point of view. While IA had just established in Nepal in 2004 it needed to show its capacity, build expertise on the Nepal situation and obtain trust and confidence among the donor community. The Embassy on the other hand needed assistance in analyzing the situation and building its strategies. The relevance for the LCF funding and for the Nepalese civil society was much lower: most experts were international consultants and this did not help in strengthening the Nepalese organizations.

#### *Sustainability*

The projects were not planned to be sustainable and IA is clearly dependent on donor funding for its operations in Nepal. The IA organization in Nepal has five staff (four of whom are local) based in the Kathmandu office, with technical support staff based in the UK. An expatriate staff member coordinates the Kathmandu office and management support is provided from London by the Nepal Programme Manager and Asia Director.

#### *Impact*

The EFA study stimulated much interest and debate amongst donors, politicians, teacher unions and education (I)NGOs and stakeholders. It was felt to be one of the first opportunities for all stakeholders to engage on debate around inclusive education within a contested environment. The impact of the “Rethinking Aid” project was rather negative to the IA as it lost the face in the donor community- similarly the failure to deliver results in the framework contract resulted in breaking up the contract with the Embassy.

#### *Efficiency*

The IA projects were some of the most expensive short-term LCF contracts. The Embassy trusted the IA although the organization had established in Nepal only since short time (1.5 years) and had not shown much substantial capacity. In the same time the project design was vague and agreements loose, leaving the Embassy almost no way to enforce the project implementation. As the leadership of IA was well aware of this, the contract was terminated jointly by the Embassy and the organization. The Embassy found the IA a theoretical organization that was not able to operate at action level.

#### *Effectiveness*

The projects were not able to reach the objectives set in the project documents.



## ANNEX 5. LCF Projects and annual funding by organisation 2004 – 2007, EURO

	<b>YEAR 2004</b>	<b>YEAR 2005</b>	<b>YEAR 2006</b>	<b>YEAR 2007</b>
<b>Democracy projects</b>				
Jun Tara Youth Club, Local Governance, HR and Poverty alleviation Program in Ilam District	12'948,00	29'958,82	3'562,76	22'594,49
REDA, Capacity building of Women's Cooperatives and Local Governance in Dhading District	7'728,00	31'695,41	21'295,85	18'753,89
Gaza Youth Club, Baglung, Empowering Rural Communities/Women Cooperatives and Democratic Governance	7'949,00	34'082,61	7'455,70	7'265,41
SSDC, Capacity Building of Women Cooperatives and Democratic Governance in Kapilvastu District in Kapilvastu	11'925,00	25'953,25	16'638,51	34'849,02
Chetana Club, Local Governance, HR and Poverty Alleviation Narayanpur and Hapur VDCs of Dang District	7'880,00	16'198,67	5'824,33	
SDCD, Education on Democratic Governance,	9'708,00	13'395,56	7'654,73	

Human Rights and Poverty Alleviation for the Kumal Tribes and Dalit Communities in Arghakhanchi District				
CDO, Empowering Indigenous Communities of Makawanpur District		22'289,56	22'804,83	19'622,27
RES, Empowerment Program for the Communities of Manapang VDC		0,00	11'104,37	21'122,23
MCDC, Democratic Governance and Empowerment Program in Garamuni, Anarmuni and Shanti Nagar VDCs, Jhapa District		0,00	16'568,04	24'397,84
MCDAF, Democratic Governance and Empowerment program in Sardikhola, Machhapuchhre and Ghachock VDC of Kaski District		0,00	8'593,74	9'690,03
Overheads		3'972,23	2'125,55	
<b>Total Democracy Fund</b>	<b>58'138,00</b>	<b>177'546,11</b>	<b>123'628,41</b>	<b>158'295,18</b>
<b>Other projects</b>				

Helsinki Consulting Group- IT in Nepal	30'503,00			
Transparency International	21'898,00	15'943,42	16'500,00	12'060,00
Wildlife Watch Group- book release, 1st phase	4'303,00	4'200,00		
Finnmap	15'000,00	22'580,07		
Folklore and Folklife Study Project-Prepar. phase	3'012,00	8'967,43		
Folklore and Folklife Study Project		34'594,96	49'945,70	50'027,92
Spinal Injury Rehabilitation Centre- concert	1'103,00			
UMN Library in Mugu		1'633,99		
Malika Community Development		1'043,39		
Documentary Film Project		2'048,60		
IIDS		128'797,08		
Nepa-laya (concerts)		6'881,82	15'001,00	
CPCS Chandrodaya International, street children	10'517,00	20'184,05	27'238,42	23'821,79
World Environment Day- 1 time donation		56,74		

ICJ-CCO Training ofr HR defenders		10'000,00	15'873,02	
Wildlife Watch Group- book release, second phase		10'845,50	14'803,17	
Travel grant for Ms. Baaniya		366,67		
International Alert		18'000,00	17'704,92	
International Alert, Embassy framework				5'409,59
International Alert- conflict and EFA-survey			45'989,92	
Travel grant for Mrs. Sherpa		908,66		
Nepal Classical Society		143,88		
BusinessForum Oy		445,00		
Human Rights Home			16'000,00	
Nepal Red Cross, Mugu			4'770,00	
Shri Barpipal Primary School, Udaypur			7'015,63	
Shri Koshi Lower Sec. School, Udayapur			7'015,63	
International Alert- conflict and EFA-survey			45'989,92	

Nepal Red Cross, Mugu, fire extinguishing mat.			5'991,00	
Alliance for Peace, Human Rights			8'914,00	477,40
Alliance for Peace, Voter Education				45'027,66
Alliance for Peace, training				659,61
Mugu Shree Mahakali HS School			4'276,46	
Mugu CCDC			3'116,45	2'563,88
Chiran Thapa, Helsinki			482,89	
Nobel Academy, Nabraj Baskota, Netherlands			1'376,06	
NBA, Mainali			1'619,91	
Travel grant for Ms. Baaniya			0,00	
Pyakurel, film translation			950,00	
Jagaran Media Center/Darnal, Suvash				389,01
Mahaguthi				3'291,09
Nepal Forum of Environmental Journalists				

Jagaran Media Center				10'034,00
Fair Trade Group				1'015,80
Madhesi Dalit citizenship project, SNV/Madhesi Dalit Network				34'786,39
Jagaran Media Center, Radio at Butwal				27'699,01
Overheads		445,00	978,57	
Administration				4'209,91
Deviations between embassy and MoFA books		355,97		
<b>Total other projects</b>	<b>86'336,00</b>	<b>288'442,23</b>	<b>311'552,67</b>	<b>221'473,06</b>
<b>Total all projects</b>	<b>144'474,00</b>	<b>465'988,34</b>	<b>435'181,08</b>	<b>379'768,24</b>

## ANNEX 6. NGO Workshop

### Question 1: What does strengthening of the Civil Society mean in Nepal? What are the priorities?

GROUP 1	GROUP 2	GROUP 3
<p>Strengthening of:</p> <ul style="list-style-type: none"> <li>-independence</li> <li>- visibility</li> <li>-effectiveness</li> <li>-transparency</li> <li>-sustainability</li> <li>- capacity</li> <li>-credibility</li> <li>-social inclusion</li> <li>- media mobilization</li> </ul> <p>Priorities are:</p> <ul style="list-style-type: none"> <li>-capacity building</li> <li>-resource mobilization</li> <li>-knowledge and information management</li> </ul>	<p>Strengthened when:</p> <ul style="list-style-type: none"> <li>- Improved capacity of CSOs to operate freely and independently</li> <li>- Get empowered in social, economic and technical fields</li> <li>- Enhance ability of CSOs to bring changes in the nation</li> </ul> <p>If their capacity is strengthened they contribute to:</p> <ul style="list-style-type: none"> <li>- Democratization process</li> <li>- Peace building and human rights promotion</li> <li>- Constitution building process</li> <li>- Promote livelihood opportunities</li> <li>- Alternative force to nation building</li> <li>- Improved governance</li> </ul> <p>Priorities are:</p> <ol style="list-style-type: none"> <li>1. Institution strengthening support</li> </ol> <ul style="list-style-type: none"> <li>- CSO infrastructure: financial support, access to resources, human resource support, support to policy</li> </ul>	<p>Strengthening is:</p> <ul style="list-style-type: none"> <li>- Institutional development</li> <li>- Sustainability of resources (finance, human)</li> <li>- Networking (NGOs, ICT, skill, sharing etc.)</li> <li>- Capacity enhancement</li> <li>- Creating awareness</li> <li>- Skill enhancement, training</li> </ul>

	<p>development</p> <p>2. Agency strengthening support</p> <ul style="list-style-type: none"> <li>- Capacity strengthening (training, workshops etc)</li> <li>- Education and awareness</li> <li>- Network and alliance building</li> <li>- Exposure opportunity (learning through experience sharing)</li> </ul>	
<p><b>Question 2: How does LCF respond to these priorities? What are the strengths/weaknesses compared to support from other donors?</b></p>		
<p>LCF strengths:</p> <ul style="list-style-type: none"> <li>- Financial support</li> <li>- Capacity building</li> <li>- Expansion of activities</li> <li>- Development of linkages</li> <li>- Targeting</li> <li>- Visibility of organization</li> </ul> <p>Weaknesses:</p> <ul style="list-style-type: none"> <li>- Short-term support</li> <li>- Differences in overhead (4 – 10 %)</li> </ul>	<p>LCF should support the priority areas (look at question 1)</p> <p>Strengths:</p> <ul style="list-style-type: none"> <li>- Poverty reduction</li> <li>- Social mobilization and facilitation</li> <li>- Education and awareness on contemporary issues (democracy, HR, GG etc)</li> <li>- Good response to needs of physical and human resources</li> </ul> <p>Weakness:</p> <ul style="list-style-type: none"> <li>- Looks at the sustainability of projects but not that of organizations</li> <li>- No support to</li> </ul>	<p>Strengths:</p> <ul style="list-style-type: none"> <li>- Embassy's immediate response</li> <li>- Respect for community issues</li> <li>- Flexibility</li> <li>- Education / awareness</li> </ul> <p>Weakness:</p> <ul style="list-style-type: none"> <li>- Lack of monitoring</li> <li>- Slow response in between projects (gap)</li> <li>- Less budget for IGA (poverty): 60 % for capacity enhancement (democracy classes) and 40 % IGA</li> </ul>

	<p>theoretical, technical knowledge and cap. building</p> <ul style="list-style-type: none"> <li>- No exposure opportunities</li> <li>- No networking and alliance building</li> </ul> <p>Comparison to other donors:</p> <ul style="list-style-type: none"> <li>- Lack of provision to core funding</li> <li>- Less opportunity to capacity enhancement</li> <li>- Less monitoring of activities</li> </ul>	
<p><b>Question 3: Are there organizational changes as a result of LCF? How could organizational development be maximized?</b></p>		
<p>Changes:</p> <ul style="list-style-type: none"> <li>- Office setup</li> <li>- Equipment support</li> <li>- Human resource support</li> <li>- Training</li> <li>- Linkages</li> </ul>	<p>Yes, there are changes:</p> <ul style="list-style-type: none"> <li>- Improvement of internal governance (inclusive executive board, transparency and accountability, regular meetings)</li> <li>- Improvement in infrastructure support (increased)</li> </ul> <p>Maximisation:</p> <ul style="list-style-type: none"> <li>- Should be at least five-year support</li> <li>- Provision for capacity enhancement</li> <li>- Opportunity for feedback, M&amp;E</li> </ul>	<p>Changes:</p> <ul style="list-style-type: none"> <li>- More democratic in terms of SI</li> <li>- Advocacy skills, awareness skills</li> <li>- Networking</li> <li>- Flexibility</li> <li>- Image building</li> <li>- Coordination and linkages</li> <li>- Transparency and accountability</li> </ul>
<p><b>Question 4: Monitoring and Evaluation by the embassy / by organization itself: challenges and recommendations?</b></p> <p>Group 1: Embassy: lack regular monitoring and evaluation; organization: do</p>		

<p>regular monitoring Challenges: need regular M&amp;E by the embassy; there should be in-built provisions for M&amp;E in the proposals. Consequently the approach in approving the proposals should be changed to accommodate this provision.</p>
<p><b>Question 5: How to ensure the sustainability at the organizational level and beneficiary level?</b> Group 1:</p> <ul style="list-style-type: none"> <li>- Continue support!</li> <li>- Ownership by stakeholders should increase</li> <li>- Local resource mobilization</li> </ul>
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**Evaluation of the Local Cooperation Funds:  
Role in Institution Building of Civil Society  
Organizations**

**Nicaragua Country Report**

Michael Thurland  
Pekka Virtanen



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## Abbreviations

ALN	Nicaraguan Liberal Alliance
AMPDI	Asociación de Mujeres Profesionales por el Desarrollo Integral (Womens' Association of Professionals for the Integral Development)
CBO	Community-Based Organisation
CSO	Civil Society Organisation
CPC	Committees for Citizens' Participation
DAC	Development Assistance Committee
EU	European Union
FDP	Finnish Development Policy
FIDEG	Fundacion International para el Desafio Economico Global (Intl. Foundation for the Global Economic Challenge)
FSLN	Sandinista National Liberation Front
GDP	Gross Domestic Product
GEF	Global Environment Facility
HQ	Headquarters
ICT	Information and Communication Technology
IGA	Income Generating Activity
IHCA	Instituto Hispanico Centroamericano
IMF	International Monetary Fund
INGO	International Non-Governmental Organisation
IXCHEN	Women's Centre, Nicaragua
LCF	Local Cooperation Fund
LGA	Local Grant Authority
MDG	Millenium Development Goals
MEUR	Million of Euro
M&E	Monitoring and Evaluation
MFA	Ministry for Foreign Affairs of Finland
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OHCHR	Office of the High Commissioner for Human Rights of the United Nations
PLC	Constitutionalist Liberal Party/Conservative Party
RAAN	Northern Atlantic Autonomous Region
RAAS	Southern Atlantic Autonomous Region
SWAP	Sector-Wide Approach
TOR	Terms of Reference
TPC	Training Planning Committee (Embassy of Finland, Kenya)
UN	United Nations
UNDP	United Nations Development Programme
VAT	Value Added Tax
WB	World Bank

# 1 IMPLEMENTATION OF THE EVALUATION

## 1.1 Introduction

### 1.1.1 *Country context*

Nicaragua is located in Central America, limited to the North by Honduras and El Salvador and to the south by Costa Rica. Its territorial size is approximately 129,494 km<sup>2</sup>, with large lakes and volcanoes. Its current population is about 5.4 million people, with an annual growth rate of 1.3% and a life expectancy at birth of 70.8 years and an infant mortality rate of 26.4 per thousand live. 59% of its population lives in urban centers. Nicaragua is a country with a mestizo ethnic majority and 9 indigenous and Creole population groups, totaling between 6 and 8%, which mostly live in the North and South Atlantic regions.

Administratively Nicaragua is divided into 153 municipalities, with 15 departments and 2 autonomous regions (North and South Atlantic regions on the Caribbean coast). The people elect their municipal authorities (mayor and councillors) and in the case of the autonomous regions, they also elect the members of the Regional Council. The municipalities have political and administrative autonomy, assigned by the Constitution and the Law on Municipalities. The Caribbean Coast introduced autonomy for the Northern Atlantic Autonomous Region (RAAN) and the Southern Atlantic Autonomous Region (RAAS) in 1987. At both levels of government, delivery of services (local roads, water, sewerage, sanitation) and territorial planning of its territory is organised. Health and education services, except for the autonomous regions, are provided by the national level, as well as national roads, public safety and others.

Nicaragua suffered for over four decades from the dictatorship under the Somoza dynasty, which was overthrown in 1979 by a revolution led by the Sandinista National Liberation Front (FSLN). During the eighties, Nicaragua suffered a fratricidal war between the "Contras" (backed by the USA) and the Sandinista army, which plunged the whole nation into poverty. With the agreements of Esquipulas II (1987) covering the countries of Guatemala, El Salvador, Nicaragua and Honduras, a process of internal pacification led to the 1990 elections, initiating a period of peace, national reconstruction of institutions and succession of presidential elections, continuing today.

During the nineties, successive governments of the Unión Nacional Opositora and the Constitutionalist Liberal Party/Conservative Party (PLC) continued lines of neo-liberal economic policies prescribed by the International Monetary Fund and the World Bank. Thus, structural adjustment programmes led to the privatization of the production and delivery of public services (except drinking water) and the reduction of the State agencies. These policies, although allowed to bring the country to a certain macro-economic "stability" (low inflation), deepened the poverty levels, which were mitigated by social programs funded mostly by the international bilateral cooperation. To this situation must be added the passage of three devastating hurricanes in that period (Juana, Mitch and Felix), which affected thousands of Nicaraguans.

During the presidency of Dr. Alemán a pact between the government ruling party PLC and the FSLN was consolidated, which facilitated successive constitutional "reforms" (which were not consulted with the population), in order to facilitate an equal distribution of seats between the two par-

ties in the state institutions. This situation, while facilitating a period of "political stability", deepened a model of governance that increased the loss of public trust in democratic institutions and political leaders. It also facilitates the perpetration of acts of corruption, for which Dr. Alemán is currently sentenced to 20 years in prison (although he is free to travel inside the country, he has the "country as prison"). At the end of the Alemán administration, Nicaragua joined the Highly Indebted Poor Countries Initiative (HIPC). -

During the government of Eng. Bolaños, criminal proceedings were initiated against Dr. Alemán, which was also made possible by a pact between the Bolaños administration and the FSLN. In this period of government deepened the application of neo-liberal economic measures, in a favourable financial framework, as a large portion of its foreign debt was condoned. According to agreements signed with the international financial institutions, the resources for the payment of foreign debt should be used in anti-poverty programs. However, according to data presented by the umbrella organisation Coordinadora Civil of Nicaragua, they were used mostly for payment of internal debt (debt assumed by the State before the (fictitious) collapse of three private banks – CENI - and payment of compensation to individuals expropriated during the eighties).

Daniel Ortega Saavedra of the FSLN won the elections of 2006 (Government of National Reconciliation), with 38% of the votes, after the division of political powers of the right wing parties (PLC and Nicaraguan Liberal Alliance - ALN), who together dominate the National Assembly. During this first year of government three major social programs have been launched with relative success. The election results -deepened the institutional crisis. There has also been a reversal of advances made in the sexual and reproductive rights of women, notably the penalisation of therapeutic abortion..

### **The poverty situation in Nicaragua**

According to data from the UNDP report, in 2006 the overall poverty in Nicaragua was 46.2% and extreme poverty was 14.9%. In other words, out of every 100 Nicaraguans around 46 were in a condition of poverty in 2005 and 15 were in extreme poverty. In terms of overall poverty, the rural areas of the two autonomous regions of the Atlantic show high incidence with 74.9%, closely followed by rural areas of the Central region (Matagalpa, Jinotega, Boaco) with 74.4%, while at the other extreme is Managua with 19.5%. With regard to extreme poverty, the Central region has the highest percentage of the country with 32.9%, but the Atlantic region comes very close with 31.2% of its population in this condition. Again Managua (3.4%), together with the Pacific urban areas has the lowest percentage(4.8%).

The average gross monthly income of urban households headed by women were 19.9 percent lower than that of households headed by men in 2005. Based on the above, one can infer that women (51.0% of the population), children (64% of the population) and indigenous peoples (who mostly live in rural areas of the Atlantic) are the most affected by the high poverty level.

### **Anti-poverty policies (Development Cooperation)**

Since 2001, Nicaragua has a strategy for poverty reduction under the PRSP signed with the IMF in connection with the HIPC initiative. This strategy was amended in 2005 with approval of the National Development Plan (ERCERP II). These plans have been the main reference that has guided international cooperation in the past six years. Currently, social programs are designed to meet the needs of the poorest, such as "Hunger Zero" and "Usura Zero." But overall spending on poverty has not increased significantly in 2007 and is not clearly reflected in the budget proposal submitted by the Government to the National Assembly in the year 2008.

In Nicaragua, according to 2005 data, Official Development Assistance (ODA), reached 20.7% of GDP (13% if we exclude debt alleviation). ODA currently covers 38% of the trade deficit and more than 50% of the general budget of the Republic. In 2005, ODA was \$ 541 million in €??, including both loans and grants (53%). In the period 2002-2005 it was 40% for the social sector (52% donations)???. The largest amount of grant aid came from the European Union and in terms of loans the IDB and World Bank were the major donors.

An important factor that has undoubtedly weakened the effectiveness of ODA is that in the debate on development strategies, measures have been imposed by the IMF, based on economic liberalization and macroeconomic control, neglecting the social impact of these measures. Currently, the Or-

tega government has negotiated a new "framework" with the IMF, which allows greater flexibility in the use of funds for social policies. However, as stated earlier, a substantive change can not be seen in the 2007 budget, nor that submitted for 2008.

### **Changes in poverty over the past decade**

According to data from the UNDP, the incidence of poverty declined from 50.3% to 45.8% between 1993 and 2001, while extreme poverty decreased from 19.4% to 15.1% over the same period. However, the results of studies on extreme (14.3%) and overall poverty (44.9%) in 2001 show no statistically significant differences between 2001 and 2005.

The first and foremost problem is the growing inequality in income distribution: Nicaragua has the second lowest per capita income (USD \$ 740) and fourth (after Brazil, Bolivia and Honduras) highest Gini index (0.58 for 2001-03) in the American continent (ECLAC 2005). In Nicaragua the richest 10% appropriates 45% of income. To this is added a skewed fiscal policy based primarily on indirect taxes.

Over the past 16 years the governments have prioritized promotion of investments by large domestic and foreign capital, ignoring public investment. Nicaragua has the second lowest social investment Latin America (in 2003, social investment per capita was US\$ 68), while total social investment was equivalent to 8.8% of GDP

### **Details of democracy**

Nicaragua is constitutionally recognized as a representative and participatory democracy. However, there are three main problems with these definitions: the weakness of democratic institutions (especially the National Assembly and judicial system) in the implementation of their specific roles, the low legitimacy of the political class and the state institutions (except the army and police) among the general public and the uncertainty as to the legality and legitimacy of the system of citizen participation at national and local levels (*Ley de participación ciudadana* –CDM/CDD vs. the decree that creates the *Comités de Participación Ciudadana* – CPC).

Since 1995, there has been progress to institutionalise and promote the exercise of the right for citizen participation at the local level (Municipalities Law, Law on Municipal Budget, Citizen Participation Act), starting with the incorporation of population practices of social control in local administration. However, it may be noted that in rural communities there are still strong limitations to the full exercise of citizenship through democratic participation. These include low level of education, ignorance of the rights of citizens and the laws, illiteracy, limited access to media and other sources of information, authoritarianism and machismo.

With the new FSLN government, there is a disturbing trend towards personalising power which is placed above the democratic institutions. This has created a succession of political and institutional crises, affecting mainly the credibility of people working in democratic political institutions. One such crisis appeared by the establishment by the President of new structures for citizen participation (Committees for Civic Participation - CPC), which are parallel to those defined in the law of citizen participation and in practice linked to the structures of the ruling party. The aim is to channel through these the government social programs. To this situation must be added a tendency of secrecy and non-transparency regarding the actions of the government and restricted access to public information by the media, most of the information being channelled through supporters of the FSLN.

### **Civil Society**

According to the study "Mapping and characterization of the Civil Society Organizations (CSOs) in Nicaragua", there is a total of 190 CSOs attending to a population estimated at over four million people, out of a total of 238 CSOs. Some 30 organisations are benefiting nearly two million women.

30 other organisations are benefiting 170,000 children. This same study indicates that CSOs are highly dependent on external funding, of which the majority comes from international sources. At least 75% of the organisations surveyed mentioned that they receive support from one or more source of international origin.

A high percentage of CSOs is concentrated in the department of Managua and the vast majority have their headquarters located in the city of Managua.

Civil society umbrella organisations include the *Coordinadora Civil*, the Network of Local Development and the Movement for Nicaragua, among others.

Currently, the civil society organisations (except CPC) find themselves wholly or partially restricted in activities to participate in national, local and sectoral scenarios, which is part of a non-explicit policy of the national government. However, the history of the past 16 years demonstrated that CSOs have grown in mobilization and public impact capabilities. But it is still a challenge for them to continue to strengthen their role in the society, especially in the following aspects:

- Ability to articulate and coordinate work in networks, alliances, and other forms of association to achieve results and impact of representation in economic and socio-cultural politics, at national and local levels;
- Constitution of more democratic organizations internally and with renewed leadership;
- Sharper and clearer definition of their mission and thus strengthen of leadership, monitoring and evaluation; and
- Better and more precise application of a gender perspective.

The *Coordinadora Civil* issued a communiqué in December 2007 demanding of the national government the following points:

- Opening up the government policy and orientation in its strategy to reduce poverty through the National Development Plan, which should be widely discussed, allowing a real process of decentralization;
- Suspension of unfair accusations, disqualifications and political persecution against civil society organizations and especially against women;
- pluralistic public participation, independent, informed, and present throughout the cycle of public politics;
- Respect for the rule of law, the independence of the state powers of the existing legal framework; and
- Respect for the rights and opportunities for citizen participation constituted by law.

### **1.1.2 Other donors involved in NGO/CBO support**

#### **Danish embassy**

Danida operates a decentralised funding facility a.k.a. the Local Grant Authority (LGA) with the purpose to “provide a flexible and non-bureaucratic instrument , allowing prompt and relevant response to development requirements by the Danish embassies in eligible countries, thereby contributing to better quality of Danish development co-operation”. The embassies may grant funds up to 5 mill. DKK (Euro 650,000 approx.) without approval of the Danida board for purposes and activities that are “complementary to the Danish assistance provided through sector programmes or other major interventions under the country programme”, or projects that contribute to promoting Danish policy concerns such as crosscutting issues, child/ youth or HIV/Aids etc. but the embassies tend to interpret project eligibility more broadly than the instructions and guidelines.

The LGA does not have as direct purpose to support the CSOs, and there is little follow-up for CSO cooperation. There has been no proper evaluation of the LGA, however the state auditors have criticised the lack of proper monitoring of implemented projects. The Danish embassies tend to characterize the LGA project administration as an extra burden that should be kept to a minimum, and some embassies do not operate the LGA at all for this reason.

At ministry level, monitoring of the projects is limited to the registration of the projects and corresponding funds disbursed in a database where the purpose is registered with DAC codes. In Nicaragua, projects supported through the LGA during the last 10 years have covered 41 DAC purpose

codes, about 1/3 of this fell in the DAC category “Government and civil society support”. The trend in the funds utilised in Nicaragua has been towards a reduction to a total of about 5 mill. DKK/year with 5-10 projects.

There is no expectation from the MFA that the LGA projects must be strategic in nature which in essence lowers the ambition level of the fund, and therefore closer follow-up and evaluations are not prioritised.

The embassy highlighted the flexibility as one major advantage of the local funds, and the rapid reaction possible with this type of funding, e.g. they mentioned quick support to victims of the hurricane Felix.

As all Danish aid is decentralised, the embassy mentioned that in fact all aid can be considered local cooperation. There are less transaction costs in implementation of decentralised programmes

Presently the embassy is supporting the following common funds:

*Fondo de educación* (\$30 mill. USD, Danish contribution 70 mill. DKK (14 mill. US\$), *Fondo anti-corrupción*, a trust fund with World Bank, “basket fund” in education, and in the Agricultural sector a fund for microfinance of small scale farmers

The “*Fondo común de gobernabilidad democrática en Nicaragua*” is a component integrated in the Human rights and democracy sector program support. This is administered by OXFAM, whose secretariat handles two calls for projects per year. The last round included the review of 200 applications, with currently 53 projects under execution.

## **Swedish Embassy**

The Swedish aid to Nicaragua is fully delegated, all decision on funds below 50 mill. SEK (5.3 mill. EUR) The direct support to CSO was managed locally until 2000 (notably women’s rights programmes), after that management agreements with Swedish NGOs have been made, and *Forum Syd* is now administering bilateral aid to CSOs in Nicaragua.

Until 2000 a small local development fund financing projects within the scope of general Swedish aid (human rights, democracy, women’s rights and good governance et.al.) was controlled directly by the embassy, but this has also been outsourced to *Forum Syd* after 2000, mainly due to embassy resource limitations. This fund has an annual budget of around 6-7 mill. SEK with around eight projects annually.

While the embassy considered important to be able to support viable proposals and areas in line with policy, it noted a tendency to support only a few organisations which were not necessarily the best in the field supported, because the embassy does not have the necessary resources to analyse which organisations would be the best to support. In this regard, the common funds are a better alternative.

On the other hand, it is an advantage to be able to support CSO longer term with the local fund administration and follow up on disbursements at the embassy has always been the job of a junior staff member.

Sector programmes have in essence moved further away from CSOs with support given to ministries – it was the embassy’s idea to make components under the sector programmes aimed directly at CSO (similar to the Danish embassy’s support to good governance under a sector programme), but this will not be realised since the embassy is closing operations in Nicaragua in August 2008. Sectors supported by the Swedish embassy are: health, rural development and justice (not a sector).

The LCF has “lived its own life” and not necessarily been integrated into the sector programme strategy, although that became the ideal. The main impact of the LCF was seen as supporting the watchdog role of the CSOs in the pursuit of democracy, more peoples participation, human rights support etc., but impact is difficult to measure and no attempt has been made to this end.

As support to CSOs has been attempted on a longer term basis, focus has been on the participating organisations internal capacity building. This aspect has also been thought of in connection with the common funds, which to a certain degree proactively support organisations to achieve capacity

(not just to apply for funds) and knowledge through strategically planned seminars in the fields of human rights, women's rights etc.

There exists an even smaller fund, the PDF (project development fund) which is used for any purpose with no ties.

An interesting point was raised on what happens if the CPC apply for funds from local or common funds – with the former government, Nicaragua was considered one of the good boys regarding the Paris declaration. However, with the present government, there is doubt as to how the funds will be spent – will it be acceptable to the donors if the government insists that funds go to CPCs?

### **Norwegian Embassy**

Norway does not have a separate LCF fund, local CSO support is provided within annual plans with extensive delegation to the Ambassador. In 2007 the budget was 65 million NKR (8 mill. €), of which two thirds were allocated through state and one third through civil society. Recently emphasis has been on better focus following Paris Declaration objectives. CSO support is likely to continue at same percentage level, but probably with less counterparts for administrative reasons.

The embassy foresaw a general move towards joint funds for both administrative reasons and better impact. Also technical and financial assistance is easier to provide through funds. Setting up funds and forums, however, takes time. In multi-donor funds partnership is delegated. Currently Norway participates anti-corruption, civil society and democratic governance and sexual & reproductive rights funds (about 1 mill. € /3 yrs). Combat of HIV/AIDS is also supported through five local NGOs and agriculture through two NGO projects. In law enforcement (police) Norway operates in delegated partnership with Sweden, but would like to develop it to multi-donor fund. Some programmes are also implemented through UNDP. In the cultural sector Norway's support is about 250,000 € divided to four projects. The embassy feels that results show that a lot can be achieved with small funding volumes, and they would like to move towards joint funds also in this sector. Evaluations for the three main civil society support sectors are planned for 2008.

The staff noted that joint funds started with like-minded donors, which made collaboration relatively easy. Now many new donors want to join, but they do not necessarily share the same policies and administrative guidelines. Different donors also have different views on how much to get involved, which makes harmonisation and delegation between donors increasingly difficult. They also referred to the enormous workload which being lead-donor entails (own experience from the anti-corruption fund). On the other hand joint funds have various benefits, such as better capacity to give technical support (e.g. when competent INGO coordinating/administering) and increased exchange of opinions and lessons learnt.

The staff mentioned particularly partnership with Finland in support to rural sector: as Norway does not have strong substance capacity in embassy so it has benefited from Finnish expertise. They emphasised very good cooperation with Finland in both sectoral and development policy level (e.g. the therapeutic abortion issue).

With regard to donor visibility, the embassy considers that local CSO should be visible, not so much donors. However, they noted that donors have different views, and e.g. the Netherlands wants high visibility. Visibility depends also on the issue, e.g. in the therapeutic abortion issue the ambassadors took a prominent stand instead of the joint fund.

### **UNDP**

The Small Grants Program (SGP) of the UNDP is a GEF financed funding mechanism that allows the direct involvement of NGOs and community-based organizations (CBOs), to enable them to develop and implement projects that result in environmental benefits at global and local level simultaneously. The program is based on the premise that global environmental problems can only be addressed properly if the community is involved directly in finding solutions and that with small amounts of money, communities can undertake activities that will have a significant impact on their lives and on the environment.

The GEF / SGP works in five of the six GEF focal areas: biodiversity, climate change, persistent organic pollutants, land degradation and international waters. Due to the fact that local and national conditions may require different kinds of interventions, projects may include one or more of the following components: demonstration, capacity building, applied research objectives within the focal areas, policy dialogue and information dissemination.

A special feature of the GEF / SGP is its emphasis on funding community projects for conservation and sustainable use of natural resources, in which marginalized communities, are benefiting directly also in the economic sphere from the project results. This program is being implemented in Nicaragua for four years. It is managed centrally by UNOP and monitored from the headquarters of the United Nations in New York. In the case of Nicaragua, UNDP is the agency that implements the program.

The amounts of support in Nicaragua, are up to USD 30 thousand (worldwide up to \$ 50 thousand). Funding on average between 25 and 30 projects annually. It focuses on the Departments North and in the RAAN, which coincide with UNDP and WFP. The criteria for selecting projects to fund is to "facilitate access to funds for small grass-roots organizations in environmental issues." In the absence of grass-roots organizations, NGOs with experience in the territory and linked to local associations are selected.

The selection process begins with a public call for proposals by the MARENA (Ministry of Environment and Natural Resources). This procedure receives about 150 proposals annually in the form of project profile. In a first selection profiles that do not apply to the principal themes are discarded (reduced to approx. 80). Subsequently the organizations are visited to determine their local leadership and legitimacy (reduced to approx. 50). This is followed by the preparation of projects and a second visit for selecting the group that will ultimately be financed.

## **Delegation of the European Commission in Nicaragua**

The Delegation of the European Commission, does not have a fund similar to the LCF. Until 2007 local civil society organizations were funded in accordance with the procedures of Brussels, ie through European NGOs, however this year a fund will be implemented in Nicaragua for Local Proposals with the aim of strengthening civil society, without intermediation of European NGOs. This fund will handle a total of between 100,000 and 150,000 €annually. Projects to be funded will be between 15,000 and 50,000 €.

One of the administrative criteria for funding is that the local organisation should have more than five years of continuous existence, which may preclude the CPCs from applying for LCF funds, as they are recent creations of the FSLN Government.

One of the priorities of the fund in Nicaragua is to strengthen the capabilities of the non-state actors for the development of proposals and initiatives that are technically compliant and have been approved by the civil society in order to include their social demands in the local and national agenda. It will give special attention to processes and activities carried out by groups or associations representing vulnerable groups, minorities, indigenous peoples, women, children and teenagers etc.

It is currently anticipated that the selection process and management of this fund is made from the headquarters of the EC Delegation in Managua.

## **1.2 The Local Cooperation Fund in Nicaragua**

### ***1.2.1 Finnish country programme in Nicaragua***

The main cooperation sectors with Nicaragua are rural development, local government and health. Finland has also supported organisations for the disabled (FODINIC) and decentralisation of environmental management (PROAMBIENTE), but these individual projects were closed in 2005 and 2006 (Table 2.2.1). Support to bilingual education for indigenous populations (FOREIBCA) was

continued through a regional programme PROEIMCA implemented by UNDP (2005-2008, € 4 million). In addition to the sector programmes, Finland has given budget support to Nicaragua since 2003. Harmonisation with other donors is a key aspect of Finland's cooperation policy in Nicaragua.

**Table 2.2.1 Finnish bilateral support to Nicaragua**

Sector	Programmes	Joint CSO funds	SWAP & DBS
<b>Rural development</b>	<ul style="list-style-type: none"> <li>•FOMEVIDAS, € 7.8 mill., 2004-2007</li> <li>•NIFAPRO, € 0.72 mill., 2007-2012</li> </ul>		<ul style="list-style-type: none"> <li>•PRORURAL, € 9.3 mill., 2006-2009</li> </ul>
<b>Local government</b>	<ul style="list-style-type: none"> <li>•PROGESTIÓN, € 7.5 mill., 2004-2007</li> <li>•ICT Decentralisation, € 4.95 mill., 2006-2010</li> </ul>		
<b>Health</b>	<ul style="list-style-type: none"> <li>•SARED, € 4.12 mill., 2002-2006</li> </ul>	<ul style="list-style-type: none"> <li>•FED, € 0.78 mill., 2007-2009</li> </ul>	<ul style="list-style-type: none"> <li>•FONSALUD, negotiations ongoing</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>•PROAMBIENTE (with Denmark), € 5.8 mill., 2003-2006</li> </ul>	<ul style="list-style-type: none"> <li>•National Environmental Fund, € 2.2 mill., 2003-2006</li> </ul>	
<b>Other</b>	<ul style="list-style-type: none"> <li>•FOREIBCA, € 2.52 mill., 2001-2004</li> <li>•FODINIC, phase II, € 0.76 mill., 2000-2005</li> </ul>	<ul style="list-style-type: none"> <li>•Fondo común, € 1.2 mill., 2007-2009</li> </ul>	<ul style="list-style-type: none"> <li>•Direct budget support, € 2 mill., 2004, 2005: 1,5 mill. EUR 2006: 3,5 mill. EUR € 6 mill., 2007-2009</li> </ul>

Source: Ulkoministeriö 2005; MFA 2008.

Finland's goal have been to increase the ownership of the Nicaraguan government, the harmonisation of aid, and the integration of Finnish cooperation into Nicaragua's National Poverty Reduction Strategy and sector programmes. The implementation of Finnish funded programmes has been transferred almost completely to local partners, with the expatriates functioning as advisors.

In rural development, Finland financed the multisectoral FOMEVIDAS rural development project in the Boaco and Chontales regions between 2004 and 2007. Meanwhile, five national institutions have been developing a sector programme (PRORURAL), to be implemented and coordinated by the Ministry of Agriculture and Forestry. Finland participates in the programme through basket funding with Sweden and Switzerland. An agrobiotechnology programme (NIFAPRO) based on collaboration between University of Helsinki and the Nicaragua Institute for Agrotechnology was launched in 2007.

In local government, Finnish support has concentrated in the same regions (Boaco and Chontales), where the goal is to improve service levels in the municipalities, help create a climate favourable to entrepreneurs and facilitate the participation of NGOs in municipal planning and decision-making. The PROGESTIÓN programme is being implemented by the Ministry of Municipal Affairs. In 2005, a project was drawn up to support the development of local government with the aid of ICT.

In the health sector, the SARED programme (2002-2006) concentrated on reproductive healthcare in the Chontales and Carazo regions. Currently the Ministry of Health is leading the development of a sector programme (FONSALUD). Finland has signed a cooperation agreement for the funding of the programme with Sweden, Holland, Austria, the World Bank and the Inter-American Development Bank.

In addition Finland is supporting projects through Finnish NGOs in the areas of children, journalism, labour organisation and fair trade. Central American regional programmes in energy and environment and culture are also supported, as well as a regional LCF for good governance and human rights (€ 340,000 in 2007).

The shift towards programme cooperation was made in a situation where there are significant political problems at government level. These problems, combined with weak organisational performance have substantially hampered the implementation of the programmes especially in rural development health sectors, while persistent problems have delayed initiation of the SWAPs. In addition, Nicaragua had not reached an agreement with the IMF on the implementation of the programmes, which was agreed between the government and donors as a pre-requisite for budget support. Currently, the preconditions in Nicaragua for project and NGO cooperation appear to be better than for programme cooperation (MFA 2008).

### **1.2.2 Development of LCF in Nicaragua: 2004-2007**

The LCF allocations to Nicaragua increased steadily from approximately € 300,000 in 2004 to € 400,000 in 2006, falling back to € 350,000 in 2007 with € 300,000 requested for 2008 (Table 2.2.2). The current declining trend is linked to the specific country context of Nicaragua, where the like-minded donors (Nordic+) have managed to develop functional and well harmonised joint funding mechanisms for the key sectors.

**Table 2.2.2 Use of LCF in Nicaragua, 2004-2007**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007*****</b>
LCF funds available (€)	308,956***	350,000	408,707****	350,000
Number of projects**	12+1	5+2	9+2	14
Total funding/projects (€)*	272,773	232,590	268,707	338,400
Min/max per project (€)*	1,000/40,000	2,590/70,000	5,000/70,000	4,086/70,000
Average per project (€)*	22,731	46,518	29,856	24,171

\*Excluding joint donor funds; \*\*According to annual LCF report, includes joint donor funds (2004-2006); \*\*\*Includes € 58,956 transferred from 2003 funding; \*\*\*\*Includes € 58,707 additional allocation in late 2006; \*\*\*\*\*Based on Acta #3-2007.

Due to the political situation of the late 1990s, democracy, good governance and human rights, including citizens' participation and gender equity, became key themes of Finnish support to Nicaraguan civil society. A substantial part of this support was channelled through LCF. Within this focus area, the criteria for project selection included geographical coverage (favouring large projects with national coverage), share of own funding by the organisation, degree of networking and quality of the proposal. A guiding principle in the initial phase (i.e. 2002-2006) was to support the development of civil society's capacity for self-organisation, awareness and networking. These were believed to be essential for strengthening long-term impact and sustainability of the projects. Thus the focus was on advocacy work instead of service delivery, i.e. the organisations should not be replacing the state as service provider but rather influence public policy making. This strategy has had two main implications on the use of the funds:

- (i) the support has been concentrated in organisations based in the capital region, which often do not have strong basis at grassroots level, and
- (ii) direct results and impact are difficult to measure.

A special characteristic of the use of LCF funds during this phase was participation in joint donor funding mechanisms such as the Anti-Corruption Fund administered by Norway (since 2002), and the common fund to support civil society (*Fondo Común de Sociedad Civil*) administered by Oxfam GB (since 2005).

A number of the 13 projects supported in 2004 were with organisations familiar from previous years, e.g. supporting women's political activities at municipal level through a women's organisation (*Asociación de Mujeres Profesionales por el Desarrollo Integral*, AMPDI), support to Anti-Corruption Fund (managed by the Embassy of Norway), support to Women's Centre IXCHEN to combat violence against girls and women, support to monitoring of the judicial system and human rights situation by civil society organisations (*Ética y Transparencia*), support to a research foundation (*Fundación Internacional para el Desafío Económico Global*, FIDEG) for a study on how women entrepreneurs can best face the challenge of globalisation, and support to the publisher (*Instituto Histórico Centroamericano*, IHCA) of the leading political research journal *Revista Envío*. Three of the new projects introduced in 2004 were research projects implemented by local research institutions, feeding into the preparation of UNDP's 2004 Human Development Report for Nicaragua, which focused on the Caribbean coast region. Other new projects included some ad hoc activities, such as symbolic support to a documentary of a case of sexual violence on children (€ 1,000) and the procurement of a vehicle for the local police in the Caribbean coast (€ 21,000) in the context of an official visit of the President of Finland, Ms. Tarja Halonen to the region. The annual report for 2004 is relatively comprehensive, including qualitative analysis of potential impact of the projects selected for support.

For 2005-2006 the Embassy prepared a two-year proposal for the use of LCF, the justification being reduction of administrative burden in the light of upcoming EU chairmanship. A total of € 700,000 was requested, divided evenly between 2005 and 2006. Some 29% of the appropriation was left unreserved, to be allocated according to emerging needs. Most of the funds were allocated to four relatively large projects (€ 40-70,000 per year) implemented by previous partners (i.e. AMPDI, *Ética y Transparencia*, IHCA and IXCHEN) in continuation of previous or largely similar activities. The annual LCF report for 2005 is rather vague and incoherent, leaving almost all of the untied allocation of € 100,000 unaccounted, but other sources indicate that it was allocated through a new joint donor fund to support civil society, in addition to continuing support to the Anti-Corruption Fund.

In 2006 new funding was directed mainly to small projects supporting civic education connected to national elections, decentralisation and trade capacity development (ICT and women entrepreneurs). The only large new project was development of a food security communication strategy implemented by a local foundation (*Fundacion Luciernaga*, € 58,707). Like in 2004, some diversions from the LCF guidelines can be observed, notably provision of institutional support to *Ética y Transparencia* and some technical aspects of the support to Fondo Común de Sociedad Civil. Selection of organisations and projects to be supported was based on three different approaches:

- (i) previous contact in other context (e.g. budget support monitoring group);
- (ii) good previous experience through LCF funded projects; and

(iii) involvement in current topical events such as iNicaragua 2006 Congress.

In cases where funding exceeded € 10,000 the allocation was divided into two parts. The annual LCF report for 2006 is relatively thorough and consistent, using a new and better structured format. According to the report, 61% of the funds were used to support good government and the rest to support gender equity, human rights and economic development. During 2006 a LCF strategy for the Embassy in Nicaragua was also prepared.

According to the new LCF strategy covering the period 2007 to 2009, the main areas of support are:

**Cultural identity**, including recovery and preservation of cultural identity processes, linking such processes to local economic development;

**Vulnerable groups**, including support to projects focusing on children and youth, the elderly and disabled persons.

Other projects that are complementary to other Finnish support modalities, working with organisations that are not direct counterparts of the bilateral programmes but are strategically important, may also be considered as a priority. The two priority areas have equal priority, while complementary projects are tentatively allocated 10%.

Since 2007, Finland has participated in joint funds for CSO support using bilateral funding (democratic governance, sexual and reproductive rights), and thus these areas are excluded from LCF funding in the new strategy. Currently a similar joint fund is under preparation for rural development. Minimum size for projects is € 2,500 and maximum is € 70,000, the latter being for national level projects. The projects are mainly to be annual, but multi-year contracts can also be made with organisations that have proven capacity from previous cooperation. Projects that are innovative, have clear objectives that can be evaluated against established criteria and/or can produce sustainable results are prioritised.

#### *Administration of LCF by the Embassy*

As the LCF is relatively small, open application processes are not considered convenient. Instead two channels,

(i) publication of Embassy website, and

(ii) contacts and knowledge of projects and organisations by Embassy staff are relied upon for project identification.

Decisions are made on the basis of an established criteria and rating system by a committee composed of the Ambassador and the coordinator of LCF. According to the strategy, the advisor on governance and local development is also included, while other sector advisors can be used for assessing proposals in their sectors. Pre-selected projects must complement the initial proposal with a logframe defining the project's extension and time-frame, indicators and verification methods.

Except for an external evaluation of the support given to *Ética y Transparencia*, which was carried out in 2004, no evaluations were done during the period 2004-2007. The findings of the evaluation were generally positive, noting that the organisation has good social standing while the theme of the support (civil society oversight of the judicial system) is relevant for LCF support. On the basis of the evaluation, support to the organisation was continued in 2005-2006, and thereafter through the joint fund. A systematic assessment report of three LCF projects was done by a short-term assistant working at the Embassy in 2007 (Jalasjoki 2007). A random check of LCF documentation available in the Embassy verified that in most cases adequate basic reports are available, even though in one case (CIDCA/UCA 2004) the financial report could not be located and may never have been delivered.

The 2006 annual LCF report indicated that by the time the report was submitted (January 7th, 2007), audit had been done in only one of the projects, and one was pending. This, however, is partly due to mismatch between the actual implementation period and the reporting period. In 2004, for example, the decision on LCF funds in Helsinki took place in April, and projects could start only in May 2004. Thus only interim reports were available by April 30th, 2005 when the annual report was submitted. Casual inspection of the archives indicated that audit reports are generally available for larger projects at least for the last couple of years. The archives prior to 2006 are not properly organised, and the fact that some of the documentation is in Finnish makes this work

difficult for the person currently in charge, as she does not speak Finnish. The findings of the audits reviewed indicated a clear record for example in the case of the Anti-Corruption Fund (2006-2007) and IHCA (2006), while for example the audits of AMPDI (2006-2007) and *Ética y Transparencia* (2005-2006) revealed various shortcomings such as lack of receipts even for major expenses such as international flights. According to the person in charge, these were subsequently rectified, and the organisations were provided with some support to improve their financial reporting in the future. According to information received from Embassy staff, in some cases project funds have been transferred to bank accounts that belong to individual members of respective organisation as the organisation does not have the required own account. According to the new LCF strategy, projects receiving € 10,000 or more must include an audit.

### **1.3 Purpose of the evaluation**

According to the TOR (p.3, section 3), the overall goal of the LCFs is to “strengthen the local civil societies to enable them to continue their activities for the benefit of the respective societies without external support”. The main purpose of the evaluation is to assess to what extent the LCFs have achieved the overall goal and the objectives spelled out in the norms, to analyse any discrepancies encountered and to assess the entire governance system of the LCFs. The main users of the evaluation will be the Ministry, embassies, and the local cooperating NGO's.”

As per the TOR, the objective of the evaluation is to present a status on the current situation of the LCFs, especially related to the role in institution building of local civil society and based on this, present an assessment of how to improve the LCFs as an aid instrument, and secondly, to assess the managerial aspects of the LCF fund in order to propose improvements in the overall management efficiency of the LCFs.

At the country level, focus of the evaluation has been on clarifying the national context and the implications of the context on the LCF operation and management, and an analysis of the project portfolio with visits to selected projects.

### **1.4 Methodology used, data collection and analysis**

The evaluation was divided into 4 phases, an inception phase, an interim phase, a field phase and a analysis and reporting phase, with intermediary analytical periods.

The Nicaraguan field mission was carried out during the field phase between the 20th of January and the 2nd of February 2008, mainly consisting of work with the staff of the Finnish Embassy, interviews with other donors, state institutions and prominent CSOs and field visits to selected organisations and projects. Please refer to the detailed program in Annex 1.

According to the TOR, a few long term LCF partner organisations should be selected as subjects of the evaluation. The projects to be evaluated at the local level were also to be selected so that they represent longer term cooperation initiatives.

Eight organisations/projects were interviewed and/or their projects were visited during ten days in three parts of the country (Estelí, Chontales, Granada/Jinotepe), with only a few hours spent with each organisation.

There are limitations on the information generated that should be taken into account when assessing the conclusions:

- The time available for each visit has not permitted an in-depth analysis of the organisations;
- Only one of the organisations visited could be considered long-term partners (IXCHEN) and although attempts were made to select projects representing long term partners, this has in general not been possible due to the short-term nature of LCF funded projects;
- The focus of the evaluation is not on the use of LCF in Nicaragua but on the LCF instrument as such, which should be kept in mind particularly in relation to the LCF organisation and project analysis.

During the field phase information was gathered in in-depth interviews with the embassy personnel, individual and group interviews with multi- and bilateral donors, selected local authorities (Ministries), and individual discussions with NGOs receiving LCF support. Interviews were based on the semi-structured list of questions prepared during the interim phase, combined with observations made at the Embassy and the selected LCF interventions.

A participatory workshop was to be held with focus on three questions/issues: What does strengthening or the civil society mean in the country context? What does strengthening of NGO/CBOs as organisations mean (including capacity building)? How do the LCF recipients see the feasibility of the LCF assistance, particularly from the organisational development/capacity building perspective? However, as most elements of the proposed questions were covered during the interviews, the team considered that workshop would not bring any added value to the evaluation, while using up considerable time of the participating organisations, who, in several cases, were based far away. In particular the *Coordinadora Civil*, the NGO umbrella organisation, was informative on national context and prospects for capacity development of the CSOs.

During the field visit, data was collected on embassy administration, counterpart organisation, and beneficiary/communities. Evaluation of the impact and gathering the views at the level of ultimate beneficiaries of the organisations receiving support was difficult, and a comprehensive view and evaluation of the impact in all cases from the beneficiaries of the LCF interventions could not be obtained. However, discussions with other donors enabled obtaining a comparative view on the use of LCF funds, particularly regarding institution building aspects.

Debriefing at the Embassy took place at the end of the mission on the 1st of February 2008.

**Table 2.4 LCF supported organisations interviewed and projects visited for beneficiary / target group interviews and analysis**

<b>Organisation</b>	<b>Project Name</b>	<b>Projects visited for beneficiary interviews and analysis</b>
<b>IXCHEN</b> HQ: Managua Project: Bluefields	Incidencia para el acceso a la justicia en situaciones de violencia basada en género	
<b>Fundación Libros para Niños</b> HQ: Managua/Masaya Project: Barrio de Santiago, La Concepción, Masaya	Rincones de cuentos	Project visited
<b>Los Pipitos – Capítulo La Trinidad</b> HQ: La Trinidad Project: La Trinidad / communities	Fortalecimiento de las capacidades funcionales de la organización y su coordinación a nivel nacional	Project visited
<b>Empresarios juveniles de Nicaragua</b> HQ: Managua	Empresarios Juveniles de Bluefields	
<b>FIDEG</b> HQ: Managua	Observatorio de la apertura económica y comercial en Nicaragua	
<b>APIMUNIC</b> HQ: Granada Project: Granada	PRONAT	Project visited
<b>ASOPROCN</b> HQ: Chontales	Parque arqueológico	Project visited
<b>MUNDO (Center for research and social communicatio)</b> HQ: Esteli	Mundo en la canción	Project visited

## 2 KEY FINDINGS

An analysis of the organisations and projects visited during the field visit is presented in the following, followed by a synthesis and generalisation on the level of the LCF as an instrument. The analysis of the participating organisations and assessments of the projects that have been implemented is presented in Annex 3.

### 2.1 Overall progress of the implementation of the intervention

The strategy, management guidelines and mechanisms of the LCF have developed positively during the evaluation period, and they are increasingly considered as one instrument along with e.g. joint funds in the context of the overall country strategy.

### 2.2 Relevance

All projects are justifiable according to the national LCF strategy (even though the LCF strategy has changed in 2006 with a limitation thematically to two lines of action, i.e. support to the cultural identity and vulnerable groups).

The projects are in general relevant in relation the Finnish development policy: crosscutting issues, poverty reduction and democracy education, human rights issues, gender equality, good governance (anti-corruption) etc.. They are also relevant with respect to the national policies at least until the new government came to power in 2007 which shows no interest in supporting the civil society through funds (both local fund and common funds), but would rather see all support going through politically controlled structures.

At the beneficiary level, all projects supported are relevant, except FIDEG (*Observatorio de la apertura económica y comercial en Nicaragua*), which do not address issues that are of immediate interest to the beneficiaries, and “*Empresarios juveniles*”, whose target group is youngsters for whom the establishment of businesses is an exciting opportunity but for most is a remotely realistic endeavour in their life path. *Empresarios Juveniles* is also religiously influenced.

Of the projects reviewed, we found the support to IXCHEN to be very relevant. It is evident that IXCHEN through its 19 years of existence has had significant impact on the civil society in areas supported (health, education, justice and civil rights). For example, IXCHEN has succeeded in having rape being recognised as a crime in the penal code. Their work with the police has resulted in higher conscience of the rights of women and general access to justice. This has been especially important in Bluefields (women’s centre supported by LCF).

The support to “*Libros para niños*” (books for children), is another example of a highly relevant project, which has implications for a countrywide impact. The establishment of “reading corners” and community libraries together with training for stimulation of children’s reading habits, is important in a society where this is not sufficiently encouraged under the present educational system (the founder of the organisation has a background from the national education system). The organisation has high goodwill in the society, and has attracted support from famous writers to their publi-

cation projects of children's books. About 20% of their budget stems from the support from the LCF.

The archaeological park project is another example of a relevant project to be supported, in an otherwise non-supportive environment of the cultural heritage in Nicaragua. It also has potential to become an important tourist attraction with possible economic impact on the local community as well.

The LCF is seen as relevant by most interviewees because it is considered flexible in comparison with other modalities, with short project cycles.

The LCF is managed by a person with good knowledge of the Nicaraguan NGOs, and this has enabled the embassy staff to select valuable, albeit small, organisations meriting support such as "*Libros para niños*", and to expand the contact to the CSOs in the country. This contact is considered as one of the most important features of LCF. This contact also enables the LCF to proactively reach out to support the human rights and "watchdog" organisations for controlling the government and private sector policies and interventions, which is becoming more important in the current political context of more government control.

## 2.3 Sustainability

There is large variation among projects in terms of sustainability. Some of the projects have potential to become or are at least partially financially sustainable (e.g. IXCHEN, *Parque arqueológico, Libros para niños*). Some of the projects are sustainable socially, in other words they are able to reproduce the service or function they are producing. In this group we find e.g. Los Pipitos which is the only organisation based on membership. IXCHEN has agreements with the state and internal capacity, but the political situation may influence sustainability. The weakest projects in this respect are those implemented by FIDEG and *Emprendedores Juveniles*.

Core funding (institutional support) is excluded as per the MFA guidelines and in combination with the short duration of the projects, the expectations for these to become sustainable is seen as contradictory to the intentions of the LCF norms and general perception of the fund strategy.

The objectives and the strategy for institutional strengthening are not clearly spelled out either in the norms or in the LCF strategy: They do not explain how institutions participating should be strengthened. Similar conclusions were reached in the Interim Report of the evaluation.

In financial terms, in the Nicaraguan civil society organizations are mostly highly dependent on international cooperation funds, in some cases generating services (as is the example of IXCHEN) at low cost for the beneficiary population, allowing them to replenish some basic expenses. However, the current trend is for civil society initiatives still needing support to achieve their goals and to achieve quality. "Los Pipitos", an organization that provides services to people with disabilities, show great financial management capacity (e.g. fund raising campaigns) at the national level, but they still need support, due to the high the equipment and labour costs of expert staff on rehabilitation aspects.

## 2.4 Impact

There are difficulties in verifying impact even though projects are implicitly expected to have an impact (e.g. cultural identity change due to the implementation of the archaeological park project). We can confirm that some projects are likely to have an impact, such as IXCHEN (women's rights) and *Parque Arqueológico* (a culture/tourism project) but there is currently no efficient way of measuring it.

Most of the projects are of short duration, focus on concrete activities, and are of small size. In order to generate impacts, they must be longer term and have measurable indicators of impact built into the design, and resources must be allocated in order to monitor progress. However, the in-

structions given do not provide sufficient guidelines for monitoring, creating major problems for assessing efficiency and effectiveness, and ultimately impact. Underlying this are inconsistencies in the level of ambition at the Ministry, which are reflected in the instructions set for LCF management at embassy level. Weak instructions from the MFA, in combination with vague conceptualisation of the instrument do not lend itself to long term impact monitoring. Indicators are not presently part of the set-up, although some organisations are aware of this problem and are considering development of impact indicators. As the projects mostly are of short term nature of small size, the emphasis should instead be on outcomes/results. This could be addressed easily for many of the projects, by inducing internal monitoring systems and setting up simple monitoring plans at results and outcomes level, rather than impact.

The LCF as an instrument does not have benchmarks or indicators for impact monitoring. Presently, most projects are local in scope even though the earlier LCF strategy included criteria that projects should have national impact. However, there is no mention of how to include impact indicators in the norms guiding the use of the LCF, except for the requirement of result orientation in the supported actions. It is mentioned that the MFA Quality Group should be able to assess the impact of the LCF support on achieving the objectives of the Finnish Development Policy and the overall strategy of the Embassy. This is not possible based on the current form of reporting, which does not sum up and generate assessments of overall impact of the interventions.

## 2.5 Efficiency

After the change in strategy 2006, the number of big projects has diminished in the LCF portfolio, because several are now funded under joint funds – applications to the LCF are now directed there if they are considered to “belong” there thematically. The overall effect of the change in LCF strategy combined with the appearance of the joint funds, is actually against the new proposal for the LCF to concentrate on fewer and larger projects in order to reduce the administrative burden – the larger projects are now funded through the joint funds. Small organisations are often left out from financing from the joint funds because of low competitive capacity, lack of presence in the capital or for other reasons, but they now in fact dominate the LCF portfolio. This is not a result of the particular LCF strategy favouring these organisations, but rather a result of exclusivity.

In general, the organisations involved are experienced project implementers. However, it is important that those that are not, include internal training (capacity building) in their applications (accounting, project management, monitoring etc.)

There is at least in some cases a very low cost benefit ratio: e.g. FIDEG have used 200 € per participant in transferring knowledge of the free trade agreements in three training modules.

There is potentially a comparative advantage in the use of LCF funds since the national strategy determines that the maximum percentage to be used for administration is 7% and a minimum of 10% counterpart funding is required. The issue of delivering aid more efficiently (more for less) is relevant here. But if institutional support is desired and core funding is strived at, this may be a difficult balancing act.

The fund itself seems to have been managed efficiently, at least after 2006, with proper auditing. The person in charge of the LCF in the Embassy currently uses some 20% of her work time for administration of the fund, and in addition a project assistant contributes approximately 10% of her work time. Time is used for both preparation of next year's support decisions and monitoring of ongoing projects. In addition to desk work, the latter includes participation in conferences and workshops organised by the respective projects as well as initial negotiations on implementation and field monitoring visits. Since 2006 the annual LCF reports follow a standard format. According to 2006 annual LCF report, each project was contacted for monitoring purposes at least once but in most cases twice or more during the period. Monitoring is rather time consuming, and the Embassy is planning to concentrate its support to fewer (6-8) projects in the future in order to make the instrument more cost-effective.

One limitation in the selection process is the lack of established mechanisms to communicate with organisations and projects which are potentially relevant for support through the LCF (apart from the internet). Currently most projects appear to stem from personal contacts, but the embassy could be more proactive towards potential organisations. A preferential treatment is being used to this effect in the Civil society support fund (*Fondo Común de apoyo a la sociedad civil de gobernabilidad democrática*), managed by Oxfam.

In most cases, the applications for funds do not have indicators, as most do not include a proper well developed log-frame. The applications do have activities listed which permitted an assessment of whether the project activities had been carried out as planned. But, since there are no indicators for outcomes or impact it has not been possible to assess the impact of these actions.

## **2.6 Effectiveness**

Most of the projects are effective from the point of view that they have produced the expected outputs as per their project profiles. However, there is either no log-frame and/or weak measurable and verifiable indicators of results, impact and sustainability in the majority of project proposals. Therefore, it is difficult to surmise on sustainability, which is presently one criteria for selection of projects. It can be discussed to what degree this should be a criterion given that the projects are of short duration and in many cases it is not possible to establish impact indicators. Also, it is difficult to insist on the introduction of properly developed log-frame concepts because of the complexity involved – it would require considerable facilitation in the beneficiary groups.

It is also not possible to establish the overall effect of the LCF on strengthening civil society because the instructions and management guidelines have not set outcome targets for the supported themes without which it would be possible to measure impact. The projects are diverse and scattered in the territory, which further complicates the possibility of measuring impact. This situation does not mean that the Fund has no impact, but expected outcomes should be defined for each of the projects and articulated in coordination with the sector programmes and other funds or donors who are working with the same issues.

## **2.7 Compliance and coherence**

The supported projects are not supporting e.g. religious groups, and in general follow the rules set by the MFA, thus they are coherent and the LCF complies with Finnish policies and guidelines. The LCF is particularly relevant for the smallest organisations because it fills a role which no other instrument fulfils, and in this manner it is coherent. There seems to be a high degree of local ownership in most of the supported organisations.

From the analysis of the data collected during the visit to the selected organisations, it became clear that most organisations address cross-cutting issues directly as the main focus or objective, therefore this aspect is sufficiently covered.

## **2.8 Coordination and complementarity**

In 2007, support to many of the previous long-term partners was channelled through the joint funds, leaving essentially only *Revista Envío* (€ 20,000) from the old group. Two new organisations received relatively large funding, notably for development of the anthropological site of Villa Sandino (€ 70,000) and a pre-school children's books and reading space project (€ 60,000). In general, the remaining projects were relatively small. One was about € 35,000 while seven were between € 13,000 and 25,000, and three were below € 10,000. All new projects were compatible with the new strategy. In addition, € 11,600 (3.3%) of LCF allocation was used for a consultancy and other outsourced project monitoring expenses.

There is one example in the present project application portfolio which involves LCF coordination with other donors. One project will be financed jointly with Norway using LCF funds (*Libros para Niños*). Joint funding was used actively by the embassy in the period up to 2006 as joint donor funds to support civil society were financed through the LCF, but support to joint funds is now allocated through the bilateral programme

Regarding complementarity, we have not seen a good complementarity with the sectors, and there is no clarity in the strategy of how the LCF funds should complement the other sectors.

What can be seen is that the criteria used for project selection for LCF support are of exclusion - if the thematic issues in a project application are not addressed in common funds, then they are financeable by LCF. There is no proactive search for complementary projects to be financed by LCF, and thus no knowledge about the potential for coordination and synergy between the assistance channelled through the LCF and bilateral interventions. Likewise, there has been no harmonisation with projects funded by the MFA through the NGO unit. However, we believe the embassy has used the LCF instrument quite innovatively in providing funding first through the joint funds in a well coordinated way, and now it is seeking to use them in a way that would be complementary to the other instruments (as joint funds are now directly through the bilateral programme). The coordination as per the new strategy is still weak, and complementarity to sectoral support is not yet well thought through (2007 was the first year), but this is now being addressed.

## 3 CONCLUSIONS AND RECOMMENDATIONS

### 3.1 Overall performance

In general the use of the Nicaraguan LCF has been according to the norms, and the portfolio of organisations and projects supported have been in line with the goals of Finnish development cooperation and cross-cutting issues targeted in the norms, namely, poverty reduction, promotion of human rights, democracy, global security, and economic cooperation.

The administration of the funds has been good and seems to have improved in efficiency particularly since 2006. The evaluation of 2003 pointed out that there were limitations in the required human resources capacity of the staff administering the funds, and the skills and tools for management had not developed in pace with the increasing budgetary appropriation of LCFs. However, in the current situation, in Nicaragua there has been a substantial reduction in the annual allocations for the LCF and a tendency to favour larger but fewer projects supported through joint funds, while the LCF is left with smaller projects.

In general the embassy has managed to adapt the strategy and use of the LCF in an innovative manner to adopt to changes in the government policies, which are not favouring civil society support, and make good use of effective mechanisms of coordination (joint funds and other mechanisms). This has also enabled the embassy in keeping the administrative burden and human resources input for the LCF at an acceptable level.

Most of the projects have weakly defined measurable and verifiable indicators of results, impact and sustainability (this is not a requirement of the norms!). The fact is that the projects implemented have all been of short duration and in many cases dealing with complex issues, makes it difficult to establish impact indicators or to determine sustainability, but it is presently a criterion for selection of projects that these be sustainable and have an impact.

At the organisational level, the analysis shows that internal capacity building to strengthen civil society organisations was not built into the project applications, nor the guidelines and instructions, and no targets were set for the organisational change expected from such capacity building.

The evaluation of 2003 concluded that in many cases the required project management was lacking in terms of capabilities to ensure appropriate and efficient use and administration of the LCFs – this is not the case in Nicaragua at the given level of ambition with the LCF. However, if it is desired to raise the ambition level of the fund in order to increase the strengthening of the CSOs in practice, definitely more staff resources and a much deeper process of project preparation and baseline studies would have to be undertaken. This would also entail a capacity assessment of the participating organisations in order to determine their capacity to implement projects (human resources) and their competence and track record of dealing with change processes with beneficiaries and implementing development projects etc. Complementarity with other Finnish aid (bilateral programmes) in the country should also be built in at the preparation stage.

Presently, the demand for LCF funds is kept low by not opening up the tendering process. For administrative reasons, the annual amount allocated for the LCF is determined a priori. In other words, it is not entirely demand driven, but there is no interest in promoting higher demand for the funds, as this will put more pressure on the human resources required for its administration.

### 3.2 Lessons learned

The LCF has not been used in a strategic and coherent manner for capacity building of the participating CSOs in Nicaragua. The LCFs have not really played a role in organisational development, because the LCF is not adequate for this purpose in its present form. If the intention is to make the LCF a strategic instrument to strengthen the CSOs then a profound change in the concept, setup as well as an increase in administration and human resources capacity and skills would have to be made, not just a change in the norms. That is not a very likely scenario.

The 2003 evaluation recommended the administration and management of the LCF to be divided into two separate instruments, one for the non-partner countries, operated in accordance with “small projects” option of the then existing norm - albeit with bigger volume and more precise objectives, practices, guides and tools; and another that would be restricted to embassies in the long-term partner countries, in order to direct funds more efficiently towards the objectives of the LCFs, while retaining the valuable features of the LCF instrument (i.e. the innovativeness, flexibility and rapid reaction). In the Nicaraguan context, based on the analysis of this evaluation team, it is probably more realistic to conceptually move towards the small projects type, even in long-term partner countries, but focussing on better guides and tools for the embassies. Corroborating this opinion is the fact that practically all other donors are essentially operating their local funds from a small projects perspective. A key element for this to be successful would be to delegate more authority to the embassies and require them to coordinate better with other bilateral program activities (and other donors), in order to ensure complementarity and effective use of expertise.

An interesting perspective is for the LCF to join forces with other donors’ local funding mechanisms, as exemplified by the proposal to co-finance projects between the Norwegian and Finnish embassies (e.g. *Libros para Niños*; a joint project proposal discussed in 2007). As mentioned before, joint funding was used actively by the embassy in the period up to 2006 as joint donor funds to support civil society were financed through LCF. Currently this support is channelled directly from bilateral allocations to respective funds. This development highlights the importance of looking at LCF strategically in the country context, i.e. as one element of the Finnish country strategy. This would also allow for better use of sectoral expertise of the embassy-based advisers.

The tendency to focus on bigger organisations and larger projects and budgets implies running a risk of not supporting many interesting and innovative projects, such as the *Libros para Niños* project. It stands out as a good example of a small project with potential impact which would probably not have been eligible for support under other aid modalities or a more strategic and elaborate LCF scheme – in the Nicaraguan context it makes sense to support this kind of projects.

In order to better support such projects, it would be beneficial to reduce the requirement of the beneficiary organisation being officially recognised (“*personería jurídica*”), it should suffice with a registration at local government level.

### 3.3 Key areas for modification

The duration of the projects should be reconsidered together with the type of support (i.e. specific activities vs. core funding). Creating a closer linkage to Finnish country strategy, using more effectively the embassy staff’s own expertise (especially sectoral advisers) and when necessary using external experts would improve the quality of projects. The LCF selection committee currently consists of only two persons (the Ambassador and the LCF coordinator), which is not an adequate arrangement.

## 4 RECOMMENDATIONS

Several scenarios were discussed during the Nicaragua mission (eliminate the fund, increase the total fund amount, and/or the maximum available amount, increase the scope to become more in line with traditional project support etc.), we reached a consensus on the most feasible recommendation being to maintain status quo, but with introduction of adjustments, because the instrument is relevant, efficient, flexible and of importance particularly to the organisations that are not supported or eligible for financial support through other means.

Strengthening of the conceptual definitions in the strategy should be improved, e.g. what is exactly meant when it is mentioned that the assistance should be complementary to the other programmes. To clarify this, the national strategy must be improved. This, however, requires consistent norms and more detailed instructions to be prepared by the MFA. It is an issue that will be addressed in the overall evaluation document.

Specifically regarding the Nicaraguan fund, management efficiency and the prospects for generating impacts would be improved in the following recommendations were adopted:

- 1) The selection criteria for approval of projects should be clearer with respect to definitions;
- 2) Longer duration of projects (2-3 yrs) should be allowed when needed, as well as core funding in combination with support to specific activities;
- 3) Parameters of cost-efficiency should be included in the project proposals (the sector advisers could be consulted if they possess sufficient capacity in this respect, or external personnel could be contracted to analyse cost-benefit of project proposals in selection process);
- 4) Sector advisers should be involved in the selection committee;
- 5) Geographical focusing of LCF funding to areas where Finnish sectoral projects operate would strengthen complementarity. However this may lose relevance if geographically based sector programmes are phased out and funding is given to proper SWAP-type basket funds.

## Annex 1. Mission schedule

Date	Hour	Activity / Organisation	Persons met, organisation	Observations	Responsible
21/01/08	8:00 am 12:00am	Reunin Equipo Evaluación	Hotel Mansión Teodolinda		CR, MT, PV
	2:00 a 4:00pm	Reunión con equipo LCF en <b>Embajada Finlandia</b>	Managua Rotonda el Gueguense 500 metros al sur 278-1216 / 18 Con <b>Maria Luisa Babini</b>	Confirmado	CR, MT, PV
22/01/08	8:30 a 9:30am	Entrevista con Representantes de <b>Coordinadora Civil</b>	<b>Georgina Muñoz</b> <a href="mailto:enlace@ccer.org.ni">enlace@ccer.org.ni</a> y <b>Mario Quintana</b> <a href="mailto:mquintana@ccer.org.ni">mquintana@ccer.org.ni</a> Oficinas de la Coordinadora Civil - Teléfono 27810 38/2785459 Celular: 885-7660 Banpro Altamira 10 varas abajo, Casa 98. Managua, Nicaragua E-mail: <a href="mailto:ccer@ccer.org.ni">ccer@ccer.org.ni</a>	Confirmado Vía telefónica el 21/12/07 Entrevista con Georgina Muñoz	CR, MT, PV
	10:00: a 11:00m	Entrevista con representante de <b>Ministerio de Relaciones Exteriores</b>	<b>Señor Valdrack Jenkins</b> (Vice Canciller de Cooperación Externa) Ministerio de Relaciones Exteriores Del cine González 1 cuadra al Sur, sobre Avenida Bolivar Tel: (505) 244 8000 - 244 8007 Apartado Postal No.127 Managua, Nicaragua	<b>Confirmado con Sra. Marta Susana Castrillo M.</b> Secretaría de Cooperación Externa Ministerio de Relaciones Exteriores	CR, MT, PV
	2.00 – 4.00	<b>Embajada Finlandia</b>	Reunión con <b>María Luisa Babini</b> . Revisión de documentos.		PV, CR
	3:15- 4:15 pm	<b>Embajada de Dinamarca</b> Fondo Común Sociedad Civil	<b>Sra. Patricia Gómez</b> <a href="mailto:patgom@um.dk">patgom@um.dk</a> < <a href="mailto:patgom@um.dk">mailto:patgom@um.dk</a> > Programme Officer Telef. Directo (+505) 268 02 50, Ext. 122 Embajada Real de Dinamarca TEL: + (505) 268 02 50	Confirmada Por Correo electrónico	MT

Date	Hour	Activity / Organisation	Persons met, organisation	Observations	Responsible
23/01/08	8:00 a 9:00am	<b>Embajada de Noruega</b> Fondo Común Sociedad Civil, FED y Fondo Anticorrupción	<b>Camilla Helgø Fossberg, PhD</b> Primer Secretaria Real Embajada de Noruega Managua, Nicaragua Tel + (505) 2664119 Email: <a href="mailto:che@norad.no">che@norad.no</a>	Confirmada Entrevista por correo electrónico Con Camila	PV
	9:30 a 11:00 am	<b>IXCHEN</b> Managua	<b>Sra. Argentina Espinoza</b> Contiguo a donde fue el Cine Salinas, frente esquina opuesta a la leche agria El Baquero, Barrio El Riguero, Managua. Tel. 2784365, 2708131 <a href="mailto:ixchen@ibw.com.ni">ixchen@ibw.com.ni</a>	Confirmada Entrevista se habló directamente con Doña Argentina Vía telefónica el 21 /12/07	CR – MT
	11.30 a 12:30 pm	<b>FORUM SYD / FED</b>	<b>Sr. Fernando Jambrina Rodríguez</b> Coordinador de Programa FED-ForumSyd Apartado Postal 2277 Managua, Nicaragua Casa Sol, de Casino Pharaohs 1 1/2 cuadra abajo Tel. 505 2702650 Ext. 40 Fax. 505 277 0214 Cel. 6020208 <a href="mailto:fernando.jambrina@forumsyd.org">fernando.jambrina@forumsyd.org</a> <a href="http://www.latinoamerica.forumsyd.org">www.latinoamerica.forumsyd.org</a>	Confirmado, por correo electrónico	MT – CR
	2:00 a 3:30	<b>Empresarios Juveniles</b> <b>Managua</b>	<b>Sr. René González Mejía</b> , Director EJNI, Tel. 2669554 Camas Luna Montoya 1c. al Este, Edificio INDE, Frente a la Mueblería Lolo Morales <a href="mailto:ejn@inde.org.ni">ejn@inde.org.ni</a>	Confirmado con Sr. René González	MT, CR, PV
	3:45 a 5:00 pm	<b>Entrevista FIDEG</b>	<b>Sra. Sonia Agurto</b> , Vice- Pdte. Tel. 2668708-09, 2668869, 8827732 Res. Bolonia, Pricessmart 200 mts. al norte. <a href="mailto:fideg@tmx.com.ni">fideg@tmx.com.ni</a>	Confirmada via telefónica se habló con Maria Lúcia Asistente del Dr. Martinez C 21/12/07	MT, CR, PV
24/01/08	06:00	Salida de Managua en automóvil			MT, CR, PV
	10:00	<b>ASOPROPCN / Parque</b>	<b>Ing. Roger Peralta Mairena</b> , Tel. 516-0055	Confirmado	

Date	Hour	Activity / Organisation	Persons met, organisation	Observations	Responsible
	am a 3:00 pm	arqueológico	Frente a la Alcaldía de Villa Sandino, Chontales <a href="mailto:maisalar@hotmail.com">maisalar@hotmail.com</a>	Con Maria Isabel Lara la mujer de el Ingeniero Peralta, vía telefonofica el 21/12/07 , recomienda que visiten el proyecto	
	4.00 pm	Proyecto <b>PROGESTION</b>	<b>Marko Lehto</b> , ATP Villa Sandino	Confirmado con Markko Letho	
25/01/09	8.00 am	Salida a <b>Granada</b> en automóvil.			MT, PV
	9:00 a 12:00am	Visita campo / <b>APIMUNIC / PRONAT</b> ( mujeres y Jóvenes)	<b>Sra. Janín Mejía Raudez</b> , Tel. 8292955 De la Escuela Padre Misieri 2 c. al norte Granada <a href="mailto:apimunic@yahoo.es">apimunic@yahoo.es</a>	Confirmado con Doña Junín Mejía El día 7 01/08 via telefónica.	
	13.00	Salida a Jinotepe			
	13:30a 16:00pm	Visita campo / <b>FUNDECO/ Rincones de cuentos Jinotepe</b>	<b>Sr. Eduardo Báez</b> , Pdte., Tel. 5321196 Del BDF 1c. al Oeste, Jinotepe <a href="mailto:lpninos@yahoo.com">lpninos@yahoo.com</a> Una vez se encuentren en Jinotepe el equipo y el Sr. Báez se trasladarán al <b>municipio de La Concha</b> (muy cercano), para entrevista con beneficiarias.	Confirmado vía telefónica se habló con Arlen Mena, telefono celular de Don Eduardo Báez 8553442 21/12/07 Sugiere que los proyectos del norte de Esteli están más consolidados hubiese sido mejor visitarles en Estelí	
25/01/08	6.30 am	Salida a Estelí en automóvil			CR
	10:00 a 12:00am	Entrevista / <b>Mundo en la canción</b> / capacitación y medios	<b>Sr. Juan José Castillo Ruiz</b> , Tel. 7140162, 7133186 De donde fueron las bodegas de ENABAS, 2c. al este, ½ c. al sur, <b>Estelí</b> . <a href="mailto:rsmundo@ibw.com.ni">rsmundo@ibw.com.ni</a>	Confirmada con Don JJCR, celular de él 8357935, vía telefónica el 21/12/07	

Date	Hour	Activity / Organisation	Persons met, organisation	Observations	Responsible
	14:00 a 16:00 pm	Visita campo / <b>Los Pipitos- Capítulo La Trinidad /</b>	<b>Sr. Marlon Ariel Meza Salinas</b> , Pdte. J.D. Capítulo Los Pipitos de La Trinidad Tel. 7162384, De la Texaco 1 c. al Oeste y 3½ c. al norte, la Trinidad . <a href="mailto:lospipitoslatrinidad@yahoo.com">lospipitoslatrinidad@yahoo.com</a>	Confirmada la entrevista con Sra. Candelaria Caballero	
26 /01/08		<b>Trabajo en Equipo</b> de la Misión	Managua	Elaboración de matrices	MT,CR,P
27/01/08	06:00 am	Salida consultor internacional PV	Managua		
27/01/08		<b>Trabajo en Equipo</b> de la Misión en Informe y análisis	Managua	Avances en el documento final	MT, CR

28/01/08		Trabajo en Equipo de la Misión,		Elaboración de informe y preparación taller con organizaciones de la Sociedad Civil.	
29/01/08	8.30- 9.30	<b>Embajada de Suecia</b>	<b>Sra. Susanna Janson Landin</b> Oficial Adjunta de Programa Embajada de Suecia - Managua Tel + 505 255 8417 Fax + 505 2666 778 Cel + 856 7277 email: <a href="mailto:silvia.ponce@foreign.ministry.se">silvia.ponce@foreign.ministry.se</a>	Confirmado por e-mail por Silvia Quevedo Ponce	MT, CR
	9.45- 10.45	<b>Fondo Común de Apoyo a Sociedad Civil Oxfam-Nicaragua</b>	<b>Sr. Charles Grigsby</b> , Representante Oxfam GB. <b>Sr. Rafael Enriquez</b> , Sec. Técnica Fondo Común Tel. 2660085 De Plaza España, 1 c. abajo, 2 c. al lago, ½ c. abajo.	Confirmada por Nadia	MT, CR
	14.45-	<b>PNUD</b>	<b>Sra. Lilliam Jarquin</b>	Confirmada por Nadia	MT, CR

	15.45	<b>Programa de pequeñas donaciones</b>	Coordinadora del Programa Edificio Ofiplaza El Retiro. De la rotonda El Periodista 150 mts. al sur. Edificio No.6 segundo piso. Oficina 623 Tel.2547963 / 2547964		
	16.00-17.00	<b>Comisión Europea</b>	<b>Sr. Marc Litvine</b> , jefe de operaciones. <b>Sra. Pilar Juárez</b> , jefa de la sección desarrollo humano Del Colegio Teresiano, 1 c. al este, frente a clínica Tiscapa. Tel. 2704499	Confirmada por Nadia	MT, CR
30/01/08	8.00 am a 6.00 pm	Trabajo de equipo de evaluación. Elaboración de informe.	Hotel Mansión Teodolinda		MT, CR
31/01/08	8.00 – 9.30 am	<b>Trabajo en Equipo de la Misión</b>	Hotel Mansión Teodolinda		MT, CR
	10:00 - 12:00 am	<b>Debriefing Embajada</b>	Embajada de Finlandia Managua		MT, CR
	2:00-6:00	Trabajo en Equipo, Informe Borrador Final	Hotel Mansión Teodolinda		MT, CR
02/02/08	06:00 am	Salida consultor internacional MT			

## **Annex 2. People interviewed**

Ms. Ivonne Acevedo, Project Assistant, FIDEG, Managua, 23.1.2008

Ms. Sonia Agurto, Vice-presidente, FIDEG, Managua, 23.1.2008

Ms. Reyna Alemán Hernández, member Los Pipitos, La Trinidad, 25.1.2008

Mr. Jesper Andersen, Counsellor, Royal Danish Embassy, Managua, 22.1.2008

Ms. Majorie Arroyo, member Los Pipitos, La Trinidad, 25.1.2008

Ms. Maria Luisa Babini, Adviser governance and rural development, Embassy of Finland, Managua, 21.01.2008

Mr. Eduardo Baez C., Director ejecutivo, Libros para Niños, Jinotepe, 25.1.2008

Ms. Juanita Blanco, National Police, Departamental Chief, Villa Sandino, 24.1.2008

Ms. Ninfa Blandon Cabrera, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008

Ms. Candelaria Caballero, member Los Pipitos, La Trinidad, 25.1.2008

Ms. Elizabeth Del Carmen Cárcamo Zárate, Productora Radial, Estelí, 25.1.2008

Ms. Isidora Gamez, member Los Pipitos, La Trinidad, 25.1.2008

Ms. Juan José Castillo Ruíz, Presidente Centro de Comunicación Mundo, Estelí, 25.1.2008

Mr. Eddy Contreras, Alcalde de Villa Sandino, Villa Sandino, 24.1.2008

Ms. Kenia Dinarle, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008

Ms. Gina Esperanza Salgado Peña, Executive Director Ixchen, Estelí, 25.1.2008

Ms. Argentina Espinosa A., Executive director, Ixchen, Managua, 23.1.2008  
Ms Carola Espinoza, Adviser, Embassy of Norway, Managua, 23.01.2008

Mr. Gustavo Fonseca Sevilla, member ASOPROPCN, Villa Sandino, 24.1.2008

Ms. Erica García M., Coordinadora de proyectos, Libros para Niños, Jinotepe, 25.1.2008

Ms. Patricia Gómez, B., Programme officer, Royal Danish Embassy, Managua, 22.1.2008

Ms. Yamil González Cabrera, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008

Mr. Rene González Mejía, Executive Director, Emprededores Juveniles, 23.1.2008

Mr. Rafael Henriquez García, Gerente de programa fondo Común. Managua, 29.01.2008.

Ms Tiina Huvio, Rural Development Adviser, Embassy of Finland, Managua, 21.01.2008

Ms Emily Höckert, Embassy of Finland, Managua

Ms. Luyin Icabalzeta, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008

Mr. Valdrack L. Jaentschke, Viceministro, secretario de la Cooperación externa, Ministerio de relaciones exteriores, 22.01.08

Mr. Fernando Jambrina, FED coordinator, Managua, 23.1.2008

Ms. Susanna Janson Landin, First secretary, Development cooperation, Embassy of Sweden, Managua, 29.01.2008.

Ms. Liliam Jarquin, Coordinator of small donations programme, UNDP, Managua, 29.01.2008.

Mr. Pilar Juárez Boal, Counsellor, Delegation of the European commission, Managua, 29.01.2008.

Mr Torleif Kveim, 1<sup>st</sup> Secretary, Embassy of Norway, Managua, 23.01.2008

Mr. Marko Lehto, Officer Programme, PROGESTION, Villa Sandino, 24.1.2008

Mr. Mark Litvine, Head of operations, Delegation of the European commission, Managua, 29.01.2008.

Ms. Martha Lorena Pérez, Vicepresidente APIMUNIC, Granada, 25.1.2008

Ms Marja Luoto, Ambassador, Embassy of Finland, Managua, 21.01.2008

Bladimir Palacios Mairena, Vicepresidente de la Asociación Nicaragüense de No Videntes, Estelí, 25.1.2008

Mr. Roger Peralta Mairena, Presidente, ASOPROPCN, Villa Sandino, 24.1.2008

Ms. María Isabel Lara Martínez, member ASOPROPCN, Villa Sandino, 24.1.2008

Ms. Janín Mejía Raudez, Presidente APIMUNIC, Granada, 25.1.2008

Mr. Marlon Mesa, President Los Pipitos, La Trinidad, 25.1.2008

Ms. Georgina Muñoz, Enlace Nacional, Coordinadora Civil, Managua, 22.1.2008

Ms. Geisel Najera, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008

Ms Diana Orosco Bravo, Touristic guide, ASOPROPCN, Villa Sandino, 24.1.2008

Mr. Mauro Orosco Bravo, Treasurer ASOPROPCN, Villa Sandino, 24.1.2008

Ms. Aída Luz Ortuño, member Los Pipitos, La Trinidad, 25.1.2008

Mr Kari Poti, Embassy of Finland, Managua, 23.01.2008

Mr. Mario Quintana Flores, Enlace Nacional, Coordinadora Civil, Managua, 22.1.2008

Ms. Carla Rodriguez, Programme officer, Ixchen, Managua, 23.1.2008

Ms Elina Sana, Embassy of Finland, Managua

Mr. Adelmo Sandino, Proyect coordinator, FIDEG, Managua, 23.1.2008

Ms. Darling Sequeira, Chontales Municipalities Association, Villa Sandino, 24.1.2008

Ms. María del Socorro Reyes García, Psychology Ixchen, Estelí, 25.1.2008

Ms. Gloria Elena Talavera Martinez, Productora Radial, Estelí, 25.1.2008

Mr. Salvador Tapia, Asesor desarrollo rural, Embajada de Finlandia, Managua, 21.01.2008

Ms. Rosemary Vega Asesora asuntos sociales, Embassy of Finland, Managua, 21.01.2008

### Annex 3. Organisational analysis

Organisation	Project name / description	Relevance, Compliance and Impact	System of governance, Efficiency and Sustainability	Overall progress of implementation of the intervention and Effectiveness
<p><b>IXCHEN</b> (Founded 1989)  <b>Objective:</b> Women's Integrated health, women's sexual and reproductive rights. Lobbying, education and training related to prevention of domestic violence and women's health (cancer). 10 centres at national level. Financing FCL??</p>	<p>1) 2004 "Promoción de los derechos humanos de la mujer.."            2) 2005 "Rompiendo barreras"            3) 2006: Incidencia para el acceso a la justicia en situaciones de violencia basada en género HQ: Managua</p>	<p>Relevant because it strengthens the state system of prevention of domestic violence (support to the police and justice system) at local (comisaria de la mujer y la niñez) and national levels. It fits well within the local fund strategy of the embassy.</p>	<p>IXCHEN has a well working administration and long history of implementing projects, which seems to be efficient. Agreements have been with ombudsman (Procuraduría especial de la mujer), national police, to strengthen the coordination between the institutions, and networking with other women's institutions. The project (2006) represents 5% of the total budget of IXCHEN, it functions with 55% own funds (deriving from service provisions).</p>	<p>The main results have been: 1) the training and awareness raising of the police corps means that violence is not accepted (inside the police corps it is now cause for dismissal if police is involved in rape/violence against women). 2) Promotion of Interinstitutional coordination between the institutions which permits violence to be reported, cases raised and sanctions processed. 3) IXCHEN has succeeded in changing the penal code, so that rape is now considered a crime.</p>
<p>Fundación <b>Libros para Niños (1993)</b>.  <b>Objective:</b> Contribute to the integrated development of children of the region by stimulation of imagination, creativity and personal dreams through reading of books. Central office Jinotepe, 7 employees, 1 sub-HQ in Ocotal.</p>	<p>2007 "Rincones de cuentos", (USD 82,000). The Project aims to create 5 "story corners" for kids per year and strengthening of the existing 8 "Rincones".</p>	<p>The project is relevant for the beneficiaries because it strengthens the desire to read, learn and form opinions thereby strengthening public opinion and enabling democratic development in Nicaragua. It fits well within the LCF strategy of the embassy (children). It could potentially have a considerable impact in the longer term. The project reaches a large number of beneficiaries.</p>	<p>There is a system of follow-up in place in support of the centres ("rincones"), which are all established with different local counterparts (foundations e.g. Fundeco, cooperatives (there is one old "CAS" counterpart), associations etc. There is one trained responsible for each organisation's "rincon". Libros para Niños (LpN) monitors quantitative data only (register of kids, no. of attendants etc.) and trends in participation are noted. There are no impact indicators, but a consultant is to be contracted in 2008 to facilitate generation of qualitative indicators. The Project constituted 20% of the total</p>	<p>Communities have adopted space for kids to acquire skills in reading, widen their knowledge, and have a meaningful recreational space, which is normally non-existent in Nicaragua. The poorest segments of the population are targeted (the centres in the north are the poorest communities in Nicaragua e.g. Nueva Segovia). Books produced are being bought at a price, national programmes have incorporated LpN books</p>

Organisation	Project name / description	Relevance, Compliance and Impact	System of governance, Efficiency and Sustainability	Overall progress of implementation of the intervention and Effectiveness
			budget of LpN. Importantly LpN produces and publishes their own books (2000 each printing) of which half is donated to the corners, half is sold at a profit. Income from this was \$75,000 in 2007. There is no intention to become financially sustainable, but new private partners (commercial businesses) are now also contributing funds, and this is expected to expand.	in school libraries.
<p><b>APIMUNIC</b> (Asociación por la Igualdad de la Mujer en Nicaragua) <b>(2005)</b>  <b>Objective:</b>  APIMUNIC/PRONAT promotes equality by providing girls and women with employable skills and giving them an insight into human rights thereby boosting their self-esteem.</p>	PRONAT (2007) arranges ten-month courses in computing, sewing and English for female students for free.	The project is targeting the poorest groups of young people around Granada, which is directly in line with the embassy's strategy (support to vulnerable groups). The project is relevant to the beneficiaries because it provides them with potential means of improve their incomes and standing in society. The is complementary to earlier Finnish assistance, as it addresses women's rights.	Follow-up of the participants in the courses and no. of courses, but no impact data are being collected. There is no assessment of the trained pupils in terms of their achieving employment after courses, but contact is continuing with several of the beneficiaries. Courses in beauty parlours have been scrapped because there is higher probability of the beneficiaries to get employment after e.g. a sewing course (several have been employed by "maquilas").The organisation is new, and presently weak, with a low skill level and in need of planning capacity, but training was not included in the project. The accountant, a volunteer who was a member of the board, resigned, causing temporary problems. Although clothes produced are sold by the women, and a part is retained by the organisation, there is little perspective for financial sustainability. Finnish embassy covers 95% of the budgeted costs, if this disappears, activities have to be reduced.	The courses are sought after and have been filled each year. Similar courses are offered by e.g. Casa de la mujer, but they charge a fee, which gives Pronat a comparative advantage. The courses seem to have been effective and carried out as planned, with good participation. English classes depend on volunteers and. Total trained?
<p><b>FIDEG</b> (Fundación Internacional para el Desafío Económico</p>	"Observatorio de la apertura comercial y la integración econó-	The objectives are in line with the Finnish development policy (but not the LCF strat-	The project is implemented by highly motivated staff, but it seems with little experience in project development and partici-	The project has carried out all planned activities as set out in the project document i.e. train-

Organisation	Project name / description	Relevance, Compliance and Impact	System of governance, Efficiency and Sustainability	Overall progress of implementation of the intervention and Effectiveness
<p>Global), (1990)  <b>Objective:</b> FIDEG promotes socioeconomic development, poverty reduction, equal rights and reduction in the gap between rich and poor, through economic research and provision of socioeconomic data to the civil society and government organisations, including training and service provision/consulting.</p>	<p>mica (componente divulgación e incidencia) en Nicaragua” part financing of the lobbying and dissemination \$ 32,000 (2007). Specifically the Project aims at disseminating information of the free trade agreements and commercial opening in Nicaragua to the benefit of 5 vulnerable farmer groups and entrepreneurs in the northern regions, and advice on the application of the information to serve as basis for improved export of their products.</p>	<p>egy), but addresses a highly relevant issue in the Nicaraguan context, i.e. the challenges of exporting in a globalised market. Most of the attendants in the training sessions were also women.</p>	<p>patory processes with groups of very poor farmers. Although the theme is relevant, the project activities (presentation of the CAFTA information and training modules) seems out of context, or too limited in its scope to be of real value to the beneficiaries. It is not demand driven and the perspective of sustainability is questionable. Also, the cost-benefit ratio has been questioned, e.g. the project has spent about 200 EUR per participant in the training courses.</p>	<p>ing of five groups in the free trade agreements. Specifically, surveys have been made with each of the groups to determine their basic economic and social indicators. Subsequently 3 workshops were held with each group, and then the leader of each group were trained to continue support of the groups through a manual of how to export products. Subsequently, the results were published in the “Observador Economico”.</p>
<p><b>Centro de Comunicación e Investigación para el Desarrollo Social “Mundo”</b> (Founded 2002)  <b>Objective:</b> Provide educational and socially oriented services with the aim of contributing to the development of society, especially changes in atti-</p>	<p>El Mundo en la Canción – “Radioteatro” aiming at reducing family violence. Project financed by the LCF in 2007. The goal is to have an impact on reducing domestic and violence and intrafamiliar sexual relations in families of Esteli promot-</p>	<p>Support to behavioural changes in individuals and organizations on issues of domestic and sexual violence, women's rights, child abuse and respect for differences, which affect vulnerable groups of society in the Department of Esteli. The radio as a way to raise awareness is well suited to the characteristics psycho-</p>	<p>The main product of the project, the radio-novela, is sustainable, since any social organisation can access them for free (without payment of intellectual authorship, only naming the source) for transmission by various other radio stations not related to Radio Mundo, in other areas of the country.  In the Department of Esteli, other social organizations: IXCHEN, MIRIAM, AMLAE, Blind Association of Nicara-</p>	<p>200 radio-theater manuscripts were produced scripts, of 15 minutes duration each, recorded by actors transmitted by Radio Stereo Mundo. Emissions are Monday through Friday, once a day, in the afternoon.  The radio-novelas have a massive coverage in the city of Esteli and neighbouring municipalities.</p>

Organisation	Project name / description	Relevance, Compliance and Impact	System of governance, Efficiency and Sustainability	Overall progress of implementation of the intervention and Effectiveness
<p>tudes and social behaviour of gender and social equity, in the Department of Esteli.</p>	<p>ing behavioral changes involving relationships of respect and fairness and a better standard of living for the beneficiaries.</p>	<p>social and cultural needs of the urban and rural population of Nicaragua.</p> <p>It is still too early to know about the impacts of the proposed changes in behavior. However, the Center for Communication has already begun to gather some "life stories" which refer to these changes as a result of listening to the "radio-novelas".</p>	<p>gua, participated indirectly in the development of radio,</p> <p>The production cost of the radio is fully funded by the Embassy of Finland (PYM).</p> <p>The organisation "Communication Center", have other sources of funding and from the experience of this project, is offering similar products to the Supreme Court, to publicise the new Penal Code.</p>	<p>According to a survey of 775 people from the Department of Esteli, the program has an audience of approx. 60% of the population, equivalent to about 80,000 people.</p>
<p><b>Los Pipitos – Capítulo La Trinidad</b> (Founded 1988) Parents' Association and Mothers of Disabled Children Membership and volunteer activities. Currently there are 174 families grouped by interest groups (type of disability of their children). Objectives: Changing social discriminatory behaviour toward people with different abilities.</p>	<p><b>Fortalecimiento de capacidades funcionales de la Asociación y coordinación a nivel municipal.</b> (2007) Objectives: Strengthening member capacities of board members and leaders of support committees.</p>	<p>The project is important as it is raising the level of participation by members (parents) of the Chapter La Trinidad de Los Pipitos at district and neighborhood level and facilitates the rotation of leadership internally.</p>	<p>The "Pipitos Capítulo La Trinidad" is an organization formed by parents of children with disabilities, which are associated and work on a voluntary basis, rotating positions on the management board (election). The project is part of a strategic plan approved by Assembly members.</p> <p>According to reports from field visit produced by the Embassy and by the organization itself, we note that there is a basic level of management capacity (sufficient to manage small funds), which is implemented efficiently.</p> <p>The "Pipitos Capítulo La Trinidad" depends for its regular functioning (attention to disabled children, activities and impact</p>	<p>The project has achieved all planned activities until the time of evaluation.</p> <p>Its weakness lies in the ability of county leaders to replicate the knowledge acquired during the training.</p>

Organisation	Project name / description	Relevance, Compliance and Impact	System of governance, Efficiency and Sustainability	Overall progress of implementation of the intervention and Effectiveness
Prevention and care for disabled people.			of communication) of income from the sale of goods and services and for the most part the input of agencies and organisations for international cooperation ( Handicap International; German Embassy, Embassy of the Netherlands and Finland Embassy, the latter being the most resources brings to Chapter).	
<p><b>ASOPROPCN</b> Asociación Protectora del Patrimonio Cultural Nacional (Founded 2006) Composed of 30 members, residents of Villa Sandino and advised by the Nicaraguan Institute of Culture Objective: Conservation and promotion of cultural tangible and intangible tourism resources in Municipality Villa Sandino</p>	<p>Parque Arqueológico Piedra Pintada. (LCF financing 2007)</p> <p>Objectives:</p> <ol style="list-style-type: none"> <li>1. Protect and preserve the rock paintings and sculptures of the culture of Los Chontales in the Archaeological Park “Piedras pintadas” (works to mitigate the impact of tourism on rock sculptures).</li> <li>2. Promote tourism development of Villa Sandino, around the Archeological Park (construction of infrastructure for tourism).</li> </ol>	<p>The project is relevant in that it is a significant contribution to the preservation of the cultural identity of indigenous Nicaragua, and with respect to economic development of the municipality.</p> <p>It is not yet possible to measure the impact on both aspects, as the preservation work and infrastructure are very recent.</p>	<p>The Association has no permanent employees, its partners (largely professionals) are contributing their work on a voluntary basis for the operation of the organisation.</p> <p>The regular operation and maintenance of the (future) Archaeological Park is expected to be sustainable with the collection of entry fees, selling souvenirs and services.</p> <p>Moreover, the Association has established coordination with:</p> <ol style="list-style-type: none"> <li>1. Municipality, which during 2007 included in its annual budget a contribution to the construction of the park (transport of materials) and considers it important to include it in its development plan.</li> <li>2. Nicaraguan Culture Institute, which sponsors research and inventory of the petroglyphs.</li> <li>3. Nicaraguan Tourism institute, which provided training for 20 Tourist Guides.</li> </ol>	<p>Infrastructure works and the protection of the petroglyphs have been carried out with a slight delay due to weather (extension of the period of rains). It is expected that the work will culminate in April or May, before the new rainy season.</p>

Organisation	Project name / description	Relevance, Compliance and Impact	System of governance, Efficiency and Sustainability	Overall progress of implementation of the intervention and Effectiveness
			<p>4. Asociación of Municipalities in Chontales, which contributes to the administration of the project.</p> <p>The owner of the area where the Park is located, has donated the property to the group (about 5 hectares).</p>	
<p><b>Asociación Civil Emprendedores Juveniles de Nicaragua</b> (Founded 1992) Organización affiliated with the Junior Achievement World-wide. Objective: Development of entrepreneurial skills in young people of 14 to 18 years of age.</p>	<p><b>Empresarios Juveniles de Bluefields</b> (2007).  <b>Objective:</b> Ensure that young people acquire hands on know-how of how to create a business, including the basic principles of operation of a company.</p>	<p>It is relevant in that it is implemented in a region of Nicaragua with a high level of poverty and ethnici exclusiveness (city of Bluefields) whose target group is children and youth.</p> <p>It is not possible to determine the impact of the project on the inclusion of these young people in the business life of the country.</p>	<p>The organization has a lot of experience and ability in administering projects.</p> <p>The prospect of sustainability is very low, given that they are only cooperating with UNICEF programmes, without coordination with local, regional and national policies for support to these entrepreneurs, therefore, there is very little probability of survival of the companies created in youth the project.</p> <p>It made a major effort to translate the Miskito and English (Creole) training materials, which is an element of social sustainability.</p> <p>The input of the Embassy to the Association of Youth Entrepreneurs of Nicaragua, meant 20% of its total funding.</p>	<p>During project implementation, six companies of young entrepreneurs have been formed. The project was implemented only in the city of Bluefields. (Given the high cost of implementation at the rural level).</p>

#### **Annex 4. Literature consulted**

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## **ANNEX 5. Case study analysis**

### **ORGANISATION: IXCHEN (FOUNDED 1989)**

Objective: Women's Integrated health, women's sexual and reproductive rights. Lobbying, education and training related to prevention of domestic violence and women's health (cancer).

### **Project name / description:**

- 1) 2004 "Promoción de los derechos humanos de la mujer.."
- 2) 2005 "Rompiendo barreras"
- 3) 2006: Incidencia para el acceso a la justicia en situaciones de violencia basada en género HQ: Managua

### **Relevance**

Relevant because it strengthens the state system of prevention of domestic violence (support to the police and justice system) at local (comisaria de la mujer y la niñez) and national levels.

### **Compliance/coherence**

It fits well within the local fund strategy of the embassy.

### **Efficiency & Governance**

IXCHEN has a well working administration and long history of implementing projects, which seems to be efficient.

### **Coordination and complementarity**

Agreements have been with ombudsman (Procuraduría especial de la mujer), national police, to strengthen the coordination between the institutions, and networking with other women's institutions.

### **Overall progress of implementation of the intervention and Effectiveness**

The main results have been: 1) the training and awareness raising of the police corps means that violence is not accepted (inside the police corps it is now cause for dismissal if police is involved in rape/violence against women). 2) Promotion of Interinstitutional coordination between the institutions which permits violence to be reported, cases raised and sanctions processed. 3) IXCHEN has succeeded in changing the penal code, so that rape is now considered a crime.

### **Impact**

Impact is not monitored, but judging from the results achieved the impact is substantial (only some of which can be attributed to the LCF support).

### **Sustainability**

The project/s funded by the LCF (2006) represents 5% of the total budget of IXCHEN, it functions with 55% own funds (deriving from service provisions).

**ORGANISATION: FUNDACIÓN LIBROS PARA NIÑOS (1993).**

Objective: Contribute to the integrated development of children of the region by stimulation of imagination, creativity and personal dreams through reading of books. Central office Jinotepe, 7 employees, 1 sub-HQ in Ocotal.

**Project name / description:**

2007 “Rincones de cuentos”, (USD 82,000). The Project aims to create 5 “story corners” for kids per year and strengthening of the existing 8 “Rincones”. The project is relevant for the beneficiaries because it strengthens the desire to read, learn and form opinions thereby strengthening public opinion and enabling democratic development in Nicaragua.

**Relevance**

The project is relevant for the beneficiaries because it strengthens the desire to read, learn and form opinions thereby strengthening public opinion and enabling democratic development in Nicaragua.

**Compliance/coherence**

It fits well within the LCF strategy of the embassy (children), and the new policies of the MFA.

**Efficiency & governance**

There is a system of follow-up in place in support of the centres (“rincones”), which are all established with different local counterparts (foundations e.g. Fundeco, cooperatives (there is one old “CAS” (Sandinista cooperative) counterpart), associations etc. There is one trained responsible for each organisation’s “rincon”. Libros para Niños (LpN) monitors quantitative data only (register of kids, no. of attendants etc.) and trends in participation are noted. There are no impact indicators, but a consultant is to be contracted in 2008 to facilitate generation of qualitative indicators.

**Coordination and complementarity**

The project reaches a large number of beneficiaries at regional level, although the organisation has a national level outreach, mainly through sale of children’s books.

**Overall progress of implementation of the intervention and Effectiveness**

Communities have adopted space for kids to acquire skills in reading, widen their knowledge, and have a meaningful recreational space, which is normally non-existent in Nicaragua.

The poorest segments of the population are targeted (the centres in the north are the poorest communities in Nicaragua e.g. Nueva Segovia). Books produced are being bought at a price, national programmes have incorporated LpN books in school libraries.

**Impact**

It could potentially have a considerable impact in the longer term, because it addresses a fundamental need in Nicaragua, in which there is little culture for reading. The love of reading can be fundamental in creating the conditions for development, which is not addressed by bilateral programmes, and ultimately this will contribute to democratisation.

**Sustainability**

The Project constituted 20% of the total budget of LpN. Importantly LpN produces and publishes their own books (2000 each printing) of which half is donated to the corners, half is sold at a profit. Income from this was \$75,000 in 2007. There is no intention to become financially sustainable, but new private partners (commercial businesses) are now also contributing funds, and this is expected to expand. There is a high degree of ownership by the beneficiaries.

**ORGANISATION: APIMUNIC (ASOCIACIÓN POR LA IGUALDAD DE LA MUJER EN NICARAGUA) (2005)**

Objective: APIMUNIC/PRONAT promotes equality by providing girls and women with employable skills and giving them an insight into human rights thereby boosting their self-esteem.

**Project name / description:**

PRONAT (2007) arranges ten-month courses in computing, sewing and English for female students for free.

**Relevance**

The project is relevant to the beneficiaries because it provides them with potential means of improve their incomes and standing in society.

**Compliance/coherence**

The project is targeting the poorest groups of young people around Granada, which is directly in line with the embassy's strategy (support to vulnerable groups).

**Efficiency &governance**

Follow-up of the participants in the courses and no. of courses, but no impact data are being collected. There is no assessment of the trained pupils in terms of their achieving employment after courses, but contact is continuing with several of the beneficiaries. Courses in beauty parlours have been scrapped because there is higher probability of the beneficiaries to get employment after e.g. a sewing course (several have been employed by "maquilas").The organisation is new, and presently weak, with a low skill level and in need of planning capacity, but training was not included in the project. The accountant, a volunteer who was a member of the board, resigned, causing temporary problems.

**Coordination and complementarity**

The project is complementary to earlier Finnish assistance, as it addresses women's rights.

**Overall progress of implementation of the intervention and Effectiveness**

The courses are sought after and have been filled each year. Similar courses are offered by e.g. Casa de la mujer, but they charge a fee, which gives Pronat a comparative advantage. The courses seem to have been effective and carried out as planned, with good participation. English classes depend on volunteers and.

**Impact**

The total number trained is limited, and impact is perceived as limited.

**Sustainability**

Although clothes produced are sold by the women, and a part is retained by the organisation, there is little perspective for financial sustainability. Finnish embassy covers 95% of the budgeted costs, if this disappears, activities have to be reduced.

**ORGANISATION: FIDEG (FUNDACIÓN INTERNACIONAL PARA EL DESAFÍO ECONÓMICO GLOBAL), (1990)**

Objective: FIDEG promotes socioeconomic development, poverty reduction, equal rights and reduction in the gap between rich and poor, through economic research and provision of socioeconomic data to the civil society and government organisations, including training and service provision/consulting.

**Project name / description:**

“Observatorio de la apertura comercial y la integración económica (componente divulgación e incidencia) en Nicaragua” part financing of the lobbying and dissemination \$ 32,000 (2007). Specifically the Project aims at disseminating information of the free trade agreements and commercial opening in Nicaragua to the benefit of 5 vulnerable farmer groups and entrepreneurs in the northern regions, and advice on the application of the information to serve as basis for improved export of their products.

**Relevance**

Although the theme is relevant, the project activities (presentation of the CAFTA information and training modules) seems out of context, or too limited in its scope to be of real value to the beneficiaries.

**Compliance/coherence**

The objectives are in line with the Finnish development policy (but not the LCF strategy), but addresses a highly relevant issue in the Nicaraguan context, i.e. the challenges of exporting in a globalised market. Most of the attendants in the training sessions were also women.

**Efficiency &governance**

The project is implemented by highly motivated staff, but it seems with little experience in project development and participatory processes with groups of very poor farmers.

**Coordination and complementarity****Overall progress of implementation of the intervention and Effectiveness**

The project has carried out all planned activities as set out in the project document i.e. training of five groups in the free trade agreements. Specifically, surveys have been made with each of the groups to determine their basic economic and social indicators. Subsequently 3 workshops were held with each group, and then the leader of each group were trained to continue support of the groups through a manual of how to export products. Subsequently, the results were published in the “Observador Economico”.

**Impact**

It appears that the target group has not really been selected among the people who are affected directly by the treaty on free trade, it would be more appropriate to target groups who have a concrete demand for addressing problems related to the free trade agreement otherwise the training sessions become too theoretical and with potentially little impact, particularly also because no clear indicators have been set to measure how the outcome of the trainings will promote a change from the initial to the final expected situation.

**Sustainability**

It is not demand driven and the perspective of sustainability is questionable. Also, the cost-benefit ratio has been questioned, e.g. the project has spent about 200 EUR per participant in the training courses.

**ORGANISATION: CENTRO DE COMUNICACIÓN E INVESTIGACIÓN PARA EL DESARROLLO SOCIAL “MUNDO” (FOUNDED 2002)**

Objective: Provide educational and socially oriented services with the aim of contributing to the development of society, especially changes in attitudes and social behavior of gender and social equity, in the Department of Esteli.

**Project name / description:**

El Mundo en la Canción – “Radioteatro” aiming at reducing family violence. Project financed by the LCF in 2007.

**Relevance**

Support to behavioural changes in individuals and organizations on issues of domestic and sexual violence, women's rights, child abuse and respect for differences, which affect vulnerable groups of society in the Department of Esteli.

The radio as a way to raise awareness is well suited to the characteristics psycho-social and cultural needs of the urban and rural population of Nicaragua.

**Compliance/coherence**

The goal of the project is to have an impact on reducing domestic and violence and intrafamilial sexual relations in families of Esteli promoting behavioural changes involving relationships of respect and fairness and a better standard of living for the beneficiaries, thereby it complies with Finnish cross-cutting issues and policies.

**Efficiency & governance****Coordination and complementarity**

In the Department of Esteli, other social organizations: IXCHEN, MIRIAM, AMLAE, Blind Association of Nicaragua, participated indirectly in the development of radio,

**Overall progress of implementation of the intervention and Effectiveness**

200 radio-theater manuscripts were produced scripts, of 15 minutes duration each, recorded by actors transmitted by Radio Stereo Mundo. Emissions are Monday through Friday, once a day, in the afternoon. The radio-novelas have a massive coverage in the city of Esteli and neighbouring municipalities. According to a survey of 775 people from the Department of Esteli, the program has an audience of approx. 60% of the population, equivalent to about 80,000 people.

**Impact**

It is still too early to know about the impacts of the proposed changes in behavior. However, the Center for Communication has already begun to gather some "life stories" which refer to these changes as a result of listening to the “radio-novelas”.

**Sustainability**

The production cost of the radio is fully funded by the Embassy of Finland (PYM).

However, the main product of the project, the radio-novela, is sustainable, since any social organization can access them for free (without payment of intellectual authorship, only naming the source) for transmission by various other radio stations not related to Radio Mundo, in other areas of the country.

The organisation “Communication Center”, have other sources of funding and from the experience of this project, is offering similar products to the Supreme Court, to publicise the new Penal Code.

**ORGANISATION: LOS PIPITOS – CAPÍTULO LA TRINIDAD (FOUNDED 1988)**

Parents' Association and Mothers of Disabled Children. Objectives: Changing social discriminatory behaviour toward people with disabilities. Prevention and care for disabled people. They have membership and count on volunteer activities. Currently there are 174 families grouped by interest groups (type of disability of their children).

**Project name / description:** "Fortalecimiento de capacidades funcionales de la Asociación y coordinación a nivel municipal." (2007)

Objectives: Strengthening member capacities of board members and leaders of support committees (at local level).

### **Relevance**

The project is important as it is raising the level of participation by members (parents) of the Chapter La Trinidad de Los Pipitos at district and neighborhood level and facilitates the rotation of leadership internally.

### **Compliance/coherence**

### **Efficiency & governance**

According to reports from field visit produced by the Embassy and by the organisation itself, we note that there is a basic level of management capacity (sufficient to manage small funds), which is implemented efficiently. The “Pipitos Capítulo La Trinidad” is an organization formed by parents of children with disabilities, which are associated and work on a voluntary basis, rotating positions on the management board (election). The project is part of a strategic plan approved by Assembly members.

### **Coordination and complementarity**

### **Overall progress of implementation of the intervention and Effectiveness**

The project has achieved all planned activities until the time of evaluation.

### **Impact**

Its weakness lies in the ability of county leaders to replicate the knowledge acquired during the training.

### **Sustainability**

The “Pipitos Capítulo La Trinidad” depends for its regular functioning (attention to disabled children, activities and impact of communication) of income from the sale of goods and services and for the most part the input of agencies and organisations for international cooperation ( Handicap International; German Embassy, Embassy of the Netherlands and Finland Embassy, the latter being the most resources brings to “Pipitos Capítulo La Trinidad”).

### **ORGANISATION: ASOPROPCN ASOCIACIÓN PROTECTORA DEL PATRIMONIO CULTURAL NACIONAL (FOUNDED 2006)**

Composed of 30 members, residents of Villa Sandino and advised by the Nicaraguan Institute of Culture

Objective: Conservation and promotion of cultural tangible and intangible tourism resources in Municipality Villa Sandino Parque Arqueológico Piedra Pintada. (LCF financing 2007)

### **Project Name / Description:** Proyecto Arqueologico En El Municipio De Villa Sandino

1. Protect and preserve the rock paintings and sculptures of the culture of Los Chontales in the Archaeological Park “Piedras pintadas” (works to mitigate the impact of tourism on rock sculptures).
2. Promote tourism development of Villa Sandino, around the Archeological Park (construction of infrastructure for tourism).

### **Relevance**

The project is relevant in that it is a significant contribution to the preservation of the cultural identity of indigenous Nicaragua, and with respect to economic development of the municipality.

### **Compliance/coherence**

### **Efficiency & governance**

The Association has no permanent employees, its partners (largely professionals) are contributing their work on a voluntary basis for the operation of the organisation, Administration is done in a professional manner, mainly due to the education level of the founder. All workers participating in the project are paid salaries included in the project budget..

### **Coordination and complementarity**

The Association has established coordination with:

1. Municipality, which during 2007 included in its annual budget a contribution to the construction of the park (transport of materials) and considers it important to include it in its development plan.
2. Nicaraguan Culture Institute, which sponsors research and inventory of the petroglyphs.
3. Nicaraguan Tourism institute, which provided training for 20 Tourist Guides.
4. Asociación of Municipalities in Chontales, which contributes to the administration of the project.

### **Overall progress of implementation of the intervention and Effectiveness**

The project is progressing well and is expected to produce the expected results. Infrastructure works and the protection of the petroglyphs have been carried out with a slight delay due to weather (extension of the period of rains). It is expected that the work will culminate in April or May, before the new rainy season.

### **Impact**

It is not yet possible to measure the impact on both the rock painting preservation and the tourism development, as the preservation work and infrastructure are very recent.

### **Sustainability**

The regular operation and maintenance of the (future) Archaeological Park is expected to be sustainable with the collection of entry fees, selling souvenirs and services. The owner of the area where the Park is located, has donated the property to the group (about 5 hectares).

## **ORGANISATION: ASOCIACIÓN CIVIL EMPRENEDORES JUVENILES DE NICARAGUA (FOUNDED 1992)**

Organisation affiliated with the junior achievement worldwide, with the aim of development of entrepreneurial skills in young people of 14 to 18 years of age.

### **Project name / description:**

Empresarios Juveniles de Bluefields (2007). Objective: Ensure that young people acquire hands on know-how of how to create a business, including the basic principles of operation of a company.

### **Relevance**

It is relevant in that it is implemented in a region of Nicaragua with a high level of poverty and ethnic exclusiveness (city of Bluefields) whose target group is children and youth.

### **Compliance/coherence**

### **Efficiency & governance**

The parent organization has a lot of experience and ability in administering projects.

### **Coordination and complementarity**

### **Overall progress of implementation of the intervention and Effectiveness**

During project implementation, six companies of young entrepreneurs have been formed.

The project was implemented only in the city of Bluefields. (Given the high cost of implementation at the rural level). It made a major effort to translate the Miskito and English (Creole) training materials, which is an element of social sustainability.

**Impact**

It is not possible to determine the impact of the project on the inclusion of these young people in the business life of the country.

**Sustainability**

The prospect of sustainability is very low, given that they are only cooperating with UNICEF programmes, without coordination with local, regional and national policies for support to these entrepreneurs, therefore, there is very little probability of survival of the companies created in youth the project. The input of the Embassy to the Association of Youth Entrepreneurs of Nicaragua, was about 20% of its total funding.