

Evaluation

Development Cooperation with Ethiopia 2000–2008



Evaluation report 2010:2

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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- SPECIAL EDITION
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ISBN: 978-951-724-670-5 (print), ISBN: 978-951-724-671-2 (pdf), ISSN: 1235-7618
- SPECIAL EDITION
2008:1 (FI) FAO: Haasteena uudistuminen. Lyhennelmä
ISBN: 978-951-724-655-2 (painettu), ISBN: 978-951-724-659-0 (pdf), ISSN: 1235-7618
- SPECIAL EDITION
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ISBN: 978-951-724-657-6 (printed), ISBN: 978-951-724-661-3 (pdf), ISSN: 1235-7618

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**Finland's Development Cooperation
with Ethiopia 2000–2008**

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Mattias Nordström

with contributions from

Oyvind Eggen
Sigrun Aasland

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MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

This evaluation was commissioned by Ministry for Foreign Affairs of Finland to Pöyry AS.

The Consultants bear the sole responsibility for the contents of the report.

The report does not necessarily reflect the views of
the Ministry for Foreign Affairs of Finland.

This report can be accessed at <http://formin.finland.fi>
and hard copies can be requested from eva-11@formin.fi
or

Development Evaluation (EVA-11)
The Ministry for Foreign Affairs of Finland
P.O. Box 512
FI-00023 GOVERNMENT
Finland

ISBN 978-951-724-839-6 (printed)

ISBN 978-951-724-840-2 (pdf)

ISSN 1235-7618

Cover photo: Addis Ababa Staff of Special Education Project

Layout: Taittopalvelu Yliveto Oy

Cover design: Anni Palotie

Printing house: Kopijyvä Oy, Jyväskylä, 2010

Translation from English to Swedish: PasaNet Oy

Anyone reproducing the content or part of the content of the report should acknowledge the source. Proposed reference: Borchgrevink A, Poutiainen P, Kahsay T W & Nordström M with contributions from Eggen O & Aasland S 2010 *Evaluation of Finland's Development Cooperation with Ethiopia 2000–2008*. Evaluation report 2010:2. Ministry for Foreign Affairs of Finland, Kopijyvä Oy, Jyväskylä, 85 p.
ISBN 978-951-724-839-6 (printed).

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PREFACE

The purpose of this evaluation was to assess all aspects of the Finnish development cooperation in Ethiopia: the development needs, policies and political, economic and social situation. Moreover, the Ministry expected to get a judgment of impact and effectiveness of Finnish aid and informed views about possible best practices developed in the Finnish projects.

The evaluation was carried out by a Norwegian company Pöyry AS with Mr. Axel Borchgrevink as Team Leader and a team of five key experts. The methodology chosen by the evaluators for assessment of all development actions and focusing the assessment against the Ethiopian realities was welcome and successful.

Especially the water sector support has achieved significant positive development impacts through an innovative Community Development Fund (CDF), where the communities are owners and the government acts as facilitator. The mechanism is now being replicated in Ethiopia after the Government approved CDF as one of the two main financing methods in the water and sanitation sector.

In education – the other main sector of the Finnish aid – positive results have been achieved through the sector-wide programme jointly supported by several donors. The role of Special education remains still challenging. The evaluation discusses also issues related to the NGO cooperation and Humanitarian aid to Ethiopia.

The evaluation was planned to be conducted parallel with the evaluation of the European Commission's country programme with Ethiopia. This could not be realized for reasons of different scales and time schedules.

Helsinki, 26 May 2010

Aira Päivöke
Director
Development Evaluation

ACRONYMS

ACSI	Amhara Credit and Savings Institution
ADLI	Agricultural Development-Led Industrialization
ANRS	Amhara National Regional State
ARM	Annual Review Mission
AU	African Union
BG	Benishangul-Gumuz
BoFED	Bureau of Finance and Economic Development
BPR	Business Process Reengineering
CDF	Community Development Fund
CIMO	Centre for International Mobility
CSA	Central Statistical Agency of Ethiopia
CSO	Civil Society Organization
DASSC	Development and Social Service Commission
DAG	Development Assistance Group
DFID	Department for International Development (UK)
DOL	Division of Labour
DRMFSS	Disaster Risk Management and Food Security Sector
EC	European Commission
EECMY	Ethiopian Evangelical Church Mekane Yesus
EHRCO	Ethiopian Human Rights Council
ELIP	English Language Improvement Programme
ENCOM	Eastern Nile Council of Ministers
ENSAP	Eastern Nile Subsidiary Action Plan
ENTRO	Eastern Nile Technical Regional Office
EPG	Ethiopian Partners Group
EPRDF	Ethiopian People's Revolutionary Democratic Front
ESD	Education Sector Development
ESDP	Education Sector Development Programme
EU	European Union
EUWI	European Union Water Initiative
EWNRA	Ethio Wetlands and Natural Resources Association
EWLA	Ethiopian Woman Lawyers Association
FAO	Food and Agriculture Organization of the United Nations
FDRE	Federal Democratic republic of Ethiopia
FELM	Finnish Evangelical Lutheran Mission
FIM	Finnish Markka
FMS	Financial Management System
FWASHBG	Finland Water, Sanitation and Hygiene Benishangul Gumuz project
GEF	Global Environment Facility
GoE	Government of Ethiopia
GEQIP	General Education Quality Improvement Programme

HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
HRBA	Human Rights Based Approaches
HRD	Human Resources Development
ICI	Institutional Cooperation Instrument
ICRC	International Committee of the Red Cross/Red Crescent
ICT	Information and communication technology
IDEN-WM	Integrated Development of Eastern Nile – Watershed Management
IEC	Information, Education and Communication
IGAD	Inter-Governmental Authority on Development
INGO	International Non-governmental Organization
ISP	Institutional Strengthening Programme
IWRM	Integrated Water Resources Management
JTR	Joint Technical Review
JRM	Joint Review Mission
KIOS	Kansalais-järjestöjen ihmisoikeussäätiö
LAMP	Leadership and Management Programme
LCF	Local Cooperation Fund
M&E	Monitoring and evaluation
MDGs	Millennium Development Goals
MEUR	Millions of Euro
MFA	Ministry for Foreign Affairs, Finland
MoE	Ministry of Education
MoFED	Ministry of Finance and Economic Development
MoU	Memorandum of Understanding
MoWR	Ministry of Water Resources
MTR	Mid-Term Review
NBI	Nile Basin Initiative
NBTF	Nile Basin Trust Fund
NGO	Non-governmental organization
NPA	Norwegian People's Aid
OCHA	United nations Office for the Coordination of Humanitarian Affairs
ODA	Official Development Aid
OECD/DAC	The Development Assistance Committee of the Organisation of Economic Co-operation and Development
PASDEP	Plan for Accelerated and Sustained Development to End Poverty in Ethiopia
PBS	Protection of Basic Services Programme
PIM	Project Implementation Manual
PSNP	Productive Safety Net Programme
PYM	Paikallisen Yhteistyön Määrärahoilla
REILA	Responsible, Entry-level and Innovative Land Administration
RWSEP	Rural Water Supply, Sanitation and Environmental Programme
RWSS	Rural Water Supply and Sanitation

SAP	Subsidiary Action Programme
SARDP	SIDA Amhara Rural Development Programme
SCF	Save the Children Finland
SDDP	Smallholder dairy Development Project
Sida	Swedish International Development Agency
SLM	Sustainable Land Management
SNE	Special Needs Education
TA	Technical Assistance
TBGC	Tana Beles Growth Corridor
TBIWRDP	Tana-Beles Integrated Water Resource Development Programme
TB WME	Tana-Beles Watershed Monitoring and Evaluation
TDP	Teacher Development Programme
TESO	Teacher Education System Overhaul
TF	Trust Fund
TOR	Terms of Reference
TPLF	Tigray People's Liberation Front
UAP	Universal Access Programme
UK	United Kingdom
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
US	United States
USA	United States of America
USD	United States Dollar
WASH	Water, Sanitation and Hygiene
WASHCO	Water Sanitation and Hygiene Committee
WB	World Bank
WBTF	World Bank Trust Fund
WFP	World Food Programme
WHO	World Health Organization
WP	Water Point
WSG	Woreda Support Group
WSP	Water Sector Policy

Evaluointi Suomen Kehitysyhteistyöstä Etiopian kanssa 2000–2008

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Mattias Nordström, sekä Oyvind Eggen ja Sigrun Aasland*

Ulkoasiainministeriön evaluointiraportti 2010:2

ISBN 978-951-724-839-6 (painettu); ISBN 978-951-724-840-2 (pdf);
ISSN 1235-7618

Raportti on luettavissa kokonaisuudessaan <http://formin.finland.fi>

TIIVISTELMÄ

Evaluaation tarkoituksena oli arvioida Suomen Etiopiassa vuosina 2000–2008 toteutetun kehitysyhteistyön tarkoituksenmukaisuutta, tehokkuutta, tuloksellisuutta, vaikeuttavuutta ja kestävyyttä. Evaluaatio käsittää kaikki Suomen avun muodot: kahdenvälisen, monenvälisen, suomalaisten kansalaisjärjestöjen kautta toteutettavan ja Etiopian kansalaisjärjestöille suunnattavan avun, humanitaarisen avun ja muiden instrumenttien käytön. Evaluaatiossa tarkastellaan myös ulkoasiainministeriön hallintokäytäntöjä.

Työ perustuu asiakirjojen tutkintaan, Suomessa ja Etiopiassa toteutettuihin haastatteluihin ja kenttätöihin. Keskeisimmät johtopäätökset ovat seuraavat:

Suomen kehitysyhteistyö Etiopiassa vuosina 2002–2008 on ollut tarkasti suunnattua, johdonmukaista, tarkoituksenmukaista ja Etiopian köyhyyden vähentämisstrategian mukaista. Se on rakentunut suomalaisen erityisosaamisen aloille edistäen siten suomalaista lisäarvoa kahdella yhteistyön pääsektorilla. Kokonaisuudessaan kehitysyhteistyö on ollut suhteellisen tehokasta. Toiminnan vaikuttavuus vesisektorilla on ollut erityisen merkittävää. Evaluaatiossa esitetyn näkemyksen mukaan kehitysyhteistyön tulosten kestävyyttä voidaan pitää tyydyttävänä.

Vaikka Suomi on yleisesti ottaen ollut vahva harmonisoinnin ja yhdenmukaistamisen edistäjä, tätä vaikutelmaa saattaa heikentää kahden rahoitustavan rinnakkainen käyttö eli avun kanavointi Maailmanpankin rahastolle rinnan bilateraalisen avun kanssa. Evaluaatio suosittaa, että rinnakkaista rahoitustapaa käytetään ainoastaan väliaikaisesti ja että Maailmanpankin kautta kanavoitu rahoitus kohdennetaan hallituksen kapasiteetin kehittämiseen, erityisesti hankinnoissa. On kuitenkin huomattava, että Suomen rinnakkainen bilateraalinen projekti täydentää Maailmanpankin ohjelmaa, josta puuttuu hallituksen monitorointi- ja evaluaatiokapasiteetin vahvistaminen, johon Suomen rahoitus on kohdennettu.

Suomen kehitysyhteistyötoiminnan seurannassa ja evaluaatiossa on merkittäviä heikkouksia, ja siksi suositellaan että niiden vahvistamiseen kiinnitetään erityishuomiota.

Avainsanat: evaluaatio, kehitysyhteistyö, Suomi, Etiopia

Utvärdering av Finlands Utvecklingsamarbete med Etiopien 2000–2008

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Utrikesministeriets utvärderingsrapport 2010:2

ISBN 978-951-724-839-6 (print); ISBN 978-951-724-840-2 (pdf);
ISSN 1235-7618

Rapporten finns i sin helhet på adressen <http://formin.finland.fi>

ABSTRAKT

Denna utvärdering har beställts av Finlands utrikesministerium för att få en utvärdering av Finlands utvecklingssamarbete med Etiopien i fråga om relevans, effektivitet, verkan, inflytande och hållbarhet under perioden 2000–2008. Utvärderingen gäller alla delar av Finlands bistånd till Etiopien: bilateralt, multilateralt, bistånd genom finländska icke-statliga organisationer, till det civila samhällets organisationer i Etiopien, humanitärt bistånd och användning av andra instrument. Utvärderingen angår också utrikesministeriets förvaltningspraxis. Arbetet baserar sig på en dokumentanalys, intervjuer och fältbesök. Nedan presenteras några av de viktigaste slutsatserna:

Totalt sett var Finlands utvecklingssamarbete med Etiopien 2000–2008 starkt koncentrerat, relativt koherent och mycket relevant. Det har reagerat på de etiopiska strategierna för bekämpning av fattigdomen och har, genom att använda specifikt finländskt expertkunnande, tillfört finländskt mervärde i de två huvudsakliga samarbetsområdena. Som helhet har utvecklingssamarbetet varit relativt effektivt och verksamt. Inflytandet på vattenområdet har varit speciellt betydande. Utvärderingen påvisar att hållbarheten av utvecklingssamarbetets effekter är tillfredsställande.

Fastän Finland i allmänhet varit en stark förespråkare för harmonisering och främjandet av partnerländernas egna utvecklingsplaner kan denna profil försvagas av den ökade användningen av dubbla finansieringsmodeller och den allmänna kanaliseringen av biståndet via Världsbankens fonder. I utvärderingen rekommenderas att dubbelfinansiering endast används som en temporär åtgärd och att finansiering via Världsbanken inriktas på regeringens kapacitetsuppbyggnad i synnerhet med avseende på upphandling. Det bör dock noteras att Finlands parallella bilaterala projekt kompletterar Världsbankens projekt som saknar inslag för att förstärka uppföljnings- och utvärderingskapaciteten på regeringsnivå. Finlands finansiering inriktar sig just på det-

ta inslag. Stora svagheter förekommer inom uppföljningen och utvärderingen av Finlands utvecklingssamarbete. Utvärderingen rekommenderar att särskild tonvikt läggs vid att förbättra dessa områden.

Nyckelord: utvärdering, utvecklingssamarbete, Finland, Etiopien

Evaluation of Finland's Development Cooperation with Ethiopia 2000–2008

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Evaluation report of the Ministry for Foreign Affairs of Finland 2010:2

ISBN 978-951-724-839-6 (printed); ISBN 978-951-724-840-2 (pdf);
ISSN 1235-7618

The full report can be accessed at <http://formin.finland.fi>

ABSTRACT

The present evaluation was commissioned by Finland's Ministry for Foreign Affairs, in order to obtain an assessment of the relevance, efficiency, effectiveness, impact and sustainability of Finland's development cooperation with Ethiopia in the period 2000–2008. All elements of Finland's aid to Ethiopia are covered: bilateral, multilateral, Finnish NGOs, support to Ethiopian civil society organizations, humanitarian assistance, and the use of other instruments. The evaluation also assesses the management practices of the Ministry for Foreign Affairs.

The evaluation is based on a document study, interviews and field visit. The following are among the main conclusions:

Overall, Finland's development cooperation with Ethiopia 2000–2008 has been tightly focused, relatively coherent and highly relevant. It has responded to the Ethiopian poverty reduction strategies and has built on specific Finnish expertise, thus contributing to Finnish added value in the two main sectors of cooperation. Seen as a whole, the development cooperation has been reasonably efficient and effective. Its impacts in the water sector have been particularly significant. The evaluation deems the sustainability of the impacts of the development cooperation to be satisfactory.

While Finland generally has been a strong promoter of harmonization and alignment, the practice of dual funding structures may weaken this profile i.e. the simultaneous use of World Bank trust funds and bilateral project for channelling aid. The evaluation recommends that dual funding is only used as a transitional measure, and that funding through the World Bank be targeted at government capacity building, particularly with regard to procurement. However, it should be noted that Finland's parallel bilateral project complements that of the World Bank, which lacks the strengthening

of the government's monitoring and evaluation capacity, which is the central element of the Finnish bilateral project. There are significant weaknesses in the monitoring and evaluation of Finland's development cooperation and it is recommended that special attention be paid to improving these areas.

Key words: evaluation, development cooperation, Finland, Ethiopia

YHTEENVETO

Evaluaatiossa arvioidaan Suomen Etiopiassa vuosina 2000–2008 toteuttaman kehitysyhteistyön tarkoituksenmukaisuutta, tehokkuutta, tuloksellisuutta, vaikutuksia ja kestävyyttä. Lisäksi siinä tarkastellaan saatuja kokemuksia ja annetaan suosituksia tulevaista kehitysyhteistyöstä Etiopiassa. Evaluaatiossa tarkastellaan myös kysymyksiä, jotka liittyvät avun harmonisointiin ja täydentävyyteen ja analysoidaan kehitysyhteistyötä erityisesti Etiopian tarpeiden ja toimintalinjojen pohjalta. Evaluaatio kattaa kaikki Suomen avun muodot: kahdenvälisen, monenvälisen, suomalaisten kansalaisjärjestöjen kautta toteutettavan ja Etiopian kansalaisjärjestöille suunnattavan avun, humanitaarisen avun, ja muiden instrumenttien, kuten institutionaalisen yhteistyön instrumentin, käytön. Evaluaatiossa tarkastellaan myös ulkoasiainministeriön hallintokäytäntöjä.

Evaluaation toteutti Pöyry AS lokakuun 2009 ja toukokuun 2010 välisenä aikana. Asiakirjojen tutkintaan ja Helsingissä marras-joulukuussa 2009 tehtyihin haastatteluihin perustuva väliraportti valmistui helmikuussa 2010. Kenttätyö Etiopiassa toteutettiin maaliskuun kolmen ensimmäisen viikon aikana. Sen päätteeksi alustavat löydökset esiteltiin Suomen lähetystössä Addis Abebassa.

Yleisesti ottaen Suomen kehitysyhteistyö Etiopiassa vuosina 2002–2008 on ollut tarkasti suunnattua, johdonmukaista ja tarkoituksenmukaista sekä vastannut Etiopian köyhyyden vähentämisstrategian tavoitteita. Se on rakentunut suomalaisen erityisosaimisen aloille edistäen siten suomalaista lisäarvoa kahdella yhteistyön pääsektorilla. Kokonaisuudessaan kehitysyhteistyö on ollut suhteellisen tehokasta, ja toiminnan vaikuttavuus vesisektorilla on ollut merkittävää. Toimintojen kestävyttä voidaan pitää tyydyttävänä.

Vesi. Evaluaatiojakson aikana toiminnot vesisektorilla ovat laajentuneet yhdestä veteen, sanitaatioon ja hygieniaan keskittyvästä hankkeesta (WASH) laajamuotoiseksi ohjelmaksi. Siihen sisältyy vesiresurssien hallinnoinnin ja maahallinnon lisäksi näiden alojen kasvuun liittyviä toimintoja. Tämä ylittää perinteisen vesisektorin rajat, mutta ohjelma on kuitenkin kokonaisuutena yhtenäinen, erityisesti siksi, että sen maantieteellinen painopiste on rajattu selkeästi kahteen naapurilääniin. Myös varsinaiset hanketoinnot ja toimintalinjojen kehittäminen on saatu keskenään tasapainoon. Community Development Fund (CDF) -rahoitusmalli perustuu Etiopian kontekstissa erityisen laajamittaiseen kyläyhteisöjen ja yksityisen sektorin osallistumiseen. CDF-malli on ollut erittäin onnistunut ja saanut erityisen korkeat pisteet tehokkuudesta, tuloksellisuudesta, vaikuttavuudesta ja kestävydestä. Mallia ollaan nyt ottamassa laajempaan käyttöön niin Etiopian hallituksen kuin UNICEFinkin toimesta, mikä osaltaan vaikuttaa koko vesi-, sanitaatio- ja hygieniasektorin yleiseen kehittymiseen Etiopiassa. Mallin ottaminen laajempaan käyttöön on tervetullutta, mutta tuo mukanaan myös uusia haasteita. ENTROLle annettu tuki on onnistunut esimerkki sellaisesta valmiuksien kehittämisestä, johon liittyy myös Nilin vesiresurssien hallinnointia (Nile Basin Initiative) koskeva

merkittävä alueellinen ulottuvuus. Teknisten ja alueelliseen turvallisuuteen liittyvien näkökohtien yhdistäminen on mahdollistanut Suomen osallistumisen alueen turvallisuutta ja teknisiä näkökohtia koskevaan keskusteluun. Muiden toimintojen osalta tulosten arviointi on liian aikaista.

Koulutus. Evaluaatiojakson aikana käytössä on ollut varsinaisesti kaksi kanavaa: 1) usean avunantajan yhteistyöohjelman rahoitus; ohjelman tarkoituksena on ollut koulutuksen laadun parantaminen (TDP-ohjelma, jonka laajempi GEQIP-ohjelma korvasi vuonna 2009) ja 2) kahdenvälinen erityisopetuksen tekninen asiantuntijaohjelma (SNE). Molemmat kanavat ovat olleet erittäin tarkoituksenmukaisia. TDP:ssä on ollut vakavia hallintoon liittyviä ongelmia, jotka ovat ilmenneet raportoinnin heikkoutena ja varsinaisiin tuloksiin liittyvän tiedon puutteena. Tämän vuoksi toimintojen tehokkuutta ei voida varsinaisesti arvioida, mutta oletettavasti niiden tehokkuus on ollut vähäinen. On kuitenkin selvää, että ohjelmalla on ollut merkittävä vaikutus opettajankoulutuksen muuttamiseen systemaattisemmaksi, ja ohjelman avulla on myös käynnistetty aktiivisempia oppimismalleja edistävien koulutusmetodien kehittäminen. Suppeammasa SNE-ohjelmassa keskitytään alaan, jonka tarpeet ovat merkittävät ja jolla ei ole muita avunantajia. Lisäksi apu voidaan perustaa Suomen osaamiseen ja pitkäaikaiseen vuorovaikutukseen Etiopian koulutussektorin kanssa. Vaikka ohjelma on ollut merkittävä pitäessään erityisopetusta esillä ja johtanut opetusministeriön erityisopetusstrategian kehittämiseen, sen kokonaisvaikutus on kyseenalainen. SNE- ja GEQIP-ohjelmien välistä synergiamahdollisuutta ei ole täysin hyödynnetty. Koulutukseen liittyvien ohjelmien taloudellisen aseman vakiinnuttaminen pitkällä aikavälillä on eittämättä hankalaa. Hallitus on kuitenkin asettanut koulutuksen etusijalle niin hallituksen toimintalinjauksissa kuin budjetissakin, mikä on paras mahdollinen tae jatkuvuudesta.

Kansalaisyhteiskunta. Niin suomalaisten kansalaisjärjestöjen kuin paikallisen yhteistyön määrärahojen (PYM) kautta kanavoitu tuki on erittäin tarkoituksenmukaista ja sopuisuudessa Suomen kehitysyhteistyön kanssa. Hankkeet ovat ilmeisen onnistuneesti saavuttaneet tavoitteensa. Rajoitukset, joita uusi kansalaisjärjestölaki asettaa kansalaisjärjestöjen ajamille tavoitteille, saattavat merkitä näiden järjestöjen vaikutusmahdollisuuksien vähentymistä tulevaisuudessa. Tämä saattaa pakottaa harkitsemaan PYM-strategiaa uudelleen.

Humanitaarinen apu. Apu on ollut tarkoituksenmukaista, nopeaa ja joustavaa, ja se on kanavoitu tehokkaiden täytäntöönpano-organisaatioiden kautta. On kuitenkin vaikea saada selville strategiaa, joka on ohjannut täytäntöönpano-organisaatioiden valintaa vuodesta toiseen. Hallinnon eriyttäminen muusta Suomen kehitysyhteistyöstä rajoittaa maassa olevan tiedon käyttöä päätöksentekoon ja seurantamahdollisuuksia.

Harmonisointi, yhtenevyys ja johdonmukaisuus. Etiopia oli uranuurtaja Pariisin deklaraation periaatteiden noudattamisessa; tosin vuonna 2005 pidettyjen vaalien jälkiseuraukset heikensivät tätä suuntausta. Yleisesti ottaen harmonisointi on Etiopiassa edennyt pidemmälle koulutus- kuin vesisektorilla. Suomi on ollut tärkeä harmonisoinnin tukija ja jopa johtanut prosessia vesisektorilla. Samaten Suomi on onnistunut hyvin avun yhdenmukaistamisessa hallituksen tärkeiden tavoitteiden ja käytäntöjen kanssa. Kahden

rahoitustavan rinnakkainen käyttö yhteen ohjelmaan eli avun kanavointi Maailmanpankin rahastolle rinnan bilateraalisesta avun kanssa on yleistynyt käytäntö vesisektorin ohjelmissa. Se lisää tehokkuutta, mutta saattaa olla vastoin kestävyuden ja harmonisoinnin periaatteita. Maailmanpankin kautta kanavoitu rahoitus tulisi kohdentaa hallituksen kapasiteetin kehittämiseen, erityisesti hankinnoissa. On kuitenkin huomattava, että Suomen rinnakkainen bilateraaliset projekti täydentää Maailmanpankin ohjelmaa, josta puuttuu hallituksen monitorointi- ja evaluaatiokapasiteetin vahvistaminen, johon Suomen rahoitus on kohdennettu. Kaiken kaikkiaan Suomen kehitysyhteistyö Etiopiassa on suhteellisen johdonmukaista ja tarkasti kohdennettua. Lisäsynergiaa saataisiin integroimalla koulutussektorin ohjelmat paremmin ja antamalla lähetystölle suurempi rooli humanitaarista apua koskevassa asiantuntija-avussa ja seurannassa. Evaluaatiojakson päättyessä avun antamiseen käytetyt tavat, kanavat ja instrumentit muodostavat monitahoisen kokonaisuuden. Maailmanpankin rahastojen lisääntyvästä käytöstä on etua ohjelmien kunnollisen seurannan kannalta, mutta tiukat vaatimukset saattavat viivästyttää toteutusta.

Poliittiset kysymykset. Suomi on kahdenvälisissä neuvotteluissa selkeästi kritisoinut Etiopian poliittista kehitystä ja kieltäytyi siitä syystä antamasta suoraa budjettitukea kun asia oli esityslistalla (ennen vuoden 2005 vaalien jälkeistä poliittista sekaannusta). Siitä huolimatta Suomi on pysynyt Etiopian vakaana ja odotuksia vastaavana kehitysyhteistyökumppanina vuodesta 2002 lähtien, mikä on nykyisen avun tehokkuutta painottavien ajatusten mukaista.

Hallintoon liittyvät kysymykset. Suurlähetystö ja ulkoministeriö hallinnoivat kehitysyhteistyötä tiiviissä yhteistyössä keskenään, ja suurlähetystössä ja Helsingissä toimivilla alakohtaisilla asiantuntijoilla on tässä yhteistyössä tärkeä rooli. Lämpileikkaavien teemojen asiantuntijat ovat yhteistyössä vähemmän mukana, eikä näitä teemoja ole otettu yhtä hyvin huomioon kaikilla aloilla. Maakohtaisen strategian puute vaikeuttaa tuloksiin perustuvan hallinnoinnin toteuttamista, ja toimintojen seurannassa on yleisesti puutteita.

Evaluaation pääsuositukset ovat seuraavat:

Harmonisointi, yhtenevyys ja yhdenmukaisuus. Yhteen ohjelmaan tarkoitettua rinnakkaisrahoitusta, jossa rahaston kautta kanavoitava tuki yhdistetään kahdenväliseen tekniseen tukeen, tulisi käyttää ainoastaan väliaikaisesti. Se pitäisi yhdistää selkeisiin suunnitelmiin kahdenvälisen osuuden lopettamiseksi, jotta voidaan tukea sitoutumista ja kestävyttä pitkällä aikavälillä.

Hallinto. Seurantakäytäntöjä tulisi vahvistaa lisäämällä kansalaisyhteiskunnalle suunnatun tuen ulkopuolista arviointia ja lähetystön osallistumista humanitaarisen avun seurantaan. Jotta koko maakohtaisen ohjelman tavoiteperusteinen hallinnointi olisi mahdollista, tulisi ohjelmalle kehittää selkeät tavoitteet ja indikaattorit. Lämpileikkaavat teemat tulisi systemaattisesti sisällyttää toimintojen suunnitteluun ja toteutukseen ottamalla lämpileikkaavien teemojen asiantuntijat systemaattisesti mukaan jo suunnitteluvaiheessa.

Vesi. Koska CDF-malli on laajentunut vesisektorin yleiseksi rahoituskanavaksi, Suomen tulisi tukea tätä prosessia ja sen mukanaan tuomia haasteita, esimerkiksi jatkuvaa teknisen asiantuntemuksen tarvetta. Suomen tulisi tukea hygienian ja sanitaation osaluoiden sisällyttämistä tulevaan WASH-tukeen, jotta vesisektorin tuesta saadaan maksimaalinen hyöty.

Koulutus. Suomen tulisi edistää parempaa integraatiota ja synergiaa GEQIP- ja SNE-tuen välillä. Tämä toteutuisi mahdollistamalla erityisopetuksen asiantuntijoiden osallistuminen GEQIP:in opintosuunnitelma- ja kurssikomponenttien kehittämiseen ja edistämällä hyvin valmistellun erityisopetuksen komponentin sisällyttämistä GEQIP-ohjelman toiseen vaiheeseen.

Kansalaisyhteiskunta. Suomen tulisi yhteistyössä muiden avunantajien kanssa jatkaa vaikuttamista Etiopian hallitukseen rajoittavan kansalaisjärjestölain muuttamiseksi. Suomen tulisi sopeuttaa PYM-strategia uuden kansalaisjärjestölain jälkeiseen tilanteeseen ja ottaa huomioon ihmisoikeuksien ja demokratian avoimen edistämisen vaikeus tässä tilanteessa. Sen pitäisi myös auttaa Etiopian kansalaisjärjestöjä sopeutumaan ja selviytymään uudessa tilanteessa.

Humanitaarinen apu. Suomen tulisi harkita lähetystölle vahvempaa neuvoa-antavaa roolia humanitaarisen avun rahoituskanavia koskeissa kysymyksissä sekä avun seurannassa. Näin voitaisiin hyödyntää paremmin lähetystön tietoja Etiopiasta ja läsnäoloa maassa sekä liittää hätäapu ja kehitysapu tiiviimmin yhteen. Etiopian hätäapujärjestelmän ja humanitaarisen avun toimijoiden vahvuudet ja heikkoudet tulee analysoida. Analyysin perusteella tulisi kehittää päätöksentekoa ohjaava strategia, jonka avulla Suomen kehitysavun kanavointiin valitaan avun vaikutusten maksimointiin pystyvät toimijat.

SAMMANFATTNING

Denna utvärdering granskar Finlands utvecklingssamarbete med Etiopien under perioden 2000–2008 i fråga om relevans, effektivitet, verkan, inflytande och hållbarhet. Dessutom identifieras den erfarenhet som vunnits och rekommendationer görs för vidare utvecklingssamarbete med Etiopien. Ett annat mål för utvärderingen är att undersöka frågor om harmonisering och komplettering och att analysera utvecklingssamarbetet med särskild hänsyn till de etiopiska behoven och landets policy. Utvärderingen gäller alla delar av Finlands bistånd till Etiopien: bilateralt och multilateralt bistånd, bistånd genom finländska icke-statliga organisationer och fonden till det lokala samarbetet med det civila samhällets organisationer i Etiopien, humanitärt bistånd och andra möjliga instrument, såsom instrumentet för det institutionella samarbetet (ICI). Utvärderingen omfattar också uppskattning av utrikesministeriets förvaltningspraxis.

Utvärderingen gjordes av Pöyry AS under perioden oktober 2009 – maj 2010. En basrapport utarbetades i februari 2010 utgående från studier av dokument och intervjuer i Helsingfors i november och december. Fältarbetet i Etiopien utfördes under de tre första veckorna i mars och de preliminära resultaten av arbetet presenterades därefter vid Finlands ambassad i Addis Abeba.

I stort sett är Finlands utvecklingssamarbete med Etiopien 2000–2008 starkt inriktat, relativt koherent och mycket relevant. Det har reagerat på de etiopiska strategierna för bekämpning av fattigdomen och har genom att använda specifikt finländskt expertkunnande tillfört de två huvudsakliga samarbetsområdena finländskt mervärde. Totalt sett har utvecklingssamarbetet varit relativt effektivt och verksamt och det har haft stort utflytande på vattenområdet. Stödåtgärdernas hållbarhet anses vara tillfredsställande.

Vatten. Under utvärderingsperioden har insatserna inom vattensektorn utökats från ett enda projekt för vattenförsörjning, sanitets- och hygienjänster till ett omfattande program. Detta inbegriper förvaltning av vattenresurser och frågor om markförvaltning och relaterade insatser. Fastän detta faller utanför den traditionella vattensektorn är programmet som helhet enhetligt, speciellt på grund av dess klara geografiska fokus på två närliggande områden. En god balans har skapats mellan projektinsatser och politikutveckling. Finansieringen via fonden för samhällslig utveckling (CDF) engagerar lokala samhällen och den privata sektorn i ovanligt hög grad för etiopiska förhållanden. CDF-modellen har rönt stor framgång och uppnått utomordentligt goda resultat i effektivitet, verkan, inflytande och hållbarhet. Modellen håller nu på att tas i bredare användning inom GoE och UNICEF och bidrar därför till den allmänna utvecklingen av WASH-sektorn. Utvidgningen är välkommen men medför också nya utmaningar.

Stöd av ENTRO-byrån är ett exempel på lyckad kapacitetsuppbyggnad, med viktiga regionala dimensioner i samband med utvecklingsinitiativet i Nilens avrinningsområde (Nile Basin Initiative). Genom att på detta sätt kombinera tekniska aspekter och politiska säkerhetsmoment i regionen har Finland fått en möjlighet att delta i den därmed sammanhängande säkerhets- och tekniska dialogen. Vad de övriga insatserna beträffar är det för tidigt att göra en korrekt utvärdering.

Undervisning. Under utvärderingsperioden fanns det i princip två mycket relevanta kanaler i bruk; ett nationellt program finansierat av flera länder för att förbättra undervisningens kvalitet (TDP ersattes med det mera omfattande GEQIP 2009) och det bilaterala programmet för tekniskt bistånd gällande specialundervisning (SNE). TDP har haft svåra förvaltningsproblem, vilket återspeglats i bristfällig rapportering och brist på uppgifter om verkliga resultat. Det är därför inte möjligt att i egentlig mening utvärdera aktiviteternas effektivitet och verkan, men de antas inte vara höga. Det står dock klart att programmet aktivt bidragit till ändringar och systematisering av lärarutbildningen och till att omvandla undervisningsmetoderna mot mera aktiva inlärningsmodeller. Det mindre SNE-programmet inriktas på ett område med omfattande behov med inga andra biståndsgivare än Finland. Dessutom kan stödet bygga på finländsk kompetens och Finlands långsiktiga förhållande med Etiopiens undervisningssektor. Fastän programmet varit viktigt för att hålla SNE på agendan och lett till utveckling av utbildningsministeriets SNE-strategi är dess totala verkan diskutabel. Potentialen för synergieffekter mellan programmen SNE och GEQIP har inte fullt utnyttjats. Fastän långsiktig finansiell hållbarhet ofrånkomligen är komplicerad för utbildningsprogram, måste den höga prioritet som utbildningen har i statlig politik och budgetmedel anses vara den bästa garantin för kontinuitet.

Det civila sambället. Stödet via de finländska icke-statliga organisationerna och via anslag för lokalt samarbete har varit ytterst relevant och i linje med Finlands totala utvecklingssamarbete. I allmänhet har projekten tydligt lyckats nå sina mål. Den nya lagen om medborgarorganisationer innebär restriktioner till icke-statliga organisationers aktiva stöd och en möjlig nedskärning av sektorns potentiella effekt i framtiden.

Humanitärt bistånd. Biståndet har varit relevant, snabbt och flexibelt och har kanaliseras till effektiva genomförandeorgan. Det är svårt att urskilja strategin som ligger bakom valet av genomförandeorgan från år till år. Förvaltningen av det humanitära biståndet, separat från resten av Finlands utvecklingssamarbete, begränsar användningen av kunskaper om landet vid beslutsfattning och möjligheterna till uppföljning.

Harmonisering, kongruens, koherens. Etiopien var en pionjär inom den internationella rörelsen i riktning mot harmonisering av biståndet, fastän en stor del av farten tappades i efterdyningarna av valen år 2005. Harmoniseringen i landet har i allmänhet varit mera utvecklad inom utbildningssektorn än inom vattensektorn. Finland har varit en viktig förespråkare för harmonisering och till och med verkat som ledare för processen inom vattensektorn. Finland har också varit bra på att sammanjämka statens prioriteter och praxis.

Användningen av dubbla finansieringskanaler för ett enskild vattenförsörjningsprogram, både via Världsbankens multilaterala fond och bilateralt stöd, leder visserligen till större effektivitet men kan stå i strid med hållbarhet och harmonisering. Totalt sett är Finlands utvecklingssamarbete med Etiopien relativt koherent och koncentrerat. Ytterligare synergieffekter kunde skapas genom att förbättra integrationen av insatser inom undervisningssektorn och genom att ge ambassaden en roll som rådgivare och uppföljare av humanitärt bistånd. Den ökande användningen av Världsbankens fonder medför fördelar genom att de garanterar en behörig uppföljning av programmen, men genomförandet kan fördröjas av de stränga kraven.

Politiska frågor. Finland har i de bilaterala diskussionerna klart visat sin kritiska hållning till den politiska utvecklingen i Etiopien och har följaktligen vägrat ge direkt budgetstöd då detta var på agendan (före de politiska kraftåtgärderna efter valet 2005). Det oaktat har Finland sedan 2002 fortsatt att vara en stabil och förutsägbar utvecklingspartner för Etiopien, i överensstämmelse med de gängse idéerna om främjande av biståndseffektivitet.

Förvaltningsfrågor. Utvecklingssamarbetet leds i intimt samarbete mellan ambassaden och utrikesministeriet, där rådgivarna inom sektorerna vid ambassaden och i Helsingfors spelar en viktig roll. Rådgivarna för tematiska frågor är mindre involverade och dessa frågor är inte lika väl integrerade inom alla områden. Avsaknaden av en landstrategi försvårar resultatbaserad förvaltning och totalt sett förekommer svagheter inom uppföljningen av insatserna.

Utvärderingens huvudsakliga rekommendationer är:

Harmonisering, kongruens, koherens. Parallellfinansiering av ett enda program – en fond kombinerad med bilateralt tekniskt bistånd – borde användas endast som en temporär åtgärd. Den borde sammankopplas med tydliga planer för slutandet av den bilaterala komponenten för att på lång sikt främja ägarskap och hållbarhet. Användning av Världsbankens förvaltningsfonder borde alltid inbegripa en komponent för regeringens kapacitetsuppbyggnad så att Världsbankens upphandlingskrav kan mötas.

Politiska frågor. Finland borde inkludera frågan om humanitärt tillträde till Ogaden regionen i bland de frågor som tas upp i de bilaterala samråden.

Förvaltning. Uppföljningen av projekt av det civila samhället borde förstärkas genom en bredare användning av externa utvärderingar; ambassadens medverkan vid uppföljning av humanitärt bistånd skulle också ökas.

En landsstrategi med mål och indikatorer borde utvecklas för att möjliggöra resultatbaserad förvaltning av landsprogrammet i sin helhet. Tematiskt övergripande frågor borde systematiskt införlivas med planeringen och genomförandet av insatser, dvs. genom att i planeringsskedet systematiskt involvera rådgivarna, som är ansvariga för dessa frågor.

Vatten. Eftersom CDF-fonden håller på att utvidgas till en av vattensektorns finansieringskanaler borde Finland stöda denna process och de utmaningar den medför, till exempel i form av fortsatt tekniskt bistånd. Finland borde främja inkluderingen av sanitets- och hygiendimensioner i framtida stöd för WASH-programmet för att dra maximal nytta av dessa insatser.

Undervisning. Finland borde sträva till bättre integration och synergi mellan bistånden till GEQIP och SNE. Detta kunde uppnås genom att försöka låta rådgivarna inom SNE-sektorn medverka i beredandet av undervisningsplan och kurskomponenter och genom att arbeta för att en välplanerad SNE-komponent tas med i fas 2 av GEQIP.

Det civila sambället. Finland borde i samarbete med andra biståndsgivare fortsättningsvis övertala Etiopiens regering att ändra den restriktiva lagen om medborgarorganisationer. Finland borde anpassa sin strategi för lokalt samarbete till situationen och ta i beaktande svårigheten att direkt främja mänskliga rättigheter och demokratisering. Finland borde också försöka hjälpa etiopiska civila samhällsorganisationer att anpassa sig till och överleva i den nya situationen.

Humanitärt bistånd. Finland borde överväga att ge ambassaden en starkare rådgivande roll i frågor som gäller finansieringskanaler för humanitärt bistånd och i dess uppföljning. Sålunda kunde man dra större nytta av ambassadens kunskaper om landet och av dess närvaro och samtidigt förstärka förbindelsen mellan humanitärt bistånd och utvecklingsarbete. En analys av det etiopiska biståndssystemet borde göras; likaså av de relativa styrkorna och svagheter hos organen som medverkar i humanitärt arbete. Utgående från analysen borde en strategi utvecklas som stöd för beslut om vilka kanaler som ska användas för Finlands humanitära bistånd för att få största möjliga genomslagskraft.

SUMMARY

This evaluation assesses the relevance, efficiency, effectiveness, impact and sustainability of Finland's development cooperation with Ethiopia in the period 2000–2008. It identifies lessons learned and makes recommendations for further development cooperation with Ethiopia. Moreover, the task of the evaluation was to look at issues of harmonization and complementarity with other donors, and analyze the development cooperation in the specific context of Ethiopian needs and policies. All elements of Finland's aid to Ethiopia are covered in the evaluation: bilateral, multilateral, Finnish NGOs, support to Ethiopian civil society organizations, humanitarian assistance, and the use of other instruments, such as the Institutional Cooperation Instrument. The evaluation also includes assessments of the management practices of the Ministry for Foreign Affairs.

The evaluation was carried out by Pöyry AS in the period October 2009 – May 2010. Based on document studies and rounds of interviews in Helsinki in November and December, a Desk Review Report was produced in February 2010. Fieldwork in Ethiopia took place in the first three weeks of March. It was concluded with a presentation of preliminary findings at Finland's Embassy in Addis Ababa.

Overall, Finland's 2000–2008 development cooperation with Ethiopia has been tightly focused, relatively coherent and highly relevant. It has responded to the Ethiopian poverty reduction strategies and has built on specific Finnish expertise, thus contributing to Finnish added value in the two main sectors of cooperation. Seen as a whole, the development cooperation has been reasonably efficient and effective, and impacts have been significant in the water sector. The sustainability of the interventions is deemed to be satisfactory.

Water. Over the evaluation period, interventions in the water sector have expanded from a single water, sanitation and hygiene (WASH) project to a comprehensive programme. This comprises management of water resources, as well as issues of land management and related growth interventions. While this goes beyond the traditional water sector, the programme as a whole is coherent, especially due to its clear geographical focus on two neighbouring regions. A good balance has been struck between project interventions and policy development. The Community Development Fund (CDF) funding modality involves local communities and the private sector to an unusual degree in the Ethiopian context. The CDF model has been highly successful and has resulted in very high scores for efficiency, effectiveness, impacts and sustainability. The model is now being taken into wider use, by the GoE as well as UNICEF, and is thus contributing to the general development of the WASH sector. This mainstreaming is welcome, but it brings new challenges.

Support to the ENTRO office has been a successful example of capacity building, with important regional dimensions related to the Nile Basin Initiative. Combining

technical aspects and regional political security elements in this way has given Finland an opportunity to participate in the related security and technical dialogue. The other interventions are too recent for their achievements to be assessed.

Education. During the evaluation period, there have basically been two channels, both highly relevant: a national multi-donor programme to increase the quality of education (the TDP, replaced by the broader GEQIP in 2009), and the bilateral technical assistance programme for special needs education (SNE). The TDP has had serious management problems, reflected in reporting deficiencies and the lack of data on actual outputs and outcomes. Therefore, efficiency and effectiveness cannot really be assessed, though they are not assumed to be high. However, it is clear that the programme has had a significant impact in changing and systematizing teacher training, as well as in initiating a transformation of teaching methods towards more active learning models. The smaller SNE programme targets an area where needs are significant and there are no other donors. In addition, support can build on Finnish competence and its long-term relationship with the Ethiopian education sector. While the programme has been significant for keeping SNE on the agenda and has led to the development of the MoE SNE strategy, the overall impact is uncertain. The potential for synergy between the SNE and GEQIP programmes has not been fully exploited. While long-term financial sustainability is inevitably complicated for education programmes, the high priority given to education in government policies and budget allocations offers the best guarantee for continuity that can be hoped for.

Civil society. Support through Finnish NGOs, as well as through the LCF, has been highly relevant and in line with Finland's overall development cooperation. Projects have apparently been generally successful in reaching their targets. The restrictions on NGO advocacy due to the new CSO law mean that the sector's potential for impact may be lower in the future.

Humanitarian assistance. Assistance has been relevant, speedy and flexible, and it has been channelled to effective implementing agencies. It is difficult to discern the strategy behind the selection of implementing agencies from year to year. The administrative separation from the rest of Finland's development cooperation limits the use of country knowledge for decision-making and opportunities for monitoring.

Harmonization, alignment, coherence. Ethiopia was a pioneer in the international movement toward donor harmonization, though much momentum was lost in the aftermath of the 2005 elections. In general, harmonization in the country has been more advanced in the education sector than in the water sector. Finland has been an important supporter of harmonization and even a leader in the water sector. Likewise, Finland has been good at aligning with both government priorities and systems. The practice within the water sector programmes of dual funding channels for one intervention, through a multi-donor trust fund as well as through a bilateral project, has benefits in terms of effectiveness, but may run counter to sustainability and harmonization. Overall, Finland's development cooperation with Ethiopia is relatively coherent and focused. Additional synergies could be achieved through better integra-

tion of the bilateral education sector intervention into the sector-wide programme and by giving the Embassy a role in advising on and monitoring of humanitarian assistance. The increasing use of World Bank trust funds has advantages in ensuring proper monitoring of programmes, but strict requirements may delay implementation.

Political issues. Finland has been clear in bilateral discussions in its criticism of Ethiopian political development, and consequently declined to give direct budget support when this was on the agenda (prior to the political crackdown after the 2005 elections). Nevertheless, Finland has remained a stable and predictable development partner for Ethiopia since 2002, in accordance with current ideas for promoting aid effectiveness.

Management issues. Development cooperation is managed in close cooperation between the Embassy and the MFA, where the sector advisors at the Embassy and in Helsinki play important roles. The advisors on cross-cutting themes are less involved, and these themes are not equally well integrated into all areas. The lack of a country strategy makes results-based management difficult, and overall there are weaknesses in the monitoring of interventions.

The main recommendations of the evaluation are:

Harmonization, Alignment, Coherence. Parallel funding for a single programme – a trust fund combined with bilateral technical assistance – should only be used as a transitional measure. It should be coupled with clear plans for phasing out the bilateral component, in order to promote ownership and long-term sustainability. The use of World Bank Trust Funds should always include a component for government capacity-building to ensure that WB procurement requirements can be complied with. The parallel bilateral project of Finland is focused on capacity development of the Ethiopian authorities in monitoring and evaluation and is thus complementing the World Bank Trust Fund programme, which is missing this component.

Political issues. Finland should also include the issue of humanitarian access to the Ogaden region in Ethiopia among the issues raised in the bilateral consultations.

Management. Monitoring practices should be strengthened through the greater use of external evaluations of the civil society support and greater involvement of the Embassy in following up the humanitarian assistance. A country strategy with targets and indicators should be developed to allow results-based management of the country programme as a whole. Cross-cutting issues should be systematically integrated into the planning and implementation of interventions, i.e. through the systematic involvement of the cross-cutting thematic advisors in the planning phase.

Water. As the CDF is being mainstreamed as a general funding window for the water sector, Finland should support this process and the challenges that this implies, for instance in the form of continued technical assistance. Finland should promote the

inclusion of hygiene and sanitation dimensions in future WASH support in order to maximize the benefits of these interventions.

Education. Finland should work for greater integration and synergy of the GEQIP and SNE support. This could be achieved by seeking to let the SNE advisors have a role in the curriculum and course component development and by working to have a well-prepared SNE component included in Phase 2 of GEQIP.

Civil Society. Finland should, in cooperation with other donors, continue to seek to influence the GoE to change the restrictive CSO law. Finland should adjust its LCF strategy for the post-CSO-law situation, acknowledging the difficulty of directly promoting human rights and democratization. Finland should also seek to help Ethiopian civil society organizations to adapt to and survive in the new context.

Humanitarian Assistance. Finland should consider giving the Embassy a stronger role in advising on funding channels for humanitarian assistance, as well as in monitoring this assistance. This would make better use of the Embassy's country knowledge and presence, as well as strengthening linkages between relief and development interventions. An analysis of the Ethiopian relief system and the relative strengths and weaknesses of the agencies involved in humanitarian work should be undertaken. Based on this, a strategy should be developed for guiding decisions on which agencies to use as channels for Finland's humanitarian assistance in order to ensure maximum impact.

Main findings	Conclusions and lessons learned	Main recommendations
Harmonization, Alignment, Coherence		
<p>Finland's development cooperation concentrates on two sectors; water and education. Finland has actively contributed to overall sector harmonization and alignment in the water sector.</p> <p>In some cases funding modalities are not optimally harmonized with government systems (like various per diems by donors).</p> <p>The use of World Bank trust funds provides tighter control but does not promote the use of government systems and may lead to delays.</p>	<p>Finland's development cooperation is well remains focused and generally coherent. Finland's support is well aligned with government policies and priorities and relatively well harmonized with other donors.</p> <p>Potential synergies within Finnish aid are not utilized, for instance in education (SNE) and in support to civil society and humanitarian assistance.</p> <p>Parallel funding structures may strengthen effectiveness, but it can be at the expense of long-term sustainability.</p>	<p>Contribute to the constructive discussion in the DAG education sector working group on issues like: which is the main purpose of aid: donor harmonization or alignment to government?</p> <p>Finland should support the two UNDP-administered pools for education and poverty mapping. Finland should use the DAG structures to promote joint standards.</p> <p>Parallel funding structures for the same intervention should only be used as a transitional measure.</p>
Political Issues		
<p>In bilateral consultations, Finland has been explicit in stating its concerns over political developments. Due to concerns about democratization, it has not been willing to give direct budget support.</p>	<p>Finland has combined a political stance with acting in accordance with accepted principles for promoting aid effectiveness. Finland has remained a stable and predictable development partner.</p>	<p>Finland should also include the issue of humanitarian access (esp. in the Ogaden region) among the issues raised in the bilateral consultations.</p>

<p>Lately, a concern over the CSO law has been a key issue.</p>		
<p>Management Issues</p>		
<p>Finland has no specific country strategy agreed with the Government of Ethiopia.</p> <p>Monitoring and evaluation have been weak in many sectors. Exit strategies are not explicit. The cross-cutting themes are not equally well integrated in all programmes.</p>	<p>The lack of a country strategy with targets and indicators constitutes a major limitation for monitoring and results-based management. It also reduces accountability and predictability vis-à-vis the Government of Ethiopia.</p>	<p>A country strategy should be developed.</p> <p>Monitoring and evaluation should be strengthened and systematized.</p> <p>Mechanisms for involving cross-cutting advisors in programme development should be established.</p>
<p>Water</p>		
<p>Interventions in the water sector have expanded from a single water, sanitation and hygiene project to a comprehensive programme comprising the management of water resources as well as issues of land management and related growth interventions. In spite of our clear objectives, the integration of sanitation and hygiene in the programme has only been partially achieved and interventions in these fields are limited.</p>	<p>The geographical focus and the comprehensive bottom-up approach constitute some of the components of good design that leads to sustainable interventions and impacts.</p> <p>There is a potential for stronger synergies from the integration of water, sanitation and hygiene interventions.</p> <p>Support to the Nile Basin Initiative has been a successful example of incorporating both technical aspects and regional</p>	<p>Finland should promote the full inclusion of hygiene and sanitation dimensions in future WASH support, including strategically placed TA support.</p> <p>Finland should support small-town/peri-urban water supply systems in the near future.</p>

<p>Relevance is very high, but reduced by the lack of inclusion of peri-urban areas. Effectiveness is high. Efficiency is generally good. Impacts are significant at the grass-roots level, in the sector in general and in institutional capacity on most levels, except for some challenges with government institutions. Sustainability is likely, however, with some challenges and issues remaining, mainly with regard to institutional capacity and financing. The innovative Community Development Fund (CDF) funding mechanisms is a key contributor to many of the successes.</p>	<p>political security elements. This has given Finland an opportunity to participate in the related security and technical dialogue.</p> <p>Finnish added value can be clearly seen in the current use of the CDF</p>	<p>Finland should support the process of mainstreaming the CDF and confronting the challenges that this implies. The model should be piloted in other, higher technology options and semi-urban contexts.</p>
<p>Education</p>		
<p>Relevance is high in terms of responding to critical needs and corresponding with Ethiopian and Finnish policies. For Teacher Development Management by the government has been a key obstacle in the TDP programme. No available monitoring data. Substantial outputs even though the plans were overambitious. The general</p>	<p>Deficiencies in monitoring and reporting by the government make it difficult even to assess the achievements of the TDP programme. In the new General Education Quality Improvement Programme (GEQIP), World Bank has the leading role since 2009, including the monitoring,</p>	<p>Finland should, jointly with other donors, closely monitor the efficiency of the GEQIP.</p>

<p>impact on improved student performance is limited but several factors indicate that sustainability in the TDP programme is satisfactory.</p> <p>In the highly relevant Special Needs Education (SNE) programme, Finland has a key role in filling a huge gap. For the SNE programme, the first phase seems fairly effective and efficient. It is too early to conclude on the second phase. It is also too early to assess impact; sustainability has not yet been achieved.</p>	<p>There is a potential for greater synergy between the GEQIP and SNE programmes. For SNE, shortage of staff, temporary absence of TA and discontinuation of the project have significantly reduced the effectiveness.</p>	<p>Finland should seek to promote greater integration between the SNE support and the GEQIP programme. The need for expatriate (Finnish) TA for the Special Needs Education programme should be assessed in the mid-term review.</p>
Civil Society		
<p>Support through Finnish NGOs and the Local Cooperation Fund (LCF) has been highly relevant. The LCF has been especially relevant as a channel to promote democratization and human rights. The LCF and the two Finnish organizations selected for the evaluation are fairly efficient and effective. The support to NGOs seems to have fairly good impact and sustainability even though</p>	<p>The new CSO law is a great challenge to the NGO support. It could prevent realization of central objectives of Finnish support for civil society, and generally affect the relevance of the present LCF.</p>	<p>Finland should try to influence the GoE to change the CSO law, individually and jointly with other donors.</p> <p>Use of external evaluations for assessing the quality of the work of the NGOs should be systematized.</p>

data is not available to verify this.		
Humanitarian Assistance		
Humanitarian assistance has been relevant, flexible, fast, efficient and effective. Decisions on allocations are made without consulting Finland's Embassy in Ethiopia.	The lack of earmarking greatly increases relevance. The allocation mechanism does not make use of in-country knowledge and increases the risk of fragmentation.	Finland should rely more on the Embassy for advice on selecting implementing agencies and for monitoring. Finland should develop a strategy for selecting implementing agencies.

1 INTRODUCTION

1.1 Purpose, Objective and Scope of the Evaluation

The evaluation has been commissioned by the Evaluation Unit of Finland's MFA (EVA-11). An extract from the Terms of Reference follows below:

The purpose of the evaluation is to assess the relevance, coherence and quality of the Finland's country programme in relation to the Ethiopian needs. The coordination and complementarity of the Finnish aid with the activities financed by other donors, including the European Commission, shall be studied. Aid modalities, instruments and their adequacy will be assessed. The evaluation will be forward looking and provide lessons learned and recommendations.

The objective is to achieve:

- An assessment of the impact and effectiveness of the Finnish contribution
- Lessons learned through the Finnish aid programme
- Recommendations for improving the targeting and quality of the Finnish aid in general and for guiding the selection of adequate aid modalities and instruments suitable in the Ethiopian context

The evaluation shall concentrate on the period 2000–2008. The evaluation shall include all the aspects of the Finnish support programme, starting from bilateral, multi-bilateral and multilateral aid interventions (including humanitarian aid and cooperation with the EU) and the Embassy administered Local Cooperation Funds and activities of the Finnish NGOs and including the inter-institutional and private sector activities. The regional cooperation of Finland shall be assessed to the extent it is benefiting development in Ethiopia.

The Finnish country programme for Ethiopia shall be assessed in the context of the national development frameworks pertinent to this decade and in the context of Ethiopia's external aid. Special attention shall be paid to the role of Finland in the donor community and to the complementarity and coherence of its aid with the local needs and priorities and within the local and donor context.

The management practises of the Ministry for Foreign Affairs, including monitoring and evaluation, shall be studied. Also, the implementation of the results of earlier reviews and evaluations shall be examined. The role and importance of the in-house sector and thematic advisors and other bodies shall be assessed. The range of analysis shall cover policies, planning of aid and its implementation, funding arrangements and priorities and the mechanisms of dealing with stakeholders at various levels including the primary beneficiaries. The full Terms of Reference are reproduced in Annex 1.

1.2 Approach

The contract for the evaluation was awarded after a competitive bidding process to Pöyry AS in October 2009. The evaluation team has consisted of Axel Borchgrevink (team leader), Mattias Nordström, Pirkko Poutiainen, Philip Swanson, Tassew Woldehanna, and Luc Tholoniati. On the basis of an initial document review and interviews in Helsinki, an Inception Report was submitted in November, while a Desk Review Report was submitted in late January, based on further document studies as well as a series of interviews in Helsinki in December. Fieldwork in Ethiopia took place between March 1st and 18th, and included a wide range of interviews with different stakeholders in Addis Ababa, Bahir Dar, Asosa and Debre Birhan, as well as a visit to Ankober (the Amhara Region). A presentation of preliminary findings was given at the Finnish Embassy on March 18th, attended by representatives of the GoE Ministries. Feedback from this meeting has been taken into account in this report.

In order to organize and systematize the evaluation of such a broad range of activities over a considerable time span, interventions were grouped into four main sectors: Water, Education, Civil Society and Humanitarian Assistance. For each of these sectors, ‘programme theories’ were developed on the basis of Finland’s development policies as well as relevant strategies, guidelines and project documents. The team was also asked to investigate a number of more limited interventions that do not fit neatly into the above sectors – they are briefly described in Annex 6 and referred to in the analysis where relevant. Furthermore three overarching fields were investigated: Harmonization/Alignment / Coherence, Political Issues and Management Issues. For each of these sectors and areas, sets of evaluation questions, judgement criteria and indicators were drawn up (the evaluation matrix in Annex 3).

The value of such a country evaluation is that it allows the more general issues – overall strategy, coherence of interventions, alignment with recipient government, harmonization among donors, organization of development cooperation, etc. – to be addressed in a comprehensive manner. In our work we have sought to give these issues our full attention. The flip side to this is that such a broad evaluation cannot go as deeply into the details of individual interventions as a single-project evaluation. We are helped by the fact that there exists a significant body of evaluations and reviews of most programmes and projects that allows us to extend our conclusions further.

A particular difficulty relates to the investigation of such a long time period. This is compounded by the high rotation of staff within MFAs, embassies, international agencies and the Ethiopian ministries. Consequently, despite our attempts to locate persons with longer experience, the great majority of our interviewees have experience with the study field for one to three years, and quite a few for even less. Thus, for the early period, we are largely dependent on documents, and our understanding of these years is inevitably less nuanced.

2 BACKGROUND

2.1 Ethiopia

Ethiopia is among the largest and most populous countries in Africa (77 million inhabitants), also one of the poorest. The per capita income of USD 280 (Atlas method) is about a third of the average for Sub-Saharan Africa. The population is overwhelmingly rural and agricultural, and even in good years several million people rely on food aid. Periodically, drought affects greater or larger parts of the country and increases this number drastically.

The country is governed by the Ethiopian People's Revolutionary Democratic Front (EPRDF), an alliance dominated by the Tigrayan People's Liberation Front (TPLF), which came into power in 1991 after overthrowing the Mengistu dictatorship. As part of the restructuring of the country, the EPRDF introduced an ethnically based federal model, where regional borders were redrawn to correspond as closely as possible to ethnic divisions, and where regions were given a high degree of autonomy, at least formally. While elections have been held regularly and there have been some advances towards democratization, the regime has nevertheless maintained tight political control. After the 2005 elections and the subsequent crackdown on the opposition, most observers agree that a democratization process – if it ever really existed – has been halted.

While poverty remains deep, and the war with Eritrea (1998–2000) implied further waste of resources, Ethiopia has shown an impressive macro-economic growth during the last decade. For a number of years growth has been in the double digit category, and the *Economist* has predicted Ethiopia will be the world's fifth fastest-growing economy in 2010. There are also indications that poverty levels are gradually decreasing, although there is much uncertainty related to these figures. While rumours of the detrimental economic effects of political favouritism abound, there is also a widespread recognition that the regime is following a fairly pro-poor economic policy.

One important factor behind the strong macro-economic performance is development assistance, which has grown dramatically over the last decade: Between 2000 and 2007 total development assistance increased between three- and four-fold (OECD/DAC). This may appear somewhat surprising as this is also the period when donor criticism of political development in Ethiopia became much sharper. Explanations for why aid has continued to grow at such a great rate must be explained both by a recognition of the country's great needs and the fairly favourable economic policies of the regime, and by Ethiopia's role as an ally in the Global War on Terror (Borchgrevink 2008). The World Bank and the US are the largest donors. European Union aid and aid from its member countries make up around 25% of the aid received by Ethiopia.

2.2 Finland's Development Cooperation with Ethiopia

Ethiopia is one of Finland's oldest development partner countries, with cooperation going back to 1967/68. However, the level of cooperation remained low throughout the first 15 years. In 1982 Ethiopia became a programme country, and the volume of assistance started growing substantially, with aid levels between 40 and 70 million FIM (roughly between 6.5 and 12 million Euro) during the later half of the 1980s. Cooperation was concentrated on agriculture (livestock), energy and education. Finnish NGOs also expanded their work in Ethiopia, in particular after the famine of 1984/85. Towards the end of the decade, the civil war caused serious disruptions to the supported programmes, and in 1990 Finland decided to phase out project assistance for security reasons. It was decided that the new focus should henceforth be on humanitarian assistance, along with continued aid through NGOs.

While the civil war ended with the toppling of the Derg regime in 1991, it was not until 1993 that the Finnish MFA initiated development cooperation, through a review and identification mission that year. Previously halted projects for dairy development and road maintenance were restarted and new programmes in the education, water and cultural heritage sectors were initiated in 1994 and 1995. The key bilateral programmes throughout the 1990s were in the sectors of water (the Amhara Rural Water Supply and Environment Programme/RWSEP), education (Education Sector Development/ESD and Education Sector Development Programme/ESDP) and livestock (Smallholder Dairy Development Project/SDDP). Due to the war between Ethiopia and Eritrea (1998–2000), Finland again reduced its cooperation. The support for education ended in 1999, while the Smallholder Dairy Development Project was phased out in early 2000, without any support for the proposed subsequent phase, leaving the RWSEP as the only ongoing bilateral programme (Tervo, Hailu, Huvio, Kirjavainen, Lasonen, Ovaskainen & Poutiainen 2002).

An evaluation of the bilateral development cooperation between Ethiopia and Finland in the 1990s was carried out in 2001/2002 (MFA 2002). While Finland's aid was seen as relevant, the difficult context and the volatility of the cooperation (only begun in 1994, reduced in 1998) contributed to limited effectiveness, efficiency and sustainability. A limited linkage between aid and political reform and wider Finnish foreign policy aims was pointed out, and clearer conditionalities for further aid were recommended.

The war ended with a ceasefire agreement in June 2000 and a peace agreement in December of the same year. The 2002 evaluation states: 'Finland has not rushed to restart the cooperation with Ethiopia. The approach has rather been one of "wait and see" until there is more certainty about the settlement of the Eritrea issue, the MFA foresees that successful development cooperation in Ethiopia entails high political and economic risks' (Tervo *et al* 2002:46). And furthermore: 'The MoFED informed the evaluation team of its disappointment regarding the slow take off of Finnish assistance after the peace agreement with Eritrea. . . Over the past three years there has been practically nothing and now Finland is one of the least active partner countries' (p. 54).

The first bilateral consultations since the outbreak of the war (May 1998) were held in May 2002. In addition to continuing support for a new, third phase of the RWSEP, Finland signalled its willingness to expand its programme with cooperation in one or two additional sectors. Ethiopia proposed education, mining, and capacity building as possible sectors. Eventually, in 2003, it was decided that education would be the second main sector for Finnish aid, and the Teacher Development Programme (TDP) received its initial Finnish funding towards the end of that year. While this was a pooled fund for part of a sector programme together with a number of other donors, Finland also supported a specific Special Needs Education Programme from 2004. Due to concerns within the MFA over the difficult private sector environment and the strict control over the sector by party and government, it was eventually decided not to include mining. However, in the process, two seminars on geological surveys were held in 2003/2004, and these would eventually lead to the ICI project of the Geological Surveys of Finland and Ethiopia, currently under preparation. Finally, Ethiopia suggested capacity building as a sector for Finnish aid, which in the end was not followed up. In the water sector, the RWSEP continued throughout the evaluation period, and it was gradually complemented with other interventions until eventually Finland was supporting a comprehensive sector programme.

In the 2002 meeting Finland also asked whether a hazardous waste management project proposed by the FAO was among Ethiopia's priorities. When this was confirmed by Ethiopia, Finland began supporting this project in the same year, together with Belgium, Japan, the Netherlands, Sweden and the US. The project functioned up to the end of 2008 on the original grant.

Other donors started giving budget support to Ethiopia in 2003/2004, first the DFID, the EU, Germany and the World Bank, subsequently also Canada, Ireland and Sweden. (As a reaction against the crackdown on the opposition in the aftermath of the 2005 elections, all the budget-support donors stopped this support. Most of them channelled the funds through a new programme, the Protection of Basic Services/ PBS). Ethiopia repeatedly asked Finland also to give Direct Budget Support. Finland discussed this, but decided against it in the spring of 2004, mainly for political reasons (the unresolved border conflict with Eritrea and the poor Human Rights situation). In the context of discussing budget support, the capacity and transparency of Ethiopian financial management was an important issue, which eventually led Finland to support the UNDP monitoring of the Ethiopian poverty reduction strategy (PASDEP) in 2006 (postponed from 2005 due to the political crisis).

Under Humanitarian projects, there has been support for drought and famine-related needs every year of the period under review, except for 2007. Funding has been provided through multilateral channels (primarily the WFP but also UNICEF and the WHO) and NGOs (the Finnish Red Cross and the ICRC, Finn ChurchAid and Finnish Save the Children). In addition, and from a separate budget line, support has been provided for the Mine Action Programme of Norwegian People's Aid for every year between 2003 and 2008 except for 2004.

Finland's civil society support consists of two main components: The Local Cooperation Fund (LCF) and the support channelled through Finnish NGOs. The LCF is handled by the Embassy in Addis Ababa and channels funds to Ethiopian CSOs and its use is regulated by a separate Norm. In 2008, support was shared between 23 organizations, working with both service delivery and advocacy-oriented activities. Finnish NGOs receive support from the Ministry of Foreign Affairs in Helsinki, and work with local partner organizations in Ethiopia. In 2008, the Finnish NGOs included six organizations with 'Partnership [framework] Agreements' and five organizations with support for individual projects. A total of 31 projects were supported. In addition two of the three Finnish 'NGO foundations' (Abilis and KIOS), providing small-scale funding to grassroots projects, have supported activities in Ethiopia.

Since 1977, Finland's Embassy in Addis Ababa has been headed by a Charge d'Affaires (with the Ambassador in Kenya also covering Ethiopia). In 2005, the Embassy was upgraded with its own Ambassador. The main motive for this change was to enable Finland to follow closer the AU processes. Still, throughout the decade, there has also been a strengthening of the Embassy's capacity to advise on and follow up the development cooperation, through the employment of specific advisors for the water and education sectors. While Finland has been critical of Ethiopia's position on certain issues (the border question with Eritrea, human rights, democratization, NGO regulations), the relationship between the two countries is described as open and good. Bilateral consultations have been held somewhat irregularly – in May 1998, May 2002 (full consultation, both political and on development cooperation), October 2003 (development cooperation only), November 2004 (full consultation), April 2007 (full consultation), and April 2009 (full consultation).

An overview of the Finnish development cooperation 2000-2008 is given in Table 1 in Annex 4. Overall, it shows a focused programme, where the two main sectors of bilateral aid (water and education), the civil society channel, and humanitarian support together make up more than 90% of the total aid over the period to be evaluated.

3 FINDINGS

3.1 Water

The Blue Nile gathers its volume mainly from the highlands of Ethiopia, influencing water resource management in Sudan and Egypt. Approximately 62% of the Nile flow to Aswan is from Ethiopia. In this context, a Nile Basin Initiative (NBI) was launched in 1999. It seeks to develop the river in a cooperative manner, share substantial socioeconomic benefits, and promote regional peace and security. It also aims at efficient trans-boundary management and optimal use of Nile Basin water and water related resources. Under the NBI umbrella investment programmes such as the East-

ern Nile Subsidiary Action Programme (ENSAP) have been established. The Eastern Nile Technical Regional Office (ENTRO) was established in 2001, and started operating in June 2002 in Addis Ababa, Ethiopia. ENTRO manages and coordinates the preparation of ENSAP projects, capacitates and strengthens institutions and provides secretariat support to ENCOM/ENSAP. ENSAP investment programmes include nationally implemented programmes such as the Tana-Beles Integrated Water Resources Development Programme (TBIWRDP) and Integrated Development of Eastern Nile (IDEN)-Sudan which are also supported by Finland.

Despite its vast overall water resources, Ethiopia still suffers from low levels of water supply and sanitation coverage particularly in rural and peri-urban areas. Current access (2007/2008) of national population to potable water is 59% (urban and rural coverage is 86%/54% respectively). At the national level, many appropriate policies, strategies and protocols have been in place for a decade and more. They relate to the overall processes of decentralization and separation of regulation and service delivery. The National Water Strategy (MoWR 2001) includes a water resources strategy; a hydropower development strategy; a water supply and sanitation strategy, and an irrigation strategy. Concerning water supply and sanitation, the strategy aims at: i) more decentralized decision-making; ii) promoting the involvement of all stakeholders, including the private sector; iii) increasing levels of cost recovery and iv) integrating water supply, sanitation and hygiene promotion activities. The major development in the sector has taken place only after ratification and design of the Universal Access Plan (2006–2012) and PASDEP I (2005–2010). These are the two main time-bound strategies which operationalize the policies into actions. Under PASDEP I, emphasis has been given to improving overall water resource management, strengthening the information base of the sector. It advocates building capacity particularly at the sub-national level where actual implementation is taking place; focus on low-cost, affordable, and labor-intensive technologies; increasing the rural latrine coverage and focus on gender issues. PASDEP II is in a process of being prepared and it is expected to be submitted for donor comments in late 2010. According to information gained in the interviews, the water sector will be given increased importance in PASDEP II.

After many years of rather uncoordinated donor interventions in the water, sanitation and hygiene sector (WASH), there are serious and intensive joint efforts to address the very low service levels and to harmonize support to the sector. Harmonization efforts aim at a country-owned, structured and integrated system at all administrative levels. The harmonization process was largely started due to the country dialogue within the European Union Water Initiative (EUWI). Ethiopia was selected as a pilot country for the country dialogue component in 2002, the objective of which is to contribute to the water and sanitation related MDGs through improved coordination and strategic planning. The Ethiopian country dialogue was finally launched in November 2005.

Related to this, the Government has introduced its Universal Access Plan (UAP), with a clear vision and ambitious timeframe even at reduced service levels (universal coverage by 2012). It has significantly raised the profile of WASH as a sector by setting targets, providing comprehensive financing requirements; identifying human resource

and material needs; and recommending approaches for implementation. The UAP also advocates preparation of one WASH plan, one budget, one report and a harmonized implementation structure at all levels. A fundamental principle is that integrated delivery of water, sanitation and hygiene services lead to synergies for all related sectors. Thus, in October 2006 a Memorandum of Understanding (WASH MoU) was signed between the Ministries of Water Resources, Health and Education to facilitate cooperation. In 2008 implementation of the UAP was reviewed and targets updated to accelerate progress at all levels. The data shows that for the last three years there has been annual increment of 6% in the service levels (MoWR/WASH 2009). This reflects increased spending in the sector: the capital budget in the water sector grew from USD41 in 2006/2007 to USD91 in 2008/2009. Still, Ethiopia is currently off-target to meet the ambitious UAP WASH related targets and targets set for MDGs. It is estimated that achieving the UAP targets by 2012 requires doubling of the efforts and resources (MoWR/WASH 2009). The bulk of capital expenditure in the WASH sector is funded by donors and there is still a financial gap associated with efforts to provide water supply and sanitation in the near future to meet the set targets. Our findings indicate, however, that WASH activities are not severely underfunded when compared to the current absorption capacity of the sector.

Out of the current Finland's water cluster portfolio of ten interventions (including two pipeline interventions) only two were implemented during the 2000–2008 period, while one was in the planning phase. As we have been asked to apply a broad and forward-looking perspective, we also discuss interventions planned and implemented after 2008. An overview of Finland's support to the sector is given in Annex 5.

During the period under evaluation Finland's support in the water sector has expanded from a single project to a comprehensive support package. In the early years of the decade Finland's support in the water sector comprised only one bilateral programme, RWSEP (operational since 1994). On the basis of the 2002 evaluation recommendations for expanding into regional initiatives, ENTRO was supported within the NBI framework. With the recruitment of a Water Advisor at the Embassy in 2005, attempts to come up with a more comprehensive cooperation in the sector were speeded up. However, after the post-election crackdown, future planning of Finnish development cooperation was put on hold. In order to keep the water sector support ongoing, a six month extension for the RWSEP III was approved mainly to test the promising results of the Community Development Fund (CDF) concept designed and implemented within the programme. It had already been decided in 2004 to replicate the programme in another region, and subsequently RWSEP Phase IV was also approved. After comparing conditions in some of the emerging regions, Benishangul Gumuz was chosen and the Rural Water Supply, Sanitation and Hygiene Programme in Benishangul-Gumuz Region (FWASHBG) was developed. Also the support to ENTRO was continued and more specific support to watershed management interventions at the country level was started through the TBIWRDP. Good results have gradually led to broadened and upgraded support and the cooperation has since expanded to land management (REILA) and to plans for supporting agriculture-led economic growth in the Tana-Beles Growth Corridor. Currently, the support com-

prises of interventions in three main areas: i) *water supply, sanitation and hygiene*; ii) *water resources and watershed management linked to the Nile Basin Initiative*; and iii) *sustainable land management*.

The expansion of the support can be attributed to: i) The success of the RWSEP and the CDF concept, together with general development of the WASH sub-sector; ii) Finland's continued interest in the NBI; iii) The implementation of the 2002 country evaluation's recommendations (Tervo *et al* 2002); and iv) The recruitment of water advisors who have actively built the support structure and participated in sector harmonization.

3.1.1 Relevance

Finland's support for the water sector is strategically and systematically developed, and has been highly relevant in relation to local needs, to GoE priorities, to the regional context, and to Finland's development policy.

High demand by communities within and beyond the RWSEP project areas – despite relatively high requirements for community contribution – indicates that water is a priority for the communities. FWASHBG is also highly relevant to the intended primary beneficiaries as the coverage in safe water and improved hygiene and sanitation in Benishangul Gumuz is very low and in some cases can tie multiple use of water to economic livelihood (McKim and Etherington 2008). During the evaluation period, the water sector has gained significance for the Ethiopian Government as well as the donor community. The GoE's poverty reduction strategies and policies together with the whole water sector development have provided a sound basis for donor support. Low levels of water supply and an even lower one for sanitation, the Universal Access Plan (UAP) (2006–2012) which also has MDG targets in-built, and PASDEP I (2005–2010) have put tremendous pressure on the Government to achieve the set targets in the water, sanitation and hygiene sub-sector. Finland's focus in this sub-sector has been very relevant during the whole decade. With PASDEP II, the water sector is expected to feature even higher, also in the context of economic development.

FWASHBG is also relevant in the current context of the sector as it is the first major programme to be designed since the signing of the UAP with its commitment to integration and harmonization; piloting of community-led behaviour change; drafting of the new WASH Project Implementation Manual (PIM) and design and approval of the WASH M&E system. FWASHBG has the potential to become a forerunner and pacesetter in harmonization of WASH. The designed support is fully compatible with both Ethiopian (particularly in the water sector) and Finnish development policies and strategies. Finland has supported development of the WASH PIM and M&E system through the WSP (WBTF).

The most relevant intervention in the WASH sub-sector is the development of the CDF as the funding mechanism. It has placed Finland in the position of a leading donor, and is being institutionalised as a funding mechanism in the sector. In the current

estimates by MoFED, the CDF model is suitable for 30% of Ethiopia. The current phenomenon of migration to bigger villages implies a need for better basic services, including water. If this continually increases the new settlement mode, the relevance of CDF may decrease. As there seems to be a growing conviction among donors and the GoE that the CDF model might also be applicable for higher technology solutions, piloting to test the feasibility should take place as soon as possible.

The Nile Basin Initiative is politically and strategically important in its regional context. Finland's support to the regional, NBI-related interventions either implemented in Ethiopia or aimed at institutional strengthening of ENTRO have been highly relevant also in the context of the Ethiopian water sector and has supported its broadening towards integrated water resources management and finally agriculture-based economic growth through the Growth Corridor concept. In a way it can be said that, intentionally or unintentionally, Finland's support in the water sector has been centred on the broader framework of the Nile Basin Initiative since the start-up of RWSEP. Systematically, support has continued in the WASH sub-sector, expanded to IWRM, land management and support for the Tana Beles Growth Corridor. Geographical focus increases the relevance of the support significantly as the impact will be more visible, and it is easier to replicate successful interventions in adjacent regions. Furthermore, the planned growth corridor programme increases relevance to country priorities. Growth Corridors are geographical corridors not limited by administrative borders, identified on the basis of the agro-ecological zones and their specific environmental conditions. The objective when establishing an economic growth corridor is to create a means for focusing, prioritizing, and integrating development efforts in an area possessing special characteristics that give it a particularly high chance of growing rapidly and becoming a development pole. The Agricultural Development Led Industrialization strategy (ADLI) is the Government's overarching policy response to Ethiopia's food security and agricultural productivity challenge. Similarly, PASDEP I envisages "*a massive push to accelerated growth*" through commercialization of agriculture and promoting much more rapid private sector growth. Moreover, the Tana Beles Growth Corridor is the first of the Growth Corridors to be developed. In this respect, Finland's support may contribute also to a deeper understanding of what a Growth Corridor in actual fact implies.

Water is and has continuously been a priority sector for Finland's development cooperation, and it is seen as an area where the country has specific competence. Interventions have complied with the Finnish development policies, and recently developed regional and country specific plans/planning frameworks of the MFA. Expansion of Finland's support has also been significantly influenced by the latest Finnish Development Policy (MFA 2007a), which emphasises environmental aspects and climate change and has environment; energy; forests, agriculture, water and regional policy as focus areas. Its impact is also visible in the *International Strategy for Finland's Water Sector* (Ministries of Foreign Affairs, Agriculture and Forestry, and the Environment 2009) in which the sector is defined in a wide manner, and its linkages with other sectors and cross-cutting concerns are emphasized. In particular, the sector's critical role for poverty reduction, health, climate and security is mentioned. The expansion of the water

sector in Ethiopia to include IWRM, land management and economic growth is in line with this strategy. The water sector interventions address poverty, local participation and ownership, gender, decentralization and empowerment of lower administrative levels (democracy), as emphasised by both Governments. The management of water points at the lowest level is also in line with the Dublin principles also adopted by Finland.

There is, however, controversy regarding the planned and actual interventions of the Finnish support in the water sector. Recent interventions of land management and the pipeline intervention in the Tana Beles Growth Corridor will expand Finland's contributions beyond the traditional water sector. These changes can be justified by geographical focus, and close linkages with the on-going water sector and watershed management programmes. While strategically important, this can potentially diminish the relevance of Finland's support in the conventional water sector. The water service coverage of emerging peri-urban towns is close to zero, as this settlement type does not belong either to urban or rural categorization. The decision made by MFA not to expand support into this area where needs are highest decreases the relevance of the sector support.

3.1.2 Impact

Impact can only be assessed for RWSEP and ENTRO, as other sector interventions are too recent.

RWSEP has had strong and positive impacts on a number of levels: Improving water facilities in target woredas, building capacity at different levels, and contributing to sector development. Regarding the latter, the impact of RWSEP is far-reaching, due to the way that the CDF model developed within the RWSEP has contributed to WASH sub-sector development in Ethiopia. Briefly, the CDF is a grant for the construction of community managed water points. Funding is disbursed through a microfinance institution (ACSI in Amhara Region) directly to communities based on their demands. Communities are supported by the woreda, zone and regional level government structures.

Recently, MoFED urged the MoWR to immediately open a serious dialogue with relevant WASH partners, including Regional Water Bureaus, for the adoption of CDF as a sector funding mechanism and implementation modality where feasible, which is estimated to be about 1/3 of the country. An independent comparative study of different funding modalities has been conducted by the WSP of the World Bank on the CDF's mainstreaming potential (WSP 2010). This and other studies (UAP Review; recent WASH JTR; RWSEP IV Performance Assessment, Comparative Study on RWSS financing by the WB) point to a number of strengths of the CDF model: i) A rapid implementation rate as a result of simpler procedures and community-based management; ii) Effective cost control as a result of tight local controls/safeguards; iii) A higher efficiency of funding used for physical investment; iv) A high degree of functionality due to community ownership; v) Transfer of funds to the community using

financial intermediaries; vi) The use of community structures for project management; and vii) A pro-active approach to capacity building of the private and public sectors.

Capacity development at all levels has been an essential element of the programme from its inception. RWSEP has had significant impact on the development of the private sector. At the community level each water point has its pump attendant or spring caretaker who have been trained. The high expansion and functionality rates are evidence of the positive impact of the capacity development provided by RWSEP. Capacity development at the woreda, zonal and regional levels has been challenged by high staff turn-over and issues related to non-harmonization of per diems, thus limiting impacts at these levels.

The impact of the RWSEP towards reaching the UAP physical construction targets in Amhara National Regional State (ANRS) is evident. It operates in four zones, and 14 woredas out of the 151 woredas and 10 administrative zones in the Region. In 2009, the number of RWSEP-supported water points constructed was 3281 – 78.3% of the total water points constructed (MFA 2009).

However, there is a challenge when it comes to expanding the focus on water to fully comprise also the areas of sanitation and hygiene. In the RWSEP woredas the latrine coverage has increased to 50–90% from practically zero. The RWSEP support in Training of Trainers and provision of health education materials has been essential. However, according to the Performance Assessment (MFA 2009) none of the visited latrines had facilities for hand washing beside the latrine and not all constructed latrines are used. In Phase IV of RWSEP, sanitation and hygiene has been addressed only through awareness raising and training. Construction of school latrines was omitted but renovation of the existing ones continued. This decision is questionable as schools provide one of the most efficient forums for hygiene education. The Performance Assessment (MFA 2009) showed, and it was also confirmed in discussions at the regional level that linkage between water sanitation and hygiene has somewhat deteriorated in the woredas where RWSEP is no longer providing intensive technical assistance (TA). Particular emphasis should be on the full WASH concept when developing the “Generation II” CDF package, including the construction of institutional latrines (schools, health centres, possibly also markets).

The Finnish support to ENTRO has been crucial for its organizational development. The 2003–2006 programme contributed to the new organizational and management structure of ENTRO by providing advice as well as in the recruitment of the regional professionals. These measures considerably strengthened ENTRO’s administrative capacity. The Finnish TA team also facilitated ENTRO’s strategic planning process. During the last year of the ENTRO Support Project TA support focused on the upgrading of the Financial Management Systems (FMS) and the Human Resources Development (HRD). Finland’s support has thus strengthened ENTRO’s capacity and competence for strategic and work planning; project planning and management; procurement; IEC; financial management and M&E; and enabled construction and es-

tablishment of the office itself. While other donors (e.g. DFID) were involved from the beginning, Finland's comparative advantage was to provide management support which has significantly contributed to development of a functioning organization. The flexibility of the Finnish support, its ability to fill the gaps which could not be otherwise addressed was one of the success factors of the support.

Finland's 2006–2009 support to ENTRO enabled strengthening its role in ENSAP coordination, capacity building, management and facilitation, and preparation and implementation of investment programmes. During Finland's support period ENTRO has grown from a traditional project implementer to a unit that develops, coordinates and executes regional development initiatives. On the national level, the ENTRO ISP supported National Focal Point Offices and National Project Coordinators in Egypt, Ethiopia and Sudan, and contributed to the strengthening of national NBI offices, and greater alignment of national and regional agendas, together with harmonizing ENTRO's financial management systems with the NBI (Nile Basin Trust Fund 2009). To meet growing corporate demands, however, ENTRO must move from improved accounting to providing strategic-level corporate services, particularly as related to financial planning and management, human resources, and procurement. A capacity to support strategic planning, adaptive management and resource mobilization is still needed. Another impact of the ENTRO support is the way it has served as a confidence building measure by gathering representatives of Sudan, Egypt and Ethiopia around the same table.

3.1.3 Effectiveness

The effectiveness of Finland's support in the WASH sub-sector and for ENTRO has been high.

In the RWSEP, the implementation rate has increased by a factor of five (from an average of 200 water points per year in 1994-2003 to over 1,000 water points per year in 2008/2009; ii) the technical quality of the facilities built is satisfactory and the functionality rates (93–99%) are above average in Amhara Region (estimated at 75%); iii) Capital investments relative to operational costs and TA has increased from 15% of the total expenditures in 2003 (pre-CDF) to 58% of total expenditures in 2009; iv) Utilization of investment budgets (absorption capacity) has increased from an average 53% between 1998-2002 (pre-CDF) to close to 100% at the end of RWSEP III/beginning of Phase IV (WSP 2010).

This effectiveness can to a large extent be attributed to strong community ownership, their central role and interest in the water supply construction through the CDF. An important element which has increased effectiveness is the role of the Government, which is to facilitate – not to implement, manage and sustain. FWASHBG will show how effectively this will function in a different socio-cultural and geographical context. The results of the planning phase were positive.

For ENTRO, the institutional strengthening support provided by Finland has been highly effective. ENTRO has been able to continue its operations as per its mandate even after the support phase ended.

3.1.4 Efficiency

Finland's support in the water sector has been efficient, particularly regarding the support in the WASH sub-sector and support for ENTRO. Finland's inputs (TA; capital) have been provided on time and disbursement rates have been high for the RWSEP/CDF (100%). Introduction of the CDF approach has increased the efficiency of the RWSEP. Procurement in the CDF system is much faster than when it was directly funded and implemented by the WASHCOs in their localities; this improves communities' implementation capacity and enhances the functions, supply of material and equipment from the private sector. Cost-efficiency has increased, e.g. as a result of less material wastage. Project costs have decreased as the funding responsibility has turned more towards the communities. ACSI as a financial intermediary has been exceptional as it has been able to use its own available capital in the sub-branches while awaiting the RWSEP contributions and money transfers, which has increased efficiency.

In the FWASHBG the non-availability of the GoE contribution has become a risk factor. When it came to considerations of the sustainability of the programme, key inputs such as stationary, maintenance, fuel and per diems were identified as GoE contributions. In practice, the regional government of Benishangul Gumuz is indicating that it will not be able to honour these commitments (in spite of having agreed to this in advance). Particularly challenging has been the per diem question. The GoE per diem rates are 30–50% of the per diems paid by different donors (e.g. WB and UNICEF), and accordingly, priority is given to capacity development activities of the 'best paying' donors. The evaluation team was informed by the Embassy that per diems will now be topped up with GoF's funds. In a way this is in line with harmonization of donor practices but far from aligning with Government practices. However, this is reality and will not change until all donors agree either on similar per diem payments or align fully with the Government practices.

Finland is increasingly channelling its support through the WB Trust Funds. The WB procurement processes are a bottleneck, as was evidenced for TBIWRDP and for the accompanying TA, where the acquisition of crucial equipment such as computers and vehicles has been significantly delayed. The TA implementation is more or less on schedule but it will soon face a situation when it cannot proceed due to delays in implementation of the main programme. The TA contribution should be carefully considered so that they are not dependent on the Trust Fund.

During the ENTRO Support Project (2003–2006), the utilization rate of the Finnish support, particularly of the financial support but also of TA, was slower than initially expected. It can be said that these resources were not efficiently utilized. This can be attributed to the fact that ENTRO as an organization was being established at that

time. Finland's support enabled ENTRO to become better equipped to make full use of the support.

Due to prolonged contractual arrangements with the WB, Finland's financial contributions for the WSP interventions were delayed by 16 months. Fortunately, the WB managed to make some progress in implementing the activities to be funded by Finland by using already available funds.

3.1.5 Sustainability

While challenges for sustainability still remain, the RWSEP and FWASHBG have potential to become an example of how project-based interventions can be transformed to produce aligned and sustainable results. Support of ENTRO has resulted in a fully functioning organization as per its mandate.

Institutional sustainability

During the evaluation period there has been a shift from project-based intervention (Phase II) to a more aligned intervention (Phases III-IV) which contributes positively to achieving institutional sustainability. The emphasis of RWSEP on decentralization to the lowest appropriate level (woreda-community linkage), community empowerment, public-private sector linkage and CDF as a community based implementation modality has contributed to sustainability. Many of the factors contributing to sustainability have been present since the start of RWSEP in 1994: a community-based approach, use of the private sector (e.g. local artisans), and the conceptual framework developed at the early stages.

Institutional sustainability is still a challenge for RWSEP at its phasing out stage, due to high staff turnover; lack of capacity and an interest to take over 'additional' tasks by the respective regional bureaus. The CDF is operating well and interventions are sustainable, as is evidenced by its high demand, rapid expansion of coverage and high functionality rate. RWSEP has been able to provide TA to fill gaps in both the public and private sector when needed (WSP 2010). This has been an operational strength, but a weakness in terms of institutional sustainability.

Institutional sustainability is being furthered by the interest of the Government in the CDF concept, and the process of integrating the CDF into the WASH PIM. However, it is evident that a transitional period with TA inputs is required when shifting to WASH sector support using CDF as a funding window. At the regional and zonal levels, the institutional capacities have been seriously affected by the administrative restructuring process (BPR), high staff turnover and a shortage of professional staff. The results of the RWSEP and FWASHBG indicate that chances to achieve institutional sustainability within Government are highest at the most operational level, woredas.

The UAP and its implementation guidelines, WASH PIM, promote the establishment of Woreda Support Groups (WSGs). It was foreseen that Finland's support of the

WASH/CDF sector programme would need to include similar CDF Support Teams to replace the TA teams currently funded by Finland. Our findings imply that in the concept of WSG there is the danger of establishing a structure within the Government, which would be fully funded by external donors. In weaker regions this might also draw even the meagre human resources from the Government structures. Undoubtedly this potentially increases effectiveness, but decreases sustainability. At best this would be the required incentive for the public sector civil servants to become semi-private sector employees (still working for the Government) with better salaries. At worst this would be a 'parallel' structure fully funded by donors. The forthcoming FWASHBG midterm review should include a performance assessment of WSG as one of the evaluation topics.

Operational and technical sustainability

Communities are able to sustain the water points, as evidenced by the very high functionality rates. There is some variation among the woredas, but overall their technical sustainability is promising. The main technical problems encountered are related e.g. to the changes in the water table level; a need for constant awareness raising of the quality aspects and monitoring; and the availability of spare parts. The high number of trained Water Point (WP) caretakers and artisans ensure that all routine maintenance can be carried out locally. As the issue of per diems for WP caretakers during training sessions has created difficulties for the programme, the per diem should be included among the eligible costs of the CDF grant.

Financial and economic sustainability

Regarding the financial sustainability at the sector level, the government is almost fully dependent on external funding for investments. GoE funding is largely for recurrent costs. During our evaluation UNICEF made a decision to replicate CDF in ANRS in some RWSEP zones and is planning a much wider replication in four Regions. At the community level, the financial and economic sustainability of the WPs is rather good for routine operation and maintenance. However, for major repairs, the financial capacity of the communities is still rather weak and long-term financial sustainability is therefore uncertain. A "generation II" CDF should include the funding principles for major repairs. A combination of credit and grants could be the solutions.

Social sustainability

The high demand for construction of water points from outside the RWSEP areas, available funding and high functionality rates are evidence of social acceptance of CDF as an implementation modality and that water is among the key priorities of the communities. The CDF approach has strengthened the communities' role whereby the users have very good ownership of the WPs. The CDF approach has ensured that the participation of women is good. However, the older WASHCOs are still rather male-dominated. Therefore, RWSEP should work for increased women's participation in the old WASHCOs during the remaining period. A challenge is to ensure that the RWSEP-based gender approaches will be integrated into the existing gender policies and structures.

Environmental sustainability

As the technology applied in the RWSEP has been small-scale and simple, it has only marginal environmental impacts. The main impacts requiring attentions are gully formation; weak drainage of WPs; and increasing use of fertilisers and pesticides (MFA 2009). Long-term impacts of climate change are definitely the most serious risks for long-term sustainability. Already now, deepening of the groundwater level has been reported at several older WPs. If rainfall decreases, the impact on the groundwater table may become serious. Discussions with the TBIWRDP personnel indicated that linkages with RWSEP exist and that watershed interventions have been conducted in the same areas, even though to a limited extent still. Reportedly, a GAIA study on climate proofing in the water sector concluded positively with respect to the RWSEP.

3.2 Education

Within Finland's development policy, education has been seen as a key to sustainable development and a principal means of reducing poverty. It has consequently been a sector of priority within Finland's development, and Finland has therefore considerable experience and expertise to draw on for its cooperation within the sector. An evaluation of Finland's general development cooperation within the educational sector from 2004 concluded in a generally positive manner, and recommended that Finland continue its practice of being respectful of country ownership, build on areas of Finnish competence, and focus on improving quality and management of basic education (Sack *et al* 2004).

Finnish education sector cooperation with Ethiopia dates back to the eighties and early nineties, when there was a programme at Jyväskylä University for the training of African special needs education teachers, in which 19 Ethiopian teachers received their diplomas. In parallel, there was also technical assistance to Addis Ababa University for developing educational research. When cooperation was reinitiated in 1994, the education sector was again in focus. The Support to Special Education in Ethiopia Project from 1994 to 1998 contributed to developing special needs education, through the establishment of the Sebeta Special Education Teacher Training Centre (MFA 1996; Tervo *et al* 2002). Moreover, from 1994 to 1999, Finland supported two phases of the 'small' education sector development programme (esdp), focused on capacity building and quality improvement in the Amhara and Benishangul Gumuz regions as well as at the federal level for the Ministry of Education.

While there was thus a significant engagement in the educational sector in the 1990s, this was phased out in 1999, as part of the general freeze on aid due to the war with Eritrea (it related also to doubts over Ethiopian capacity for implementation and financial management, Tervo *et al* 2002: 46, 116). When Finland in the 2002 bilateral consultations signalled its willingness to reinitiate development cooperation after the halt to new contracts because of the war, education was among the sectors proposed by Ethiopia, and this proposal was accepted by Finland.

Ethiopia's education sector has struggled with huge problems at all levels. The EPRDF Government, when it came to power in 1991, inherited a school system in crisis. Addressing the deficiencies in the education sector has been among the priority issues for the Government, something that is reflected in budget allocations, where the sector receives 22% of the federal budget (at the regional level, the figure reaches 36% in some cases). Along with roads, water, agriculture and rural development, the education sector is designated as one of the pro-poor sectors in the Ethiopian poverty reduction strategy papers, indicating its importance. Ethiopia has had considerable success in increasing school enrolment, which has climbed from less than two million primary school students in 1992 to 14 million in 2007. However, this more than sevenfold increase in the student population also poses enormous challenges for the school system. Available statistics have shown that while Ethiopia has succeeded in expanding access and coverage, the indicators of quality of education have gone down (for example, pupils-teacher ratio in primary schools increased from 37 in 1996 to 59 in 2007 and 57 in 2008).

A study of teacher education in 2002, commissioned by the Ministry of Education, pointed to weaknesses in teacher performance as a principal factor, and the Teacher Development Programme (TDP, subsequently known as the TDP1) was developed in response. The TDP1 was funded through a pooled fund by Belgium, Finland, Ireland, the Netherlands, Sweden and the UK. While originally conceived as a three year programme (2003/2004 to 2006/2007), it was granted non-cost extensions up to mid-2009, resulting in a total life span of five and a half years. The TDP consisted of three main programmes: the Teacher Education System Overhaul (TESO – including the professional development of teacher educators, pre-service teacher education, and continuous professional development for serving teachers), the Leadership and Management Programme (LAMP – training for school principals, deputies and supervisors) and the English Language Improvement Programme (ELIP – training programme to upgrade English language competence of all serving teachers). Under the framework of the GoE Education Sector Development Programme (ESDP), a comprehensive system for sector monitoring was set up, with Annual and Joint Review Missions (ARM and JRM), heavily involving donor representatives. Finland was active in these missions through the use of consultants on multi-year contracts.

From mid-2009, the General Education Quality Improvement Programme (GEQIP) took over after TDP1 with the objective of generalizing the quality focus for the education sector. One component of the GEQIP is what is called TDP2. In addition the programme comprises the following components: Curriculum, Textbooks and Assessment; the School Improvement Programme (including school grants); the Management and Administration Programme; and Programme Coordination. Two additional components originally proposed by the Ministry of Education – ICT as well as Ethics and Civics – were removed from the package by the donors, as was Special Needs Education (see below). The GEQIP is funded by the World Bank and the Education for All Fast Track Initiative, as well as the bilateral donors Italy, Finland, the Netherlands and the UK. The bilateral donors deposit their funds in a World Bank-controlled multi-donor trust fund. The World Bank has a key role in monitoring im-

plementation, and disbursements are conditioned on fulfilling a series of specific requirements for implementation and reporting.

The 2002 evaluation of Finland's development cooperation with Ethiopia pointed out that Special Needs Education was an area within the educational sector that only Finland among the donors showed any concern for, that Finland had specialized expertise in the field, that good relations were established between Finland's expert institutions and Ethiopians working in the area, and that the programme had a significant impact in ensuring that special needs education became integrated within the education system of Ethiopia. When support for the education sector was restarted, it was therefore natural to seek a continuation also of the cooperation in this field. On the basis of discussions between Finland and Ethiopia, it was agreed to cooperate in the form of a Finnish expert advisor on special needs education working in the Ministry of Education. The original agreement was for two years (2004–2006) and was later extended by an additional year. The main task of the advisor was to contribute to the development of a special needs education strategy, as well as to build capacities and raise awareness within the Ministry at federal and regional levels. A second phase of technical assistance for special needs education was initiated with a new adviser from 2008, after a gap of more than a year. In early 2009, he had to leave for health reasons, and new advisor started working in midyear after a gap of several months, complemented by two associate advisors who arrived in August. In the present phase, the objective is two-fold: On the one hand implementing the special needs education strategy, and on the other hand building a network among actors involved in the field. In addition to the government to government support, there has also been a significant engagement in the education sector through Finland's civil society support. Education is an important sector for many of the Finnish NGOs (this is the case for both the sampled organizations, FELM and SCF). Several of the LCF projects are also within education. As far as is known at the moment, these civil society education projects are generally implemented in cooperation with government structures, usually at the local level.

3.2.1 Relevance

On the basis of the reviewed documents and interviews held in Finland, it appears that the education sector support has been highly relevant in terms of needs. The greatly expanded coverage of primary schooling in Ethiopia has made the issue of quality an evermore urgent concern. Teacher training is a key element in this respect. Consequently, both the TDP and the GEQIP respond to critical needs. By supporting the development of special needs education in Ethiopia, Finland is focusing on an issue where needs are enormous, and where other donors are absent.

The TDP and the GEQIP are among the central cooperation programmes of the Government of Ethiopia in the educational sector. The special needs education programme consists of support to the Ministry of Education at the federal and regional levels, for developing and implementing the Ministry's own strategy. The support is thus highly relevant from the perspective of government plans and policies.

Finally, the education sector development cooperation corresponds closely to Finnish policies, by focusing on the quality of basic education, and building on specific Finnish expertise.

3.2.2 Efficiency

Reporting on the implementation of the TDP has been extremely weak. There is little baseline information against which to measure programme progress, and even though a large number of indicators were developed, they have not been monitored (FDRE/MoE 2006: 19). While there exist a midterm review from April 2006 (FDRE/MoE 2006), a DFID project completion report from June 2008 (DFID 2008), and a draft completion report from March 2010 (Hailegiorgis & Dewees 2010), neither of them give precise information on the overall activities realized over the project period. Shortcomings in monitoring of activities were pointed out in the midterm review (FDRE/MoE 2006: 19), but practices were not improved, and the information is actually most complete for the early years. Indeed, after 2007, when the project was functioning on the basis of non-cost extensions, it seems that the attention of the donors as well as of the Ethiopian Ministries involved was shifted to developing the new GEQIP programme that would take over, and even less importance was given to monitoring progress. Consequently, the only report covering the whole period – the 2010 draft report – is only able to come up with rough estimates and indications on what the project has achieved. Key output figures – such as the number of teacher educators, teachers, principals and supervisors given pre-service and in-service training over the programme period – are not available. The situation is further complicated by the fact that while activity reporting was the responsibility of the MoE, it was MoFED that was responsible for financial reporting. While they have aggregated information on expenditure for the different years, this has been itemized not in terms of the different components of TDP, but in terms of four gross expenditure types ('operational costs', 'training', 'consultancy services', and 'goods'). Furthermore, even a year after the closing of the programme, the completion report is unable to determine the remaining balance with precision due to uncertainties over how much of funds transferred to the regions was spent before the programme closed (Hailegiorgis & Dewees 2010).

This lack of available data means that an analysis of efficiency (as well as of effectiveness) in any strict sense of the term is virtually impossible to make. The deficiencies in planning, monitoring and reporting, however, do indicate inefficiencies. Hailegiorgis and Dewees point to the lack of a system for programme management on the basis of the monitoring of outcomes as the main weakness of the TDP, contributing to the fact that most targets were not met (2010, 28). Furthermore, they argue that the financial reporting of the MoFED that does not allow analysis of components (TESO, LAMP, ELIP) or sub-components (curriculum development, teacher educator training, teacher training at different levels, practicum, etc.) or of particular line items (travel, per diem, materials, capital goods) makes impossible any management geared at realizing efficiency, and reduces planning to designing and realizing activities (2010, 29). Thus, in spite of the impossibility of evaluating efficiency in a strict sense,

there are good reasons to conclude that efficiency could have been significantly enhanced.

Notwithstanding the above, it should be pointed out that the programme did achieve quite a bit over its life span. From the available data, the impression is that it is the TESO component of the TDP was the most successful in realizing its planned activities. Of four planned outputs, the DFID completion report concludes that this component achieved one, while two were partially achieved and one realized only limited achievements. The LAMP component was apparently halted between 2004/2005 and 2008, in order for new contents to be developed, and has had very limited achievements. The ELIP reportedly gave 150,000 teachers English training (DFID 2008) but the model for training was subsequently changed as in-service training programme was deemed ineffective. The DFID completion report concludes that quantitative output targets have been achieved. When assessing these results, it should be kept in mind that the TDP was a highly ambitious programme, with objectives that might be termed as somewhat unrealistic, at least within the original three year time frame.

The first phase of the Special Needs Education programme faced a number of difficulties, including on-going reforms and shortage of staff within the MoE. During the first two (of three) years, the Finnish advisor did not have any counterpart. While originally planned as a two-year programme, it was extended for another year. Within this expanded timeframe most of the planned outputs were achieved, in spite of a challenging work environment and political context. In sum, the project appears to have been a reasonably efficient technical assistance project. The one year plus gap between phase 1 and 2 probably meant a loss of momentum, which was exacerbated by start-up difficulties of phase 2 – the first Finnish advisor having to leave for health reasons, the delay before a replacement was in place, and the subsequent difficulties with counterparts and integration into the MoE due to the ongoing restructuring process (BPR) as well as to the temporary posting of several of the Ethiopian experts outside the unit dealing with special needs education. While such problems are not uncommon in technical assistance projects, they mean that so far, the efficiency of phase 2 has been quite limited. It could also be pointed out that there is a difference of view between the Finnish advisors and the MoE as to the most effective use of resources for this phase. While Finland insists that the need for professional expertise on inclusive education is so great that three advisors are required, the MoE believes that one expatriate expert is sufficient and that a better use of resources would be to increase the budget for activities. While the team cannot give any qualified opinion on the issue, we suggest it be included as a question for the upcoming midterm review of the programme.

It is still early to assess the efficiency of the GEQIP. There are indications that strict World Bank requirements and limited MoE capacity combine to create delays in implementation. At the same time, certain activities – such as within the huge textbook production component – appear to have been realized effectively and rapidly. Furthermore, it should be noted that the trust fund arrangement is designed to avoid the monitoring difficulties that were experienced with the TDP.

3.2.3 Effectiveness

For the TDP, it is again difficult to assess effectiveness with any precision, due to incomplete data on programme achievements. But a number of outcomes were undoubtedly achieved: The whole system for teacher training and accreditation has been revamped; new curricula, methodologies and contents for teacher training have been developed and introduced, with a new emphasis on active learning methodology to be used in schools; practicum periods for teachers in training were institutionalized on a broad front; new linkages between Bureaus of Education and Teacher Education Institutions were established; and large numbers of teacher educators as well as teachers of different levels have been trained. Aiding the assessment of effectiveness, there are also a number of impact studies that were commissioned after the midterm review. Even though each of them only cover samples and employ different methodologies and assessment criteria, they nevertheless offer important inputs for assessing outcomes and impacts of the programme. On the basis of the total available information (best summed up in Hailegiorgis & Dewees 2010), the following outcomes can be identified:

- a) TESO: The system for teacher education was reformed, with an emphasis on promoting active learning methodologies, introducing practicum periods for teachers in training, and upgrading the qualifications of teacher educators. A high number of teachers were trained, through pre-service and in-service training. However, the resulting ratio of qualified teachers fell far short of the targets, and except for the case of upper primary level teachers (where the ratio rose from 32.1 to 53.4%) improvements were not significant. This must be explained partly by the expanding number of total teachers, partly due to a fairly high rotation of personnel (DFID 2008). Indicators on the use of new teaching methodologies imply that new teachers are using them to some extent (studies with different criteria indicate that between 28.8 and 68.4% of teachers who have received training employ active learning methodologies part of the time).
- b) LAMP: The programme was halted after 2004/2005, and there is little information on what was achieved the first year. Outcomes must be assumed to have been quite limited.
- c) ELIP: While a high number of teachers did receive English training, doubts have been raised over the effectiveness of the 'cascading approach' (which was eventually changed) as well as of the ambition of reaching all teachers. It is not possible to conclude on how effective the programme has been.

The first phase of the Special Needs Education programme produced a Special Needs Education (SNE) Strategy through an inclusive and participatory process, a strategy that is owned by the MoE and currently forms the basis for its actions within the field. On this count, the programme has been effective in achieving its objective. Regarding the secondary objective – creating awareness and networks and mainstreaming inclusive education at different levels – the project appears to have been less effective. For instance, while workshops were held for developing regional action plans in most regions, it was found that these plans had not been implemented and to a large extent were unknown at the time of the start of phase 2 (FDRE/MoE 2006).

Also the fact that Special Needs Education – included as a separate component within the GEQIP in the early plans developed by the MoE – was dropped in mid-2008 may be taken as an indication of a limited degree of mainstreaming of the SNE. While this decision to drop was reportedly pushed by the World Bank (with support from DFID) it was because the SNE component was seen as deficient in terms of operationalization, and therefore not fit to be included in the GEQIP. That the decision was taken towards the end of the gap between the first and second phase of the SNE support, when no advisor was present, may not be coincidental, but implies that the gap meant a loss of momentum and a reduced effectiveness. All in all, through its contribution to the SNE strategy, phase 1 must be judged as fairly effective for a small programme, even though achievements in terms of awareness-raising and mainstreaming were probably less far-reaching than what is described in the advisor's end report (Lehtomaki 2007).

3.2.4 Impact

The conclusions of the DFID project completion report for the TDP have been summed up in the following way:

“...significant progress had been made towards the project purpose and [...] the TDP had laid the foundation for similar operations in the MoE and its regional structures. However, TDP's contribution to its overall development goal, measured by the indicators set at that level such as pupil's performance and rate of repetition, had been minimal. At the purpose level, the targets set were not achieved and three reasons were cited for this: project planning and design errors, high turnover of teachers and weak implementation capacity” (Consilium 2008, 5).

In conclusion, the DFID completion report states that the impact, in terms of improved performance among students, has been ‘inconspicuous’. Yet, this must be put in the context of a greatly expanding student population, where just maintaining teaching standards was a huge challenge. Furthermore, in a broader perspective, one may point to the contributions of the TDP in transforming the educational system of Ethiopia. Firstly, there has been a systematization of the formal requirements for teachers at various levels, a process that is being readjusted (with new and higher requirements) with the start of the GEQIP. Secondly, the system for teacher training has been changed, with greater systematization and linkages between actors. And thirdly, the TDP should be seen as an important element in a long-term transformation of the Ethiopian teaching methodologies, away from the traditional one-way, repetitive teaching methods towards more active and learner-centred methodologies. Such a transformation is by necessity slow, but if the process is allowed to continue (including under GEQIP), the long-term impact of the TDP may be considerable.

As far as the Special Needs Education programme is concerned, it is still too early to assess its real impacts. In a sense, the impacts can be said to be the fruits of the implementation of the strategy that was the outcome of phase 1. This implementation is what phase 2 currently is seeking to accomplish. Despite SNE being taken out of the GEQIP, the inclusion of special needs issues in curricular review, teacher training

and school grants could at least partly be seen as an impact of Finnish involvement in the sector. Furthermore, the team received assurances that SNE will be included in the new sector development programme as well as in the new poverty reduction strategy.

3.2.5 Sustainability

The TDP has been developed and implemented by the MoE, and technical and its institutional sustainability is satisfactory. Despite the wide-ranging changes to teacher training brought about by the TDP, the draft completion report states that the consultants were impressed by the way TDP concepts and procedures had been institutionalized throughout the MoE, the Regional Education Bureaus and the Teacher Training Institutions (Hailegiorgis & Dewees 2010: 28). In terms of financial sustainability, the fact that TDP is continuing as a component of the new GEQIP programme (TDP2) indicates a form of sustainability, as the stakeholders are willing to continue to fund the activity. Such a programme will of course always be dependent on continued allocation of resources, but the high priority given to education by the GoE and the elevated budget shares going to the sector offer strong indications that this will continue in the future.

For the Special Needs Education programme, the Finnish insistence on the need for an expanded number of advisors in phase 2 would seem to be an indication that technical and institutional sustainability is still some way off. Financial sustainability would seem to hinge on the degree to which acceptance of the need for SNE has been anchored within the MoE. The fact that the Ministry has created a new unit with SNE as one of its two areas of responsibility, as well as the expressions of support for the activity from senior MoE staff interviewed, seems to indicate a fair degree of such acceptance.

3.3 Civil Society

Ethiopia has never had a strong and vibrant civil society in the strict meaning of the term. There is a wide range of traditional forms of organization, from political structures upholding traditional law (Bahru 2002) to widespread savings and funeral associations. And since 1991, there has been a certain growth in different types of associations, both NGOs working with development or advocacy, and membership based organizations representing professionals, workers, employers, communities, etc. However, as Dessalegn has argued, this development has been constrained by government policies, an authoritarian tradition, the limited number of people with organizational skills and a weak economic base (Dessalegn 2002). The political crackdown on the opposition and the general closing of political spaces in the aftermath of the 2005 elections also affected associational life. The new Civil Society Organization law which was approved in January 2009 places strong restrictions on the potential of NGOs to play any political or advocacy role. Basically, any organization receiving more than 10% of its budget from foreign assistance is forbidden to do any advocacy

work. While it is still not clear how the authorities will apply the law, it has raised great concern among Ethiopian organizations, and it has been roundly criticized by donors and human rights activists. Finland has raised this issue in its bilateral consultations with Ethiopia. Ethiopia in turn has expressed the wish that Finland would channel less funding to civil society organizations and more to the Government, in order to reduce transaction costs.

Finland's support for civil society in Ethiopia consists of two quite separate channels: The support through Finnish NGOs, where grants are handled by the MFA in Helsinki, and the Local Cooperation Fund (LCF), administered by the Embassy. These are discussed separately.

3.3.1 Finnish NGOs

Finland channels aid through Finnish NGOs as part of its overall development cooperation, thus subjecting such assistance to the same objectives and principles. A comparative advantage of NGOs is understood to be their closeness to and their presence at the grassroots level. A specific goal for the NGO support is to strengthen civil society in developing countries and the opportunities for local people to have an impact. There are eleven Finnish NGOs working in Ethiopia, of which six have partnership (framework) agreements. Five are church-based, three child-oriented, two are disability organizations, plus the Red Cross (Table 2 in Annex 4). For the evaluation, the two organizations with the largest Ethiopia programmes – the Finnish Evangelical Lutheran Mission (FELM) and Save the Children Finland (SCF), one church-based and one child-oriented NGO – were selected for closer study, including project and partner visits. The other organizations were asked to submit project documents. For these NGOs, it is mostly their relevance that can be assessed. An overview of the sectors in which the organizations work is given in the table below.

Table 1 Sectors and target groups of Finnish NGOs' projects.

Children	Women	Disability	Health	Education	Rural dev
5	3	6	10	7	9

Source: Compiled from project documents and project titles on MFA webpage.

FELM has been working in Ethiopia since 1968, always with the Ethiopian Evangelical Church Mekane Yesus (EECMY) as its partner. The Mekane Yesus Church has established a separate entity – the Development and Social Service Commission (DASSC) to handle all its development work. FELM is not registered in Ethiopia, but works through the EECMY structures. FELM supports projects of the local church organizations in different parts of the country. In the evaluation period there have been 19 different projects: seven health projects, seven education projects, five rural development projects, one disability and one women's project. SCF was registered in Ethiopia in 2004 and opened its office there in 2005. Its two main programmes are involved with education and child protection. The education programme is oriented

towards Alternative Basic Education, and is implemented in cooperation with local authorities and local NGOs. The protection programme comprises child rights groups and child 'parliaments' as well as work with the police and the Ethiopian ombudsman. SCF is concerned about how the new CSO law will affect this programme. There is also a water programme in one woreda, and SCF has implemented two of the humanitarian assistance projects discussed below.

Relevance

In general, the themes with which the organizations are working correspond to very real needs in Ethiopia. The programmes of all Finnish NGOs have a clear focus on marginalized groups – women, children, persons with disabilities. In general a strong rights orientation can be discerned from the project documents. The dominant sectors – education, health (with a significant component of HIV/AIDS-focused projects) and rural development (with water and sanitation being a component in several cases) also conform to Finland's priorities. Both the sampled organizations appear to have solid routines for mapping local needs and resources as a basis for developing programme interventions, and evaluation reports give a high score on relevance (FELM/EECMY 2007; 2008a; 2008b; SCF 2007). The focus on working with local structures (church-based, NGOs and local government in the case of the two selected NGOs) complements the bilateral cooperation with the authorities at the central level. The two sampled NGOs had programme components aimed at strengthening their partner organizations, thus concretely contributing to strengthening Ethiopian civil society. In sum, the NGO support appears relevant for and coherent with Finland's overall development cooperation.

In the future, the new CSO law will affect the scope of NGOs' work. Organizations working with issues such as women's or child rights may have to drastically reorient their work. Among the sampled organizations, SCF reported strong concerns over this, whereas FELM did not foresee any restrictions to their work. However, FELM pointed out that they could not involve themselves in reconciliation in the Gambella region, even though this was requested by the two local EECMY partner churches representing the two ethnic groups in conflict, the Nuer and the Anuak. Given the specific Finnish objective for NGO support – to strengthen the opportunities for local people to have an impact – the relevance of the NGO channel in Ethiopia may end up declining considerably.

Efficiency and effectiveness

The two Finnish NGOs studied have chosen somewhat different models of working, with SCF having a stronger presence in Ethiopia and greater role in developing and implementing projects vis-à-vis its partner organizations. SCF has developed two programmes that are implemented by different partners in different geographical areas, involving NGOs and local government structures. The 2007 review of SCF's programme in Ethiopia points out weaknesses in indicators, which make the assessment of programme achievements difficult. FELM relies to a greater extent on DASSC and the EECMY structures, where programme needs are identified and interventions developed by local church structures. Several of the FELM evaluations have noted

weaknesses in the administrative set-up. This, however, relates in part to the use of local people as project implementers, with considerable benefits in reduced costs and increased ownership, participation and sustainability. In general the evaluation reports conclude that activities have been implemented and outputs delivered on time. The reports emphasize positive outcomes, without consistently comparing them to planned objectives. On the basis of the investigation that the evaluation was able to do, both organizations appeared to be well-organized and relatively efficient and effective.

Both FELM and SCF have had external evaluations of individual projects. The same is undoubtedly true for many of the other Finnish NGOs. However, there is no systematic obligation placed on the organizations to have such evaluations, nor any practice by the NGO unit of the MFA of requesting those that are made. This means that the MFA does not have access to what would probably be the best monitoring system of partnership organizations in terms of learning what they actually achieve.

Impact and sustainability

It is difficult to assess the impact of the FELM and SCF interventions with any precision. None of the existing evaluations have been impact evaluations, and the ongoing SCF programmes are anyway too recent for impacts to be identified. Based on available reports and our impressions, the programmes of both organizations are having a positive impact within their respective fields of intervention. The fact that health and education programmes are generally implemented in cooperation with government institutions means that financial and institutional sustainability is as good as can be hoped for with these kinds of projects. According to the reports, the integrated rural development projects are socially, financially and environmentally sustainable. However, the narrowing of the space for civil society advocacy through the CSO law and other measures will limit the potential impact that organizations can have in terms of giving voice and influence to local people.

3.3.2 Local Cooperation Fund (LCF)

In Ethiopia the LCF was introduced in 2001 by combining three former funds: small grants, human rights and democracy funds, and the cultural fund. Norms for the LCF have changed over the years, but essentially emphasis has been on capacity development of local civil society. Since 2001, the financial volume of the LCF has steadily increased, to EUR 600 000–800 000 in 2005–2007, 850 000 in 2008 and 1M EUR in 2010. The thematic areas supported have remained roughly the same; human rights and democracy, gender, environment, education and culture. Over the period, only one thematic evaluation (on biogas) has been carried out.

Relevance

The thematic areas have been in line with Finnish objectives. LCF has been particularly relevant in the promotion of human rights and democracy and more than 50% of the funds have been allocated for that purpose during this decade. It has been Finland's only aid instrument able to support local human rights organizations operating

in an exceptionally challenging environment. In this respect, the relevance of the LCF can be said to be even higher than it is in some other partner countries. According to the Embassy, cooperation in this thematic area 'has provided valuable contacts and information for following up on political issues in Ethiopia' (Embassy of Finland in Ethiopia 2008). The new CSO law has already affected the use of the LCF and decreased its relevance and comparative advantage. Some of the main recipients of the support like EHRCO and EWLA have been banned. Under these circumstances, the LCF implementation in Ethiopia cannot continue as planned. There are possibilities to support civil society processes to adapt to the new situation (e.g. Adaptation Facility) and joint funding through the Civil Society Support Programme which attempts to coordinate donor assistance to CSOs (25MEUR/5 years with Canada, Ireland, the Netherlands, Norway and the UK included already). Non-formal education support has been implemented in pastoralist communities (Afar Region) where the need is highest.

Efficiency and effectiveness

As most of the funds (approx. 80%) have been allocated to long-term partners with proven capacity, implementation and reporting by organizations have generally been on time. The decision to move towards long-term and basket funding was based on the experiences during 2001–2004 which indicated that the smaller CSOs have such large capacity gaps that efficiency is challenged.

Impact

We are not in a position to assess the impact of individual LCF interventions. The LCF reporting indicates, however, that interventions for the empowerment of women (2001–2004) have been successful, as has the above-mentioned biogas project. Some of the supported youth and environmental clubs became winners of Green Awards organised by Regional States. The LCF 2006 annual report also indicates that success of the supported EWNRA in the area of integrated wetland and watershed management is manifested in numerous requests from the neighbouring watershed areas for similar interventions. Urban agriculture is also reported to have been well adopted by the beneficiaries.

Sustainability

The Norms regulating the use of the LCF have restricted its use to the strengthening of the organizational capacity of the recipient organizations. CSOs have not developed as organizations beyond the increased funding base as a result of the LCF support (Poutiainen *et al* 2008:2). Currently, however, the long-term partners are able to include a human resource capacity development plan (30% of the total) as part of their proposal. Allocating the funding for bigger and more capable CSOs together with other donors has also increased potential for sustained actions. It is assumed that the Embassy's decision to undertake capacity assessment (outsourced to the INGO Pact) of potential long-term partner candidates has significantly contributed to sustained actions in their areas of operation. The Embassy has also organised thematic trainings for LCF partners. The implications of the new CSO law have meant that some of the LCF recipients have had to close down their operations.

3.4 Humanitarian Assistance

The need for humanitarian assistance has been a continuous feature of Ethiopia, and this has been so for several decades. In some areas people are continuously dependent on relief food for part of the year. For the years 2000 to 2008, Ethiopia received on average USD 375 million in humanitarian assistance per year, plus another USD 113 million in development food aid. While needs are great, there are positive elements in the fairly efficient early warning, needs assessment and relief distribution systems in place. The GoE has established a comprehensive system for monitoring relief needs and provision. While all food aid is handled by the GoE, UN agencies and national and international NGOs are also actively involved in providing other types of humanitarian assistance. Due to the fact that about 7.5 million people are in chronic need, humanitarian support is split into two programmes. The Productive Safety Net Programme (PSNP) targets the groups with chronic needs and is given in ways that promote development and reduce vulnerabilities, for instance in the form of Food for Work linked to environmental rehabilitation programmes. Relief is meant to address situations where needs arise unpredictably and aid must be provided rapidly and flexibly for short periods. While the system perhaps does not work completely as expected – the relief part is still larger than what was hoped for – the set-up does provide a sensible way for responding differentially to different situations, as well as for linking longer-term development efforts to the humanitarian assistance.

Donor attitudes towards working with the government have changed over the evaluation period. Just as the distance between donors and the GoE in general has increased after the 2005 elections, the same has happened on the humanitarian side. Representatives of many donors and agencies claim that humanitarian assistance is used politically, and refer to disagreements between donors and the GoE over the number of people in need, government control of information to be sent out in appeals, and to alleged discrimination in food allocation on the basis of political affiliation (see Human Rights Watch 2010). Also, GoE security operations in the Somali region since 2007 have hindered humanitarian operations and led to increased relief needs. Regarding political use of relief, it would be surprising if this is not happening, given the general challenges of democratization in the country. How systematic such discrimination is may however be more open to question. The WFP, with an extensive apparatus of independent monitors throughout the country, has sought to investigate a number of such allegations without finding any clear cases of political misuse of relief. Moreover, the fact that the GoE estimate of people in need of relief is some 15% lower than that of the donors may not be very dramatic – in particular since they agree on the data but differ in the ways of drawing the line, and, as the GoE representative stated, they never get all the relief they ask for anyway.

Whatever the truth is in this matter, the undisputable outcome is that there has been a tendency among donors to channel more of their funding through international NGOs and less through UN and government channels. This is counter to stated intentions of using GoE structures, and it hampers coordination. According to the GoE, international NGOs are generally very weak in informing the federal humani-

tarian body (recently renamed the Disaster Risk Management and Food Security Sector, DRMFSS) about their humanitarian assistance programmes, although they do obtain permission from and coordinate with local government.

The permanent humanitarian crisis that these figures reflect has created dissatisfaction among some donor representatives. Relief should not be a permanent intervention, they argue, and question whether Ethiopia is doing enough to address the situation. However, it is difficult to see how the food security of the rural population in drought-affected parts of the country can be achieved in the short to medium time period without the use of relief. On the other hand, if the problems were not exacerbated by conflict and governance-related issues, they may in theory be more amenable efforts to overcome them. In any case, the complexities of transition issues in Ethiopia are huge and require close attention to the linkages between relief and development. This implies also that development efforts need to consider how they may contribute to reduce vulnerabilities.

3.4.1 Finland's Humanitarian Assistance

Allocation of Finland's humanitarian assistance is by the Humanitarian Unit of the MFA in Helsinki on the basis of appeals. The unit is quite small, and all funding is channelled through humanitarian organizations. Allocation is rapid and not bureaucratic, allowing fast disbursement and giving the implementing organization great freedom in the use of the funding. The Embassy has no role in advising decision-making or in monitoring. Table 3 in Annex 4 shows humanitarian assistance to Ethiopia by year, implementing agency and purpose. There has been such assistance every year in the period, fluctuating between EUR 200,000 (in 2007) and EUR 1,598,000 in 2003. Actual support for Ethiopia has been higher, as WFP and possibly other agencies (i.e. the UNHCR) have allocated to Ethiopia parts of its other Finnish funding (core funding or earmarked for the Horn of Africa region).

The largest recipient of Finland's humanitarian assistance to Ethiopia has been the WFP, which has received around half of the aid over the period. Next are the Red Cross/Red Crescent structures (channelled through Finnish Red Cross, largely implemented by the Ethiopian Red Cross) which account for around 25% of the total, whereas Finn Church Aid has received around 10%, and Norwegian People's Aid (NPA) around 9% for its Mine Action Programme. Smaller grants have also been channelled through the WHO, UNICEF and Save the Children Finland. Apart from the grants to NPA's mine action programme and a 2000 grant to the Red Cross for war affected, all the support has been for victims of natural disasters.

Relevance

Finland's humanitarian assistance is given in a flexible manner – for the UN organizations without earmarking beyond the country level. This is seen as of crucial importance by the WFP, as most aid they receive is tied to specific purposes. Even if Finland is not among the largest donors, the fact that it can be used to fill holes where needs are greatest gives it added weight and importance. Also, NGOs are given considerable

freedom in order to adapt to the specific and often evolving situation. This flexibility ensures a great relevance for the funding.

Similarly, each of the organizations funded are respected for the work they do, and the consulted evaluations of the programmes of WFP, ICRC, SCF and NPA are all given high marks for relevance.

On the other hand, it is difficult to discern any pattern in the way grants are given to different agencies in different years. The fact that allocations are made without consulting with Finland's embassy in Ethiopia or other in-country observers also seems to indicate that humanitarian assistance is actually distributed among agencies in a relatively accidental manner. Given the tendency to fragmentation of humanitarian assistance referred to above, this is unfortunate. Since humanitarian needs in Ethiopia are mostly predictable, and the need for speedy allocations consequently not as great as in other countries, it would be worthwhile to consider a different allocation procedure, building on an analysis of the roles of the different actors in Ethiopia's humanitarian system, and drawing on the Embassy personnel's knowledge of the country.

According to one humanitarian agency, Ethiopia is a particularly difficult country from which to issue appeals, since the government effectively controls much of the information that humanitarian organizations are able to send to donors. This suggests that it is important for the MFA to seek the advice of the Finnish Embassy regarding appeals from Ethiopia even more than in the case of other countries.

Efficiency and effectiveness

All the evaluations referred to above indicate a general high degree of achieving expected outputs and outcomes. Of course there are reported problems in all cases, but not more than one would expect in a poor, landlocked country with very low levels of infrastructural development. In sum, relief appears to have been acquired, transported and distributed in a timely manner, and it has contributed to saving lives and reducing suffering.

Impact and sustainability

However, while the projects have addressed immediate needs, the evidence is not as strong for them having contributed to rebuilding livelihoods and reducing vulnerabilities. While a partial exception may be made for the NPA programme, it is noteworthy that the critical remarks of the evaluation reports generally refer to longer-term sustainability issues: The insufficient attention given to capacity building (WFP); the lack of linking relief distribution to income generation (ICRC); the continued need for rehabilitation (SCF). Of course, it is the PSNP rather than the relief that is envisioned to have the clear link to rehabilitation and development. Yet, these evaluations indicate that also the supported programmes could have achieved more in this respect.

3.5 Harmonization, Alignment, Coherence

3.5.1 Harmonization

Ethiopia was a pioneer in the international movement toward donor harmonization, though much momentum was lost in the aftermath of the 2005 elections. Harmonization in the country generally has been more advanced in the education sector than in the water sector. All donors interviewed consider Finland to have been an important supporter of harmonization and even a leader in the water sector.

Context

Following the 2002 Monterrey Conference on Financing and Development, the government and donor-led Development Assistance Group (see below) created a joint Task Force on Harmonization. Due to these and other efforts, Ethiopia was chosen as a harmonization pilot country for the Strategic Partnership with Africa and (along with Vietnam and Jamaica) for the February 2003 International High Level Harmonization Forum in Rome. The government led a two-year consultative process that created a “Harmonisation Action Plan” in December 2004 and participated actively in the High Level Forum on Aid Effectiveness in Paris in February-March 2005.

Most observers agree that the GoE’s attitude toward harmonization became more sceptical in the aftermath of the 2005 elections, when all budget support was suspended by the donors. This scepticism apparently was an important factor in the failure to agree a joint harmonization proclamation in 2007 after a two-year consultation process. Some observers feel the government is gradually becoming more positive toward harmonization again as it better understands the benefits in terms of transaction cost savings.

The Development Assistance Group (DAG) was formed in 2001 to share information and harmonize donor support to help Ethiopia meet the Millennium Development Goals. It currently comprises 25 donor agencies, including the Finnish Embassy. DAG is housed in the UNDP, and the UNDP and World Bank serve as co-chairs of its Executive Committee. The views of donors regarding DAG were mixed at best. Many felt there were “too many” meetings and circulated papers to comment on, and that in the end it was often very difficult to arrive at a good sense of what was actually going on in terms of harmonization. The common verdict was that DAG was more about sharing information than actual harmonization. Several who had served in other African countries felt that, e.g., Tanzania and Mozambique were more advanced than Ethiopia in this area, though recognized that the current attitude of the Ethiopian government made donor progress difficult. Most were surprised that Ethiopia had been chosen as a pilot country (along with Bolivia) for the EU’s Division of Labour initiative to be presented at the Seoul conference in 2010.

DAG currently has 11 Technical Working Groups, including for Education and for Water. The Finnish Embassy’s water advisor served as co-chairperson of the Water working group during 2007 and 2008. According to those we were able to interview

who had served on the committee at that time, the Finnish chairperson was highly regarded, while one interviewee noted that he practically had “revived the DAG water group from non-existence”. The impression from several donors was that Finland had a strong mandate to push for harmonization, and that its approach was “open and innovative”.

Finland did not serve as chairperson of the DAG education group during the period covered by the evaluation, though participated actively in it (a representative of Finland became co-chairperson only in February 2010, i.e., after the period covered by this evaluation). Other donors and MoE officials generally expressed admiration for the depth of knowledge possessed by the Ethiopian national who served as the Finnish Education advisor and representative to the Education working group during much of the period, though two donors and one MoE official expressed doubts as to the ability of any non-Finnish national to adequately represent Finnish views.

A former chairperson of the DAG Education group strongly advises Finland to contribute to the DAG Education pooled fund (which among other things deals with improving M&E in the sector). He pointed out that this would not only be good for harmonization, but likely would provide Finland more credibility in dealing with MoE in its capacity as co-chair of the DAG Education group. The evaluation team would advise Finland to consider contributing to this fund.

Division of Labour

As part of the Aid Effectiveness agenda the EU began pushing for implementation of greater Division of Labour (DOL) among, with the main goal of getting each donor to focus on no more than three sectors. Discussions were started in 2005, although the main push came in 2008. After meeting much resistance to the concept in DAG from several large non-EU donors – and even a few EU ones – the EU decided to focus on pursuing DOL exclusively among EU members. Much of the push seems related to a decision to make Ethiopia a pilot country for EU DOL efforts.

According to the EU delegation, Finland has generally been supportive of DOL efforts in DAG meetings when it has been brought up and has been a good example of DOL in practice with its focus in only two sectors: education and water. While a survey of donors conducted at the end of 2008 noted that both these sectors are somewhat crowded, neither are as crowded as agriculture. In fact, Finland is somewhat unusual among donors in not having an agricultural programme, since for many donors, food security is a politically important area, and for some it is probably their main reason for being in Ethiopia. Finland arguably could be praised for its seemingly unselfish behaviour in keeping out of agriculture. It is not clear what led to Finland’s decision to leave the agricultural sector when it resumed aid to Ethiopia in the early part of the decade; notes in the minutes of a country dialogue from that time only state that this sector (mentioned specifically in the minutes) was not requested by the Ethiopian government.

TDP pooled fund

TDP was not the first programme to use pooled funds in Ethiopia (the first seems to have been in the road sector), but it represented a pioneering effort in harmonizing the education sector and, according to MoFED, was the first major programme in any sector to systematize the use of pooled funds. Donors' experiences with TDP – positive and negative – informed the development of funding arrangements for GEQIP.

One of the negative lessons of TDP seems to be that collective responsibility can lead to collective lack of responsibility in following how money was spent. Finland does not seem to have pushed any harder than other TDP donors in demanding more accountability for TDP funds. Arrangements under GEQIP address this problem by putting most of the monitoring responsibility on the World Bank as manager of a trust fund that acts as an intermediary between the donors and MoFED. The potential negative impact on alignment of this is discussed below.

SN. Finland has been the only donor to support special needs education. Several donor and government interviewees felt that Finland had found an important niche in SNE, though some criticised it for not being able to explain the importance of what it was doing in the sector.

Water sector harmonization

Donor harmonization is a relatively recent phenomenon in the water sector, which has seen mostly uncoordinated bilateral interventions during the period under review. Finland was a co-founder of the first Multi-stakeholder Forum, held in October 2006 as part of the EUWI country dialogue; this meeting is now considered to have been the first step towards achieving a common WASH vision.

Finland has systematically pushed for the CDF – developed under the Finnish RWSEP programme – to be incorporated into the national WASH sector programme. It will now be one of three funding mechanisms allowed in the new WASH Project Implementation Manual (PIM). UNICEF has already decided to replicate the CDF concept in four regions and will use the zonal advisors of RWSEP in zones where RWSEP is operational.

Finland has also been active in developing sector harmonization through its support to the WSP. A lot of effort also went into the preparation of the Water Sector Capacity-Building Fund, which eventually failed due to GoE resistance to UNICEF's fund manager role. Currently Finland is active in promoting harmonization at the regional level in Benishangul-Gumuz.

Diverging donor practices

Differences in practices between RWSEP and the SIDA-funded SARDP in ANRS region has resulted in the withdrawal of RWSEP from six woredas in East Gojjam. It was felt that implementation of RWSEP – which requires community contributions – near communities where SARDP projects were being implemented without com-

munity contributions risked confusing communities and undermining the RWSEP concept. SARDP eventually provided water supply to these communities, but in a way that is arguably less sustainable.

Another problem has been differences in per-diem levels between different donors' programmes, essentially leading to competition between programmes. Per-diem is generally paid to cover the expenses of government officials for their participate in programmes, e.g., to travel to perform monitoring and evaluation. Finland's FWASHBG and RWSEP programmes used regular GoE rates and made provision for the per-diems part of the GoE's contribution, whereas other donors' programmes have paid higher per diems. The result seems to have been more attention by woreda and other officials to those programmes offering higher per diems.

Parallel fund

For all water-sector projects to which Finland contributes or plans to contribute via trust funds (RWSEP, SLM) or even bilaterally (FWASHBG, TBIWRDP), Finland has instituted its own parallel funds for capacity building, primarily for technical assistance and M&E. The work of these funds has generally been appreciated by the recipients and the TA has been an effective programme component. However, there is a dilemma in using external TA for efficiency purposes, since it means not relying on government structures and may thus impede institutional capacity building, with reduced ownership and sustainability as a result. Moreover, the use of such parallel projects increases the administrative burden of the Embassy, and it cannot be said to be in the spirit of harmonization.

Untied humanitarian assistance

Humanitarian assistance is handled directly by the MFA in Helsinki, which receives appeals (sometimes forwarded by the Embassy) and sends aid directly to the headquarters of humanitarian organizations. Several interviewees pointed out that Finland's practice of sending untied aid was very helpful in terms of harmonization, because it increased the flexibility and effectiveness of organizations' abilities to respond. While there seemed to be no consensus on whether sending money from the capital was preferable to sending from the local embassy, it was noted that the risks for lack of harmonization become greater the farther removed donations are from the target, i.e., if aid is sent from the capital it is even more important to send it untied, as has been the Finnish practice.

3.5.2 Alignment

In general, all donors and GoE officials we spoke to felt that Finland was good at aligning with both government priorities and systems.

DAG There continue to be differences among donors on whether DAG should be used primarily for harmonization or could also be used further to promote alignment with government priorities, causing some tension between these two goals. As an illustration of DAG's apparent ambivalence toward alignment, several interviewees

pointed out that the DAG sector groups are not even aligned with the government's own sector definitions – although this is not the case for water and education.

Ethiopian counterparts began participating in some DAG sector groups in about 2007 (reportedly even earlier in some groups). It is not clear the extent to which government choices regarding the groups it participated in represented GoE priorities or were based more on the interests of the relevant ministries. In the water sector group, the GoE was invited when donors thought it relevant.

In 2009, the UK chairperson of the DAG Education group at the time invited the MoE to join the Education group, in large part to facilitate donor alignment with MoE programmes. While most members (including Finland) seemed to find MoE membership a good idea, certain members were upset by the MoE's request in early 2010 to become a group co-chair, bringing to the fore the question of whether donors needed to retain their own discussion forum. The evaluation team would recommend supporting an initiative put forward by some members to thoroughly review and if necessary re-write the terms of reference for the group.

Education

Most stakeholders acknowledged that the TDP aligned both with government priorities and systems. In terms of systems, donors notably contributed to a trust fund controlled by MoFED and relied on government systems for financial management and M&E (procurement was not a major issue in TDP). However, insufficient donor oversight arguably led to many of the problems in following where cash went and what results were achieved. These negative experiences were at least part of the reason for involving the World Bank in TDP's successor programme, GEQIP, and having it play an active fiduciary role. Donor funds in GEQIP are now first sent to the World Bank, which then deposits them into a MoFED account after MoFED meets certain reporting conditions. (The other major reason that some donors wanted to involve the World Bank was to distance themselves politically from the government, due to continuing difficulties following the 2005 elections.)

Some MoFED officials were clearly unhappy about bilateral donors not using GoE financial systems directly, as they had for TDP. Some complained about the extra work involved to meet World Bank reporting requirements and noted that the World Bank's no-objection rules for procurement were delaying implementation. On the other hand, the World Bank and several donors pointed out that the GEQIP trust fund is also deposited into a MoFED account and uses GoE systems to distribute the money. It also provides technical assistance to improve government systems related to GEQIP implementation and monitoring. An interesting positive remark made by one MoFED official about World Bank-operated trust funds was that, because of their strict requirements *vis-à-vis* donors (in addition to recipients), they may be capable of committing long-term donor funding more reliably than can trust funds using direct bilateral contributions.

Finland prudently commissioned a thorough report of the pros and cons of the World Bank-led trust fund for GEQIP before eventually deciding to join. It should be noted that none of the TDP partners that eventually decided not to join GEQIP did so because of concerns about alignment but because of decisions to get out of the sector more generally or because of continuing political difficulties they had in providing any kind of assistance to the government.

Because of the collective-responsibility problems experienced by the TDP donors in properly monitoring the earlier education programme, the evaluation team considers the step back in terms of alignment by GEQIP to have been relatively small.

Water

While Finnish bilateral funds for capacity building operating parallel with several trust-fund projects may be against the spirit of harmonization (see above), in theory at least they support alignment by seeking to strengthen Ethiopia's M&E systems.

Finland also provided assistance to government procurement systems under its assistance to ENTRO and several other programmes.

The use of government per-diem rates in RWSEP and attempts to increase sustainability by getting recipient entities to take more responsibility for contributions to programmes were brave attempts at alignment that unfortunately sometimes they were undermined by the less aligned practices of other donors.

Increased use of World Bank trust funds by Finland in the water sector raises some of the alignment issues already noted in the discussion of GEQIP (above), notably in terms of extra burdens on the government when they have to use World Bank reporting and procurement policies.

An important Finnish contribution to alignment in Ethiopia appears to be RWSEP's successful use of channel 1b, i.e., sending money through the regional (as opposed to federal) Bureau of Finance (BoFED).

3.5.3 Coherence

Finland's development cooperation with Ethiopia has consisted of a tightly focused programme, with the main focus on two sectors. This concentration aids coherence.

Within the water sector, a single project has been gradually expanded to a comprehensive programme. This has also implied a gradual widening of the sector, from a concentration on WASH to comprise management of water resources, land management and related agriculture-based growth issues. It can nevertheless be seen as a coherent programme, not least because of its geographical concentration on two neighbouring regions.

Within the education sector, there have been two separate programmes all along – first there were TDP and SNE, subsequently GEQIP and SNE. There are no contradictions between these programmes; rather they can be seen as complementary. However, the potential for synergies between them may not have been fully achieved. The decision not to include special needs education as a component in the GEQIP went directly against Finland’s (and the MoE’s) wishes. Even so, there may be opportunities for strengthening linkages. While the Finnish SNE advisors have their natural place of work in the MoE division for Special Support and Inclusive Education, there is currently, under the Teacher Development Programme within the GEQIP (TDP2) a process for developing modules for special education/inclusive education to be included in the general training of teachers for primary and secondary levels. It would seem natural to establish contacts between the different divisions of the MoE to ensure that the expertise of the Finnish advisors can also benefit the TDP2. Furthermore, SNE was apparently dropped from GEQIP because plans were not sufficiently well-developed, but there is an expressed intention from the MoE to include this component for phase 2, starting in 2013. If this is to materialize, then it is important that plans of high quality are developed at an early stage. While still not an urgent issue, it would seem to be an area where the Finnish advisors could make an important contribution.

As previously shown, the civil society support is also in line with Finnish development policy, thus adding to overall coherence. Among the Finnish NGOs, there is actually a lot of overlap with the bilateral aid in terms of sectors: The number of educational programmes is high, several of them comprise inclusive education, and there are water components in many of the rural development programmes. Both FELM and SCF have educational projects with inclusive education elements, as well as water components. While this ensures a common Finnish profile, there is little coordination and interchange between the different programmes. Although there could be some potential for synergies, the evaluation team does not see this lack of coordination as particularly problematic. The Embassy should be commended for arranging seminars for exchange among its civil society partners (LCF as well as in some cases also Finnish NGOs), for instance on the legal and practical implications of the new CSO law.

Through its administrative set-up, humanitarian assistance is allocated and implemented in isolation from the remainder of Finland’s development cooperation. This allows Finland to comply with important aspects of the Good Humanitarian Donorship principles, such as fast allocations and disbursements, and avoiding earmarking – something that is very highly valued among the humanitarian agencies. On the other hand, it means that Finland lacks the institutional mechanisms necessary for achieving another of the objectives specified in the *Humanitarian Assistance Guidelines* (MFA 2007b), namely that there should be linkages between relief and development activities, in particular in partner countries for development cooperation such as Ethiopia. The fact that the Embassy is effectively cut off from decisions and monitoring related to Finland’s humanitarian assistance also means that the country knowledge of its staff is not made use of, and could prove diplomatically embarrassing, e.g. if embassy staff are invited to meetings to discuss Finnish assistance they have little

knowledge of. Linking relief and development also implies that development efforts (i.e. in the water sector) should have the aim of reducing vulnerabilities – a cross-cutting concern not always ensured.

The cross-cutting themes of Finland's development cooperation have in general been well integrated in the interventions in both the water and civil society sectors. The humanitarian assistance also appears to have largely complied with these concerns, due to the general policies of the implementing agencies. Within education, the SNE programme likewise addresses these concerns, whereas the larger TDP and GEQIP programmes appear weaker on this count. While the TDP did have some objectives and indicators for increasing the number of female teachers, these have largely been forgotten in monitoring and reporting. The GEQIP is largely devoid of specific targets for women, disabled or marginalized groups, reportedly because it is aimed at improving the quality of education for all students and is not at improving access. (We found this argument somewhat unconvincing, since it presumably costs more to improve the quality of education for some groups, e.g., special-needs children and girls, than for others.)

The support given to poverty monitoring through the UNDP and through the Institutional Cooperation Instrument (Annex 6) are examples of support that does not fall under any of the main sectors, yet seems to be supportive of all the other programmes, thus contributing to overall coherence. The FAO Prevention and Disposal of Obsolete Pesticide Stocks in Ethiopia project, the Ethiopian elements of the CIMO North-South-South Higher Education Exchange Programme and the MFA support for development research appear to be less relevant for the overall development cooperation. See Annex 5 for information on these projects and instruments.

3.5.4 Balance of Instruments, Modalities and Channels

Finland's development cooperation with Ethiopia has become increasingly complex throughout the decade under evaluation. For the first couple of years, aid consisted largely of the bilateral RWSEP project in the water sector, plus civil society support and humanitarian assistance. Since then, the country programme has gained in complexity through new sectors (primarily the education sector), new programmes, new funding modalities and recently new instruments. This makes more relevant and important the question of whether an optimal combination of modalities, channels and instruments has been achieved, but at the same time it makes the question more difficult to answer.

In general, there is a movement towards joint funding modalities and increased use of government systems, i.e. harmonization and alignment. This shift is far from complete or unambiguous, however. There remains a clear preference also for retaining bilateral components, especially related to technical assistance. From general aid effectiveness principles, this adds transaction costs and may reduce ownership, and ought therefore to be avoided. One may ask whether the main rationale for introducing these duplicated structures is to ensure Finnish interests of having a role and

maintaining control. On the other hand, in the practicalities of concrete project implementation this combination may in the short term facilitate smoother progress and ensure targeted capacity building.

Increasingly, it is seen that World Bank Trust Funds are becoming a preferred option. There are pros and cons to this. The modality undoubtedly helps to ensure tight financial management and control, as well as monitoring and reporting in general. Additionally, it may be a way of maintaining political distance from a politically problematic regime, to the extent that this is seen as an important objective. On the other hand, the strict requirements for project management, especially related to procurement, seem likely to lead to delays in implementation.

Civil society support – through Finnish NGOs and, in particular, the LCF – has ensured that Finland's development cooperation has also sought to address the issues of democratization and human rights. As such, the channel has had an important function within the whole. The restrictions put on the sector because of the new CSO law mean it may not be able to serve this function in the near future. On the other hand, support for the sector to adapt and survive under these new conditions may be of great importance for the future of human rights and democratization in Ethiopia in the longer term.

3.6 Political Considerations

Concerns over political development in Ethiopia and the region have been an important backdrop to Finland's development cooperation throughout the decade, as has been the case for most other donors (Hansen & Borchgrevink 2006; Borchgrevink 2008; Borchgrevink 2009). Key issues have included worries related to the rationale and conduct of the war with Eritrea and whether aid might be redirected for the war effort; Ethiopia's role in complying with the peace agreement and the decision of the Border Commission; the complicated process of democratization in Ethiopia and doubts over the extent of the regime's commitment to free elections, greatly exacerbated by the crackdown after the 2005 elections; and the narrowing of general political space through legislation such as the laws regulating civil society organizations, media and counter-terrorism measures. At the same time Ethiopia's geopolitical role as a stabilizing country in the region and a potential counterweight to radical Islam in Somalia and elsewhere has given the country leeway from key actors, particularly the US.

For Finland, concerns over the war with Eritrea led to the phasing out of most of its development cooperation in 1999/2000, leaving only the RWSEP project at the start of the decade. Furthermore, Finland did not hurry to reinitiate cooperation after the ceasefire in July 2000 and the peace agreement in December the same year, but waited until 2002/2003 before normalizing the relationship. From that point onwards Ethiopia requested Finland (as well as others) to initiate direct budget support, something that Finland's general development policy of the period also saw as an objective to move towards. However, even though a number of Ethiopia's other donors started

giving budget support; Finland did not, primarily due to doubts over the country's democratization process. After the crackdown in late 2005 this was of course no longer on the agenda, and the decision not to provide such support seems to have been a wise one at least in retrospect. Political tensions after the elections also resulted in demonstrations and 'disciplinary actions' in schools, as well as changes in the MoE, thus directly affecting the SNE programme. Over the later years of the evaluation period concerns over the CSO law have been a key issue for Finland. Finland has made it clear that if the new legislation forces a reduction in Finland's civil society support to Ethiopia, these funds will be redirected to other countries (rather than being given through other channels, as the GoE would prefer).

These concerns have been expressed in the bilateral consultations that have taken place more or less every second year. Apart from the strategic decisions to phase out aid in 1999 and to abstain from direct budget support, however, these issues have not greatly affected the development cooperation, which has continued its general expansion in a number of programmes and gradual increase in monetary terms. Given Ethiopia's considerable unwillingness to let be influenced by donors' attempts at conditionality, this policy of being clear on positions in political dialogue, yet remaining a stable and predictable development partner over the longer term, seems to have been a responsible and commendable way of handling these difficult issues.

Finland is also involved in regional issues through political relations and financial support for AU and IGAD processes. In general, however, there are few direct linkages between this regional involvement and the development cooperation with Ethiopia. The main exception to this is the support to the Nile Basin Initiative in the water sector, including both support to the regional technical office ENTRO and support to twin programmes in Ethiopia and Sudan. The ENTRO support, in particular in its first phase, contributed positively to regional confidence building by bringing Sudan, Egypt and Ethiopia together around the same table. While the importance of such regional cooperation has been an important rationale behind this support, there have been few linkages to other regional political initiatives by Finland.

3.7 Management Issues

3.7.1 Planning

Country strategy

During the evaluation period Finland has not had a specific country strategy agreed upon with the Ethiopian Government. Finland bases its development cooperation in Ethiopia on the GoE poverty reduction strategy and the country negotiations held every two years, recently including both political and more detailed development cooperation issues. Internally, the MFA has plans for Africa Regional Department and an Ethiopia-specific country plan. In addition, as part of the result-based management, the Embassy prepares a Result Card indicating in more detail how the targets set by the MFA will be achieved by the Embassy.

The lack of a country strategy is justified by the MFA by a need for flexibility for the support rather than having a specific long-term strategy agreed upon with the Government. The minutes of the country negotiations show that the sectors supported by Finland have been agreed upon in these negotiations, but not discussed in detail – as they could have been if a proper country strategy was prepared. Discussion on the details is left for the Embassy thematic advisors and preparation process of individual interventions. The system of not having a specific country strategy certainly has given Finland flexibility to rapidly modify and expand its support as per the shift in the Finnish Development Policy. In Ethiopia this has given the Embassy Advisors an opportunity to investigate and contribute to selecting the strategically important interventions, particularly regarding the water cluster support.

The biggest drawback of the current system is that it decreases accountability and predictability of Finland's support to the Ethiopian Government. As there is no strategy with agreed upon targets, it is also difficult to monitor implementation in a systematic manner – whether by the Ethiopian or the Finnish Government. Embassy personnel also indicated that despite constant internal discussions on Finland's assistance in a country, there is a need for a participatory process where it is possible to concentrate and focus on the 'bigger picture' in the country and Finland's role in it. The Result Card system is the basis for the present result-based management, where strategic and result targets are defined according to an internal success measurement scale. However, targets are at such general levels that performance measurement is highly subjective. Interviews at the Embassy also imply that the Result Card is not used as a planning tool.

At the programme level, interventions in the water and education sectors are planned by the GoE ministries, with some level of inputs from the development partners. In the water sector, Finland has played an active role in programme development, while its role has been more limited for education. Where Finland has sought to influence education sector planning – in the case of having the SNE included in the GEQIP – it failed. In the case of the TDP, planning proved to be highly deficient. In general, planning procedures have been stronger in the water sector.

While all projects have definite time horizons, there are no clear exit strategies as such included in the plans. It would also have been difficult to develop such strategies, as needs will remain within the areas supported for a long time. However, as indicated in the sustainability discussions, these interventions are given a high priority in poverty reduction strategies and government policies – and it is consequently unlikely that the interventions would collapse should Finland withdraw.

All project documents include some identification of risk factors and assumptions. The conflict advisor at the Embassy also contributes assessments of risks for conflicts – mostly regional/cross-border – which might affect the development of programmes. Furthermore, the Embassy continuously monitors the political developments in Ethiopia and assesses their potential for influencing development cooperation. Risk management mechanisms can thus be found at various levels.

3.7.2 Monitoring and Evaluation

Monitoring systems have weaknesses in the education, civil society and humanitarian sectors. As previously reported, for the TDP monitoring has been so deficient that even a year after the end of project it is impossible to determine overall expenditure, expenditure by programme component, or outputs or activities realized for the project period as a whole. While this is the direct responsibility of the Ethiopian MoFED and MoE, the funding partners, including Finland, must equally share the blame for allowing this state of affairs to continue and even deteriorate after the initial years. It should be added, though, that in the current GEQIP, the strong role of the World Bank in monitoring progress as a condition for releasing funds will ensure that this problem will not be repeated.

In both channels of civil society support – through Finnish NGOs and the LCF – monitoring could also be significantly enhanced. Finnish NGOs receive their funding from the Finnish MFA's NGO unit, and particularly for the partnership organizations, funding is largely based on trust in the NGOs. Yet there are no formal requirements placed on the organizations to have regular external evaluations of their projects (though they are 'encouraged' to do so), and when they do, the NGO unit does not request the evaluations. Thus, what could be the best manner of assessing actual performance in the field is not systematically exploited. Similarly, for the LCF, there has been very little emphasis on evaluation – only one project has been evaluated over the evaluation period.

Humanitarian assistance is given in a manner that optimizes flexibility and rapid response – again based on general trust in the implementing agencies – but does not allow for monitoring except in a highly indirect manner. Given the special nature of humanitarian needs in Ethiopia, and the fact that the country is one of Finland's development partners with a relatively well-staffed embassy, a special arrangement for the country with a stronger role for the Embassy could be envisioned.

Within the water sector, the situation is satisfactory, with systematic M&E cycles as an integrated component of the programmes.

Overall, there have been a number of evaluations relevant to Finland's development cooperation with Ethiopia. Most importantly, there was the 2002 evaluation of the country programme, but there have also been sector evaluations of education (MFA 2004) and humanitarian assistance (MFA 2005). The lack of any written management response documents for these evaluations makes it difficult to assess the direct impact they have had on the Ethiopia programme, but in general recommendations appear to have been followed up.

3.7.3 Organization

While Finland's MFA have initiated a process of delegating greater responsibility to the embassies, decision-making remains largely with the Ministry. Only the LCF ad-

ministration has been fully decentralized. This is a minor change towards decentralization. The Embassy, however, is highly involved in strategy development, as well as in the briefing and tendering processes of different interventions. Cooperation between the Embassy and MFA is close and continuous, and because of time constraints mainly based on informal communication rather than reporting.

The in-country thematic advisors will have to play a crucial role if the Embassy is to play this central role. With the recruitment of a Water Advisor at the Embassy in 2005, attempts to come up with a more comprehensive cooperation in the sector were speeded up. It is evident that without a permanent advisor in place, expansion of the support in the water sector/cluster would not have been possible. The Embassy of Finland's Water Advisors have also been instrumental in having discussions with the donor community and the Government on the CDF experiences and using it as a national solution for water, sanitation and hygiene sector initiatives. In 2007-2008 Finland co-chaired together with WB the DAG Thematic Working Group on the water sector, which significantly contributed to developing the water sector towards sector programmes and sector funding mechanisms. Due to the current workload caused by the rapid expansion of Finland's support also beyond the conventional water sector it is not possible for the Water Advisor(s) to take co-leader positions in either the DAG Working Group on Water or the group responsible for land management issues. The expansion particularly towards land management/administration and TBGC require comprehensive dialogue with new stakeholders and also new competencies at the Embassy. Recently there has been an internal transfer of one of the Programme Officers (Ethiopian) responsible for LCF has to assist the Water Advisor in the land management issues. Even taking this into consideration, the Embassy could use further strengthening of its capacity to follow up this expanding sector.

In the education sector, Finland has not played a key role in promoting harmonization and sector policies (although this may change with the new role as co-chair of the education technical working group). Still, having a sector advisor at the Embassy is crucial for following up support to the educational sector. While the conflict advisor's main responsibilities are tied to Finland's regional engagement, his close monitoring of regional conflict issues also make an important contribution for the overall Ethiopia programme and its risk management.

During the evaluation period the LCF portfolio has been managed by two persons, both national Programme Officers. Currently, as a result of expansion of the support to the land management/administration, one of the LCF responsible persons has been transferred to assist in the water cluster, specifically its SLM aspects. This transfer has been justified by the planned decrease of the number of LCF interventions and the current uncertain situation of the civil society due to the tightened legal framework. Having one person less for LCF will evidently influence monitoring of the LCF interventions. They need to be even more strategically selected so that sufficient monitoring can be provided.

One of the reasons for the increased workload on the Embassy (and the MFA as well) is the use of two funding channels and modalities for one intervention: bi-lateral and Trust Fund arrangements. In practice this means double work for one intervention including contractual arrangements and tendering processes. This decreases effectiveness of the available human resources, particularly at the Embassy.

The sector advisors for water and education based in the MFA in Helsinki have also been highly involved in the development and follow-up of the Ethiopian programmes. Furthermore, in the education sector, there has been significant use of qualified consultants. Together with the Embassy advisors, these resource persons have allowed Finland to be a serious and competent development partner for Ethiopia. However, the advisors for cross-cutting themes based in Helsinki have been less involved, and consequently less able to contribute.

The evaluation showed that the current information management system of the MFA is not able to provide the required data and documentation electronically and in an easily accessible form. Most of the documentation is still available only as hard copies. It is also not systematically available and needs to be searched from various sources. Again, the language of many of the documents is still Finnish, which poses challenges for locally recruited national personnel to carry out their tasks as well as for evaluation and review teams comprising mainly of non-Finnish speakers (as is increasingly the case), as this one.

4 CONCLUSIONS

Overall, Finland's development cooperation with Ethiopia 2000–2008 has been tightly focused, relatively coherent and highly relevant. It has responded to the Ethiopian poverty reduction strategies, and has built on specific Finnish expertise, thus contributing Finnish value added in the two main sectors of cooperation. Seen as a whole, the development cooperation has been reasonably efficient and effective, and impacts have been significant in the water sector. The sustainability of the interventions is deemed to be satisfactory.

Water

Over the evaluation period, interventions in the water sector have expanded from a single water, sanitation and hygiene project to a comprehensive programme that comprises management of water resources as well as issues of land management and related growth interventions. While this goes beyond the traditional water sector, the programme as a whole is clearly coherent, especially due to its clear geographical focus on two neighbouring regions. A good balance has been struck between project interventions and policy development. The Community Development Fund (CDF) funding modality involves local communities and the private sector to an unusual degree in the Ethiopian context. The CDF model has been highly successful, and has resulted in very high scores for efficiency, effectiveness, impacts and sustainability.

The model is now being taken up for wider use, by the GoE as well as UNICEF, and is thus contributing to the general development of the WASH sector. This mainstreaming is welcome, but brings new challenges. Support for the ENTRO office has been a successful example of capacity building, with important regional dimensions related to the Nile Basin Initiative. Combining technical aspects and regional political security elements in this way has given Finland an opportunity to participate in the related security and technical dialogue. The other interventions are too recent for achievements to be assessed.

Education

During the evaluation period, there basically have been two channels, both highly relevant: funding for a multi-donor programme to increase the quality of education (the TDP, replaced by the broader GEQIP in 2009), and the bilateral technical assistance program for special needs education (SNE). The TDP has had serious management problems, reflected in the reporting deficiencies and the lack of data on actual outputs and outcomes. Therefore, efficiency and effectiveness cannot really be assessed, though they are not assumed to be high. However, it is clear that the programme has had significant impact in changing and systematizing teacher training, as well as in initiating a transformation of teaching methods towards more active learning models. The smaller SNE programme targets an area where needs are significant, there are no other donors, and where support can build on Finnish competence and long-term relationship with the Ethiopian education sector. While the programme has been significant for keeping SNE on the agenda and has led to the development of the MoE SNE strategy, the overall impact is uncertain. The potential for synergy between the two programmes has not been fully exploited. While long-term financial sustainability is inevitably complicated for education programmes, the high priority given to education in government policies and budget allocations offer the best guarantee for continuity that can be hoped for.

Civil society

Support through Finnish NGOs as well as through the LCF has been highly relevant and in line with Finland's overall development cooperation. Projects have apparently been generally successful in reaching their targets. The restrictions on NGO advocacy due to the new CSO law means that the sector's potential for impact may be lower in the future, and may force a rethinking of the LCF strategy.

Humanitarian assistance

Assistance has been relevant, speedy and flexible, and has been channelled to effective implementing agencies. It is difficult to discern the strategy behind the year to year selection of different implementing agencies. The administrative separation from the rest of Finland's development cooperation limits the use of country knowledge for decision-making and opportunities for monitoring.

Harmonization, alignment, coherence

Ethiopia was a pioneer in the international movement toward donor harmonization, though much momentum was lost in the aftermath of the 2005 elections. Harmoni-

zation in the country generally has been more advanced in the education sector than in the water sector. Finland has been an important supporter of harmonization and even a leader in the water sector. Likewise, Finland has been good at aligning with both government priorities and systems. The increasing practice within the water sector programmes of dual funding channels for one intervention, through a multi-donor trust fund as well as bilaterally, has benefits in terms of effectiveness but may be counter to sustainability and harmonization. Overall, Finland's development cooperation with Ethiopia is relatively coherent and focused, although additional synergies could arise from better integration of education sector interventions, and from giving the Embassy a role in advising on and the monitoring of humanitarian assistance. At the end of the evaluation period, the combination of modalities, channels and instruments is complex. The increasing use of World Bank trust funds has advantages in ensuring proper monitoring of programmes, but strict requirements may delay implementation.

Political issue

While in bilateral dialogues Finland has been clear in its criticism of Ethiopian political development, and consequently declined giving direct budget support when this was on the agenda (prior to the political crackdown after the 2005 elections), it has since 2002 remained a stable and predictable development partner for Ethiopia, in accordance with current ideas for promoting aid effectiveness.

Management issue

The development cooperation is managed in close cooperation between the Embassy and the MFA, where the sector advisors at the Embassy and in Helsinki play important roles. The advisors on cross-cutting themes are less involved, and these themes are not equally well integrated into all areas. The lack of a country strategy makes results-based management difficult, and overall there are weaknesses in the monitoring of interventions.

5 LESSONS LEARNT

The concentration of bilateral aid almost exclusively to two sectors has allowed Finland to maintain a coherent programme and to use its existing sector expertise to build country knowledge and experience in the sector. On this basis Finland has managed to add a significant amount of value to the sectors in which it is working: Developing the CDF funding modality as well as contributing to overall water-sector development and harmonization; and supporting and strengthening special needs education initiatives in the education sector.

Ethiopia offers a difficult political context for development cooperation. There are many reasons why giving aid continues to be important, including the size of the needs and the relatively positive economic development and pro-poor growth experienced under the current regime. At the same time, donors increasingly doubt its dem-

ocratic credentials. Over the evaluation period, Finland has been explicit in its criticisms of the Government of Ethiopia in its bilateral dialogues and been firm in refusing the idea of direct budget support, yet has remained a stable and predictable development partner for Ethiopia, with steady expansions in its number of interventions and overall budgets. This appears to be a commendable way of handling such a complex situation.

One of the key success factors of the RWSEP/CDF is the strong community focus and participatory approach adopted from its inception, and the linkages established between communities and the next governance level, woredas, rather than ‘trickling down’ through a top to bottom approach. This approach, and the CDF as an implementation modality, can potentially have impacts beyond the Ethiopian context.

In a number of programmes in the water sector, Finland supports a multi-donor trust fund, as well as having a separate bilateral funding arrangement for a technical assistance component of the same programme. While this may involve significant short-term benefits in improved efficiency, it may carry long-term costs in reduced sustainability. Such dual support also increases workloads and goes against the spirit of harmonization. They ought therefore only to be employed as transitional measures.

While the pooled fund for the Teacher Development programme was innovative at the time it was initiated and broke new ground in alignment and harmonization in the Ethiopian context, the model revealed serious shortcomings in terms of the collective responsibility of donors. Having six equal funding partners seems to have led to no one taking initiative when financial and activity reporting was seriously deficient. The chosen funding modality without a clear leader may to some extent be blamed for the continuation of this state of affairs.

6 RECOMMENDATIONS

Harmonization, Alignment, Coherence

- 1) Finland should support the UNDP-administered pooled fund for education in order to show its commitment to harmonization in the education sector (and this would bolster its role as chair of the sector working group) and because the fund supports interventions that Finland is already supporting. For the same reasons, Finland should contribute to the replenishment of the previously supported pooled fund for poverty monitoring.
- 2) Parallel funding for a single programme – trust fund and bilaterally – may yield benefits in terms of increased efficiency and effectiveness, but may also lead to reduced ownership, sustainability and harmonization. Such double structures should only be used as transitional measures with clear strategies for phasing them out.
- 3) Funding through World Bank Trust Funds imply advantages in administrative control and disadvantages for timely implementation. When using this funding

modality, it should include a component of government capacity building in WB requirements and procurement routines.

- 4) Finland should seek to use the DAG structures to promote joint standards for issues such as per diems and required community contributions for local projects, in order to reduce the potential for ‘competition’ between programmes.
- 5) Finland as co-chair of the DAG education sector working group should contribute to a constructive discussion on whether the main purpose of the group is to promote coordination among donors or alignment with the government, and on the related issue of the GoE request for co-chairmanship.

Management

- 6) Monitoring practices should be strengthened. There is a need for a country strategy with targets and indicators for overall monitoring of the cooperation programme.
- 7) The archive system of Finland’s MFA should be improved and upgraded.
- 8) While the MFA support to development research (Annex 6) is viewed positively, there is a need to systematize the dissemination of findings. Reports should be systematically distributed to the relevant embassies.
- 9) In order to systematically incorporate rights-based approaches and cross-cutting issues in the planning and implementation of all interventions:
 - a. MFA thematic advisors should be systematically included already in the planning process of the interventions;
 - b. TORs of the planning missions should include requirements and funding for expertise required for incorporating cross-cutting issues; and
 - c. TA for implementation should include expertise in cross-cutting issues.

Water

- 10) In order to maximize the benefits of the CDF on a larger scale, Finland should:
 - a) Continue financial and technical support to implementation of the CDF when approved as a sector programme;
 - b) Support should include strategically placed TA support, also at regional level, including expertise in sanitation, hygiene and gender;
 - c) Support should include piloting of the model in higher technology options, and its feasibility in semi-urban contexts;
 - d) Take into consideration the GoE’s capacity to provide ‘matching funds’, and ensure that all stakeholders are aware of the contributions; and
 - e) Conduct a review of performance of the Woreda Support Groups in different contexts and the capacity of the GoE to eventually finance the outsourced services.
- 11) RWSEP should be closed as planned, at the end of 2011, and an exit strategy prepared without delay.
- 12) A review of regional level harmonisation from BG to a national level dialogue should be carried out during 2011, as part of the MTR of the FWASHBG or an independent evaluation, to be followed up by national level dialogue process.

- 13) In future support to the WASH sector, Finland should promote the full inclusion of sanitation and hygiene measures.
- 14) Finland should reconsider whether support for small town water supply could be included into its overall water programme in the near future.
- 15) In the planned Tana Beles Growth Corridor project, targeted support for women's economic activities should be included.

Education

- 16) Given the concerns raised over the effects of the strict World Bank requirements, Finland should monitor closely the efficiency of the GEQIP implementation.
- 17) Finland should work for greater integration and synergy of the GEQIP and SNE. The SNE advisors should be given a role in the ongoing development of teaching training modules on special needs education. In order to ensure that SNE is integrated into the GEQIP Phase II (starting in 2013) there is a need to develop concrete and operational plans for this at an early stage.
- 18) The number of Finnish SNE advisors needed should be assessed in the mid-term review.

Civil Society

- 19) In cooperation with other donors, Finland should continue to seek to convince the GoE to change the CSO law.
- 20) Finland should monitor the implementation of the new CSO law, and support Ethiopian CSOs' adaptation to the new circumstances. In the medium term, the LCF strategy needs reworking, for instance by focusing on helping Ethiopian organizations to adapt to and survive in the new situation. In this context, supporting the multi-donor Civil Society Support Programme could be reconsidered.
- 21) The NGO Unit and the Embassy should systematize the use of external evaluations of the civil society organizations for assessing the quality and impact of their work.

Humanitarian Assistance

- 22) Finland should consider whether the chronic needs situation in Ethiopia merits a different allocation mechanism, where the Embassy has a stronger role in advising on funding channels and monitoring the implementing agencies.
- 23) The Embassy should also include humanitarian concerns among the political issues raised in bilateral consultations (i.e. access to the Somali region).
- 24) A strategy for humanitarian agencies to use should be developed, taking into account where Finnish untied aid may be most useful. The WFP, the Red Cross and OCHA's Humanitarian Response Fund all have their comparative advantages. Finland should give priority to channels that form part of the national sector coordination (which many NGOs do not).

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ANNEX 1 TERMS OF REFERENCE

Ministry for Foreign Affairs of Finland
Office of the Under-Secretary of State
Development Evaluation/EVA-11

Terms of Reference for Evaluation of the Finnish Country Programme with Ethiopia How can a drought and conflict -prone country be best supported through development aid?

1. Background

Ethiopia is ranking as the ninth of the poorest nations in the world according to the UN statistics. Some 36% of the population live under the poverty line and 6–13 million people are suffering from hunger and malnutrition. The central objective of the second poverty reduction plan of Ethiopia (Plan for Accelerated and Sustained Development to End Poverty, PASDEP) for the years 2005/6-2009/10 is poverty reduction through economic growth and extension of economic and social services to all. The achievement of the Millennium Goals poses, however, remarkable challenges to Ethiopia. For achievement of the goals the PASDEP emphasizes acceleration of production and economic growth, balancing the proportion of population growth to economic growth, strengthening of the position of women and human capacity and construction of infrastructure. PASDEP recognises also the importance of protection of environment and sustainable use of natural resources in development of livelihoods.

The economy of Ethiopia is largely based on agricultural production. Approximately 85% of the population is getting the livelihood from agriculture. The development of the small-scale farmer-based sector requires, however, remarkable efforts in order to enhance production per hectare without causing soil erosion. Unreliable hydrological conditions and the climate change, rapidly increasing population, HIV/AIDS and social instability are jeopardizing possibilities for development of rural areas and strengthening of food security. The arable land area is in heavier use than ever and at the same time new more vulnerable land is taken into productive use. The escalation of food prices and regional conflicts are adding up to the difficulties of the rural population and small scale farmers.

The massive refugee problem due to the conflicts in Somalia and Darfur are in many ways affecting the life and economy of Ethiopia. Ethiopia itself has taken part in the internal war in Somalia. Approximately 10 million people in the whole African Horn region are in need of continuous food aid and other relief operations. The recent news informs the world again of a “deadly mix of persistent drought, poor seasonal rains, conflict and the cost of food which remains high... In addition, the impact of

the global financial crisis is threatening to exacerbate levels of hunger and desperation across the region” (WFP News Release, 9.6.09). Remittances, which have been a vital support system for many, have also fallen, mainly due to the global financial crisis. Humanitarian aid is vital for the people of the region, Ethiopia included where 8.6 million are estimated to be in need of food aid in the next 6 months’ time.

According to a recent UNU-WIDER projection, the consequences of a reduction in growth, even if African economies may avoid shrinking, are like to be higher unemployment and poverty, increases in infant mortality, and adverse coping with long-lasting impacts such as higher school drop-out rates, reductions in health care, environmental degradation and political instability. Ethiopia depends heavily on external aid funds, which form approx. 30% of the Ethiopian national budget in 2007.

There are several other factors that have an adverse affect on Ethiopia’ development. Ethiopia is lagging behind in realisation of democracy, good governance and human rights. The rapid population growth (2 million per year), which is exceeding the bearing capacity of environment. Thus the environmental sustainability is linked with solutions in the economic field. Only every second of the Ethiopians have access to pure water and sanitation. This sector poses enormous challenges and also risks for economic growth. About 80% of water resources of Nile have their source in Ethiopia but the major part goes to Egypt taking the most fertile soil with it. It is essential to reach a regional solution to the joint utilisation of Nile waters among the East-African countries. Basic education is considered one of the MDGs which Ethiopia most likely could achieve. Education has about 20% share from the national budget.

2. Finnish development cooperation in Ethiopia

Ethiopia is one of the oldest development partners of Finland. The bilateral cooperation started in 1967. During the civil war in 1991–93 there was a stand-still period in cooperation activities and during 1998–2000 the initiation of new cooperation programmes was suspended due to the war between Eritrea and Ethiopia. Along with other donors of Ethiopia also Finland withdrew from concluding any commitments due to the violent conflicts after 2005 parliamentary elections. In 2007 Finland, like many other donors, gradually raised the assistance to earlier levels.

Officially Ethiopia was selected as one of the main recipients of the Finnish development aid in 1982. In 1989 the framework agreement of the development cooperation was concluded. The relations with Ethiopia are stipulated by the principles agreed upon in the cooperation negotiations that are held every second year between the countries. The most recent bilateral negotiations between Ethiopia and Finland were held this spring 2009 where the outlines for future aid programme were agreed upon.

The early support to Ethiopia consisted mainly of technical assistance. In 1994 the first country strategy for Ethiopia was formulated and the development aid was directed to three priority sectors: agriculture, education and water and sanitation – ac-

ording to the request of the Ethiopian Government, the identified needs and the Finnish value added.

In the present decade the main emphasis of the Finnish development cooperation is on the support of the PASDEP and on the most central challenges facing the sustainable development of Ethiopia: unreliable, irregular hydrological conditions, rapidly increasing population and social instability. The development efforts have focused roughly on two sectors: education and water and sanitation of which Finland has long-standing experience in the country. In the water sector there are several initiatives in addition to the existing programmes as the aid to this sector is planned to be expanded in the future country programme. In the education sector Finland's support is directed to quality improvement of primary education and teacher training. An initiative has been proposed to Ethiopia to start a new bilateral programme in land use planning (2009–2012). In addition, there are other modes of supporting Ethiopia's development efforts.

Finland has supported the UNDP administered pooled funds for monitoring and evaluation of PASDEP's progress. The Central Statistical Agency (CSA) has expressed its interest in institutional cooperation with the Statistical Centre of Finland.

The Embassy of Finland in Addis Ababa has the Local Cooperation Funds available for supporting the initiative of local NGOs. The Finnish NGOs have their own projects in Ethiopia supported from ODA funds.

Regionally Finland is actively cooperating with the African Union, the UN and the IGADD. Finland supports the African Union in finding solutions to and prevention of the regional crisis. One important aspect of regional cooperation is the support to the Nile Basin Initiative the purpose of which is to enhance the sustainable use of Nile water resources and support the regional cooperation to prevent water-related conflicts in the region.

There has been a general trend in the Finnish development cooperation to expand the selection of aid instruments, which could be used for example to inter-institutional cooperation and to aid for trade initiatives. In 2008 started also the formulation of regional strategy for the Horn of Africa. In general, the basic principle is to use such aid instruments, which complement and support each other. The idea of budget support was rejected in 2004 solely due to the political situation, not due to concerns or doubts about weak budgetary management.

There is no proper division of tasks between the donors of Ethiopia. Ethiopia itself has not taken any active role in discussions about division of work. The donors themselves have, however, increased coordination and attempted to lessen the administrative burden of the Ethiopian Government. Joint assistance document has been drafted during many years without arriving at concrete solutions. The donors have, however, initiated harmonisation efforts among themselves. Finland participates in joint coordination at three levels: 1) Ethiopian Partners Group (EPG) that is ambassador-

level group responsible for the political dialogue with the government; 2) Donors Assistance Group (DAG), which is responsible for coordination and dialogue concerning the challenges and preconditions for operational level development cooperation; 3) European Commission led coordination of the EU donors the purpose of which is to deepen harmonisation within EU framework in issues that are considered difficult for a larger donor community. In addition, Finland has acted in 2007 and 2008 as co-chair together with the AfDB in the water sector group the aim of which is to intensify dialogue between the government, donors and civil society. One concrete achievement is the development of a sector programme for water supply and sanitation and joint aid instruments.

3. Purpose and objectives of the evaluation

The purpose of the evaluation is to assess the relevance, coherence and quality of the country programme of Finland in relation to the actual needs and development stage of Ethiopia. The coordination and complementarity of the Finnish aid with the activities financed by other donors, including the European Commission, shall be studied. Also the assessment of aid modalities and instruments and their adequacy to the economic and social circumstances, governance and capacities of government authorities, private sector and civil society is of primordial importance. The evaluation is expected to be forward looking providing lessons learned and recommendations for the Finnish support to the Ethiopian development.

The objective is to achieve:

- judgement of impact and effectiveness of the Finnish contribution, also from the point of view of the social and economic reform processes in Ethiopia specifying 1) the underlying factors affecting efforts to reduce poverty, vulnerability and food insecurity and 2) possible means and ways how to address them in an effective and appropriate manner;
- an informed view on the best practises that could be applied for achievement of sustainability of mutually agreed and implemented actions and of enhanced capacity of local authorities, including the monitoring and evaluation capacity.
- lessons learned through the Finnish aid programme and recommendations for improving the targeting and quality of the Finnish aid in general and for guiding the selection of adequate aid modalities and instruments suitable in the Ethiopian context;

4. Scope

The evaluation is planned to be carried out as a parallel exercise with the evaluation the European Commission on its country programme with Ethiopia. The evaluation shall concentrate on the period 2000–2008. The aid in the 90'ies may be studied to the extent deemed necessary to have an overall picture about the evolution of the Finnish development cooperation.

The evaluation shall include all the aspects of the Finnish support programme, starting from bilateral, multi-bilateral and multilateral aid interventions (incl. humanitarian aid and cooperation with EU) and the Embassy administered Local Cooperation Funds and activities of the Finnish NGOs and including the inter-institutional and private-sector activities. The aspects of the regional cooperation of Finland shall be assessed to the extent it is benefiting development in Ethiopia.

The Finnish country programme for Ethiopia shall be assessed in the context of the national development frameworks pertinent to this decade and in the context of Ethiopia's external aid.

Special attention shall be paid to the role of Finland in the donor community and to complementarity and coherence of its aid with the local needs and priorities and within the local and donor context.

The management practises of the Ministry for Foreign Affairs, including the monitoring and evaluation, shall be studied. Also the implementation of the results of earlier reviews and evaluations shall also be looked at. The role and importance of the in-house sectoral and thematic advisors and other bodies shall be assessed. The range of analysis shall cover policies, planning of aid and its implementation, funding arrangements and priorities and reaching to the mechanisms of dealing with stakeholders at various levels including the primary beneficiaries.

It is to be noted that the field visit of this evaluation shall be carried out jointly with the evaluation of the European Commission (see the Annex 1, the schedule of the EC evaluation and the tentative time table for the Finnish evaluation).

5. Evaluation questions

The following umbrella questions are built around the OECD/DAC aid evaluation criteria. The evaluators shall elaborate the evaluation questions further during the inception and desk phase to be able to identify the essential features and facts related to the Finnish country programme and develop up evidence base and judgement criteria to the evaluation questions:

- Does the Finnish aid programme respond clearly to the central objective of the development plans of Ethiopia to reduce poverty and enhance economic growth? Assess the SWOL (Strengths, Weaknesses, Opportunities and Limitations) of the contribution of Finland.
- Has the Finnish aid to Ethiopia been people-centred and driven by the HRBA (human rights based approach) adopted in 2004? Have the good governance principles been implemented in the aid to Ethiopia? How? Role of crosscutting issues (gender and equality, HIV/AIDS, vulnerable groups)?
- Has Finland's aid policy and the respective aid contributions addressed adequately the needs of Ethiopia? Have the aid interventions/contributions been

relevant, effective and efficient and can the costs be justified with the achievements? Has the governance and management been organized in an efficient way? Success stories and weaknesses/failures.

- How has sustainability been addressed in terms of technical capacity, technology, institutional capacity, knowledge and information sharing and skills development? Financial sustainability? Has the aid led or is it likely to lead to concrete results and socially, economically and environmentally sustainable development?
- Has the Finnish development cooperation been able to strike an adequate balance between policy and concrete project measures? Adjustment needs?
- Has Finland been able to pay adequate attention to issues of man-made and natural disasters and their prevention in its assistance programme? Study of the humanitarian assistance to Ethiopia.
- How has the Finnish aid evolved in the composition, planning and implementation during this decade? How does the current aid portfolio reflect the coherence, compliance, complementarity and coordination? How does the policy coherence express itself concretely? In-house mechanisms in the MFA and other Finnish government institutions dealing with coherence related to the aid to Ethiopia (bilateral-multilateral-humanitarian- NGO)? Assess the major coordination mechanisms and their comparative effectiveness and success, including the value added of the bilateral country negotiation system.
- How are the risk factors taken into account in the aid interventions? Is the risk management been built in the planning of the country programme and aid interventions? Assessment of the quality and adequacy of risk management measures? Examples.
- What is the Finnish value added in the country programme and aid interventions to Ethiopia? How is it reflected in the Finnish support? Are the chosen areas of support relevant and responding to the Finnish know-how and skills?
- Lessons learned through implementation of the country programme in this decade?

6. Methodology

The evaluation team shall develop such an approach that secures a well structured way to carry out the evaluation. The background material related to the country programme shall be studied in-depth before starting interviews at the HQ and before going to the field. In the spirit and letter of the Paris Declaration, the field visit shall be carried out parallel with the respective evaluation of the European Commission, however with separate tasks (see also the Annex 1 in this Terms of Reference).

The evaluators should draw an evaluation matrix to link the evaluation questions, criteria and means of verification as a basis for their work and map the evaluation tasks at all levels, aspects, parameters, indicators etc. The methodology of the evaluation shall be described in the inception report and finalized in the desk report that shall also show the different methodologies, which the evaluation team shall apply, including the possible expansion of the evaluation questions.

7. Expertise

The team shall include minimum three senior members one of which is coming from a developing country (preferably an Ethiopian speaking fluently both English and Amharic). At least one senior member of the team must have a good command in the Finnish language. The team must be composed of both male and female members. One junior expert can be used as assistant to the team and at the field level local experts can be utilised to the extent deemed necessary.

The exact requirements for the team to be used in the assessment of the tenders are listed in the Instructions to the Tenderer document (Annex A to the Invitation to Tender).

8. Budget

The total budget available for the evaluation is 180 000€ (VAT not included), which cannot be exceeded.

9. Time Schedule and Reporting

After the decision on the service provider for this evaluation a stand-still period of 21 days is needed. The calculation of the period starts from the date when the tenderers have confirmed the receipt of the results of the tender evaluation. The contract negotiations can be conducted during the stand-still period but the contract between the performer of this evaluation and the Ministry can be concluded first after the stand-still period is over. The general objective is to synchronize the time table of the Finnish evaluation with that of the European Commission to extent possible and necessary to achieve the possibility to identify possible synergies (Annex 1).

The following schedule is tentative and subject to final agreement in the contract:

9.1. Preliminary desk study

- gathering of information for the preparation of the overall work plan and a detailed work plan for the next phase; more elaborated approach and methodology of the evaluation than what is presented in the tender; main lines of the division of the tasks between the team members. A draft evaluation matrix is required on key issues and indicators to ensure coherence and systematic analysis of the data to be gathered from different sources. A basis for structured interviews in Helsinki shall be prepared during this phase. All this information shall be compiled in the Inception Report, which shall be submitted to the Ministry not later than 3 weeks after the signing of the contract.

9.2. *Inventory desk study*

- Inventory desk study will constitute of fine-tuning and further elaboration of the preliminary study; a period of approx. 6 weeks for a comprehensive study of all the documentation, complemented by interviews of key informants in Finland on basis of a the structured guide prepared during the preparatory phase and by other means of communication. First contacts with the consultants of the EC and with the Embassy in Addis Ababa. During this study questions/ contact point/links and major lines of study for the field visit shall be prepared, including the finalisation of the methodology.
- At the end of this period a desk report shall be submitted to EVA-11 for approval. A meeting with EVA-11 will be arranged and the team shall attend the meeting of the EC consultants with the Reference Group of the EC evaluation in Brussels for the coordination of the field visits. Revision of the desk report on the basis of information received.

9.3. *Field visit*

- The preparations of the field visit will take place in February and the actual field visit in March 2010 (about 3 weeks) parallel with the visit of the evaluation team of the EC. The team can divide itself into groups of suitable size and combination of skills if needed to cover the geographical areas or sectors most essential for performing the evaluation tasks. At the end of the country visit an oral presentation on the major findings and conclusions shall be arranged at the Embassy of Finland to facilitate possible check-ups and feed-back. The team shall also attend the meeting to be held at the EU Delegation. It has been agreed tentatively that the both evaluation teams shall have joint meetings with key Ethiopian authorities in addition to possible joint internal meetings as.
- A conference call or video conference shall be organised after the return from the field to give a possibility for EVA-11 to catch up with the flow of events. The Draft Final Report shall be submitted by 26.4.10 and the comments on it will be available by 18.4.10. A dissemination seminar in Finland will be arranged around 24.5.10 for the team to get additional feed-back. The Final Report shall be completed and ready-to-print edited by 28.5.10 (see the Annex 1 of this Terms of Reference).
- Concomitantly to this evaluation, the evaluations of the Finnish Aid in Agriculture and also in Water sector as well as Natural Disasters and Climate Change and Poverty are ongoing. To the extent possible, this evaluation shall utilise also the relevant information available through these evaluations.

Reporting on the results:

- **The Draft Final Report** shall follow the format of the actual final report the instructions for which the Ministry will make available for the team. Also the Evaluation Guidelines from 2007 shall be followed. The draft final report will be submitted to EVA-11 who will distribute it for comments in the Ministry,

embassies and other stakeholders. This round will take approx. two to three weeks. The comments will be sent to the evaluation team for assessment.

- **The Final Report** shall include an analytical description of the results of the evaluation, focusing on the purpose and objectives of the evaluation and the evaluation questions. It shall not be a mere account of individual interventions but present the major results, quantitative and qualitative, achievements, failures and successes in a concise manner avoiding vague expressions. The final report shall include also a section for clear conclusions and recommendations based on verifiable evidence. The summary of the evaluation report, not exceeding 3–4 pages, shall include also an additional table summing up the results of the evaluation including the findings, conclusions and recommendations and the lessons learned.

The format of the Final Report: The main body of the report should not be longer than 50 pages. Outside the main body of the text, immediately after the contents, preface and acronyms appear short 250-word abstracts in Finnish, Swedish and English (Swedish text can be provided by EVA-11 if need be). The report may contain graphs, line drawings, tables and boxes and also photographs. The references cited in the text must not appear as footnotes but in the list of references immediately after the text and before the annexes. Additional, relevant information can be presented in Annexes. The language of the report shall be fluent English and the report edited strictly according to the guidelines of the Ministry to ready-to-print format.

10. Mandate

The evaluation team is expected to consult and contact stakeholders, authorities and institutions relevant to this evaluation. The evaluation team is not allowed to make any commitments on behalf of the Government of Finland or any other party to this evaluation. The evaluation shall be carried out in a manner fully respecting the local customs and culture.

Aira Päivöke
Director

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Ministry for Foreign Affairs of Finland