

# Evaluation

## Complementarity in Finland's Development Policy and Co-operation

### A Case Study on Complementarity in Finland's Country Programme in Mozambique



**Evaluation report 2013:2**

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## **Complementarity in Finland's Development Policy and Co-operation**

### **A Case Study on Complementarity in Finland's Country Programme in Mozambique**

Ann Bartholomew

## **Evaluation report 2013:2**

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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This evaluation was commissioned by the Ministry for Foreign Affairs of Finland to Particip GmbH. The Consultant authors bear the sole responsibility for the contents of the report

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# CONTENTS

PREFACE .....	ix
ACKNOWLEDGEMENTS .....	xi
ACRONYMS AND ABBREVIATIONS .....	xiii
ABSTRACT .....	1
Finnish .....	1
Swedish .....	2
English .....	3
SUMMARY .....	4
Finnish .....	4
Swedish .....	7
English .....	10
Summary of Main Findings, Conclusions and Recommendations .....	13
1 INTRODUCTION .....	19
2 APPROACH .....	22
2.1 Scope and purpose .....	22
2.2 Methodology and limitations .....	24
3 COUNTRY CONTEXT .....	25
3.1 Mozambique country background .....	25
3.2 Development assistance to Mozambique .....	26
3.3 Complementarity and aid effectiveness in Mozambique .....	27
4 FINLAND'S COUNTRY PROGRAMME IN MOZAMBIQUE .....	27
4.1 Development policy background .....	27
4.1.1 Global and EU development policies .....	28
4.1.2 Finland's development policies .....	29
4.2 Finland's bilateral country negotiations with Mozambique .....	30
4.3 Evolution of the programme (2004-2012) .....	32
4.3.1 Trends in programmes and funding .....	32
5 COMPLEMENTARITY OF FINLAND'S DEVELOPMENT CO-OPERATION IN MOZAMBIQUE .....	33
5.1 External complementarity in Mozambique .....	33
5.1.1 Finland and the Government of Mozambique .....	33
5.1.2 Development partners (bilateral/multilateral) .....	36
5.2 Internal complementarity of Finland's development co-operation ...	39
5.2.1 The implementation of policies aiming at complementarity ...	39
5.2.2 NGOs and civil society .....	42
5.2.3 IKI instrument .....	44
5.2.4 Private sector .....	45
5.2.5 Regional programmes .....	46
5.3 Summary of findings on external and internal complementarity .....	46
6 EFFICIENCY OF THE PROGRAMME .....	49
6.1 Information management .....	49

6.2	Staff and resources .....	49
6.3	Guidelines and training .....	50
6.4	Transaction costs .....	50
7	RESULTS AND SUSTAINABILITY .....	52
7.1	Progress towards achieving complementarity in the Finland's Programme .....	52
7.2	Complementarity leading to programme results .....	53
7.3	Cross-cutting themes and objectives .....	54
7.4	Sustainability .....	55
8	CONCLUSIONS .....	57
8.1	Information management .....	57
8.2	External complementarity .....	57
8.3	Internal complementarity .....	58
8.4	Cross-cutting themes and objectives .....	59
8.5	Managerial issues .....	59
9	RECOMMENDATIONS .....	60
9.1	Information management .....	60
9.2	External complementarity .....	60
9.3	Internal complementarity .....	60
9.4	Cross-cutting objectives .....	61
9.5	Managerial issues .....	61
	REFERENCES .....	62
	THE EVALUATION TEAM .....	68
	ANNEX 1 TERMS OF REFERENCE .....	69
	ANNEX 2 PEOPLE INTERVIEWED <sup>1</sup> .....	103
	ANNEX 3 DOCUMENTS CONSULTED <sup>1</sup> .....	104
	ANNEX 4 MOZAMBIQUE'S PARIS DECLARATION SURVEY RESULTS <sup>1</sup> .....	107
	ANNEX 5 SUMMARY OF THE FINLAND'S COUNTRY PROGRAMME IN MOZAMBIQUE <sup>1</sup> .....	109
	ANNEX 6 FINLAND'S COUNTRY PROGRAMME IN MOZAMBIQUE 2004-2012 <sup>1</sup> .....	113

<sup>1)</sup> Annexes 2-6 are non-edited and contained in the attached CD.

## TABLES

Table 1	Overseas Development Assistance to Mozambique (US\$ million). ....	26
Table 2	Finland's Programme-Based Co-operation in Mozambique 2004-2011 (in €). ....	32
Table 3	Summary of Finland's Achievements of External Complementarity in Mozambique. ....	47
Table 4	Summary of Finland's Achievements of Internal Complementarity in Mozambique. ....	48



## BOXES

Box 1	The Evaluation Questions for Mozambique and Zambia Country Case-Studies. ....	23
Box 2	Finland's Development Co-operation Programme 2012. ....	33

## FIGURES

Figure 1	Theory of change. ....	21
Figure 2	Bilateral ODA to Mozambique by Sector 2010-2011. ....	27



## PREFACE

Finland is committed to improve and accelerate complementarity actions in her development co-operation in order to reach common goals with development partners, as agreed in Busan partnership for effective development co-operation. To this end, the Ministry for Foreign Affairs of Finland commissioned a comprehensive evaluation on the complementarity in Finland's development co-operation. The evaluation was divided to several case studies looking the complementarity in some of the instruments like NGO funding and institutional partnerships as well as in country strategies with Mozambique and Zambia. This desk review report describes the complementarity in the Finland's country programme in Mozambique. A separate Synthesis report will aggregate the results and lessons learned in different case studies and will make policy level conclusions and recommendations.

Mozambique is one of the principal cooperation partner countries of Finland and is currently going through an economic transition with the discovery of mineral resources and natural gas. Donor agendas have moved away from development aid towards business based collaboration. In this context, the focus of Finland's co-operation has moved towards assisting Mozambique in its transition.

According to this desk review the Finland's country programme in Mozambique was reasonably coherent and the complementarity with most of the interventions existed. The programme had addressed to a certain extent to new challenges through building human capacity and strengthening institutions' capacity and accountability. However, more room for harmonization with other donors as well as non-traditional development partners such as China, Brazil and South Africa still exists.

In this situation it is extremely important to increase complementarity of development co-operation in Mozambique and at the same time, manage risks of donor fatigue as well as problems in accountability of public financial systems of Mozambique.

Helsinki, 20.12.2013

Jyrki Pulkkinen  
Director  
Development Evaluation



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## ACRONYMS AND ABBREVIATIONS

€	Euros
AAA	Accra Agenda for Action
AfDB	African Development Bank
ALICT	African Leadership in ICT programme
BA	Busan Agreement
BioFISA	Finnish-Southern Africa Partnership Programme to Strengthen Bio-sciences
CSO	Civil Society Organisation
DPG	Development Partners Group
ECD	Early Childhood Development
EPRD	Economic Policy and Regional Development
EQ	Evaluation Question
EU	European Union
FASE	Support Fund for the Education Sector
FORECAS	Forest Research Capacity Strengthening
G19	Group of 19 General Budget Support donors
GBS	General Budget Support
GoM	Government of Mozambique
IESE	Institute for Social and Economic Research
IKI	Institutional Co-operation Instrument/Instituutioiden välisen kehitysyhteistyön instrumentti
IMF	International Monetary Fund
InnoEUM	Science, Technology and Innovation for Development in Mozambique
Kepa	Finnish Service Centre for Development Co-operation (umbrella organisation for Finnish development NGOs)
LCF	Local Co-operation Fund
MDG	Millennium Development Goal
MFA	Ministry for Foreign Affairs (Finland)
MoU	Memorandum of Understanding
NAO	National Audit Office (Finland)
NEPAD	New Partnership for African Development
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OECD-DAC	OECD Development Assistance Committee
PAF	Performance Evaluation Framework
PAP	Programme Aid Partners
PARP	Action Plan for the Reduction of Poverty
PARPA	Action Plan for the Reduction of Absolute Poverty
PD	Paris Declaration
PEDSA	Strategic Plan for Agricultural Development

PFM	Public Finance Management
PIU	Project Implementation Unit
PROAGRI	Agricultural Sector Public Expenditure Programme
PRODEZA	Rural Development in Zambézia Province
PROSAUDE	Health Sector Common Fund
PRSC	Poverty Reduction Support Credit
SADC	Southern African Development Community
SAIS	Southern Africa Innovation Support programme
SANBio	Southern Africa Network for Biosciences
SMEs	Small and Medium Enterprises
STIFIMO	Science, Technology and Innovation Co-operation
SUNAFOP	Support to National Forestry Programme
UEM	Eduardo Mondlane University, Maputo
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
US	United States
WDI	World Development Indicators







# **Evaluointi täydentävyydestä Suomen kehityspolitiikassa ja kehitysyhteistyössä**

## **Osaevaluointi täydentävyydestä Suomen maaohjelmasta Mosambikissa**

*Ann Bartholomew*

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## **TIIVISTELMÄ**

Osaevaluointi täydentävyydestä Suomen maaohjelmassa Mosambikissa on osa Suomen kehityspolitiikan ja kehitysyhteistyön täydentävyyden laajempaa evaluointia. Dokumenttianalysissa tarkasteltiin kattavasti asiakirjoja ja tehtiin joitakin haastatteluja ulkoasiainministeriön henkilöstön kanssa Helsingissä ja Maputossa.

Vuosina 2004–2012 Pariisin julistuksen tukema avun harmonisoinnin periaate edisti kehitysyhteistyön ulkoista täydentävyyttä enemmän kuin Suomen kehityspolitiikan linjaukset sinänsä. Yleisen budjettituen koordinointi heikkeni vuotta 2012 kohti mennessä. Tämä johtui Mosambikin hallituksen muuttuvista prioriteeteista ja siitä, että avunantajat olivat huolissaan julkisesta tilivelvollisuudesta. Ulkoinen täydentävyys lisääntyi, kun maaohjelma keskitettiin budjettituen lisäksi kolmelle sektorille. Suomen maaohjelmasta Mosambikissa tuli aikaisempaa yhtenäisempi. Sisäinen täydentävyys lisääntyi ajan myötä etenkin instituutioiden välisen kehitysyhteistyön instrumentin (IKI) ja alueellisten ohjelmien myötä. Kansalaisjärjestöille myönnettyä tukea sekä Suomen Maputon suurlähetystön hallinnoimia paikallisen yhteistyön määrärahoja (PYM) ei kuitenkaan sovitettu hyvin yhteen maaohjelman kanssa. PYM-tuki lopetettiin vuonna 2010 suurlähetystön henkilöstöpulan takia.

Evaluoinnissa suositellaan, että Suomen kehityspolitiikan ohjausta vahvistetaan maaohjelmien ulkoisen täydentävyyden osalta. Sisäistä täydentävyyttä edistäisivät yhteisten päämäärien ja tavoitteiden muotoilu ja suuremman huomion kiinnittäminen läpileikkaaviin tavoitteisiin. Lisäksi ulkoasiainministeriön olisi lisättävä Mosambikista vastaavaa pysyvää henkilöstöä Afrikan ja Lähi-idän osastolla ja täytettävä nopeasti suurlähetystön avoimet toimet. PYM-tuki olisi käynnistettävä uudelleen.

*Avainsanat:* täydentävyys, harmonisointi, yhteensovittaminen, maaohjelmat, Mosambik

# Utvärdering av komplementaritet i Finlands utvecklingspolitik och -samarbete

## Fallstudie av komplementaritet i Finlands landprogram för Moçambique

*Ann Bartholomew*

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## REFERAT

Denna fallstudie av komplementariteten i Finlands landprogram för Moçambique ingår i en större utvärdering av komplementariteten i Finlands utvecklingspolitik och -samarbete. Studien baserades på dokumentation och bestod av en omfattande dokumentgranskning samt ett begränsat antal intervjuer med Utrikesministeriets (UM) personal i Helsingfors och Maputo.

Under den utvärderade perioden (2004–2012) var drivkraften för extern komplementaritet i huvudsak landets ramverk för harmonisering av biståndet, underbyggda av Parisdeklarationen, snarare än Finlands politiska riktlinjer och former för genomförandet. Samordningen av det allmänna budgetstödet (GBS) hade försvagats vid 2012 på grund av ändrade prioriteringar hos regeringen i Moçambique (GoM) och givar-sidans farhågor kring offentlig ansvarighet. Den externa komplementariteten ökade genom att landprogrammet inskränktes till tre sektorer och budgetstöd. Finlands landprogram blev mindre fragmenterat. Den interna komplementariteten ökade med tiden påtagligt i Institutionella samarbetsinstrumentet (IKI) och regionala program. Stödet till icke-statliga organisationer (NGO), som administrerades i Finland, och de lokala samarbetsfonderna (LCF) administrerade av Finlands ambassad i Moçambique var dock inte väl anpassade till landprogrammet. LCF-stödet upphörde 2010 på grund av personalbrist på ambassaden.

Utvärderingen rekommenderar kraftfullare politiska riktlinjer för extern komplementaritet i Finlands landprogram. Den interna komplementariteten skulle öka genom formulering av gemensamma mål och syften samt större uppmärksamhet på övergripande mål. UM bör också öka de fasta personalresurserna för Moçambiqueärenden på avdelningen för Afrika och Mellanöstern och tillsätta vakanta tjänster på ambassaden inom rimlig tid. LCF-stödet bör återupptas.

*Nyckelord:* komplementaritet, harmonisering, anpassning, landprogram, Moçambique

# **Evaluation on Complementarity in Finland's Development Policy and Co-operation**

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### **ABSTRACT**

The case study on complementarity in the Finland's country programme in Mozambique is part of a broader evaluation of complementarity in Finland's development policy and co-operation. The desk study involved an extensive review of documents and limited interviews with Ministry for Foreign Affairs (MFA) staff in Helsinki and Maputo.

During the period under review (2004-2012), external complementarity was mainly driven by country frameworks for aid harmonisation, underpinned by the Paris Declaration, rather than by Finnish development policies and implementation modalities. General Budget Support (GBS) co-ordination weakened by 2012 due to changing priorities of the Government of Mozambique (GoM) and also concerns on the donor side about public accountability. External complementarity increased, as the country programme was reduced to three sectors, plus budget support. Finland's country programme became less fragmented. Internal complementarity increased over time notably with the Institutional Co-operation Instrument (IKI) and regional programmes. However, support to Non-Governmental Organisations (NGOs), administered in Finland, and Local Co-operation Funds (LCF) administered by the Embassy of Finland in Mozambique, were not well aligned with the country programme. LCF support was discontinued in 2010 due to staff shortages in the Embassy.

The evaluation recommends that Finnish policy guidance on external complementarity in country programmes be strengthened. Internal complementarity would be enhanced by the formulation of common goals and objectives, and by more attention to cross-cutting objectives. The MFA should also increase permanent staffing for the Mozambique Desk in the Department for Africa and the Middle East in the MFA and fill posts in the Embassy in a timely manner. LCF support should be restored.

*Keywords:* complementarity, harmonisation, alignment, country programmes, Mozambique

## YHTEENVETO

Tässä dokumenttianalyysissä tarkastellaan Suomen maaohjelmaa Mosambikissa (2004–2012). Tavoitteena oli arvioida, missä määrin täydentävyyteen pyrkivät Suomen ja kansainväliset kehityspolitiikat ovat näkyneet Mosambikin maaohjelmassa. Evaluoinnin kohteena oli myös se, miten tämä vaikutti Suomen ohjelman toteuttamiseen. Dokumenttianalyysi on osa Suomen kehityspolitiikan ja kehitysyhteistyön täydentävyyden laajempaa evaluointia.

## Täydentävyys Suomen kehitysyhteistyössä Mosambikissa

### *Ulkoinen täydentävyys*

Tarkasteltavana ajanjaksona (2004–2012) Suomen maaohjelma Mosambikissa sovitettiin yhteen Mosambikin hallituksen tärkeimpien kansallisten suunnitelmien kanssa. Näitä olivat äärimmäisen köyhyyden vähentämishjelma vuosina 2006–2009 (PARPA II) ja köyhyydenvähentämishjelma vuosina 2011–2014 (PARP). Suomi pyrki kuitenkin myös päämääriin, jotka eivät olleet Mosambikin hallituksen keskeisimpiä kehitystavoitteita. Näitä päämääriä olivat esimerkiksi ihmisoikeusperustainen lähestymistapa ja tuki kansalaisyhteiskunnan järjestöille.

Suomi keskitti toimensa Mosambikin hallituksen priorisoimille aloille. Tärkeimmät sektoriohjelmat, joille Suomi myönsi rahoitusta, kuuluivat Mosambikin hallituksen sektorisuunnitelmiin. Näitä sektoreita olivat koulutus, terveys ja maatalous. Kahden väliset hankkeet olivat hallituksen näille aloille asettamien tavoitteiden mukaisia.

Suurin osa Suomen ohjelmasta toteutettiin yhteistyössä muiden kehitysyhteistyökumppaneiden kanssa. Sektoritasolla nähtiin hyviä esimerkkejä yhteisiin päämääriin ja tavoitteisiin perustuvasta yhteistyöstä. Koulutussektorilla Tanska oli Suomen hiljainen kumppani ja delegoi toimivaltaa Suomelle.

Evaluoinnissa havaittiin kiinnostavia esimerkkejä siitä, miten Suomi ja muut avunantajat kehittivät kansallisten instituutioiden kapasiteettia, mikä vähensi maan riippuvuutta avusta. Esimerkiksi hallintotuomioistuimelle myönnetty tuki oli suunniteltu kehittämään tilintarkastuskapasiteettia. Tämä paransi kehitysyhteistyövarojen – mukaan lukien yleisen budjettituen kautta myönnettyjen varojen – valvontaa.

Yhteinen tilivelvollisuus rajoittui Pariisin julistuksen seurantatutkimukseen liittyvään prosessiin. Seurantatutkimus keskittyi avun tuloksellisuuden indikaattoreihin. Osana prosessia seurattiin myös Mosambikin hallituksen ja yleisen budjettituen antajien tuloksia. Suomi sai budjettitukimittarin kohdalla keskinkertaiset pisteet vuosina 2011 ja 2012.

Mosambikin hallitus ja kehityskumppanit eivät kehittäneet erityisiä raameja keskinäiselle tilivelvollisuudelle ja strategiselle työnjaolle. Mosambikin hallitus ja EU eivät kumpikaan ottaneet vahvaa johtajuutta prosessissa.

Euroopan unionin politiikan ja Suomen vuoden 2007 kehityspolitiikan mukaisesti Suomi poistui omasta aloitteestaan terveyssektorilta ja keskittyi yleisen budjettituen lisäksi maa- ja metsätalouteen, koulutukseen ja hyvään hallintoon.

Suomella ei ollut käytössä strategioita tai mekanismeja täydentävyyden saavuttamiseksi uusien kehitysyhteistyökumppaneiden, kuten Kiinan, Brasilian ja Etelä-Afrikan kanssa, vaikka näiden rooli Mosambikissa korostui jatkuvasti.

### ***Sisäinen täydentävyys***

Suomen maaohjelma Mosambikissa oli yleisesti ottaen yhdenmukainen Suomen kehityspolitiikassa asetettujen prioriteettien ja tavoitteiden kanssa. Kehityspolitiikka oli määritelty yhteisten päämäärien ja periaatteiden tasolla, mutta ei niinkään sektorikohtaisesti. Lisäksi politiikan noudattamisen seuraamiseksi tarkoitetut mekanismit olivat heikkoja.

Täydentävyyttä oli paljon Suomen maaohjelman sisällä sekä hankkeiden ja ohjelmien välillä. Maaohjelma muuttui johdonmukaisemmaksi ja yhtenäisemmäksi, kun joitakin kahdenvälisiä ohjelmia lopetettiin vaihteittain. Lisäksi jotkin hankkeet oli erityisesti suunniteltu tukemaan sektoriohjelmia.

Paikallisen yhteistyön määrärahat (PYM) ja kansalaisjärjestöille myönnetty tuki täydensivät avunsaajakumppanien tavoitteita. Ne eivät kuitenkaan aina olleet Suomen maaohjelman tavoitteiden ja prioriteettien mukaisia. Kaksi instituutioiden välisen kehitysyhteistyön instrumentista (IKI) rahoitettua ohjelmaa sovitettiin yhteen maaohjelman tavoitteiden kanssa. Näin tehtiin myös useimmissa alueellisissa ohjelmissa.

Yleinen työnjako ulkoasiainministeriön ja Suomen Maputon suurlähetystön välillä ei toiminut tehokkaasti. Tämä johtui siitä, että Suomen yleinen kehityspoliittinen päätöksenteko pysyi keskitettynä Helsinkiin, kun taas käytännön kehitysyhteistyötä suunniteltiin ja toteutettiin entistä enemmän Mosambikissa. Helsingissä toimivan ulkoasiainministeriön kansalaisjärjestöyksikön hallinnoimien kansalaisjärjestöhankkeiden koordinointi parani evaluoidun ajanjakson aikana.

IKI-hankkeissa ulkoasiainministeriön ja Suomen Maputon suurlähetystön välinen työnjako oli hyvä. Suurlähetystö kuului molempien IKI-hankkeiden koordinointitieliimiin, minkä ansiosta niiden seuranta oli asianmukaista. Suurlähetystöä ei kuitenkaan aina informoitu riittävästi mahdollisista tulevista IKI-hankkeista.

Suurlähetystön ja ulkoasiainministeriön yhteisen tilivelvollisuuden varmistamiseksi ei ollut olemassa suunnitelmaa. Myöskään kansalaisjärjestöjen rahoituksella tai alueellisilla ja IKI-ohjelmilla ei ollut yhteisen tilivelvollisuuden mekanismeja.

## ***Läpileikkaavat teemat ja tavoitteet***

Läpileikkaavat teemat ja tavoitteet otettiin huomioon ohjelma-asiakirjoissa, kuten osallistumissuunnitelmissa, maaohjelmassa vuosille 2013–2016 ja yksittäisissä hanke- ja ohjelma-asiakirjoissa. Läpileikkaavien tavoitteiden saavuttamiselle Mosambikissa ei kuitenkaan asetettu selkeitä päämääriä. Läpileikkaavia tavoitteita ei otettu riittävästi huomioon ohjelmien toteutuksessa, eikä niitä näkynyt Suomen kehityspoliittisessa vuoropuhelussa.

## ***Suomen maaohjelman tehokkuus Mosambikissa***

Ulkoasiainministeriön kehityspoliittisen osaston toimintalinjaukset eivät tarjonneet riittäviä ohjeita siitä, miten ulkoinen ja sisäinen täydentävyys taataan. Suomi edistyi aluksi hyvin Pariisin julistuksen indikaattorien saavuttamisessa, mutta myöhempinä vuosina tämä prosessi muutti suuntaa. Loppujen lopuksi valtion järjestelmiä hyödynnettiin vähemmän Mosambikissa, ja ohjelma-avun kautta kanavoitiin vähemmän tukea.

Evaluidun ajanjakson ensimmäisinä vuosina Maputon suurlähetystön tiedonhallinta oli heikkoa, sillä katsauksia ja evaluointeja tehtiin vain vähän. Tämä parantui myöhempinä vuosina. Joitakin rahoitukseen liittyviä väärinkäytöksiä havaittiin paikallisen yhteistyön määrärahojen hallinnoinnissa ennen vuotta 2007 sekä metsätalousohjelmassa vuonna 2012.

Ulkoasiainministeriön Afrikan ja Lähi-idän osastolla oli liian vähän Mosambikista vastaavaa henkilöstöä, mikä heikensi ohjelman tehokkuutta. Myös Suomen suurlähetystössä Maputossa oli henkilöstöpulaa ja toimia oli täyttämättä pitkiä aikoja. Tämä johti PYM-tuen lopettamiseen vuonna 2010.

## ***Täydentävyyden tulokset ja kestävyys***

Avunantajien välinen yhteisymmärrys oli tärkein taustatekijä täydentävyyden ja koordinoinnin lisäämisessä Mosambikissa. Avunantajat toteuttivat useita aloitteita lisätäkseen avun tuloksellisuutta. Ohjelmatuesta saadut tulokset viittaavat siihen, että täydentävyyden lisääminen oli tuloksellista silloin, kun Mosambikin hallituksella oli vahva omistajuus ohjelmien toteuttamisessa ja hallituksen ja avunantajien tavoitteet oli sovitettu yhteen.



## SAMMANFATTNING

Denna granskning baserad på dokumentation är en studie av Finlands landprogram för Moçambique (2004–2012). Målet var att bedöma i vilken utsträckning Finlands och internationella utvecklingspolitiska riktlinjer för komplementaritet återspeglades i Moçambiqueprogrammet. Dessutom bedömdes hur detta påverkade genomförandet av Finlands program. Granskningen utgör en del av resultaten från en större utvärdering av komplementariteten i Finlands utvecklingspolitik och -samarbete.

### Komplementaritet i Finlands utvecklingssamarbete i Moçambique

#### *Extern komplementaritet*

Under den utvärderade perioden (2004–2012) var Finlands landprogram för Moçambique anpassat till landets primära nationella planer – handlingsplanen för bekämpning av absolut fattigdom 2006–2009 (PARPA II) och handlingsplanen för fattigdomsbekämpning 2011–2014 (PARP). Å andra sidan försökte Finland också uppnå mål som inte var bland regeringens (GoM) viktigaste utvecklingsmål – t.ex. en människorättsbaserad ansats och stöd till civilsamhällets organisationer (CSO).

Finland fokuserade åtgärderna på regeringens prioriterade områden. Alla stora sektorsprogram där Finland deltog – utbildning, hälsovård och jordbruk – var baserade på GoM-sektorsplaner. De bilaterala projekten överensstämde med regeringens mål på relevanta områden.

Merparten av Finlands program genomfördes i samarbete med andra utvecklingspartner. Det fanns goda exempel på samarbete utifrån gemensamma mål och syften på sektorsnivå. Inom utbildning hade Danmark ett passivt partnerskap med Finland och delegerade bestämmanderätt till Finland.

Det fanns intressanta exempel på hur Finland och andra givare genom kapacitetsutveckling av nationella institutioner bidrog till att göra landet mindre biståndsberoende. Ett exempel är stödet till förvaltningsdomstolen för utveckling av revisionskapaciteten och som bidrog till bättre övervakning av medel, inklusive GBS.

Utkrävandet av gemensamt ansvar begränsade sig till en ansvarighetsprocess genom Parisdeklarationens övervakningsundersökning. Den fokuserade på indikatorer för biståndseffektivitet och både regeringens (GoM) och GBS-givarnas prestation övervakades som ett led i GBS-processen. Inom det sistnämnda uppnådde Finland ett medelresultat 2011 och 2012.

GoM och dess utvecklingspartner utvecklade inte ramar för ömsesidig ansvarighet och strategisk arbetsfördelning. Varken GoM eller EU visade starkt ledarskap i denna process.

I enlighet med EU:s riktlinjer och Finlands utvecklingspolitiska riktlinjer 2007 lämnade Finland hälsosektorn på eget initiativ och fokuserade på jord- och skogsbruk, utbildning och god samhällsstyrning samt GBS.

Inga strategier eller mekanismer fanns för att åstadkomma komplementaritet med icke-traditionella utvecklingspartner – t.ex. Kina, Brasilien och Sydafrika – som spelade en allt viktigare roll i Moçambique.

### ***Intern komplementaritet***

Finlands landprogram för Moçambique överensstämde i stora drag med prioriteringarna och målen i Finlands utvecklingspolitiska riktlinjer. Dessa riktlinjer angav övergripande mål och principer, men var inte specifika med avseende på sektorer och hade svaga mekanismer för övervakning av efterlevnaden.

Det fanns en hög grad av komplementaritet i Finlands landprogram när det gäller projekt och program. Landprogrammet blev mer sammanhängande och mindre fragmenterat när några bilaterala program fasades ut. Vissa projekt hade planerats specifikt för att stödja sektorsprogram.

Stöd genom den lokala samarbetsfonden (LCF) och finansiering från UM:s NGO-enhet i Finland var komplementärt med mottagarnas mål men inte alltid i överensstämmelse med målen och prioriteringarna i Finlands landprogram. De två programmen inom Institutionella samarbetsinstrumentet (IKI) var anpassade till landprogrammets mål liksom de flesta regionala programmen.

Den allmänna arbetsfördelningen mellan UM och Finlands ambassad i Moçambique var inte effektiv i och med att Finlands beslutsfattande förblev centraliserat medan utvecklingssamarbetet i ökande grad planerades och genomfördes i landet. Samordningen av NGO-projekten som upprätthölls av NGO-enheten i Helsingfors förbättrades under den utvärderade perioden.

Det fanns en god arbetsfördelning mellan UM och Finlands ambassad i Maputo för IKI-projekten. Ambassaden var företräd i samordningsorganen för de två IKI-programmen, vilket möjliggjorde god övervakning av dem. Ambassaden var dock inte alltid välinformerad om potentiella IKI-projekt.

Det finns inga mekanismer för att säkerställa gemensam ansvarighet mellan ambassaden och UM eller gemensamma ansvarighetsramar för NGO-finansiering eller regionala program.

## **Genomgående teman och övergripande mål**

Genomgående teman och övergripande mål återspeglades i programdokument som deltagandeplaner och landstrategi 2013–2016 samt i individuella projekt- och programdokument. Inga resultatmål för uppfyllelse av de övergripande målen i Moçambique hade dock fastställts. De övergripande målen beaktades inte tillräckligt i genomförandet av programmet och framhölls inte heller i Finlands politiska dialog.

## **Landprogrammets effektivitet**

Utvecklingspolitiska avdelningens riktlinjer och anvisningar gav inte tillräcklig vägledning om hur man säkerställer extern och intern komplementaritet. I början gjorde Finland goda framsteg mot uppfyllelse av Parisdeklarationens indikatorer, men utvecklingen vände under de senaste åren. Finland utnyttjade regeringens system i minskande grad och mindre stöd gavs genom programbistånd.

Informationshanteringen på ambassaden i Maputo var mycket begränsad under de första åren av den utvärderade perioden i och med att det fanns få granskningar och utvärderingar. Detta förbättrades med tiden. Vissa finansiella oegentligheter upptäcktes i administrationen av LCF före 2007 och i skogsbruksprogrammet 2012.

Otillräckliga personalresurser för Moçambiqueärenden på avdelningen för Afrika och Mellanöstern hämmade programmets effektivitet. Det fanns också problem med personalresurserna på ambassaden i Maputo, där tjänster var vakanta under långa perioder. Detta resulterade i att LCF-stödet upphörde 2010.

## **Resultat och komplementaritetens hållbarhet**

Den främsta drivkraften mot ökad komplementaritet och samordning i Moçambique var samförståndet mellan givarna, som genomförde flera initiativ för att öka biståndets effektivitet. Resultaten från programstödet pekar på att ökad komplementaritet var ett effektivt medel för att uppnå resultat när GoM hade ett starkt ägarskap och dess mål och givarnas mål samordnades.

## SUMMARY

This desk review provides a study of Finland's country programme in Mozambique (2004-2012). The objective of the review was to assess the extent to which Finnish and international development policies aimed at complementarity were reflected in the country programme. It also assessed how this impacted on implementation of Finland's programme. This review forms part of the outputs of the Evaluation of Complementarity in Finland's Development Policy and Co-operation.

### **Complementarity in Finland's development co-operation in Mozambique**

#### ***External complementarity***

During the period under review (2004-2012), Finland's programme in Mozambique was aligned with Mozambique's main national plans – the 2006-2009 Action Plan for the Reduction of Absolute Poverty (PARPA II), and the 2011-2014 Action Plan for the Reduction of Poverty (PARP). However, Finland also pursued goals that were not key development objectives for the Government of Mozambique (GoM) – for example, a human rights-based approach and support to civil society organisations (CSOs).

Finland focused activities on priority areas of the GoM. The major sector programmes, to which Finland contributed funding – in education, health and agriculture – were all based on GoM sector plans. Bilateral projects were in line with government objectives in the relevant areas.

The majority of Finland's programme was undertaken in collaboration with other development partners. There were good examples of joint work based on shared goals and objectives at sector level. In education, Denmark had a silent partnership with Finland, and delegated authority to Finland.

There were interesting examples of Finland and other donors providing capacity development to national institutions making the country less aid dependent. For example, support to the Administrative Court, was designed to develop audit capacity and contributed to better oversight of funds, including those provided through General Budget Support (GBS).

Joint accountability was limited to the mutual accountability process that occurred through the Paris Declaration monitoring survey. This was focused on indicators related to aid effectiveness and, as part of the GBS process, both GoM and the GBS donor performance was monitored. Finland scored averagely on the latter measure in 2011 and 2012.

The GoM and development partners did not develop frameworks for mutual accountability and a strategic division of labour. Neither the GoM nor the EU provided strong leadership in this process.

In accordance with European Union policy and Finland's 2007 Development Policy, Finland voluntarily took the initiative to exit from the health sector and focus on agriculture and forestry, education, and good governance, plus GBS.

No strategies or mechanisms were in place to achieve complementarity with non-traditional development partners – such as China, Brazil and South Africa – that played an increasingly important role in Mozambique.

### ***Internal complementarity***

Finland's programme in Mozambique was broadly in line with the priorities and objectives set out by Finland's development policies. These policies were at the level of overarching goals and principles, but they were not specific to sectors, and had weak mechanisms to monitor compliance.

There was a strong degree of complementarity within the Finland's country programme, in terms of projects and programmes. The country programme became more coherent, and less fragmented, with the phasing out of some bilateral programmes. Some projects were specifically designed to support sector programmes.

Support provided with the use of the Local Co-operation Fund (LCF) and funding provided by the NGO Unit in the MFA in Finland, while being complementary with recipient partner goals, were not always in line with Finland's country programme goals and priorities. The two Institutional Co-operation Instrument (IKI) programmes were both aligned with country programme objectives, as were most of the regional programmes.

The overall division of labour between the MFA and the Embassy of Finland in Mozambique did not operate effectively as Finnish decision-making remained centralised, while development cooperation was increasingly planned and implemented in country. Co-ordination of NGO projects run by the NGO Unit in Helsinki improved over the period evaluated.

There was a good division of labour between the MFA and the Embassy of Finland in Maputo for the IKI projects. The Embassy sat on the co-ordinating bodies of the two IKI programmes, which enabled good oversight of the programmes. However, the Embassy was not always well informed on potential IKI projects.

There were no mechanisms to ensure joint accountability between the Embassy and the MFA or joint accountability frameworks for either NGO funding, IKI and regional programmes.

## ***Cross-cutting themes and objectives***

Cross-cutting themes and objectives were reflected in programme documents such as Participation Plans, the 2013-2016 Country Strategy and individual project and programme documents. However, no targets were established for achieving cross-cutting objectives in Mozambique. Cross-cutting objectives were not adequately addressed in programme implementation nor did they feature in Finnish policy dialogue.

## ***Efficiency of the country programme in Mozambique***

The policies and guidelines provided by the Department for Development Policy did not provide sufficient guidance how to ensure external and internal complementarity. Finland made good progress towards meeting the Paris Declaration indicators initially, but this process reversed in later years. Less use was eventually made of government systems, and less support was provided through programme aid.

Information management was weak in the Embassy in Maputo in the early years of the period evaluated, as there were few reviews or evaluations undertaken. This improved over time. Some financial irregularities were found in the administration of the LCF prior to 2007 and in the forestry programme in 2012.

The Mozambique desk in the Department for Africa and the Middle East was not adequately staffed, which impeded programme efficiency. There were also problems with staffing in the Embassy in Maputo, where posts remained unfilled for long periods. This resulted in the suspension of LCF support in 2010.

## ***Results and sustainability of complementarity***

The main driver towards increased complementarity and co-ordination in Mozambique was the consensus among donors, who implemented a series of initiatives to increase aid effectiveness. Results from programmatic support suggested that increased complementarity was effective in achieving results when there was strong GoM ownership, and if the objectives of the GoM and donors were aligned.

## Summary of main findings, conclusions and recommendations

Findings	Conclusions	Recommendations
<b>Information Management</b>		
Neither the MFA nor the Embassy of Finland in Maputo initially had comprehensive systems in place for the reporting, monitoring and evaluation of projects. The situation improved towards the end of the evaluation period. Limited information existed on NGO projects administered by the NGO unit of the MFA, although this improved over time. The Embassy was not well informed or consulted on potential IKI projects.	The MFA in Helsinki did not demand rigorous reporting, monitoring and evaluation from the Embassy in Maputo. The lack of information sharing between the MFA and the Embassy on NGO and potential IKI projects was due to the absence of systems to serve that purpose.	1. Systems for regular monitoring and evaluation of the performance of projects, programmes, IKI and NGO projects run by the MFA need to be established in country strategy documents (possibly in an annex to the current Country Strategy for 2013-2016) to demonstrate effective programme performance and to learn lessons for future programming. Implementation of the guidelines outlined in the Manual for Bilateral Programmes 2012 are expected to address this issue.
<b>External Complementarity</b>		
Finland's country programme in Mozambique was broadly in line with GoM objectives. However, Finland also pursued goals that were not key development objectives for the GoM – for example, a human rights-based approach and support to civil society organisations (CSOs). Finland made good progress in meeting the Paris Declaration indicators. Finland's performance declined in recent years as less use was made of GoM systems, and less support	Successful external complementarity was more driven by country frameworks for aid harmonisation, underpinned by the Paris Declaration, than by Finnish development policy and implementation modalities. However, the GoM and development partners did not develop a framework for mutual accountability and a strategic division of labour. This was because neither the GoM nor the EU provided strong leadership in this	2. Finland should continue to focus its programme on areas that support capacity development. This supports Mozambique's transition from a development model based on aid to one that makes Mozambique less aid dependent. This should involve more support to capacity development of institutions similar to the support to the Administrative Court. 3. Further efforts should be made to work with non-traditional development

<p>was provided through programme aid.</p> <p>Most of the country programme was undertaken jointly with other development partners</p> <p>In accordance with European Union Policy and Finland's 2007 Development Policy, Finland took the initiative to exit from the health sector and focus on agriculture and forestry, education, and good governance, plus general budget support (GBS).</p> <p>Capacity development was provided to national institutions making the country less aid dependent - for example support to the Administrative Court.</p> <p>There was no collaboration between Finland and non-traditional development partners, e.g. China, Brazil and South Africa.</p> <p>During the period evaluated, these countries became more prominent in terms of support given to the GoM.</p>	<p>process.</p> <p>The reduction of the country programme to three sectors plus budget support was a voluntary decision made by Finland.</p> <p>Finland assumed a lead role among donors in providing capacity development to the Administrative Court.</p> <p>The main omission by Finland, but also by other donors, was in not seeking complementarity with non-traditional development partners.</p>	<p>partners and, where possible, to increase complementarity with their programmes. Finland should lobby with the GoM and in the donor community to invite non-traditional donors to development forums and initiatives to increase complementarity with their programmes where possible.</p>
<b>Internal Complementarity</b>		
<p>The programme in Mozambique was broadly in line with the objectives emphasised by Finland's development policies.</p> <p>These policies were at the level of overarching goals and principles, but there were no mechanisms to enforce compliance.</p> <p>The country programme</p>	<p>Finland's Development Policies did not provide a clear framework for implementing internal complementarity. The Embassy did not make sufficient efforts to ensure that LCF funding was complementary to country programme priorities. The Embas-</p>	<p>4. There is a need for greater complementarity in the country programme in Mozambique, in terms of goals and objectives, and those of the MFA NGO support and any future LCF support. Greater information on MFA NGO support needs to be provided to</p>



<p>became more coherent, and less fragmented, with the phasing out of some bilateral programmes. Some projects were specifically designed to support sector programmes.</p> <p>Funding from the LCF and support through the NGO Unit, while being complementary with recipient partner goals, were not always in line with goals of the country programme in Mozambique. The two IKI programmes were both aligned with country programme objectives and other projects and programme, as were most of the regional programmes.</p> <p>There were no mechanisms to ensure joint accountability between the Embassy and the MFA or joint accountability frameworks for either NGO funding, IKI and regional programmes.</p>	<p>sy had weak oversight and control of NGOs funded in-country from the MFA, as no systems were established to share information on interventions. In contrast, a good practice was that the Embassy of Finland in Maputo sat on the boards of the IKI projects in Mozambique. The overall division of labour between the MFA and the Embassy of Finland in Maputo did not operate effectively as Finnish decision-making remained centralised, while development co-operation was increasingly planned and implemented in country.</p>	<p>the Embassy in Maputo so it can ensure greater oversight of these in-country activities. This could be undertaken through strengthening the monitoring systems of these interventions as noted under the recommendation on information management.</p> <p>5. The Embassy should be on the boards of IKI projects in other programme countries to strengthen oversight.</p>
<b>Cross-cutting themes and objectives</b>		
<p>Country programme documents (Participation Plans, the Country Strategy 2013-2016 and individual project and programme documents), included cross-cutting themes and objectives emphasised in Finland's Development Policy documents in 2004, 2007 and 2012. HIV/AIDS as a health and social problem became a cross-cutting</p>	<p>Neither the MFA nor the Embassy defined targets for achieving cross-cutting objectives, which reduced incentives to focus on these objectives. Another factor was that most of the country programme was implemented jointly with other donors that did not necessarily share Finland's cross-cutting objectives.</p>	<p>6. Greater attention needs to be paid to cross-cutting objectives in programme implementation. Rather than focusing on all three cross-cutting objectives in Finland's 2012 development policy (gender equality, reduction of inequality and climate sustainability), a more systematic and realistic approach to ad-</p>

<p>theme in the 2007 Development Policy and gender and social equality, HIV/AIDS and climate sustainability were part of the 2012 Policy. There was no evidence of Finland specifically having mainstreamed cross-cutting objectives in programmes. Where cross-cutting objectives were addressed, this was not systematic. Cross-cutting objectives did also not feature in the dialogue between Finland and the GoM.</p>		<p>addressing cross-cutting objectives is likely to be helpful. This should be based on focusing efforts on interventions where Finland is likely to be able to successfully address selected cross-cutting objectives. The country strategy should include clear targets related to cross-cutting objectives so that the Embassy knows what it needs to achieve.</p>
<b>Managerial issues</b>		
<p>The Embassy of Finland in Maputo did not have sufficient guidance from the MFA on how to ensure external and internal complementarity and to monitor achievement of objectives in this regard. Decision-making was highly centralized in the Department for Africa and the Middle East, even though the majority of the planning and implementation of the programme took place at country level. Staffing was also inadequate, given the heavy workload due to participation in budget support and sector programmes. Embassy posts were not filled in a timely manner, leading to gaps in staffing. As the post of LCF coordinator could not be filled for an extended period of time, the LCF was suspended</p>	<p>Finland's Development Policy Documents and country programme guidance documents, including the 2012 Manual for Bilateral Programmes, did not contain sufficient guidance on how to achieve complementarity and monitor achievement of complementarity objectives. MFA rules did not allow for sufficient delegation of authority to the Embassy in Maputo. Staff shortages were the result of tight MFA budgets.</p>	<p>7. Clear policy guidance needs to be provided for Embassies by the Department for Development Policy on how to implement complementarity within country programmes. Frameworks and indicators in country strategy documents should be developed through which achievement of objectives related to this can be monitored by both the Embassy and MFA.</p> <p>8. The level of delegation of authority and decision-making to the Embassy in Maputo should be increased. This should provide for greater delegation of day-to-day decision-making on programme issues to the Embassy.</p> <p>9. The MFA should provide increased levels of per-</p>

<p>in 2010. The Mozambique Desk in the Department for Africa and the Middle East had insufficient continuity in personnel, as there was not enough staff and there was too much reliance on interns to fill gaps.</p>		<p>manent staffing for the Mozambique Desk in the Department for Africa and the Middle East of the MFA and reduce the number of interns used.</p> <p>10. The MFA should ensure adequate levels of staffing for the Embassy of Finland in Maputo, and that gaps in staffing are filled in a timely manner. This requires better management of human resources. It should also allow for the restoration of the LCF.</p>
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# 1 INTRODUCTION

The case study relating to the Finland's country programme in Mozambique is part of the overall evaluation of complementarity in Finland's development policy and co-operation between 2004 and 2012. The case study was conducted in parallel with other case studies on NGO co-operation, the IKI instrument, and the country programme in Zambia. In a final synthesis report, the case studies will feed into the evaluation of complementarity in Finland's development policy and co-operation.

The evaluation's definition of complementarity, developed on the basis of relevant policy documents from the Organisation for Economic Co-operation and Development (OECD), European Union (EU) and Finnish government, is:

*Complementarity is achieved when two or more actors in development co-operation work to a common goal to achieve shared overall development outcomes, recognising that they will achieve more through a strategic division of labour and joint governance accountability, by combining their capacities, skills and resources in an optimum manner, based on their institutional strengths and constraints.*

The definition contains four levels of complementarity that are applied in this report: shared goals; strategic action; division of labour; joint accountability.

The achievement of complementarity usually requires a process of analysing the context, and negotiating mutual or joint agreements within the various dimensions of the development co-operation system (vertical/horizontal). It can involve action within and outside the development co-operation organisation (internal/external). This analysis and negotiation process also requires leadership to reach decisions about the optimum combination of skills and resources. Joint accountability figures prominently in OECD, EU and Finnish policy documents. It refers to obligations that development partners have to each other at all levels, both horizontally and vertically, and relates to constituencies in both donor and partner countries.

On the basis of detailed Terms of Reference (ToR) for this evaluation, a Theory of Change model was developed as the key methodology for the evaluation (Figure 1).

It depicts causal paths leading at all levels to complementarity that is assumed to support the **overall objective of development policy and co-operation coherence**. The latter is understood as defining Finland's contribution to global goals, such as poverty reduction, and achievement of Millennium Development Goals (MDGs) and other internationally-agreed development goals.

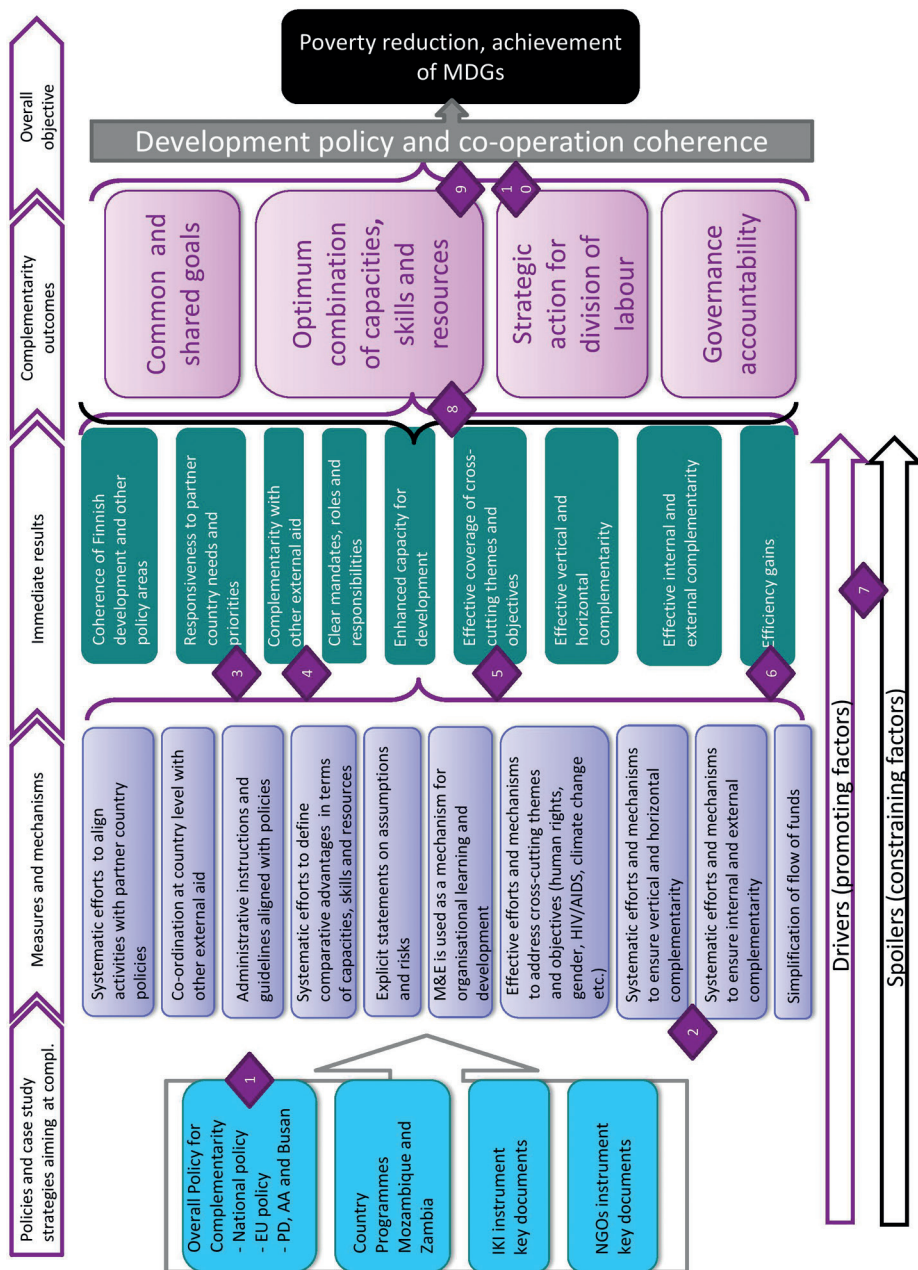
**Complementarity** is the intended outcome that is represented in the four key dimensions described previously in the working definition of the term.

To achieve these **complementarity outcomes**, Finland adopted a series of **measures and mechanisms** – vertical and horizontal, internal and external, how to deal with external partners – that were expected to produce **immediate results**.

Immediate results include, for example: efficient use of resources; activation of Finnish competitive advantages; clearer roles and responsibilities at the organisational level that will enable citizens and civil society to hold Government and other duty bearers accountable; at country level, responsiveness to partner country needs and priorities, and complementarity with other forms of external assistance; at all levels, measures and mechanisms ensuring adequate coverage of cross-cutting themes and objectives, and ensuring efficiency gains due to a simplification of the flows of funds.

However, the full application of the Theory of Change model will be possible only in the subsequent Synthesis Report based on the inputs from the case study reports, including the present NGO Case Report.

Figure 1 Theory of change.



The overall EQs were adapted to the requirements of the different case studies specified in the ToR. For the entire evaluation, complementarity is regarded in four dimensions:

- *Internal complementarity* considers relations inside Finnish development co-operation, including the MFA and partners and stakeholders such as other Ministries in Finland, technical agencies and Finnish NGOs.
- *External complementarity* considers relations with bilateral, private and multi-lateral donors abroad, as well as long-term partner countries and other countries benefiting from Finnish co-operation.
- *Vertical complementarity* considers all the levels, from international discourse to field operations.

Horizontal complementarity refers to actors' interactions at the same level.

The conceptual framework and overall methodology for the evaluation were developed in an internal inception report in April 2013, followed by internal desk review reports for each case study and on overall policy and practice of Finnish development co-operation.

The desk review reports concerning NGO co-operation and the IKI instrument were completed by interviews with the MFA and other stakeholders in Finland, as well as by surveys. These case studies also involved field visits from June-August 2013 to countries in Africa, Asia, Latin America and the Caribbean.

The case studies on the country programmes in Mozambique and Zambia involved only a desk review of documents available in the public domain and in archives of the MFA in Helsinki. This included a review of the MFA archives, other relevant information from sources such as evaluations, Paris Declaration Surveys, and Mozambican government and international organisation reports. Interviews were undertaken with key personnel in the MFA – in particular, the Mozambique Desk and Department of Africa and the Middle East. A video-conference was held with the Finnish Ambassador and his Deputy in Mozambique.

## 2 APPROACH

### 2.1 Scope and purpose

This desk review provides a study of Finland's country programme in Mozambique from 2004-2012. The objective of the review is to assess how Finnish and international development policies aimed at complementarity have been reflected in the country programme between Finland and Mozambique, and how this has impacted



on its implementation. It will also provide a baseline for the evaluation of the new Country Strategy 2013-2016, as well as lessons on how to improve complementarity.

The main evaluation questions adapted to the desk review of the Finland's country programmes in Mozambique and Zambia are summarised in Box 1.

**Box 1** The Evaluation Questions for Mozambique and Zambia Country Case-Studies.

CS-EQ 1	To what extent and how has complementarity as expressed in Finnish and international policies been reflected in development cooperation with Mozambique and Zambia?
CS- EQ2	Which measures and mechanisms have been used to operationalize complementarity in Mozambique and Zambia?
CS- EQ 3	Which measures and mechanisms aiming at complementarity have been applied in Zambia and Mozambique to better respond to the partner countries' needs and priorities?
CS- EQ 4	To what extent and how have measures and mechanisms aiming at complementarity led to more coordination and complementarity with other external agencies in Mozambique and Zambia?
CS- EQ 5	To what extent and how have measures and mechanisms aiming at complementarity helped to address cross cutting objectives such as human rights, social equality, good governance, gender equality, environment, climate sustainability and HIV/AIDS in Zambia and Mozambique?
CS- EQ 6	To what extent and how are measures and mechanisms aiming at complementarity perceived to have contributed to efficiency gains in Zambia and Mozambique?
CS- EQ 7	Which have been the drivers (favourable factors) and spoilers (unfavourable factors) in the assistance to Mozambique and Zambia that supported / hindered the achievement of the outcomes and overall objective?
CS- EQ 8	To what extent and how has development cooperation in Mozambique and Zambia achieved overall complementarity?
CS- EQ 9	Based on the evidence of this evaluation, which innovations could be recommended to enhance complementarity of different instruments of Finnish development cooperation in Mozambique and Zambia and thus make this cooperation more coherent, effective and efficient?

The report begins by discussing the methodology for the case study and limitations of the approach. In the second section, the country context in Mozambique is outlined, including the country background, development strategies, and development

assistance to Mozambique. In the third section, the evolution of Finland's country programme is described in terms of the influence of international and Finnish development policies and trends in sector programmes and funding. In the fourth section, the in-country and internal complementarity of Finland's programme in Mozambique is assessed, as well as cross-cutting themes and objectives, the efficiency of the programme, and results. Finally, conclusions are made on the extent to which complementarity in Finland's programme has been achieved, with recommendations on how to improve complementarity.

## **2.2 Methodology and limitations**

The methodology followed the theory of change outlined in Section 1. As required by the ToR, this case study had to rely exclusively on key documentation relating to the Finland's programme in Mozambique that could be found in the archives of the MFA and other relevant information that could be obtained through searches on the internet. Limited interviews could be conducted with staff in the Department for Africa and the Middle East and – not specifically on the Country Programme in Mozambique – with other personnel in the MFA in Helsinki. One interview by video-conference took place with the staff of the Embassy of Finland in Maputo.

The evaluation reviewed overall Finnish policies, strategies and guidelines for country programmes and assessed measures and mechanisms that were expected to produce immediate results. Documentation relating to bilateral negotiations, country strategies and programme implementation was triangulated with information from other multilateral and bilateral donors operating in Mozambique. Contextual information was also obtained from general MFA documentation on overall policy and strategy and multilateral organisations such as the OECD Development Assistance Committee (OECD-DAC).

Most importantly, the evaluation assessed outcomes achieved in terms of complementarity against the four dimensions of the working definition for this evaluation: common shared goals; optimum combination of capacities, skills and resources; strategic action for a division of labour; and joint governance accountability.

The available documentation did not in all cases provide sufficient evidence to fully understand all factors that supported or hindered specific processes or outcomes. The evaluation was also hampered by a general weakness in monitoring and evaluation of specific programmes of Finland's development co-operation. Last but not least, the limited direct contact with the Embassy of Finland in Maputo also meant that it was not always possible to obtain up-to-date information on all aspects of the country programme in Mozambique.

The limited analytical depth of this case study and the general nature of recommendations are inherent to the restricted methodology defined in the ToR. It also needs

to be mentioned that the study was not meant to evaluate the Country Programme against evaluation criteria of the OECD-DAC. Notably the consideration of the dimension of efficiency is limited to requirements defined in the ToR.

## 3 COUNTRY CONTEXT

### 3.1 Mozambique country background

Mozambique experienced high levels of economic growth since the Rome Peace Accords of 1992, which ended the country's civil war. Real GDP growth averaged around 8% from 1993-2010. This was due to good macroeconomic management by the government, foreign investment in a few mega-projects, and high levels of donor support. The latter provided up to 19% of Government of Mozambique (GoM) spending (World Bank 2012). This growth was underpinned by the extractive industry and by mineral and gas discoveries, which increased foreign direct investment from 2006 onwards (IMF 2013).

Much of this economic growth was driven by natural resource extraction and by capital-intensive mega projects. Traditional sectors such as agriculture, which have the greatest impact on employment and poverty reduction, experienced relatively weak growth. A major reduction in poverty was achieved from 1997 to 2003 (from 69% to 54%), but the rate remained unchanged from 2003 to 2009 at 54% (MFA 2012b). In the United Nations Development Programme (UNDP) Human Development Index in 2012, Mozambique was ranked 185 out of 187 countries, indicating the low living standards of the general population (UNDP 2013). Discoveries of coal and gas since the mid-2000s have the potential to significantly boost Mozambique's economy further. Much of this additional revenue from natural resources will not come on line until around 2020 – particularly liquid natural gas production and coal exports, which will not begin until 2018 (World Bank 2012). It remains to be seen if this will reverse the slowing trend of poverty reduction since 2009.

There were significant constraints to private sector development and trade, and problems with the business environment. Mozambique was ranked 139 (out of 183 economies) in 2012 on the World Bank-created Ease of Doing Business index – a fall of seven positions from the 2011 index (World Bank 2013). Mozambique was 123rd (out of 178) in Transparency International's 2012 Corruption Perceptions Index – up from the 130<sup>th</sup> position out of 180 countries in the 2009 report (Transparency International 2012).

## 3.2 Development assistance to Mozambique

Net official development assistance (ODA) to Mozambique increased from US\$ 1,2 billion in 2004 to US\$ 2 billion in 2011, as shown in Table 1. Since 2005, net ODA averaged 22% of gross national income (World Development Indicators – WDI, World Bank 2011). The top five donors provided 47% of Mozambique's core ODA, and from 2010-2011 these were the United States (providing US\$332 million, on average, over 2010/2011), Portugal (US\$170 million), the EU (US\$ 161 million), United Kingdom (US\$ 148 million) and the World Bank, (US\$ 136 million). Finland was a comparatively small donor and was the 15<sup>th</sup> largest donor in Mozambique with a programme of US\$ 42 million on average over 2010/2011 (OECD-DAC 2013).

**Table 1** Overseas Development Assistance to Mozambique (US\$ million).

	2004	2005	2006	2007	2008	2009	2010	2011
<b>Mozambique</b>	1.242	1.297	1.639	1.776	2.196	2.012	1.951	2.070

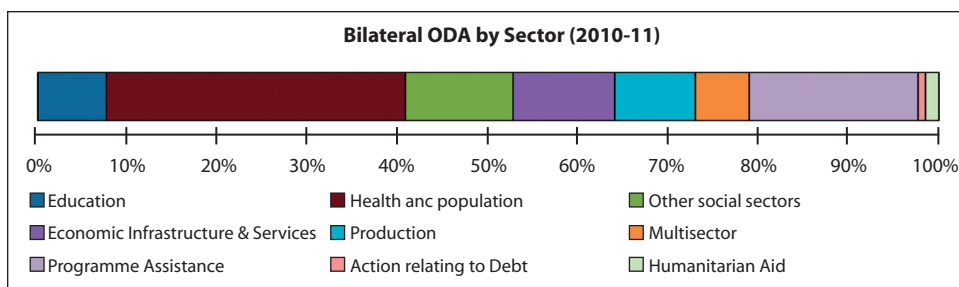
Source: OECD-DAC Query Wizard for International Development Statistics (QWIDS).

The volume of ODA increased from 2004-2011. However, ODA's proportion of the national budget decreased, alongside a strong boost in internal resources since 2006 (OECD-DAC 2013). The bulk of bilateral ODA by sector from 2010-2011 went to the health and the population sectors, followed by programme assistance, economic infrastructure, other social sectors, and production (Figure 1).

Most of the aid to Mozambique was in the form of general budget support (GBS), common funds in the main sectors – such as health, agriculture and education – and project support. Programme assistance, as illustrated in Figure 1, was defined according to the OECD-DAC definition and had the following features: (i) Leadership by the host country or organisation; (ii) A single comprehensive programme and budget framework; (iii) A formalised process for donor co-ordination, and harmonisation of donor procedures for reporting, budgeting, financial management and procurement; (iv) Efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation (OECD-DAC 2011b).

Emerging partners also assumed an increasing role over the period evaluated, particularly in foreign direct investment. India invested in agriculture processing, energy and mining, China invested mainly in infrastructure (ports, roads and energy), and Brazil invested in agriculture, mineral resources, infrastructure and health (AfDB 2011). South Africa also invested in energy and mining.

**Figure 2** Bilateral ODA to Mozambique by Sector 2010-2011.



Source: OECD-DAC 2013.

### 3.3 Complementarity and aid effectiveness in Mozambique

The main driver towards increased complementarity in Mozambique was the aid effectiveness agenda, which began at the end of the 1990s and was driven by the budget support process, and later as a response to the Paris Declaration. By the beginning of the 2000s, there existed a “like-minded” group of government officials and donors who were interested in taking budget support forward, and at the same time working towards increasing harmonisation and alignment. This was strengthened by the large number of donors that provided budget support and were prepared also to establish sector programmes.

Mozambique had mixed results in terms of achieving these goals, as shown by Paris Declaration survey indicators. Annual assessments illustrated that good progress was made initially, but this slowed down by 2010. Out of 13 indicators in the 2010 Paris Declaration Monitoring Survey, four were met, relating to two indicators achieved by the Government of Mozambique and two by donors. Another four that measured donor performance were close to reaching the 2010 targets (Table A4.1) (OECD 2011a). Mozambique was successful in aligning aid flows to priorities, and in strengthening capacity by not establishing parallel project implementation units and by developing a mutual accountability framework. However, there was less success in strengthening capacity through co-ordinated support, using common arrangements and procedures, engaging in joint missions and analytical work, and devising a results-oriented framework.

## 4 FINLAND'S COUNTRY PROGRAMME IN MOZAMBIQUE

### 4.1 Development policy background

This section provides a brief summary of the main international policies, as well as Finland's development policies during the period evaluated.

### 4.1.1 Global and EU development policies

The main policies that underpinned development and influenced Finland's co-operation policy over the last two decades focused on poverty eradication, sustained economic growth, and sustainable development. The most important initiatives that guided this process stemmed from the 2000 Millennium Summit, under the auspices of the United Nations (UN), at which there was agreement to focus on eight Millennium Development Goals (MDGs). These ranged from halving extreme poverty rates to halting the spread of HIV/AIDS and providing universal primary education, by the target date of 2015. This was followed in 2002 by the International Conference on Financing for Development, held in Monterrey, Mexico. This resulted in a consensus that there was a need to increase financing for development, but also that financial resources would have to be used effectively.

Four High-Level Fora of the Working Party on Aid Effectiveness, hosted by the OECD, built further on these principles. These fora recognized the need to enhance the co-ordination of development co-operation efforts and to achieve greater harmonisation and alignment of development assistance with the needs and priorities of programme countries. These were the Rome High-Level Forum on Harmonisation in 2003, the Paris High-Level Forum on Aid Effectiveness in 2005, the Accra High Level Forum in 2008, and the Busan High Level Forum on Aid Effectiveness in 2011. The 2005 Paris Declaration reaffirmed commitments to harmonise and align aid delivery, and to make it more effective. Partner countries' national development strategies and associated operational frameworks were to be strengthened, and aid aligned with partner countries' priorities. The notion of mutual accountability was introduced with clear indicators that would allow for performance monitoring.

The Accra High Level Forum strengthened commitments to partner country ownership over development. The agenda explicitly emphasised the role of parliaments and local authorities in preparing, implementing and monitoring national development policies and plans, and in a greater engagement with CSOs. Finally, the Busan High Level Forum represented a shift in discourse from *effective aid* to *co-operation for effective development*, as it recognised that aid was only part of the solution to development. This required rethinking what aid should be spent on and how, and the need for different sources of financing.

In addition, the EU also addressed aid effectiveness issues through the 2007 EU Code of Conduct on Complementarity and the Division of Labour in Development Policy. This was another important initiative during this period, as it addressed donor congestion in developing countries and in certain sectors. The 2010 EU initiative, Increasing the Impact of EU Development Policy: An Agenda for Change, called for co-ordinated EU action, including joint programming of EU and member states' aid to the level of partner countries.

#### 4.1.2 Finland's development policies

It is notable that Finland's policy documents referred to coherence, complementarity and co-ordination as basic principles. The main development policies of Finland during the period evaluated were as follows:

- *Development Policy Government Resolution 2004*: Emphasised coherence in development policy in all sectors of international cooperation and national policy that had an impact on the status of developing countries, including security, human rights, trade, environment, agriculture and forestry, education, health and social, immigration, and information society policies. The intention was that Finland should use the instruments of development cooperation, trade and security policy, in a manner that would complement and mutually reinforce each other based on their special competencies. This would improve the quality, effectiveness and efficiency of Finland's development policy. (MFA 2004).
- *Development Policy Programme 2007*: Emphasised the international context (the UN, OECD and the EU), and Finland's active engagement in these organisations. Main goals for the development policy were to eradicate poverty and to promote sustainable development, in accordance with the MDGs. The emphasis was on the three dimensions of sustainable development – economic, social and ecological – with cross-cutting themes. These were the promotion of gender and social equality, the promotion of the rights of groups that are easily excluded, and the promotion of equal opportunities for participation. The policy also emphasised the combating of HIV/AIDS; HIV/AIDS as a health problem and as a social problem. (MFA 2007a). Guiding principles of development policy were stated as coherence, complementarity and effectiveness. Policies and activities needed to be coherent at all levels, global, among donor countries, in the EU context and in Finland. Complementarity was to be achieved multilaterally within the United Nations and the EU as well as at country level. An adequate division of labour between donors, and ownership by developing countries themselves, would result in the effectiveness of aid.
- *Development Policy Programme 2012*: Focused on a human rights-based approach, as well as climate sustainability, an inclusive green economy that promoted employment, sustainable management of natural resources, and environmental protection. Cross-cutting objectives were gender equality, reduction of inequality, and climate sustainability. It recommended that the size of programmes and projects were to be increased, and the number to be decreased to reduce fragmentation. Each country programme was to include a maximum of three sectors. (MFA 2012a).

While these policy documents contained general references to coherence and complementarity, there was no clear conceptual framework for these dimensions. The documents also failed to provide operational guidance on what would be the implications of these requirements for country programmes.



## 4.2 Finland's bilateral country negotiations with Mozambique

Country programme negotiations between the Government of Finland and the GoM took place in 2005, 2009 and 2012 (MFA 2005b; 2009a; 2012e). The issues discussed did not change significantly over that period, although in the later negotiations Finland gave stronger messages on issues such as poverty reduction and corruption. The context of the negotiations did, however, change significantly over time. The earlier period was underpinned by Paris Declaration Commitments to harmonise and use government systems. By 2012, perceived problems with public financial management systems and corruption had resulted in this commitment from donors being weakened. The global economic crisis had also led to more scrutiny over the use of aid by domestic constituencies in Finland.

This meant that, in 2005, the overall context for the negotiations was very positive. The global economy was growing and Mozambique's performance in implementing key reforms and reducing poverty was perceived to be good. The G8 countries (Canada, France, Germany, Italy, Japan, Russia, UK, US) had recently written off debt to Sub-Saharan Africa, and at the same time development aid was increasing. By 2009, there was a global economic crisis, and the implications of this for both Finland and Mozambique were extensively discussed in the negotiations. However, Finland stated that although the global economic slowdown had had a negative impact on its economy, it would not have an impact on the level of aid given to Mozambique. Despite this, the government was clearly concerned about a possible impact on aid flows. This was less of an issue by the time of the 2012 bilateral negotiations, as the worst effects of the global economic crisis were over by this point.

In the 2005 discussions, Finland expressed satisfaction with trends in poverty reduction and the reduction in regional inequalities. By 2009, the pace of poverty reduction had slowed. Finland highlighted that one of the development challenges for Mozambique was how to bring about equitable poverty reduction and achieve broad-based economic growth. This was also emphasised in the 2012 negotiations, as figures on poverty reduction for the 2003-2009 period, had indicated no change in overall poverty levels. Finland expressed its disappointment with this slow progress.

Budget support was confirmed as an important instrument for Finland in 2005. Finland expressed its desire to explore the possibility of a longer-term commitment to budget support and to increase the predictability and transparency of its aid. It was also highlighted that there would be a shift from project to programme support in the country programme. By 2009, this position had changed, and Finland stated that it would commit to budget support only until 2010. Finland would then consider further commitments, depending on how budget support fitted with the country programme. It was, however, reiterated that the main elements of the country programme would be programme-based (GBS and sector support) and projects.



By 2012, Finland was still planning to provide budget support until 2014, but annual funding had been reduced. This was due to Finnish concerns over weak transparency and governance in Mozambique, and to the disappointing results in poverty reduction. By this point, Finland also considered that the discovery of natural resource reserves meant that there was less need for external aid. In response, the GoM emphasised that GBS was still its preferred aid modality. The government also pointed out that although statistics suggested stagnation in poverty reduction had occurred, access to basic services in education and health had improved.

The other themes discussed during the three bilateral negotiations did not change significantly, although the emphasis changed over time. For example, Finland congratulated the GoM in 2005 on its efforts to implement reforms in public financial management and on the progress that had been made in the health and education sectors. In addition, justice sector reform was highlighted as an important area where progress was needed, as was progress in tackling corruption.

In 2012, the GoM's positive record in expanding the provision of primary education and reducing gender inequalities was again highlighted. There was more discussion of the need to tackle corruption, as financial irregularities had emerged by 2012 in some parts of Finland's programme. The Finnish response was a lot stronger than previously. Due to the misuse of forestry funds in a Finnish forestry project, Finland stated its intention to continue working in the forestry sector, but through a different modality. This marked a trend away from more harmonised use of aid modalities. It is notable that although there was a commitment made by Finland in both the 2005 and 2009 negotiations to use more harmonised forms of aid modality, this was not discussed in the 2012 negotiations.

Another area of interest for both Mozambique and Finland throughout the period was strengthening trade relations. This was discussed in 2005 as being an important issue, with the possibility of exploring this in the agricultural sector in particular. It was emphasised again in 2009 and 2012. The future of Finland's programme was discussed in each series of negotiations, and agreement was generally reached on ways forward. In 2009, it was agreed that Finland would cease funding the health sector, due to the division of labour process, and because Finland wanted to increase aid to education and move into new areas in the programme. It was also agreed that a new forestry programme would be launched, as well as proceeding with the planning of two new bilateral projects in science, technology and innovation, and education. In 2012, the Finnish delegation suggested that future co-operation between Finland and Mozambique should focus on rural development and on education and innovation, with a stronger emphasis on good governance and transparency. A new issue that emerged by the time of the 2012 negotiations was the challenges of having natural resources, which was then only emerging as an important issue, due to discoveries of natural gas.

## 4.3 Evolution of the programme (2004-2012)

### 4.3.1 Trends in programmes and funding

Mozambique has been Finland's development co-operation partner since 1984, and is one of the seven long-term partner countries. In 2011, Mozambique was the second largest recipient of gross ODA from Finland's programme (OECD-DAC 2013). Finland has significantly increased its funding to Mozambique since 2004, as Table 2 indicates, although the level of funding decreased in 2011. It was expected to decrease further from €28,6 million in 2012 to €24,7 million by 2016, due to a decrease in the level of budget support provided (Embassy of Finland 2012a).

**Table 2** Finland's Programme-Based Co-operation in Mozambique 2004-2011 (in €).

Mozambique	Country-specific and regional aid	Aid channelled via NGOs	Total disbursements
2004	19.684.412	766.515	20.450.927
2005	18.871.836	616.545	19.488.381
2006	20.585.435	1.010.388	21.595.823
2007	19.875.799	1.143.815	21.019.614
2008	23.152.859	2.242.617	25.395.476
2009	26.586.705	1.976.020	28.562.725
2010	31.496.876	1.354.290	32.851.166
2011	22.490.938	804.953	23.295.891
2012	27.270.543	682.714	27.953.257

Source: Figures provided by the MFA to the evaluation in October 2013.

During the period evaluated, Finland provided GBS to Mozambique and focused the programme on three main sectors. This was in addition to project support through the LCF and NGO projects funded by the NGO Unit in Helsinki. The main sectors were health, education and rural development until 2008, when rural development support was changed to the agricultural sector (MFA 2005a; 2008b). In 2010, LCF and support to the health sector ended, and by 2012 there were three focal areas. These were: agriculture and forestry; education, science, technology and innovation; and human rights and governance support. The main programmes that Finland was funding in 2012 in Mozambique are outlined in Box 2. A summary of the country programme throughout the period evaluated is given in more detail in Annex 6.

## **Box 2** Finland's Development Co-operation Programme 2012.

### Agriculture and Forestry

- PRODEZA II (support to Rural Development in Zambézia Province)
- Agriculture Sector (NGO)

### Education and Science, Technology and Innovation

- Support Fund for the Education Sector (FASE)
- Science, Technology and Innovation Co-operation (STIFIMO)

### Human Rights and Governance Support

- Support towards funding of the Administrative Court (Tribunal Administrativo)
- Institute for Social and Economic Research (IESE)
- Other governance support

### General Budget Support

- General Budget support

Source: Embassy of Finland 2012a.

## **5 COMPLEMENTARITY OF FINLAND'S DEVELOPMENT CO-OPERATION IN MOZAMBIQUE**

### **5.1 External complementarity in Mozambique**

This section assesses the degree to which external complementarity was achieved by Finland in Mozambique. It uses the four dimensions of complementarity outlined in Section 1, which are: shared goals, strategic action, division of labour, and joint accountability.

#### **5.1.1 *Finland and the Government of Mozambique***

##### **Shared goals**

There was broad alignment between Finland's programme and the GoM poverty reduction plans, with Finland participating in the formulation of both of these plans. The second phase of the Action Plan for the Reduction of Absolute Poverty (PAR-PA II) ran from 2006 to 2009. It aimed to produce rapid, sustainable and broad-based growth. The strategy focused on small and medium enterprises (SMEs) as the engine of employment generation, and was based on three pillars, which were: (i) governance; (ii) human capital; (iii) economic development (Republic of Mozambique 2006).

The Action Plan for the Reduction of Poverty (PARP) was launched to cover the period 2011-2014, with the objective of inclusive economic growth and poverty reduction. The aim was to achieve this through increased farm and fisheries output and

productivity, employment promotion, and human and social development. Good governance and macroeconomic and fiscal management were the respective support pillars (Republic of Mozambique 2011).

Finland's country programme in Mozambique was in line with PARPA II and PARP objectives, as the priority sectors were education, health, agriculture, and rural development. Finland withdrew its health sector support in 2010, with the GoM's agreement. The 2012 programme was aligned with PARP, which emphasised more economic development and private sector development. It was designed to meet the changing needs of Mozambique as it moves from a development model based on aid to one that is more business oriented. It was based on building human capacity, and it emphasised building management capacities, strengthening science, technology and innovation, and research. This represented a gradual shift in the type of programmes financed compared with earlier periods.

Initiatives that were in line with the new paradigm were support to the Administrative Court to strengthen capacity in audit, as well as the STIFIMO programme that aimed to strengthen innovation capacity and science, technology and innovation in the country. Another example was Rural Development in Zambézia Province (PRO-DEZA), which supported the development of value chains in agriculture and local entrepreneurship. As a result, the country programme responded to the PARP as it evolved, and to the needs of Mozambique. It emphasised economic growth, consolidation of democratic processes, accountability of the state, and broad-based participation.

Finland operated in the sectors agreed with the GoM in the bilateral country negotiations, as outlined in section 4.2. It is notable that Finland refused to fund activities that were not in line with this agreement. An example of this was the refusal of the Embassy of Finland in Maputo to fund a second phase of technical assistance carried out by the Geological Survey of Finland. This programme was funded in the first phase by the World Bank and the African Development Bank (AfDB), but Finland refused to fund a second phase despite a GoM request. This was on the basis that this programme was not in the priority sectors, which Finland had agreed with the GoM (Ministry for Foreign Trade and Development 2007).

Cross-cutting themes included by the GoM in its plans were the same as those emphasised by Finland. These were HIV/AIDS, gender equality, reduction of inequality, and climate sustainability. They were also included in PARPA II and PARP.

The main differences between the GoM and Finland in terms of objectives and priorities were that Finland's approach focused on a human rights-based approach. This was not an area of specific focus for the GoM. Similarly, the development of the capacity of CSOs was also not a government priority for Mozambique.

## Strategic action

Finland's programme was broadly aligned with GoM sector plans. There were a series of sector support programmes in agriculture (PROAGRI), health (PROSAUDE) and education (FASE). These were established by donors with the objective of aligning with government sector plans and using common funding mechanisms. Finland contributed to these common funds and, in this way, aligned its support with GoM sector plans. For example, Finnish support through the Agricultural Sector Public Expenditure Programme (PROAGRI) was based on the Mozambican Strategic Plan for Agriculture Development (PEDSA) and its predecessors. Education support through the Education Sector Common Fund (FASE) was based on the Education Sector Strategic Plan I-II. Health sector support was through the Health Sector Common Fund (PROSAUDE), based on national health sector plans. Bilateral projects were in line with government objectives in the relevant areas.

At the same time, Finland had provided budget support since 2003, and this was also aligned with GoM poverty reduction strategies. It provided a significant amount of funding to support expenditure in priority areas. The dialogue related to GBS between the GoM and development partners from the G19 – the group of development partners that provide GBS – focused on the implementation of the PARPA/PARP and related policies and reforms. The performance indicators in the GBS PAF were based on reforms outlined in these strategies. These related to areas such as public financial management, public sector reform, human capital, the financial sector, economic growth, and cross-cutting themes.

The GoM expressed a strong preference for GBS or programme aid, as shown by the bilateral negotiations described in section 4.2. This was respected by Finland, and approximately 90% of 2007-2011 strategy was programme-based aid. This was an increase from 33% in 2004, although this fell to 70% for the most recent programme (Embassy of Finland 2012a). This indicated that there was now a divergence between Finnish and GoM priorities. In addition, although Finland overlapped with the GoM in terms of strategic action, Finland also pursued other strategies that were not related to GoM objectives. This included supporting the activities and capacity building of NGOs and CSOs, although the LCF ceased in 2010.

It was also reported that it was not always easy for Finland and development partners to align with GoM priorities. Ownership was reported to be weak, with strong leadership not always evident. This was due in part to the way in which the GoM manages aid co-operation. Mozambique's Ministry for Foreign Affairs and Co-operation was responsible for development co-operation, but in practice had a low level of expertise in this area. This meant that development co-operation tended to be managed by the Ministry of Planning and Development, Ministry of Finance, the central bank, and sector ministries. Aid co-ordination was therefore not always coherent (KPMG Mozambique 2010).

## **Division of labour**

There was not a formal division of labour process undertaken in Mozambique, due to a lack of direction and buy-in from the GoM. However, Finland undertook this anyway, in accordance with EU Policy and Finland's 2007 Development Policy. This resulted in Finland exiting from the health sector, and focusing on agriculture and forestry, education, and good governance, plus GBS.

A further division of labour occurred in the split between Finnish activities and those of the GoM. This meant that Finland was responsible only for very specific inputs that contributed to the GoM budget and funded specific GoM policies. The main area of responsibility for Finland was development effectiveness in Mozambique. This mainly occurred through the establishment of the GBS framework, which Finland had been part of through participating in various working groups and chairing the G19.

## **Joint accountability**

Joint accountability was limited to the mutual accountability process that occurred through the Paris Declaration monitoring survey. This focused on indicators related to aid effectiveness and, as part of the GBS process, both GoM and the G19 performance was monitored. The GoM performance was monitored through the GBS PAF, which measured progress towards achieving reforms in key sectors. In the Programme Aid Partners' Performance Assessment Framework (PAPs PAF), there were 20 measurable indicators related to adherence to the MoU, including utilisation of government systems and reporting and transparency. Finland scored averagely on this measure, with a medium ranked score in 2011 and a medium high score in 2012 (Republic of Mozambique 2013). There were, however, no sanctions if donors did not perform well, and it was reported that less attention was paid to the PAPs PAF in recent years.

## **5.1.2 Development partners (bilateral/multilateral)**

### **Shared goals**

The majority of Finland's interventions were undertaken jointly with other donors, through GBS, as well as sector programmes and other interventions. As these were joint programmes, there were shared goals between donors because the objectives of their support were similar. In terms of budget support, Finland was part of the G19 budget support group, which involved 17 donors in 2012. This included the World Bank, the AfDB and the EU. Regular dialogue occurred between the G19 and GoM on the PAF, and there was a strong degree of harmonisation among GBS donors in terms of policy dialogue and common review processes.

During the period evaluated, there were two MoUs to which all donors signed up, and this suggested that there were shared goals. However, in recent years, this shared agenda was reported to have declined and donor agendas diverged, leading to less cohesion within the G19 group, as donors now had business as well as development in-

terests in the country. This made the agreement of common stances more difficult (Embassy of Finland 2012a).

Although the G19 drove the aid effectiveness agenda and contributed to aligning donors around shared goals, this group only included budget support contributors, with the US, Japan and the UN as associate members. Non-traditional development partners did not attend. This limited the extent of donor harmonisation and co-ordination to this specific group, and left out some development partners who provided large amounts of funding to the GoM.

Finland also undertook joint funding with other donors through sector programmes, as described previously. In education, Denmark had a silent partnership with Finland, and delegated authority to Finland. The majority of other support was also undertaken with other donors, indicating joint strategic action. For example, the support to the Tribunal Administrativo was in conjunction with Sweden, the Netherlands, Germany, the World Bank, and the EU. Finland was the lead donor among countries supporting the IESE. Finland and other donors provided support to the Ministry of Science and Technology. However, in most of these instances, goals were only partially shared, as donors provided support according to their own particular interests and expertise.

Finland was the leading bilateral donor in the area of science, technology and innovation, and was also the lead donor on forestry. Finland acted as the focal point and co-ordinator among the Nordic countries on issues concerning the Multinational Development Banks. Finland also co-ordinated the Nordic+ initiative that promoted the implementation of the Paris Declaration principles and the Accra Agenda for Change in the support of Civil Society.

There was co-ordination with multilateral institutions as Finland's ODA was channelled through the World Bank, the AfDB, the EU and the UN system. Mozambique was one of the eight pilot countries – the others were Albania, Cape Verde, Pakistan, Rwanda, Tanzania, Uruguay, and Vietnam – that agreed to participate in the UN's "Delivering as One" initiative. This was aimed at increasing the UN system's impact through more coherent programmes, reduced transaction costs for governments, and lower overhead costs for the UN. Finland, as a result, sought to find synergies with the UN system, and supported UN efforts to co-ordinate functions.

### **Shared actions**

There has been a lack of strategic action between donors in Mozambique because no joint assistance strategies were developed and the main strategic action was undertaken through GBS. This was due to a lack of leadership both from the GoM and donors in this area and the fact that GBS processes tended to dominate. Although Finland was actively involved in other development forums, such as the Development Partners Group (DPG) and EU fora, the EU found it difficult to get all member states to align with a common agenda. It did not have much success in its co-ordination initiatives, including the division of labour process, which is discussed in the next section.



In addition, although the DPG forum includes more donors, it was not as influential as the G19 group in this area.

### **Division of labour**

The EU attempted to get agreement on a division of labour as part of the EU Code of Conduct on the Division of Labour Initiative. As a result, the EU members agreed on a Joint Action Plan, and a wider Task Force on Working Groups and Division of Labour was established. This resulted in an annual mapping process, the establishment of comparative advantage for donors, and a proposed exit for some. However, little happened in Mozambique in terms of sectoral rationalisation *beyond a handful of withdrawals without sufficient consultation*. (KPMG Mozambique 2010, 37)

Finland did reduce its programme to three sectors, plus GBS, in line with the EU Code of Conduct and Finland's Development Policy guidelines. However, there was little GoM input into this process as it was driven by Finland, although it was discussed in GoM and Finland's Government bilateral negotiations.

### **Joint accountability**

Mechanisms for joint accountability were through the Paris Declaration survey and the programme aid partners' matrix. This was the tool to evaluate the GBS donors' performance in areas related to aid effectiveness. However, the latter process was relatively weak. Although it was undertaken annually by the GoM, there was no mechanism to hold to account donors that had low scores.

A report was published outlining donors' performance and ranking, but there were no sanctions against those that did not perform well. Given this situation, there was little incentive for donors to improve their performance, as it made no difference to their relations with government or to programme disbursements. In contrast, the GoM risked less GBS funds being received if the government did not meet indicators in the GBS PAF.

**In summary**, there was only partial achievement of **external** complementarity in terms of strategic goals and actions between Finland's programme and the GoM. The division of labour process was not achieved, as no formal process was established to achieve this. Joint accountability was also weak, due to the lack of strong frameworks that held both GoM and donors to account. Complementarity with donors, was partial for strategic goals, but was non-existent for strategic actions and the division of labour, as no frameworks or mechanisms were established.



## 5.2 Internal complementarity of Finland's development co-operation

Internal complementarity refers to co-ordination and coherence between Finnish development actors and instruments and mechanisms to achieve such complementarity. This dimension will be addressed first with analysis of overall complementarity in Finland's programme in Mozambique, then with regard to NGO co-operation, and finally with regard to the IKI instrument, private sector and regional programmes.

### 5.2.1 *The implementation of policies aiming at complementarity*

#### **Shared goals**

At the policy level, the programme in Mozambique was broadly in line with the objectives emphasised by Finland's development policies over the period evaluated. The Development Policy of 2004 emphasised coherence in development policy, the 2007 policy related to coherence, complementarity and effectiveness, and the 2012 policy focused on a human rights-based approach as a broad principle, as well as on reducing the number of programmes in-country.

Finland's programme in Mozambique was in line with these policy goals. The programme used government systems and joint aid modalities over the period evaluated, particularly through GBS and sector programmes. This meant that there was a common policy framework, within which the Embassy of Finland in Maputo framed its programme. The sharing of goals was, nevertheless, only partial, as these goals and principles were very general and not specific to sectors, and had weak mechanisms to monitor compliance.

The Mozambique programme was organised into three sectors, plus GBS, and Finland withdrew from the health sector. This led to more coherence and less fragmentation of the programme, while the phasing out of some bilateral programmes assisted this process.

Fragmentation was a problem early in the period evaluated as there were many projects and programmes, but these were gradually reduced, and the ending of the LCF reduced this further. This was in line with the 2012 Development Policy to reduce the number of programmes in-country, and the three-sector focus was encouraged in the 2007 Development Policy. The Embassy in Maputo adhered to this, and it was emphasised in the Finland's Country Strategy for 2013-2016 that *Finland's programming is balanced with a set of objectives and targeted to correspond to Finland's comparative advantages and division of labour among donors* and that *'Finland's support interventions are selected to complement the current areas of budget support and sector co-operation in agriculture and education* (MFA 2012b, 5).

The 2007 and 2012 Development policies also emphasised the international context, and Finland's engagement in multilateral organisations, the EU, regionally, and

through CSOs. In Mozambique, Finland did not have a significant amount of engagement with these organisations, although Finland attempted to be active within the EU. This has been difficult, given that the EU does not provide strong leadership in Mozambique. The main area where Finland has been active was in co-ordinating the Nordic group in-country. They were also engaged in regional bodies and regional co-operation through regional programmes.

Cross-cutting themes were emphasised in the 2007 Development Policy, particularly promoting the rights of women and girls and groups that are easily excluded, and combating HIV/AIDS. This strategy was reflected in Finland's support to NGO projects that addressed disability and HIV/AIDS and in advocating the inclusion of gender equality, HIV/AIDS and the environment in other programmes supported by Finland. Similarly, the main cross-cutting objectives of the 2012 Development Policy – gender equality, reduction of inequality, and climate sustainability – were included in the programme. This was through support to the education sector and the science, technology and innovation sector, contributing to all three cross-cutting objectives. Climate change was addressed through rural development programmes and GBS.

The Country Strategy for Development Cooperation with Mozambique also emphasised a human rights-based approach, which was the basis for the 2012 Development Policy of the Government of Finland. According to the country strategy, this led to an emphasis on the needs of a country that is in rapid economic transition. In particular, it referred to *the inclusiveness of economic growth, consolidation of the democratic processes, accountability of the state to its citizens, and broad-based participation by all stakeholders* (MFA 2012b).

### **Strategic action**

Complementarity, in terms of strategic action, was not encouraged by systematic mechanisms developed either in Helsinki or in the Embassy in Maputo to review and monitor how different instruments of Finland's co-operation in Mozambique could be complementary. For example, there was no systematic analysis of how budget support reinforces and complements other parts of the programme, or how projects and other interventions needed to complement each other. Despite this, examples of good practice in complementarity did exist. These seemed to benefit from mechanisms outside Finnish co-operation or from ad hoc efforts by Embassy staff in Maputo.

It is clear that the country programme in Mozambique was reasonably coherent and complementary. Clear linkages existed between most of the projects and programmes, and there were synergies between the various elements of the programme. For example, GBS provided the overarching framework for the programme. It assisted in the strengthening of Public Finance Management (PFM) systems and anti-corruption measures, as well as civil society participation in policy formulation, the sustainable use of natural resources, and the harmonisation and alignment of aid (Karls-son & Valtonen 2011). This also benefited other areas of the programme that made use of country systems, which were most of the sector programmes.

Some interventions were designed specifically to be complementary to other parts of the programme. There was support to the Mozambican supreme audit organisation, the Tribunal Administrativo, to develop audit capacity and to provide better oversight of funds, which complemented GBS. The new national agriculture sector strategy development was co-funded by Finland, which complemented Finland's ongoing programmes in forestry and agriculture. Similarly, the STIFIMO programme and Building Innovation Capacities programme at Eduardo Mondlane University (UEM) in Maputo contributed towards capacity building to enhance the ability of Mozambique to innovate. The support to the Institute of Social and Economic Research was designed to strengthen research into the promotion of national debates on poverty reduction, monitoring the use of public resources, democracy, and good governance. These were all goals of the country programme. Other programmes operated independently, such as Finnish interventions in the forestry sector.

### **Division of labour**

The division of labour between the Embassy of Finland in Maputo and the MFA in Finland resulted in the MFA taking the majority of decisions on the country programme, while the Embassy implemented the programme. The main tasks of the Embassy were an assessment of Mozambique's situation from the perspective of Finland's Development Policy objectives. Tasks also included consultations with the GoM and participation in the preparation of development co-operation projects and programmes, as well as monitoring implementation. However, a limited amount of delegation to the Embassy occurred as a result of a proposal by the Finland's Ambassador in Maputo. In 2008, this led to the transfer of the planning allowance to the control of the Embassy, and there was discussion between the MFA and the Embassy on the judicial obstacles to more delegation (MFA 2007b). However, there was no evidence in the documents reviewed that any further decentralisation took place.

The 2010 Performance Audit Report reported that this division of labour was still not perceived to be adequate by the Embassy in Maputo (NAO 2010). The Embassy commented that the delegation and division of labour between the Embassy and the MFA was not effective. It was not in tune with the fact that development co-operation was increasingly planned and implemented in-country. This was confirmed in recent interviews undertaken for this evaluation, which indicated that the situation had not changed since the Performance Audit. There was supposed to be scope to negotiate the division of labour between the MFA and the Embassy. However, this was hampered by the fact that there was not a permanent officer on the Mozambique desk of the Department for Africa and the Middle East of the MFA.

This centralisation of decision-making was perceived to be inefficient, given that a lot of time was spent on communication between the MFA and the Embassy in Maputo on issues that the Embassy could have easily made decisions on. Decision-making processes were also reported to be very slow in Helsinki. The Embassy noted that an example where more delegation of authority would be useful was decision-making on new programmes. Discussions often took a very long time, and sometimes the Em-

bassy was not allowed to proceed, even though the Embassy had a better knowledge of the local context.

Therefore, overall, the division of labour between the MFA and the Embassy was not as complementary as it could have been, and the centralisation of decision-making detracted from the efficiency of the programme.

### **Joint accountability**

There were no mechanisms to ensure joint accountability between the Embassy and the MFA. This was due to the fact that mechanisms and processes for the development and review of country strategies and, prior to this, participation plans were weak. There were no formal mechanisms to monitor country programmes and to check if they were in line with Finnish policy and agreed areas of focus on the Country Strategies. There was also no system for applying sanctions if the Embassy diverged from the agreed strategy.

## **5.2.2 NGOs and civil society**

### **Shared goals**

Finland supported Mozambican NGOs and CSOs through the LCF, as well as through funding provided by NGOs in Finland. LCF support ceased in 2010, as the post of LCF coordinator in the Embassy could not be filled due to insufficient financial resources. LCF funding had been provided to a range of organisations in Mozambique and was complementary to these organisations' objectives, as funding was aimed at supporting the core activities of these organisations.

Since LCF funding ended, the Embassy of Finland only monitored and supported activities of civil society organisations through the EU and other fora. It was reported that CSOs in Mozambique lacked organisation and had limited capacity to engage both with donors and the GoM, suggesting that they did not have the capacity to achieve their stated goals (Embassy of Finland 2012b).

Finnish NGOs continued to operate directly in Mozambique. Although not directly involved, the Embassy in Maputo liaised with the Finnish NGO umbrella organisation, Kepa, as well as with the Finnish Red Cross, Finn Church Aid, and the NGO Taksvärkki (Operation a Day's Work). Although this NGO co-operation was managed by the MFA, it was reported in interviews with the Embassy staff that the Embassy was able to assess the applications. This ensured that those applications approved were for activities in the education sector priority areas, and were complementary to the programme. There was also regular communication between the Embassy and Kepa, and with other Finnish organisations funding NGOs.

### **Strategic action**

The objectives and activities of LCF programmes were only partially in line with the priority areas of the country programme. In 2008, for example, there were nine

LCF projects funded in six sectors. These were: democracy and the rule of law; human rights and equality; environment and climate change; private sector development and business partnerships; inter-institutional co-operation; and health. The number of LCF projects ranged from six in 2010 to 12 in 2011. These focused on five sectors: democracy and governance; human rights; culture, inter-institutional co-operation; and development of business partnerships. The sectors covered were greater in scope than the country programme, which only ever focused on three sectors and GBS. Culture and the private sector were never specific areas included in the country programme.

According to the information available, there appeared to be more complementarity between the NGO projects funded by the NGO Unit in Helsinki. For example, Kepa supported peasants' associations in Cabo Delgado, while Finnish Church Aid and Finnish Red Cross had projects linked to food security and rural livelihood. The Finnish rural development group Joutsenten reitti brought the experience of the European Rural Development Approach LEADER programme to Zambézia province (Pekkola 2010). This support all fitted within the programmes focus on agriculture and rural development. Other NGO support focused on rural development, women in development, health and education, which again indicated shared sectoral and thematic goals.

There was not a broader programme of linkages between NGOs and Finland's programme in Mozambique, apart from the support to individual organisations. However, the 2013-2016 country strategy stated that it planned to support to CSOs, including the media. This was among other objectives to strengthen monitoring of the use of public resources and natural resources (MFA 2012b). The strategy also noted that *the Government of Finland will co-operate with Mozambican civil society actors in order to find synergies and complementarities* (MFA 2012b, 11-12).

### **Division of labour**

The division of labour did not seem to work well for LCF funds prior to 2007, as the Embassy in Maputo had problems with managing these funds effectively. LCF funds were frozen after an inspection by Finland's State Audit Office of LCF operations. This found that sufficiently robust systems were not in place for administering these funds. It led to the number of projects being reduced and stronger systems being established. Improvements included follow-up of allowances paid and recipients' reporting. An audit conducted in 2011 recommended to strengthen administration systems for project documentation. (KPMG Mozambique 2011.) As the Embassy had no resources to fill the position of LCF coordinator, the use of the LCF was suspended, with the last LCF funds received in 2010 and the last LCF projects being completed at the end of 2011.

The division of labour for NGO funds managed from Helsinki worked better. Although they were managed from the NGO Unit in Helsinki, the Embassy had information available on activities being undertaken in the country.

### **Joint accountability**

There were few mechanisms to ensure joint accountability between programmes aimed at funding NGOs and CSOs and Finland's programme in Mozambique and the MFA. The main mechanism for the LCF was audits that were undertaken. In the case of NGOs funded directly from the NGO Unit in the MFA, there was no joint accountability, as there were no mechanisms for monitoring this support. However, the Embassy did undertake field visits to meet with NGOs, in conjunction with the NGO Unit in the MFA. This was to gain an insight into the issues of citizens and the problems NGOs faced but it did not involve any systematic monitoring or review of these NGOs' activities (Embassy of Finland 2012c).

### **5.2.3 IKI instrument**

#### **Shared goals**

There have been two IKI projects in Mozambique. The first was the Science, Technology and Innovation for Development in Mozambique (InnoEUM) between the VTT Technical Research Centre of Finland and the Eduardo Mondlane University, Mozambique. The objective of the InnoEUM project was to enhance Mozambican capacity to mobilise and apply modern science, technology and innovation (VTT 2010). The project ran from 2011-2012 and received €400.000 funding (MFA 2010a).

The second was support to the National Forest Programme - Forest Research Capacity Strengthening (FORECAS) in Mozambique from 2012-2014. It supports collaboration between the Finnish Forest Research Institute and the Faculty of Agronomy and Forest Engineering at the Eduardo Mondlane University. Funding was for €975.000 and the project's objective was to strengthen the capacity of the University to conduct applied research applicable to local stakeholders aiming at sustainable forest management (Metla 2012).

Both these IKI projects reflected the goals of the recipient institutions and the overall development co-operation of Finland with Mozambique. The programmes were designed to strengthen the capacity of the recipient organisations in their core areas to allow them to more effectively undertake their institutionally mandated tasks. Forestry and science and technology were key areas of focus for Finland's programme in Mozambique, which that both the IKI projects were strongly complementary to the programme.

#### **Strategic action**

Strategic action was strong between both IKI projects and the country programme. The support to strengthening forest management capacity was part of the Support to National Forestry Programme (SUNAFOP) by the Embassy of Finland in Maputo. This was designed to fill gaps identified in this programme, relating to a lack of capacity to undertake research on forest issues (Metla 2012). It also used SUNAFOP monitoring and evaluation mechanisms, and was overseen by the SUNAFOP Steering Committee (MFA 2012e). Although the SUNAFOP programme was cancelled, the IKI component continued.



The InnoUEM programme was directly linked to the STIFIMO programme as they both had the goal of strengthening science, technology and innovation in Mozambique, and key actors involved in STIFIMO sat on the board of the InnoUEM and FORECAS programme. Representatives of the Embassy of Finland in Maputo also sat on both boards.

### **Division of labour**

Interviews indicated that there was not always good co-ordination between the Embassy in Maputo and the IKI co-ordinators in Helsinki. In contrast, there was good communication between the Embassy and the IKI programmes in-country.

It was also reported that the IKI programme overall operated independently and was not co-ordinated with the country programme in terms of management. An example of this was that the Embassy had received two delegations from institutions that were exploring the possibility of establishing IKI projects in health. This was not a priority area for the Embassy, so was not relevant to the country programme in Mozambique. Also neither institution intending to establish the IKIs was aware of each other's presence in Mozambique at the same time.

### **Joint accountability**

There appeared to be weak joint accountability for IKI projects, as annual reports were provided by the IKI projects to the MFA, but it was not known to what extent these were shared with the Embassy. It was also notable that the Embassy's Annual Reports of 2011 and 2012 did not include information on progress in these IKI projects – apart from mentioning in passing in the 2012 Annual Report that FORECAS would continue, even though SUNAFOP had been cancelled. Given that FORECAS was supposed to be monitored through SUNAFOP systems, it was not known how these were to be monitored, given that SUNAFOP no longer operated and there was no information on monitoring frameworks for InnoUEM.

## **5.2.4 Private sector**

There was no direct support to the private sector through Finland's country programme in Mozambique. The document review found evidence of discussions between the MFA and the Ambassador to Mozambique on business partnerships, the Finnpartnership programme. Also discussed were possibilities for co-operation between Finnish and Mozambican companies in the areas of forest and communication technology. It was noted that the Finnish private sector had expressed interest in investing in the agricultural sector (Pekkola 2010). Overall, there were no significant interventions by the Embassy in Maputo to promote either the private sector in Mozambique or investment by Finnish companies.

### 5.2.5 Regional programmes

#### Shared goals and strategic action

Regional programmes with Finnish involvement covering Mozambique and Finland's country programme pursued shared goals. The main programme where this occurred was the Southern Africa Innovation Support (SAIS) programme, which aimed to support national and regional innovation systems in the Southern African Development Community (SADC) region. It was through STIFIMO that contacts were established with this programme. Finland was involved with other regional programmes that supported the sciences, through the Finland-Southern Africa Partnership Programme to Strengthen Biosciences (BioFISA and the Southern Africa Network for Biosciences (SANBio). Finland was also involved with the African Leadership in ICT (ALICT) programme. The two programmes where there were less shared goals were in the Climate Change Adaptation Programme and World Bank Water and Sanitation Programme.

There was very little information on these programmes provided in the Embassy's Annual Reports and Country Strategy. This meant that it was not possible to judge the extent to which there was strategic action.

#### Division of labour and joint accountability

These programmes were funded by the MFA in Helsinki and run by the relevant regional organisation or institution. As a result, the division of labour was not effective as the Embassy in Maputo had little information on, or oversight of, the activities and results of these programmes. Therefore, joint accountability was non-existent.

**In summary, internal complementarity** was not fully achieved between the MFA and the Embassy of Finland in Maputo. Finland's Development Policy provided little specific guidance on implementing complementarity in-country, and there were no mechanisms to monitor or enforce complementarity. It was also a mixed picture in terms of the achievement of internal complementarity with NGOs, IKI and regional programmes. There was no significant collaboration with the private sector.

## 5.3 Summary of findings on external and internal complementarity

A summary of findings in terms of external and internal complementarity of Finland's programme in Mozambique is outlined in Table 3 and Table 4.



**Table 3** Summary of Finland's Achievements of External Complementarity in Mozambique.

Dimension of Complementarity	Government	Donors
<b>Strategic goals</b>	Partially achieved. There was broad alignment between Finland's programme and the GoM poverty reduction plans (PARPA II and PARP). There was divergence in some areas, such as Finland's emphasis on human rights and civil society.	Partially achieved. Despite shared goals between donors and Finland in sector programmes, GBS goals diverged. There was good collaboration through sector support.
<b>Strategic action</b>	Partially achieved. Finland's programme was broadly aligned with GoM sector plans. The sector programmes that Finland provided support for were all based on the specific sectoral plans of the GoM. There were also a series of sector support programmes in agriculture (PROAGRI), health (PROSAUDE) and education (FASE) that aligned with government sector plans.	Not achieved. There was a lack of strategic action between donors in Mozambique in the absence of joint assistance strategies. Main strategic action was undertaken through GBS.
<b>Division of labour</b>	Not achieved. There was no formal division of labour process undertaken in Mozambique. This was due to a lack of direction and buy-in from the GoM.	Not achieved. Finland reduced its programme to three sectors, plus GBS, but not all other donors undertook this.
<b>Joint accountability</b>	Partially achieved. Monitoring of both GoM and the G19 performance was limited to the Paris Declaration Survey and monitoring through the GBS process.	Partially achieved. Mechanisms for joint accountability were through the Paris Declaration Survey and the programme aid partners' matrix.

**Table 4** Summary of Finland's Achievements of Internal Complementarity in Mozambique.

Dimension of Complementarity	MFA/projects and programmes and regional programmes	NGOS/CSOs	IKI instrument
<b>Strategic Goals</b>	<p>Broadly achieved. Development policies of 2004, 2007 and 2012 were very general and at the level of overarching goals and principles, rather than specific to sectors. Strong for most projects and programmes.</p> <p>Strong for regional programmes, as both regional programmes closely coincided with programme goals.</p>	<p>Strong. Designed to support goals and objectives of partner organisations.</p>	<p>Strong. Both IKIs had goals aligned with core Mozambique programmes goals and objectives.</p>
<b>Strategic action</b>	<p>Weak. There were no mechanisms to systematically assess and monitor the complementarity of the programme.</p> <p>Strong for regional programmes, as synergies with the rest of the programme.</p>	<p>Partial. Not all projects were in priority areas of the Country Programme in Mozambique for LFA.</p> <p>NGO support from MFA appeared to be better aligned.</p>	<p>Strong. Activities focused on priority areas of the country programme.</p>
<b>Division of labour</b>	<p>Not achieved. The Mozambique desk and the Embassy of Finland in Maputo were under-resourced. There was a lack of decentralised decision-making.</p> <p>Weak for regional programmes as the Embassy in Maputo had little information and oversight.</p>	<p>Weak for the LCF until 2007.</p> <p>Partial for NGO funding from MFA.</p>	<p>Partial. The Embassy of Finland in Maputo had little information on potential IKIs and visiting IKI missions.</p>

<b>Joint accountability</b>	Weak. There were no mechanisms to ensure joint accountability.	Weak. There was limited monitoring and evaluation.	Partial. The Embassy sat on the IKI boards, but did not report on them.
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## 6 EFFICIENCY OF THE PROGRAMME

### 6.1 Information management

There was little attention paid to aspects related to information management processes in the Department for Africa and the Middle East and the Embassy of Finland in Maputo. This was as a result of shortcomings in the evaluation and monitoring of project, recipients reporting, and administration systems for project documentation, which resulted in financial irregularities (KPMG Mozambique 2011). Additionally, the mid-term review of PRODEZA II in 2013 found that planning and implementation documents did not give a clear picture of actual achievements against planned targets, nor any indication of progress towards reaching results, the project purpose, or the overall objective. Annual Work Plans also did not follow MFA guidelines (Stage, Weir, Mucamle & Hartikainen 2013). It is not known whether these issues were also faced in other programmes, given that information was difficult to find for this desk review. It appeared that project documents, reviews and evaluations were not systematically archived.

### 6.2 Staff and resources

Staff resources in the Embassy in Maputo and in the Department for Africa and the Middle East in Helsinki were limited and it was reported that this resulted in a heavy workload. Initially, the level of staffing in the Embassy increased as three new counsellor posts were created to cover education, GBS and rural development – the three main areas of sector focus. However, the GBS counsellor post was unfilled for a period, and the education sector counsellor managed both the education sector support programme and the Science, Technology and Innovation Co-operation programme. Previously the counsellor had focused just on education.

In the past, there were also gaps in staffing, as in 2011 it was reported that for a time there was no Economist or Counsellor for Rural Development. This impacted on participation in GBS sub-working groups. It also resulted in a heavy workload for the remaining staff, which had to ensure that Finland was represented in the Economist Working Group. Finland also did not have two representatives on the GBS Joint-Steering Committee and the Annual Review Process (Karlsson *et al* 2011).

There were no Mozambican members of staff at the Embassy of Finland in Maputo, as a decision was taken by the Embassy to cease employing them. By 2012, there was only one locally-recruited Finnish programme officer. The decision to limit the number of locally-recruited staff resulted in a decrease of support staff available to the counsellors, and to an additional burden on existing staff. It also led to a loss of institutional memory, as MFA staff rotated more frequently and remained in post for only three to four years. Local staff tended to remain for a longer period, and had a deeper knowledge of the programme.

The Embassy had access to support from special advisers based in Helsinki. However, it was reported that, for education, such help was limited, given that there was often only one adviser for each thematic area – for example, one adviser for education. This in turn meant that they were stretched in terms of their capacity to assist.

### **6.3 Guidelines and training**

The usefulness of guidelines and training were assessed in the Performance Audit Report (NAO 2010). The Embassy in Maputo reported that their view was that the MFA guidelines on complementarity and the division of labour were not up to date and too general. The guidelines that were produced by the Department for Development Policy mainly applied to GBS and sector support, rather than for multilateral or bilateral aid. Guidance on bilateral co-operation dated back to 1999-2000. It was updated only in 2012, including comprehensive instructions for country strategy papers. They did, however, address how to take complementarity and the division of labour into account. Moreover, guidelines were available concerning the preparation of participation plans and Country Strategies and bilateral negotiations. These included how to take into account complementarity with multilateral organisations, as well as the division of labour at the country level (NAO 2010).

The sector programme guidelines addressed complementarity in the selection of sectors and the evaluation of programmes. Project guidelines were, at that time, being updated by the MFA to ensure that the commitments of the Paris Declaration and the Accra Agenda were included. It was also noted that MFA internal training did not focus on assisting diplomatic missions to implement aid.

### **6.4 Transaction costs**

The Performance Audit Report observed that there were insufficient systems in place to track administrative costs and working time spent on various programmes in the Embassy of Finland in Maputo. However, the Report also highlighted the fact that, according to the Embassy, administrative expenses had been reduced as a result of the move to sector and budget support (NAO 2010). On the other hand, the Embassy's perception was that the working groups associated with programme aid were very

time-consuming, and this was still the view expressed during interviews for this evaluation. This was also confirmed by the 2010 Paris Declaration Survey report, which stated that *the heavy co-ordination machinery in Mozambique around the G19 and the PAF... has led the majority of donors to complain that costs in terms of time and resources spent working on common approaches is higher than incurred while operating bilaterally* (KPMG Mozambique 2010, 38).

Programme aid increased, but there were still bilateral projects being implemented. Projects were reported as requiring significant inputs, particularly in the planning stage, which did not reduce the administrative burden. This led to the Embassy suggesting that they should focus on fewer sectors and develop the capacity of the partner country to administer these programmes themselves. This suggestion was acted upon, and Finland now operates in fewer sectors. It reduced the number of overall interventions, which was reported in interviews as having reduced fragmentation.

The Performance Audit report noted that, for the GoM, the administrative burden decreased (NAO 2010), but the 2010 Paris Declaration Survey report suggested the opposite. In practice, the costs on GoM were at a higher level, as Ministers and senior civil servants were required to spend a substantial amount of time in donor co-ordination meetings (KPMG Mozambique 2010). As a result, it was not clear that the move to sector and budget support had reduced the administrative burden of the GoM and donors or increased efficiency.

**Overall**, it appeared that the **efficiency of the programme** was compromised by a lack of information management, stretched staff resources, and an organisational structure and guidelines provided by MFA. These were not adapted to the new environment that promoted complementarity. The division of authority and labour between the MFA and the Embassy of Finland in Maputo also did not serve the changed operational environment.

## 7 RESULTS AND SUSTAINABILITY

There was no systematic monitoring of programme results over the period evaluated, as systems were not in place to undertake this. Therefore, this section looks at results in terms of Finland's progress towards achieving the Paris Declaration indicators and results in joint programmes where other documentation on their achievements existed.

## 7.1 Progress towards achieving complementarity in the Finland's Programme

Mozambique made slower progress than expected towards achieving Paris Declaration indicators, as illustrated by recent annual assessments, outlined in section 3.3. Finland, however, made better progress towards most indicators than many other donors, and generally scored above average. Finland made good progress in disbursing aid through country systems, as this was at 31% in 2005, 58 % in 2007 and 59% in 2010, which met the 2010 target. The use of GoM procurement systems also rose as 88% of Finland's programme used GoM procurement systems in 2008, but this figure declined to 65% in 2010. Finland also had a high score on the use of programme aid – at 51% in 2005, 81% in 2010 and 70% in 2011 – although Finland had no co-ordinated missions in 2010 (OECD-DAC 2013).

Finland did not score highly on predictability of aid, although this did improve from 25% of aid commitments received on time in 2007 to 62% in 2010. This was well below the average of 84% of disbursements, which were on schedule. Significant progress was made in avoiding the use of project implementation units (PIUs), and Finland did not have any PIUs from 2004-2010. Overall, it is notable that, while Finland performed well on these indicators, its performance in the last couple of years of the evaluation period began to decline.

More recent figures from the Government of Mozambique 2012 review of donor aid performance, which were not strictly comparable to the Paris Declaration Survey indicators, confirmed that performance of the Finland's aid programme in Mozambique had not changed significantly since 2010 (Republic of Mozambique 2013). In 2012 the percentage of programme aid in Finland's total aid disbursements to the Government of Mozambique was 70% in 2012 down from 76% in 2011. The percentage of Finland's aid that used government financial reporting systems was 29% in 2011 and 68% in 2012. The percentage of Finland's aid that used government national audit systems in Mozambique was 46% in 2011 and 17% in 2012.

Another indicator of Finland's progress towards achieving complementarity was the framework for mutual accountability between the GoM and the donors, which had been in place in Mozambique since 2005. The framework used the five principles of the Paris Declaration and set out the framework for governing co-ordination of foreign aid. A performance report was undertaken annually by the GoM to assess each G19 country. Finland always performed well in these reports, particularly in relation to the level of funds channelled through programme aid, predictability of GBS funds, and harmonisation and alignment. However, Finland's performance declined slightly: in 2008, it achieved 35 out of 38 possible points; in 2010, it achieved 29 out of 36 possible points. This was due to a fall in the use of national systems and technical co-ordination (Republic of Mozambique 2012).

## 7.2 Complementarity leading to programme results

A significant proportion of Finland's programme was allocated to GBS, which was designed to decrease poverty in Mozambique. An evaluation of GBS in Mozambique from 1996-2004 concluded that this support had assisted in strengthening harmonisation among donors and alignment with GoM systems. GBS increased resources to the state budget, and hence expanded public expenditure. It also strengthened planning and budgeting systems and processes (Batley, Bjørnstad & Cumbi 2006).

More recently, however, there were concerns expressed about the slow progress made towards reducing poverty and strengthening service delivery in Mozambique. As outlined in section 3.1, the 2008/09 household survey showed that there was a lack of progress on poverty reduction. A World Bank study of the poverty reduction support credit (PRSC) in Mozambique stated that *the efficiency and effectiveness of PRSC policy measures as a tool to improve access by the poor to quality services is questionable* (Horton 2010, x). Instead, the World Bank reported that the main result was public financial management reform and higher sector spending (Horton 2010).

These issues were raised by Finland in the 2012 bilateral consultations with GoM. They were the main reason why Finland considered withdrawing from GBS. On the other hand, the Embassy noted that GBS had provided essential funding to priority sectors and a forum to conduct political dialogue with the GoM. However, the large number of donors and the bureaucratic working group structure and decision-making process were very cumbersome, which placed a heavy workload on the donors who were active.

In the health sector, Finland contributed to PROSAUDE until 2010, which provided a significant amount of donor funding. In this sector, there was progress towards achieving health sector goals and progress in recent years on selected health indicators, indicating a generally positive trend in many areas of health delivery. A case study on the health sector in Mozambique concluded that it was reasonable to assume that the increased sector funding as a result of common funds/PROSAUDE – which peaked at 45% of sector funding in 2007, – contributed to this (Visser-Valfrey & Umarji 2010). It was also noted that in the health sector there was a consensus on the approach to the sector that was shared by GoM and donors, although transaction costs were reported to be high.

Similarly, in education, there was an increase in access to education, although concerns remained regarding quality. Gender equality indicators also improved, and policies related to gender equity were successful. Policy relating to HIV/AIDS was less effective (Bartholomew, Takala & Ahmed 2010). The education sector donors were reasonably cohesive as a group, but donor procedures and an inability to align them with GoM procedures caused problems in achieving complementarity. This was primarily related to the award of US\$ 79 million vertical funding from the Fast Track Initiative Catalytic Fund. A commitment was made to receive these funds through



FASE, the education sector common fund. However, this arrangement caused problems, as the World Bank was the in-country focal point through which the funds had to be received. World Bank procedures, most notably on procurement, did not allow government systems to be used, but FASE used GoM financial procedures and was subject to the National Procurement Law. In order to receive the funds, FASE procedures had to be harmonised with World Bank. As a result, FASE became less aligned with national systems than previously (Handley 2008).

In agriculture, in the PROAGRI common sector programme that Finland also funded, there was disagreement between donors and the GoM on the way forward. As a result, donors withdrew from the common fund due to frustration with the strategy and the results. A disproportionate amount of funds was directed at institutional development activities, rather than service delivery, and there was little or no expansion of service delivery in agriculture. A study on the Agricultural Sector in Mozambique concluded that common funding and dialogue mechanisms addressed the challenge of fragmentation and lack of co-ordination in the sector and strengthened sector policies and processes, but that they did not contribute to sector outcomes (Cabral 2009). Therefore, in this instance, the achievement of greater complementarity did not lead to better development results.

### **7.3 Cross-cutting themes and objectives**

Cross-cutting themes were focused on in the 2007 Development Policy, particularly the promotion of human rights, the rights of women and girls and groups that are easily excluded, and combating HIV/AIDS. In the 2012 Development Policy, the cross-cutting objectives emphasised were gender equality, reduction of inequality, and climate sustainability. These three cross-cutting objectives of Finland's development policy were reflected in the 2013-2016 country strategy, and were also included in Mozambican plans, such as PARPA II and the PARP.

The GBS PAF included HIV/AIDS, gender equality and the environment as cross-cutting objectives. The 2013-2016 Country Strategy highlighted that Finland and the other G19 members wanted to take gender equality more clearly into account in the budget support performance assessment framework (PAF). This suggested that it had not been addressed successfully previously through budget support. However, the Paris Declaration Survey reported that there were advances in incorporating gender equality and women's empowerment into the national development strategy. It is not known the extent to which donors influenced this process (KPMG Mozambique 2010).

Sector programming also took these cross-cutting objectives into account. There was little information on this in Finnish documents, but a review of the relevant sector programme documents illustrated that the cross-cutting objectives were in line with Finland's priorities. In FASE, the main cross-cutting objectives included were equity of access, HIV/AIDS and regional equity, and these were incorporated within



the policy dialogue and the policy and planning processes. In the health sector, both PROSAUDE I and II included cross-cutting objectives in these areas in the PAF. STIFIMO support contributed to all three cross-cutting objectives, while climate change was addressed through rural development programmes and GBS. NGO support reflected cross-cutting objectives, as NGO programmes that addressed disability and HIV/AIDS and support gender equality were funded. However, it is not known how successfully these cross-cutting objectives were addressed in practice. The exception was STIFIMO, for which the 2013 mid-term review noted that there was a need for the programme to be much more closely aligned to cross cutting objectives, including combating poverty and inequality (EPRD 2013).

Overall, there was little information on the extent to which complementarity helped to address cross-cutting objectives. It was not clear in practice how cross-cutting objectives were incorporated into programming. There was no evidence provided of Finland specifically influencing the inclusion of cross-cutting objectives in programmes implemented either with other donors or with the government, or evidence of the results of focusing on these particular areas.

## **7.4 Sustainability**

Mozambique is a country in transition, with the discovery of mineral resources and natural gas, which in turn is expected to lead to less dependence on donor aid (Hubert 2012). As a result, the donor agenda shifted, moving away from development aid and towards doing business. In this context, it may well be difficult, and less relevant, to continue to progress with joint programming and use of government systems when the focus moves towards assisting Mozambique in its transition.

To a certain extent, this has already occurred in Finland's programme as the 2013-2016 Country Strategy was aimed at addressing these new challenges through building human capital, institutional strengthening, and accountability. This still leaves some room for harmonisation of the programme with other donor partners, but possibly less scope for the use of government systems. In addition, in this new context, it proved less easy for donors to achieve common positions on issues, when donors were taking into account their countries' business interests. This prevented the EU from taking a greater role in the co-ordination of EU member states, although Finland was active – as part of the Nordic + countries/Like Minded Donor Group – in reaching agreement on common stances, particularly with regard to accountability issues. A recent example of this was when illegal logging was exposed in Mozambique. The Nordic countries were keen to respond collectively, but the EU did not want a joint approach.

There was also reported to be “donor fatigue” as many donors felt that the process for donor co-ordination in budget and sector support was lengthy and cumbersome and had significant transaction costs (OECD-DAC 2011a). Co-operation between the GoM and technical level working groups declined over time, to the extent that there

was little interest shown by either side. This was noted by the Embassy in Maputo, whose 2012 annual report stated that attendance rates for GBS working group meetings were very low, and that the Governance Sector was without a co-ordinator because the job was hugely time-consuming.

There was frustration on the GoM side with regard to donors' failure to achieve common positions and to speak with one voice. There was also increased distrust between the GoM and donors, as illustrated by the suspension of GBS at the beginning of 2010 due to donor concerns over governance. This occurred as donors felt that there was a breach of underlying principles. However, the GoM thought procedures outlined in the new MoU were not followed and that there had not been a breach. In addition, problems in donor cohesion were likely to become more problematic with the emergence of non-traditional development partners, who did not impose conditionalities or require elaborate frameworks for dialogue.

Another constraint to further complementarity in terms of alignment with GoM systems was weaknesses in public financial management and reporting systems, which resulted in a series of scandals regarding financial irregularity. Finland found financial irregularities in their bilateral forestry project SUNAFOP, which was funded through national systems. This led to funding being suspended at the end of 2012, and this programme was eventually closed (MFA 2012c). More recently, financial irregularities occurred in the education sector, related to the payroll. These irregularities raised the possibility that there might be future withdrawals from sector support and GBS due to concerns over public financial management. Finland indicated that they may withdraw from GBS in the future, due to such irregularities. The Embassy was aware of various articles in the media in Finland about corruption in Mozambique, and Finland's Government may need to respond to public concerns on these issues. Currently, FASE funds have been approved until 2015, rural development activities are due to continue until 2016, and there is a commitment to GBS until 2014.

**In conclusion,** in terms of **results and sustainability** both the Paris Declaration and mutual accountability assessments indicated that Finland scored highly in use of government public financial management and procurement systems and in using programme aid. However Finland's performance declined over the time period of the evaluation. Finland was not able to influence the inclusion of cross-cutting themes and objectives in programmes implemented either with other donors or with the government. Progress in achieving results may slow down or be reversed in the future because of the changing nature of the Mozambican economy, "donor fatigue" with processes of donor co-ordination, and concerns regarding GoM accountability and public financial management systems.

## 8 CONCLUSIONS

### 8.1 Information management

Information management in Finland's development co-operation with Mozambique was characterised by some deficiencies during the period evaluated. There was, however, some improvement over time. Shortcomings were mainly related to the fact that comprehensive systems for monitoring and reviewing programmes had not been established, neither by the MFA nor the Embassy of Finland in Maputo. There were few reviews or evaluations undertaken during this period, although this improved towards the end of the period. Two mid-term evaluations were carried out in 2013 – one on the PRODEZA II agricultural project, and the other one on programme on STIFIMO.

However, it appears that the recommendations outlined in the Results-Based Approach in Finland's Development Co-operation, Evaluation Report (Poate, Bartholomew, Rothmann & Palomäki 2011) related to monitoring and evaluation of Finland's programmes and projects have still not yet been fully implemented. However, if the Manual for Bilateral Programmes 2012 is adhered to, this should resolve the issue as the manual recommends regular monitoring and evaluation (MFA 2012d).

Project and programme management systems were not all adequate. Financial irregularities were discovered in the SUNAFOP programme. However, programme monitoring highlighted irregularities in the financial management of SUNAFOP. The Embassy of Finland in Maputo then decided to order an extraordinary audit, which confirmed the misuse of funds.

Limited information existed on NGO projects administered by the MFA, although this improved over time. The Embassy was not well informed or consulted on potential IKI projects. This was due to the lack of systems meant to serve that purpose.

### 8.2 External complementarity

Finland and the GoM broadly shared goals in development co-operation. Finland focused activities on areas of government priority. The major sector programmes, to which Finland contributed funding – in education, health and agriculture – were all based on GoM sector plans. Bilateral projects were in line with government objectives in the relevant areas. However, Finland also pursued goals that were not key development objectives for the GoM – for example, a human rights-based approach and support to civil society organisations (CSOs).

The majority of Finland's programmes was undertaken in collaboration with other donors, and there were good examples of joint work based on shared goals and ob-

jectives at sector level. In accordance with European Union Policy and Finland's 2007 Development Policy, Finland voluntarily took the initiative to exit from the health sector and focus on agriculture and forestry, education, and good governance, plus GBS. In co-operation with other donors, Finland provided capacity development to national institutions making the country less aid dependent - for example support to the Administrative Court.

Finland made good progress in meeting the Paris Declaration indicators. This was due to participating in initiatives related to aid effectiveness initiatives in country and policies allowing more use to be made of country systems. Finland's performance declined in recent years as less use was made of GoM systems, and less support was provided through programme aid. This was as a result of financial irregularities discovered in programmes, which reduced confidence in Mozambican country systems.

Strategic action was limited to GBS co-ordination, and the corresponding dialogue framework and mechanisms for mutual accountability were limited. This was due to the fact that frameworks for mutual accountability between Government and development partners were never developed in Mozambique. A key area of weakness was the absence of any strategic division of labour in Mozambique. This was because neither the GoM nor the EU provided strong leadership in this process.

There is a danger that the level of complementarity achieved may slow down or be reversed in the future, due to the changing nature of the Mozambican economy, "donor fatigue" with processes of donor co-ordination, and concerns regarding GoM accountability and public financial management systems.

Finally, neither Finland nor other donors sought collaboration with non-traditional development partners, e.g. China, Brazil and South Africa. During the period evaluated, these countries became more prominent in terms of support given to the GoM.

### **8.3 Internal complementarity**

Finland's programme in Mozambique was broadly in line with the priorities and objectives set out by Finland's development policies. These policies were at the level of overarching goals and principles, but were very general and not specific to sectors, and had weak mechanisms to monitor compliance.

There was a strong degree of complementarity within the country programme in Mozambique, in terms of projects and programmes. The country programme became more coherent, and less fragmented, with the phasing out of some bilateral programmes. Some projects were specifically designed to support sector programmes.

LCF funding was not always complementary to country programme priorities, as the Embassy in Maputo did not make sufficient efforts to ensure that objectives were

aligned. The Embassy had weak oversight and control of NGOs funded in-country from the MFA, as no systems were established to share information on current and potential interventions. In contrast, IKI programmes had strong synergies with the country programme through shared goals. Most regional programme goals were also aligned with the country programme. It is noted that the Embassy had limited oversight and information on progress on both NGO and IKI programmes, but towards the end of the period evaluated this situation improved. A good practice that could be replicated elsewhere was that the Embassy in Maputo sat on the board of the two IKI projects, ensuring good oversight and allowing the Embassy to monitor progress.

The overall division of labour between the MFA and the Embassy of Finland in Maputo did not operate effectively as Finland's decision-making remained centralised, while development cooperation was increasingly planned and implemented in country. Co-ordination of NGO projects run by the NGO Unit in Helsinki improved over the period evaluated.

It should be noted that there were no mechanisms to ensure joint accountability between the Embassy and the MFA or joint accountability frameworks for either NGO funding, IKI and regional programmes.

## **8.4 Cross-cutting themes and objectives**

Cross-cutting themes and objectives were reflected in programme documents such as Participation Plans, the 2013-2016 Country Strategy and individual project and programme documents. However, they were not adequately addressed in programme implementation or featured in Finnish policy dialogue. There were also no targets established for achieving cross-cutting objectives by the MFA or the Embassy of Finland in Maputo. There was no evidence of Finland specifically influencing the inclusion of cross-cutting objectives in programmes implemented either with other donors or with the GoM. There was also no evidence of cross-cutting themes and objectives having been mainstreamed effectively in Finland's programmes. Where cross-cutting themes were addressed in programmes, the evidence suggests that it was not done in a systematic manner.

## **8.5 Managerial issues**

MFA policies and guidelines did not give sufficient guidance to the Embassy in Maputo to ensure external and internal complementarity. The centralisation of decision-making in the Department for Africa and the Middle East resulted in insufficient delegation of authority to the Embassy, even though the majority of the planning and implementation of the programme took place at country level. Staffing at the Embassy was also inadequate, given the heavy workload due to participation in budget support and sector programmes. Embassy posts were not filled in a timely manner, lead-

ing to gaps in staffing. The Mozambique Desk in the Department for Africa and the Middle East had insufficient continuity in personnel, as there was not enough staff and there was too much reliance on interns to fill gaps.

## 9 RECOMMENDATIONS

The following section provides recommendations related to the main conclusions.

### 9.1 Information management

1. Systems for regular monitoring and evaluation of the performance of projects, programmes, IKI and NGO projects run by the MFA need to be established at country level. In country strategy documents (possibly in an annex to the current ones for 2013-2016) to demonstrate effective programme performance and to learn lessons for future programming. Implementation of the guidelines outlined in the Manual for Bilateral Programmes 2012 are expected to address this issue.

### 9.2 External complementarity

2. Finland should continue to focus its programme on areas that support capacity development. This supports Mozambique's transition from a development model based on aid to one that makes Mozambique less aid dependent. This should involve more support to capacity development of institutions similar to the support to the Administrative Court.
3. Further efforts should be made to work with non-traditional development partners and to increase complementarity with their programmes where possible. This should be undertaken by trying to include these development partners in development forums and initiatives. Finland should lobby with the GoM and in the donor community to invite non-traditional donors to development forums and initiatives to increase complementarity with their programmes where possible.

### 9.3 Internal complementarity

4. There needs to be greater complementarity between the country programme in Mozambique, in terms of goals and objectives, and those of the MFA NGO support and any future LCF support. Greater information on MFA NGO support needs to be provided to the Embassy in Maputo so it can ensure great-

er oversight of these activities in-country. This could be undertaken through strengthening the monitoring systems of these interventions as noted under the recommendation on information management.

5. The Embassy should be on the boards of IKI projects in other programme countries to strengthen oversight.

## **9.4 Cross-cutting objectives**

6. There needs to be greater attention paid to cross-cutting objectives in programme implementation. Rather than focusing on all three cross-cutting objectives in Finland's 2012 development policy (gender equality, reduction of inequality and climate sustainability), a more systematic and realistic approach to addressing cross-cutting objectives is likely to be helpful. This should be based on focusing efforts on interventions where Finland is likely to be able to successfully address selected cross-cutting objectives. The country strategy should include clear targets related to cross-cutting objectives so that the Embassy knows what it needs to achieve.

## **9.5 Managerial issues**

7. Clear policy guidance needs to be provided for Embassies by the Department for Development Policy on how to implement complementarity within country programmes. There is also a need for frameworks and indicators in country strategy documents to be developed through which achievement of objectives related to this can be monitored by both the Embassy and MFA.
8. Delegation of authority and decision-making powers to the Embassy in Maputo should be increased. This should provide for the greater delegation of day-to-day decision making on programme issues to the Embassy.
9. The MFA should provide increased levels of permanent staffing for the Mozambique Desk in the Department for Africa and the Middle East of the MFA and reduce the number of interns used.
10. The MFA should ensure adequate levels of staffing for the Embassy of Finland in Maputo, and ensure that gaps in staffing are filled in a timely manner. This requires better management of human resources. It should also allow for the restoration of the LCF.



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## THE EVALUATION TEAM

**Dr. Lucien Bäck (Team Leader)**, a national of the Netherlands, has been an independent evaluation specialist since his retirement from active service in the United Nations system in 2012. During his 35-year long career, he managed and implemented numerous complex evaluations at project, programme, strategy and policy levels. He is particularly familiar with capacity development activities, including capacity assessment and strategy development, as well as results-based management in public and private organisations, including public-private partnerships, privatisation, decentralisation and performance monitoring and evaluation. Major highlights of his career include: a comprehensive evaluation of co-financing between the Netherlands and the World Bank for the Netherlands Ministry of Foreign Affairs (1997-1999); numerous thematic, sectoral and country-programme related evaluations for UNICEF (1999-2006); as well as evaluations related to UN reform for the United Nations Department of Economic and Social Affairs (UN-DESA) (2006-2012). Most recently, Lucien Bäck led the secretariat of the independent evaluation of Delivering as One UN pilot experiences commissioned by the United Nations General Assembly (2011-2012).

**Dr. Ann Bartholomew (Leader of the Country case evaluations)** is a British macroeconomist with over 20 years of experience in the areas of public finance management, evaluation and strategic planning in health and education. She has undertaken consultancy and development work in Africa, the Pacific and Asia and has wide-ranging consulting experience covering design missions, institutional reviews, programme appraisal, reviews and evaluations, provision of economic policy advice and development of sector strategies. She has worked for a variety of bilateral and multilateral institutions, including the Department for International Development (DFID), the World Bank, the European Commission and Danida.

## ANNEX 1 TERMS OF REFERENCE

### EVALUATION OF COMPLEMENTARITY IN FINLAND'S DEVELOPMENT POLICY AND COOPERATION

#### SETTING THE SCENE

The informations given in this section, at the outset of the terms of reference (TOR), is meant to facilitate the understanding of the structure of the TORs and the nature of this assignment, which is wide in scope but focused ultimately on one theme: complementarity. The evaluation tackles this theme which cuts across Finland's development policy and cooperation over the years. It is also a central element in the international frameworks and commitments dealing with development aid effectiveness and efficient use of resources.

**The case-evaluations** have been inserted in the evaluation to elucidate the implementation of the policies in vertical and horizontal dimensions. The case-evaluations will look at 1) Civil society organizations' (CSO) cooperation (= NGO -sector), including a limited dimension of Finnish NGOs that serve also in the capacity of delivering humanitarian aid; 2) the specific Institutional Cooperation Instrument (IKI); 3) and at the level of desk studies, two country programmes, those of Mozambique and Zambia. Each of the case-evaluations will result in separate reports, and in the case of Mozambique and Zambia, there will be separate desk study reports on both countries. The IKI-instrument case-evaluation serves a dual purpose, the purpose of defining the instrument's complementary qualities and also as a thorough evaluation of the implementation of the instrument as a whole, and the policy behind it, to draw lessons for future development of this and possibly alike instruments.

The policy evaluation shall be started at an early stage of the evaluation process to inform in adequate measure the case-evaluations at the outset of their work. Only the NGO- and the IKI case-evaluations will include field work. The country case-evaluations will be based on document study and interviews / questionnaires, at this stage.

The work renders itself to a team of evaluators that is organized in clusters, for example, so that the core team cluster is taking the wider policy analysis and the country case-evaluations, and two sub-clusters, one for the NGO case-evaluation and one for the IKI-instrument case-evaluation. In the end, the different sub-groups need to organize themselves so that there will be a concise synthesis of all evaluation results cutting across the case-evaluations and the policy analyses and resulting in a "Synthesis evaluation of complementarity in Finnish development policy and cooperation". The suggestion given here of organizing the work of the evaluation team is only to illustrate the components of the evaluation.



# 1 BACKGROUND

The following sub-sections offer some background to the frameworks to the concept of complementarity. The focus is, in particular, on how this concept has evolved and been nuanced in Finland's development policies, guidelines and cooperation over time and on links to the international frameworks, and their overall consideration. This evaluation is undertaken at this point of time simply because complementarity has become an increasingly important concept in efforts to improve the efficiency and effectiveness of development cooperation and the individual instruments used therein. The importance of this issue is well illustrated also by the recent joint international commitments taken in the 4<sup>th</sup> High Level Forum on Aid Effectiveness (Busan). Similarly, the Finland's development policy of 2012 seeks explicitly greater complementarity from the perspective of more efficient use of the current and future resources. The comprehensive approach chosen for this evaluation aims at drawing experiences and lessons from the past from a number of different development contexts and instruments, for the purpose of contributing to the implementation of the current policy objectives of improved complementarity and quest for innovative approaches and new thinking towards complementarity.

Complementarity as a term holds within itself the dimension of interdependence between the parties that complement each other. The term "complementarity", is not defined in the OECD/DAC Glossary of Key Terms in Evaluation and Results Based Management (2002). The Oxford dictionary of English (2005) defines complementarity as: "two people or things that are complementary are different, but together form a useful or attractive combination of skills, qualities or physical features". The Evaluation Guidelines of European Commission (EC) External Assistance (2006), defined complementarity much connected to coherence. In this evaluation the close connection between these two and their connection also to cooperation, is recognized. In the EC-evaluation guidelines (2006), the evaluation criterion of complementarity is approached from three dimensions and levels:

- (i) internal complementarity / coherence of an organization's programme;
- (ii) complementarity / coherence with development partner's policies and with other donor's interventions; and
- (iii) complementarity / coherence with other policies of the European community.

This evaluation will utilize the approaches of internal and external complementarity in terms of horizontal and vertical complementarities within these two approaches.

## 1.1 Global context

Complementarity is explicitly and implicitly omnipotent in the international frameworks relevant to effective aid. The Millennium Declaration of the United Nations (UN) of 2000, declared "shared responsibility" as a fundamental value essential to in-



ternational relations in the 21<sup>st</sup> century. Similarly, the different dimensions of working in a complementary way, appear in the Paris Declaration (PD) of 2005, in the 2008 Accra Agenda for Action (AAA), and in the Busan Partnership

for Effective Development Cooperation final document (Busan) of 2011. The PD, AAA, and more recently the Busan, all emphasized the necessity for the donors and the developing country partners to work together and complement each other. The 2011 monitoring of progress in the implementation of PD and AAA, however, showed that there was marked variation in compliance with this requirement among both donors and partner countries. This was observed also by the comprehensive phase II evaluation of PD, completed in 2011. Within the context of the EU, the three Cs (3-Cs: coherence, cooperation, and complementarity) have their roots in the Maastricht Treaty. A comprehensive evaluation by EC's evaluation department, was concluded in 2005 on the implementation of the 3-Cs.

## **1.2 Description of the subject of the evaluation**

The overall subject of complementarity in Finland's development policy and cooperation will be looked through four entry points: the policy itself and the modalities to implement it, and how these have evolved over time, as well as the case-evaluations of NGO-cooperation and Institutional cooperation instrument (IKI), and desk-study case-evaluations of the country programmes of Mozambique and Zambia.

Some background to Finland's development policies over time in regard of complementarity and complementarity/coherence is reviewed in section 1.2.1. A brief account of complementarity in the NGO –cooperation is given in 1.2.2. Information of sectoral and other policy guidelines and action plans are included in section 1.2.3, while section 1.2.4 describes shortly the IKI-instrument.

### **1.2.1 Finland's development policies**

It is of interest to look at the development policies of Finland in a somewhat longer perspective than only the time frame of this evaluation 2004-2012 (section 2), because the notion of coherence / complementarity has resided in the development policies, in one format or another, for at least two decades (1993-2012). In the following there are only brief remarks on the consecutive Finnish development policies with relevance to complementarity.

In Finland's strategy for development co-operation in the 1990s, published in 1993, one of the central themes was *interdependence* between developing and developed nations and between development and other policy areas including sectoral policies of agriculture, trade, labor etc. It was also recognized that *complementarity between actors*, bi- and multilateral, NGOs, and other instruments was important

The 1996 decision-in-principle of the government on development cooperation reiterated the concept of *mutual interdependence* but also the *mutual benefits*. Accordingly, the Finnish cooperation was a *coherent whole* in compliance with the EU *policy coherence* requirement. Complementarity was required with a *common aid programme* drawn up by the partner country itself. All donors (multi- and bilaterals) would contribute to the common programme to complement the partners' efforts. The policy required that the Finnish cooperation instruments be used selectively and be mutually complementary.

In the 1998 development policy on relations with developing countries, the EU dimension was strong. *Coherence, coordination and complementarity* were stated to be mutually reinforcing in line with the Council resolutions of 1993, 1995 and 1997.

In the Government decision-in-principle of the 2001 on Development Policy of Finland, the programme and project aid were to be *complemented by a variety of other instruments*, including local cooperation funds (LCFs) and other NGO-cooperation instruments, which were seen as a means to *complement the knowledge base*. New ways of working with NGOs were foreseen. Also the multilateral sector was required to follow the principle of complementarity, with *clear division of labour*. *Coherence* between all fora was emphasized. To this end, cooperation between the Ministry of Finance, the Bank of Finland, the rest of the state administration, and the Ministry for Foreign Affairs of Finland, was to be intensified for better *internal coherence* (and hence complementarity) within the sphere of the national governance of Finland.

The development policy of 2004 reiterated *national commitment to coherence in all policy areas*. Accordingly, development cooperation instruments, trade and security policy, and other national policies were to be *coherent and complementary*. The achievement of these aims required improved *policy coherence between national policies, and with policies of multi-lateral actors, and the EU*. The development policy addressed policy coherence from a number of dimensions which are directly relevant to complementarity, for example, the security and development nexus; LCFs, and other NGO -programmes, and International non-governmental organizations (INGOs); IKI -cooperation in relation to other development instruments; among multilateral actors; and multi- *versus* and bilateral instruments; the EU and the member states. The concept behind this requirement was that *each of the development instruments possessed special competencies which were complementary and mutually reinforcing*.

In the 2007 development policy the *interdependence, complementarity, and coherence* were cutting across the policy. A leading principle was that the economic, ecological and social sustainability, the three components of sustainable development, were complementary. The policy guided Finland to promote coherence for development in the EU. It also foresaw the initiation of *new and innovative financing mechanisms to complement* the traditional development cooperation modalities.

The current, 2012, Development Policy Action Programme states that the development goals of Finland are furthered both through *financial instruments and through policy*

*influence*. The working modalities include bilateral modalities, regional and multilateral instruments, as well as NGO-cooperation and the EU dimension. These instruments offer also *geographical complementarity*. The wise use of Finland's cooperation instruments and channels enabled Finland to reach out widely.

The 2012 Development Policy brings strongly to the fore the need to think innovatively and device new ways of thinking and action including in planning of the NGO-cooperation to better serve the strategic goals of the development policy and the other development instruments.

### **1.2.2 Complementarity in NGO -cooperation**

The term NGO-instrument is used here as a general expression that may refer to NGOs in the North and South, INGOs, and LCF-eligible organizations in the South. There are separate guidelines that apply each of the main categories of NGO-cooperation.

In the NGO-guidelines of the Ministry (2010), the cooperation concept is defined as “human activity or a space where people hold discussions and debates, come together and influence their society”. The guidelines follow a rights-based-approach, which has been the basis of Finland's development policies since 2004. The current development policy (2012) states that respective funding to NGO-cooperation will increase and new ways of cooperation will be devised. Subsequently, a process has been launched in the Ministry to bring about new thinking of how the civil society organisations could better complement other aid instruments.

The 2012 development policy encourages *NGOs to complement Finland's other development instruments and activities in the partner countries*. NGOs should also work together and forge partnerships with private and public sector actors, and *vice versa* – in other words, be part of the *horizontal and vertical complementarity between development actors*. A new dimension is that NGO-cooperation, which earlier was not part of the country programmes, is encouraged to focus on activities in support of the goals of Finland's development programme in a partner country, in other words, to participate in the *vertical complementarity from high political to grass-roots level*. This concept is new.

Ministry's 2010 guidelines regard NGOs as important players in poverty reduction and in the achievement of the Millennium Development Goals (MDGs). At the community level, local NGOs alone, or those working in partnership with Finnish organizations, frequently have *complementary roles to the official sector* of the country in providing services when the governmental systems lack capacity. Most frequently such services deal with health, education, social welfare, and rural development sectors.

*Complementarity with the citizens* is another important dimension of NGOs in terms of advocacy towards decision-makers and in exercising policy influence. This role is of particular importance for groups in the society that otherwise have little voice to influence, such as the marginalized groups, ethnic minorities, frequently women and

girls, people with disability, people living with HIV/AIDS, or people living in societies where there are violations of human rights, and shortcomings in rule of law and democracy.

The guideline of 2010 endorses principles of PD and AAA. The NGOs are seen as conduits for a stronger focus *on complementarity and division of labour* between different actors. The AAA emphasises the independent role of the NGOs and sees them *as complementary agents to other development players*. Accordingly, the governments of partner countries need to engage in dialogue with CSOs and understand the *complementary role of CSOs to the efforts of the governments and the private sector*. *The governments, however, must be committed to work together with the CSOs.*

The final document adopted in Busan in late 2011, expresses the need to *work together* and to recognize the contribution of the NGOs and the private sector to development. Busan's final document encourages the NGOs to play their vital role in supporting people to claim their rights, in promotion of rights-based approaches, shaping development policies and partnerships, and in overseeing their implementation. The NGOs are urged to support and implement practices that strengthen accountability, and in this way, to contribute to development effectiveness. Yet, the improvement of effectiveness of aid is linked to harmonization of aid also within the NGO sector. - In the international fora, the important role of the NGOs has been recognized in connection to policy coherence in development, fragmentation of aid, and in the continuum from humanitarian aid through reconstruction to development. Finland participates in the work of the EU, OECD, and like-minded countries, to develop and enhance coordination and harmonization between the NGO sector and donor community. Finland also encourages the UN agencies and development banks to work with the NGOs.

The LCFs are administered by the embassies of Finland. These funds are available to embassies in countries that according to OECD/DAC definitions are eligible for ODA. LCF is covered by a by-law (norm) of the ministry, the latest of which is from 2009 (norm 13/2009, 5.10.2009).

The recent (2012) guideline for Ministry's support to INGOs explicitly states that the purpose to finance INGOs is to *complement the foreign and development policy instruments*. Funding decisions are made on the basis of converging policy objectives and on the high quality of development programmes of these organisations. Finland complies with the criteria of OECD/DAC in the assessment of ODA eligibility of INGOs. Support can be granted as core-funding or as specific project or programme funding. The earlier practice to consider funding proposals by INGOs was that decisions were made throughout the year. Now the new guideline includes a schematic time table for more coordinated approach. The old system that applications and INGO-support projects can be administered in different departments of the Ministry is still valid. The quality group of development cooperation serves as the actual inter-departmental body of discussion.

### **1.2.3 Other policy guidelines**

There are a number of other policy guidelines and action programmes. For example, the guideline for Development and Security in Finnish Development Policy (2009), emphasizes the need to complement peace building and stability with development efforts. The framework policy for Western Balkans (2009) is based on three guiding principles, namely coherence, complementarity, and effectiveness. Accordingly, the development interventions support regional integration, at the same time promoting peaceful cooperation and mutual understanding within the region. Finland's Africa framework programme (2009) reflects the complementary roles of measures to support democracy, peace and stability, human rights, and development. The leading principles of the programme are coherence, complementarity, and effectiveness.

One of the rising focal areas of the International Water Strategy of Finland (2009) is to identify gaps and borderline areas in the water sector development, where complementary resources and innovative strategies are needed. Other sectoral guidelines include those of the environment (2009), forestry (2009), and agricultural and food security (2009). The Action Programme of Finland's Aid for Trade (2008) support is of particular interest as it looks at complementarity between trade / business and other development instruments. There is also a recent evaluation on Finland's support to Aid for Trade (2011), the results of which are contributing to the new Aid for Trade Action programme 2012-2015, which is currently being finalised. The national programme and guideline for Good Humanitarian Donorship (2007) is also being revised at the moment. The complementarity requirement between the humanitarian actions and reconstruction and development are crucial in situations, where societies are in distress and governments have experienced civil strife, war or devastating natural calamity. Finland has also development policy guidelines for the UN and for multilateral cooperation which are being revised.

### **1.2.4 Institutional Cooperation Instrument**

The idea of cooperation between institutions was introduced in the 2004 development policy (p. 31), refined into a special institutional cooperation instrument (IKI) in the 2007 development policy document. From the outset it was defined as a *complementary instrument* to the other development cooperation modalities. The current IKI-policy is stipulated in the by-law of the Ministry (Norm 3/2010, HELM178-3). This norm does not apply to the institutional cooperation between the higher education institutions (HEI-IKI), which is also left outside the scope of this evaluation.

IKI is used to finance development cooperation between public sector institutions in Finland and in developing countries. The complementarity dimension of IKI-instrument thus expands the concept of complementarity to cover not only the instruments themselves but also to include the complementarity between different actors in cooperation.

The Ministry commissions IKI cooperation to the Finnish institution. Due to the legal status of the institutions, the competitive procurement legislation (348/2007; 321/2010) of Finland does not apply, except in defining those entities that are eligible to direct procurement. The budget of an IKI-project ranges from 50.000 to 500.000 euro. In exceptional cases, for instance, when benefits can be shared by neighbouring countries in sectors central to Finland's development cooperation in these countries, the upper limit can be exceeded.

The theory behind IKI is that official sector institutions in Finland possess significant know-how and technological knowledge that potentially can benefit institutions of developing partners. Preference is given to initiatives, where the Finnish institute has acknowledged competence. IKI-cooperation must be based on expressed needs and initiative of the developing partner. In this respect the embassies of Finland have a significant role in the assessment of the eligibility of IKI-proposals.

Essentially, IKI can be said to improve the service capacity of the partner organizations, product development, enhancing organizational change and development of new modalities of operation, internationalization, networking, and alike. Yet, IKI-programmes are highly focused. The project plans must comply with the logical framework and results-orientation. IKI can support a bilateral intervention implemented in a country, but it needs to have clear objectives, activities, and results of its own.

A consultant has been hired to support the Ministry in the administration and follow up of IKI, although all decisions are made in the Ministry. The consultant monitors and advises on work of implementing partner institutions. The consultant has the obligation to inform the Ministry of all shortcomings or deviations that occur. It also pre-screens the project proposals and collates regular condensed reports on the projects to the Ministry. The administration of IKI-projects is delegated to the geographical departments, with a coordination point in the Department for Development Policy.

### **1.3 Some earlier evaluations**

Complementarity has been a regular criterion in evaluations commissioned by EVA-11 in the last five to six years. A comprehensive evaluations synthesis, performed on evaluations in 2010 (Evaluation report 2010:4), showed that there were weaknesses in considering or discovering the occurrence of complementarity in cooperation as revealed by the 22 wider evaluations performed from 2008 to 2010. In seven of the 22 evaluations, the criterion had been treated well or in an excellent way, in four it had not been considered at all, and there were serious shortcomings in 11 evaluations. Out of the 14 criteria used in the synthesis, complementarity ranked 11/14, meaning that it was among the poorest. Considering the development policies of Finland in the past, and the international frameworks, the poor performance of this criterion was rather surprising.



As compared with coherence, which is closely related to the criterion complementarity, the synthesis evaluation gave a much brighter image. In 17 of the 22 reports, coherence had been dealt with well or in an excellent way. In only four there were serious problems, and one regional programme evaluation had not considered coherence at all. The ranking of coherence was the second best, 2/14 after relevance that was the first. These results suggest that the Finnish development cooperation and policy depicted through the evaluation reports, had been highly relevant and coherent, but had not been particularly complementary.

The management response decision given on the results of the synthesis of evaluation, includes an overall decision that special attention will be focused in the future on those criteria that received poor ranking in the evaluation synthesis (Decision, 16.02.2011, HEL8328-15).

The NGO -cooperation has been comprehensively evaluated in the last five years. In 2008 the Partnership Organization Programme, the LCFs, the special outsourced expert service of FIDIDA, and the NGO foundations (Evaluation reports 2008:1; 2008:2, 2008:4; and 2008:5, respectively) were evaluated, while the umbrella organization for Finnish NGOs, KEPA and the INGO cooperation had been evaluated in 2005 (Evaluation report 2005:5; and 2005:6, respectively). Concerning evaluations from 2008 there are management responses, decisions, and back-reporting documentation available on the implementation of the results of the evaluations.

The Office of the Auditor General of Finland (VTV) published the results of performance audit on complementarity in Finnish development aid in 2010. The case-study countries were Mozambique and Zambia. The main dimension of this particular study was on the implementation of PD (VTV 2010). The study confirmed the results of Finland's country case evaluation in the first phase of the evaluation of PD (Evaluation report 2007:3) that Finland was politically highly committed to the principles of PD (and AAA), but there was room for improvement at the practical development cooperation level. Of the two case-study countries the VTV study (2010) concluded that the division of responsibilities between donors was fairly well advanced in Zambia, but not so in Mozambique.

## **2 SCOPE**

In line with the subject of this evaluation, "complementarity", the scope of the evaluation is fairly wide. It will look at the overall development policy and cooperation of Finland, and how complementarity is depicted therein, how the measures to ensure complementarity have been instituted and how the respective responsibilities distributed and addressed at different levels. The menu of development instruments, shall be looked at, and how they have been organized, also in regard of participation of different domestic actors in Finland. The complementarity dimension with and within the multilateral support as well as Finland's role in the EU in regard of policy influence to promote complementarity will also be examined.

The special case-evaluations are:

- 10 Development policy analyse;
- 11 NGO-instrument overall and, including special case of three NGOs that are participating also in delivering humanitarian aid, as well as the INGO dimension, and LFCs, in countries that are visited,
- 12 IKI-instrument as a whole, and
- 13 country programmes of Mozambique and Zambia as desk studies, including country-level information emerging from the other two case-evaluations, as appropriate.

The evaluation will include a thorough research of document material and field visits concerning the IKI- and the NGO-case-evaluations. All components of the evaluation will involve interviews of stakeholders and institutions in Finland, and in the IKI and NGO-case-evaluations also in the countries visited.

The overall international and Finnish development policy framework will be examined through document analyses and interviews. The development policy review will be performed at the headquarters' level of the Ministry and some other line ministries and the respective inter-ministerial task forces that deal with development cooperation and that use development budget funds. Finland's policy influence in the EU and the multilateral scene will also be looked at.

The case-evaluations of Mozambique and Zambia will be limited to document study and interviews at the Ministry, with possible questionnaires to the embassies of Finland in these countries and possible other stakeholders. These two country case studies will serve also as a baseline investigation for the most recent country programmes that are being finalized by the end of 2012.

Even though a clear focus is to look at complementarity criterion from a variety of angles, the evaluation will also utilise the OECD/DAC development evaluation criteria, relevance, effectiveness, efficiency, sustainability and impact, as appropriate, in seeking answers to the evaluation questions and in assessing the value of complementarity within the context of policy and practice for more effective and results-oriented aid. Further criteria to elucidate the multiple dimensions of complementarity through the major evaluation questions (section 5), can also be devised, if deemed necessary by the evaluators.

The field visit countries to study both the IKI-instrument projects and the NGO-cooperation will be Egypt, Ethiopia, Lao Peoples' Republic, Namibia, Nepal (only NGO component), Zambia, the Caribbean region (3 countries to be defined) and South-America, Ecuador.

The major stakeholder groups involved will be civil servants of the Ministry (Ministries) in Helsinki and in the embassies of the countries to be visited and their government authorities and institutions involved in the cooperation, the staff of the



NGOs involved in Helsinki and those of local NGOs in the field, staff of institutions involved in the IKI-cooperation in Finland and in the countries concerned, possibly others identified as the work progresses. A wide range of stakeholders will be involved in the policy analyses and in the analyses of how policies work at different levels of development.

Part of the documentation has already been collected in a flash drive, but the material is incomplete. It must be complemented by the evaluation team already prior to embarking upon the inception report and work plan, as well as thereafter at the time of the desk-study phase of the different components.

The start-up meeting of this evaluation will be the first opportunity between the evaluation team and EVA-11 to clarify any issues in these ToRs or the work ahead. It is also an opportunity for the team to present their initial approach and understanding of this comprehensive evaluation task.

### **3 RATIONALE, PURPOSE AND OBJECTIVES**

#### **3.1 Rationale and Purpose**

The rationale for this evaluation is rooted in the Finnish policy goals for development and in the international commitments. Working together, partnerships, division of labour – are key words that come through when aid effectiveness, development effectiveness, and results for development are discussed. On the basis of this emphasis, it is allowed to conclude that in the development policies, there has been an assumption of a theory of change for development being in-built, this assumption being that complementarity would be a major conduit to development results.

The most recent international framework is the Busan Partnership for Effective Development Cooperation. In this international environment, it is of interest to look at our own development cooperation and modalities of operationalising it, at the different levels, to identify potentials for more effective use of available resources, better results orientation and complementarity of actions. It is also an opportune time to assess whether, and to what extent, the assumption of theory of change bestowed to complementarity, has materialised and been appropriate, and what lessons can be drawn from the past experiences. In Finland, and possibly also elsewhere in the world, the resources – either in terms of human resources to administer the development aid, or the aid resources in general, may not grow substantially in the next years to come, which makes efficiency for effectiveness and development results a reasonable goal.

The current (2012) development policy of Finland has clear commitment for policy coherence for development and complementarity of operations. Subsequently, the cooperation modalities employed by Finland are required to be complementary to each other. At this juncture, lessons from the past experience, may contribute towards materialisation of these goals.

The purpose of the evaluation is to dig into the dimension of complementarity in the Finnish development policy and cooperation, instruments and practices, including, how this dimension is taken into account in the policy level discussions at different interaction levels.

The case-evaluations have been selected so that they will offer information about how the NGO –instruments may better be used to complement other development cooperation instruments at the country level, be it multilateral or bilateral cooperation, or cooperation with private actors, and the partner governments and in advocacy for the policy goals. Currently the NGO -cooperation is not planned in connection with the country programmes. Yet, the potential of these instruments is vast, in particular, when thinking of the overall goals of Finnish development policy – reaching out to the vulnerable and the poor. The evaluation will bring about information on the vertical division of labour, from the policy influence down to the practical grass-roots level, within the Finnish development cooperation, and identify the sharing of roles in this context. Until now, complementarity has much been viewed from the dimension of *horizontal complementarity*, between “equal” players, for example, between the donors and between the multilateral and the bilateral aid programmes.

The purpose of including IKI -instrument case-evaluation in this study is two-fold:

- 1) to evaluate the instrument overall for lessons of the past experience; and
- 2) to study the materialization of the complementarity dimension of this instrument, which is in-built in the concept of IKI -cooperation.

The two country programme case-evaluation, Mozambique and Zambia have been included here, as they represent principal development partner countries of Finland that have not been evaluated since the beginning of 2000. The case-evaluation desk studies will contribute to the implementation of the new country programmes (2012) and constitute a baseline assessment to later evaluations of the new programmes. The two country programmes may also serve as the platform to study the potential of *vertical division of labour* within the Finnish development cooperation portfolio of instruments in these countries.

Potential users of the results of this evaluation are policy- and decision-makers, and aid administrators at different levels in the Ministry, in the partner countries, and in the outside stakeholder communities involved in IKI- and the NGO -cooperation. The results may also be used in the policy-level discussions within bilateral, multilateral and the EU-contexts, since “complementarity” with the assumption of it bringing value added in aid effectiveness and development results, is fairly explicit in policies at these levels.

## 3.2 Objectives

The overall objective of this evaluation is to learn from the experience to find ways to use the different policy and cooperation instruments of Finland so that they are complementary and that mechanisms to accomplish complementarity are there. The evaluation will expose the dimensions of **internal complementarity** between the actors and the instruments of Finland and the dimensions of **external complementarity** with other actors and instruments in development. Both of these levels of complementarity shall be looked through the **vertical and horizontal dimensions**. The experience-based lessons learned will be used to develop further the implementation of Finnish development cooperation and to find new innovative ways of deploying the different instruments and actors in development for better effectiveness and results.

All components of this evaluation will identify any concrete results and / or improvements of processes that can be linked to the complementarity as a factor in the achievements. The evaluation will also identify the obstacles existing and hindering complementarity being implemented.

A supplementary major objective to the IKI-instrument case-evaluation is to have an overall understanding of how it has performed during the time it has been implemented, and of the administrative arrangements pertinent to it. Thus, the IKI-component will be a thorough review of the instrument *per se*, and in particular, its in-built policy objective of complementarity.

As for the NGO-component, the evaluation is expected to bring forward innovative thinking for completely new ways of using the NGO-instruments to complement other development actors and instruments, over the boundaries of the current practices.

### Specific Objectives

The specific objectives include the achievement of

- 1 specific information of the three instruments (NGO-, IKI- and country programmes) on, how they could be planned and implemented in a way to fill in potential gaps in the vertical flow of benefits from national to the local level, and to those who are the most disadvantaged groups that are stated as major beneficiaries in the Finnish development policy;
- 2 assessment of to what extent the cross-cutting objectives can be reached through the different instruments, and how the instruments could be used in a complementary way for their achievement;
- 3 information on the practices how internal and external complementarity are considered and implemented, and how horizontal and vertical complementarity are conceptualised and featured, in the Finnish development policy and cooperation at the country programme planning level and at the level of different instruments' strategic plans and at the level of implementation.

## 4 APPROACH

The approach includes both top-down and bottom-up elements. The former includes perusal of the policy frameworks and processes, and how they flow down to the development instruments, and practical development cooperation. The approach oriented towards Finland's development policies and cooperation, although the international commitments are also featured in. In section 3.2 the terms “internal complementarity” and “external complementarity” were used to describe these dimensions.

Evaluation will involve relevant stakeholders and institutions in the Ministry and partner countries, including the relevant embassies of Finland and the local government and non-government stakeholders and institutions. The principle of participatory evaluation is applied.

Since the evaluation includes clearly separate case-evaluations, strong inter-team coordination and information sharing within the evaluation team is vital.

The work will progress stepwise so as to the former step informing the next one.

The evaluation process is sequenced:

### **Initiation:**

Pre-collection of document materials mainly in the Ministry's archives and partly from the internet (for example, EU-docs)

- 1) start-up meeting; clarification of the approach and issues in the ToR; discussion of the understanding by the evaluation team of the evaluation task

### **Inception:**

- 2) document retrieval continued, classification of the material and preliminary study of it;
- 3) inception report and work plan; discussion and possible comments by the client;

### **Desk study and interviews:**

- 4) document-based thorough desk studies of the different components of the evaluation
- 5) draft desk reports
- 5) interview plans; plans for questionnaires
- 6) interviews and questionnaires implemented

### **Field study:**

- 7) needed adjustment to the work plans for the field studies;
- 8) field studies of the case-evaluations that include field studies

**Final analysis and synthesis of results:**

- 9) an oral presentation with power point on the major results of the field studies and the desk studies and synthesis; recapitulation of the state-of-the art of the evaluation
- 10) amalgamation of the results of the desk and the field studies of the case-evaluations;
- 11) production of the individual semi-final case-study reports, subject to comments by the client;
- 12) production of the draft synthesis report including the policy analyses, subject to comments;
- 13) production of the draft final case-evaluation reports subjected to a wider round of stakeholders' comments;
- 14) production of the final reports of the case-evaluations and the joint synthesis report and short overall policy brief.

**Dissemination of results:**

- 15) public presentation of the results of the synthesis with power point support of the main points;
- 16) presentations of the major results of the case-evaluations with power point support, which can be organized together with the presentation of the synthesis report, or if considered necessary, earlier than that as an independent presentation;
- 17) a web-based presentation session shall also be organized to involve the embassies of the countries visited and to the extent possible, also other stakeholders and institutions involved in the evaluation in Finland and in the countries visited.

It is expected that all the deliverable reports will not be progressing at the same time at the same level of preparedness. The case-evaluation reports, in particular the NGO and the IKI-case-evaluations should be available prior to the synthesis and the policy brief, simply as the case-evaluations feed information into the other evaluation components.

At the top policy level in the administrations in Finland, the embassies of Finland and the partner countries' high-level authorities and institutions, joint interviews in mixed team composition between the IKI and the NGO-sub-evaluations, and the policy/synthesis component, must be planned whenever possible.

The Evaluation Synthesis on Complementarity, will include the main results of the case-evaluations, and an analysis of the overall national and international policies of Finland relevant to the conceptualization and operationalization of complementarity in aid policy and cooperation. It will also draw the wider lessons learned regarding the distinct policy **assumption of complementarity** being conducive to positive change and more effective and efficient development cooperation and development results. The Synthesis will also bring to the fore the innovative ways discovered by the case-

evaluations of IKI and NGO-sectors and the desk-studies of Mozambique and Zambia country programmes.

## 5 EVALUATION ISSUES AND QUESTIONS

Under each of the following sections, a few guiding evaluation questions are given. The evaluation team, based on their expertise and experience, will open up these questions into sub-questions and add to the questions should they consider it necessary to elucidate any dimension of the issues under study. In the assessments and analyses the evaluators will utilize the OECD/DAC and the EU's development evaluation criteria, relevance, efficiency, effectiveness, sustainability, impact, cooperation, coordination, in addition to the complementarity which is the special focal issue in this overall evaluation.

### Cross-cutting objectives (CCOs)

All case-evaluations will examine the cross-cutting objectives of development policy from the aspect of complementarity at the level of the interventions. The cross-cutting objectives to be included (at least) are promotion of gender and social equality, human rights (rights-based approach) and equal opportunities by easily marginalised groups, HIV/AIDS, and good governance. Other cross-cutting objectives of the consecutive development policies may be included as appropriate. Environmental and climate change-related considerations of the interventions shall also be assessed.

Some guiding questions:

- a) Are CCO -considerations present in the planning documents in terms of inclusion of specific objectives and indicators for monitoring? What are the most frequently included CCOs? What is the role assigned to the CCOs in project plans in terms of the overall objectives of interventions? Has omission of CCOs from the intervention plans been clearly justified?
- b) How do the results of this evaluation compare with the CCO -results of some of some earlier evaluations, for example, Evaluation reports 2008:1; 2; 5; 6; 2010:4? Any changes?
- c) Tools for better integration of CCOs have been developed in recent years; are administrators of cooperation aware and capable of using these tools? What are the major reasons for failure to include the CCOs
- d) Do the CCOs feature in any way in the quality assurance processes, grounds for decision-making and in the decisions made on programmes, instruments and alike?
- e) Are CCOs taken regularly up in discussions between donor and with partner governments? Is distribution of labour and complementarity regarding the CCO-themes discussed?

## CASE I

### 5.1 Analysis of policies and practices

When looking at the history of the Finnish development policy and also how the concept of mutual interdependence has developed into mutual complementary, as influenced by international policy commitments, one must recognize the great complexity that is involved in the operationalisation of the complementarity policy. It takes time and coordinative efforts towards many directions. Yet, the actions should also be horizontally and vertically, and over longer periods of time, coherent and coordinated to produce complementarity with true impact. It is important that the evaluation looks at the Finnish efforts and **mechanisms** for the accomplishment of complementarity at different levels, the EU, the multilateral level, in Finland, and in the partner countries, at the national and local levels. The questions pertinent to this section of the evaluation, by nature of the topic, are rather process oriented, including examination of the mechanisms put in place to ensure complementarity. In addressing these levels the policy evaluation needs to inform itself also through the case-evaluations and the two country desk-studies in order for the evaluation to encompass the dimension of the local level.

The evaluation will analyse development policies of Finland since 2003 and the respective policy guidelines on bilateral and multilateral levels, EU-level; sectors and development instruments' levels, and the modalities of operationalizing these policies and guidelines.

Internal complementarity:

- a) What have been the major drivers for complementarity in the Finnish development policies, and what are the mechanisms or procedures put in place to ensure complementarity of bilateral and multilateral cooperation, complementarity with special instruments, and complementarity with programmes managed through other instances than the Ministry? How does complementarity express itself between the multilateral, bilateral policies and policies and guidelines pertinent to specific development instruments, and in the decision-making?
- b) How is complementarity of development policy understood and put to practice at different cooperation levels and with the stakeholders involved? What are the mechanisms in place that ensure a mutual understanding of the policy goal of complementarity?
- c) Do the policies offer adequate guidance to implement complementarity in development? If not, why? Where are the constraints and the major opportunities to improve complementarity?
- d) What are the information exchange mechanisms?
- e) How does the selection of development instruments take into account the complementarity of actions towards development results in a country of operation?

- f) Does the staff and the out-sourced consultants that carry out the development intervention planning, document preparation, appraisals, implementation, monitoring and evaluations, understand how to translate the policy goal of complementarity into practical action and how to monitor progress? Are results reported in relation to policy objectives, including complementarity? Are the guidelines offered by the Ministry adequate and conducive to understanding complementarity as a requirement? Is relevant and adequate training available for the staff and the outsourced resources?

Policy influence for external complementarity:

- g) What is Finland's role and entry points in advocacy for complementarity at the policy level among the partner countries, the donor community, the EU, and the multilateral sectors, and in Finland?
- h) Can concrete examples of successful policy influence be identified? What have been the major contributing factors to success? What about reasons for failure?

## CASE II

### 5.2 Desk-evaluations of country programmes of Mozambique and Zambia

The questions in 5.1. are relevant to this section from the dimension of the development policies being extrapolated to country programmes and implementation in the partner countries, also reflected against coordination processes of partner governments and the rest of the donor community.

**Special note:** This sub-study will be desk study only, with possibility for interviews and questionnaires. The timing of the desk study coincides with the launching of the new country programme plans of Finland. The country programmes will be evaluated within the next 3-4 years, and therefore, this desk-study constitutes a baseline situation analyses that may bring forwards lessons on, how to improve the complementarity in the implementation and in the decision-making. The case-evaluations of the NGO-sector and the IKI-instrument, that will include field visits, will also feed information to this desk study.

Supplementary to the questions in section 5.1., adapted to the country programme level, the following questions should be considered in the desk studies of the two country programmes:

- a) What is the basis for the country programmes – how do the components of it come about? What are the mechanisms for ensuring complementarity with other donors and with the host government's own policy priorities?
- b) What is the role of the bilateral discussions and the donor coordination at



- country and at headquarter levels? How are the multilateral actors involved at the country level? What are the mechanisms used in the NGO programmes?
- c) How is complementarity monitored? What has the role of Finland been in these mechanisms? Are there any examples of concrete measures that Finland has taken to improve complementarity in the countries?
  - d) Do the cross-cutting objectives feature in any way in the complementarity context and distribution of tasks between development aid instruments at the country level?
  - e) How could vertical and horizontal complementarity be systematized so that NGOs and by the IKI-instrument could contribute to the implementation of the country programmes? Is complementarity to the country programmes a feature that features in the decisions on development research? What about decision-making in cooperation implemented through other ministries or institutions than the MFA?
  - f) Does complementarity feature, and if yes, how, in funding decisions overall?
  - g) How are the international frameworks, PD and AAA addressed in the country programmes?
  - h) Can any particular achievements be identified, where Finland has successfully influenced others and acted so that better complementarity has been achieved?

As a result of these desk analyses, a clear understanding should emerge on the mechanisms of ensuring complementarity in the country programmes in terms of bilateral projects and interventions, multilateral funding and other funding through other channels and instruments that are not typically falling in the traditional multi-bi categories. An understanding should emerge of what has been Finland's practices in her own cooperation and her role in enhancing complementarity at different levels of interaction with other stakeholders, and the partner governments.

## **CASE III**

### **5.3 Case-evaluations of IKI- and NGO -instruments**

#### **5.3.1 Common evaluation issues**

The questions and issues included in CASE III evaluations will include the desk- and field-studies.

#### **Context and operational environment**

Both case-evaluations need to perform also the respective policy and context analysis pertinent to their theme, as well as the country desk-studies, when appropriate. These analyses will accumulate information on the overall frameworks and context, and also inform of the observed enabling factors and obstacles that have been or can be expected to be faced by these cooperation instruments in respect of the policy goal of the instruments being complementary to other cooperation instruments.

Some guiding questions:

- a) Can any common denominators of either enabling factors or obstacles to the implementation of complementarity be identified in the development cooperation of the two subjects of the case-evaluations?
- b) Are the current implementation modalities and models of NGO- and IKI-cooperation conducive to compliance with the Finnish development policy, with the development policies of the partner countries, and with the international frameworks of PD, AAA and the Busan. How have these national and international principles been addressed in the plans, monitoring and reports relevant to the IKI- and NGO-case-evaluations?
- c) What could be the completely new and innovative ways of using the NGO and IKI-instruments to achieve true *vertical and horizontal complementarity*, and at the same time, improved flow of benefits from the entire development cooperation programme? – In other words, could NGO and IKI-programmes be used in a new way to fill in gaps left by other instruments, in terms of the benefits reaching out to the target beneficiaries as defined in the development policy objectives and the programme and project documents?

## CASE III A

### 5.3.2 *Specific issues to IKI -instrument*

IKI-instrument has never before been evaluated. This evaluation will serve a dual purpose as explained in section 3.1. Currently there are active IKI interventions Eastern Europe, Africa, Asia, the Pacific, in Latin America and the Caribbean. Among these interventions there are also a few regional projects.

Some guiding questions:

#### **The special value of IKI-instrument:**

- a) Does IKI -instrument as a development cooperation modality fulfill the requirement of complementing other instruments? Currently IKI has been implemented in a great number of countries mostly outside the principal development cooperation partner countries of Finland. How would you characterize the advantages or disadvantages of the current modality against IKI being “disciplined” to operate mostly in the partner countries of Finland, and being subject to programming together with the rest of Finland’s programme in these countries?
- b) Are there any needs to adjust the eligibility for IKI-cooperation for better complementarity?
- c) Is there any specific value added in this modality, which could not be compensated by some other, more conventional development instruments? Would such

value added be lost, should it happen that the geographic scope be limited or the timing of IKI-interventions planned to complement other development interventions or limitations of any such kind?

Questions by evaluation criteria:

### **Relevance**

- Do the IKI-interventions fill in a particular gap in the development plans of the partner institutions?
- How are the institutional partnerships initiated?
- How is the timing of IKI-interventions defined? Do the other development interventions of Finland or other donors feature in the definition of the IKI-interventions and the respective discussions and decisions made in the Ministry?
- Should the types of IKI-interventions be diversified so that IKI would become part of the officially agreed country programmes, complementing a special slot in there? Should there be a diversification of IKI-programmes, to those being planned within the country programme and those outside?

### **Efficiency**

- What is the efficiency of IKI-interventions? Is the price level of IKI -cooperation reasonable as compared with other modalities of development cooperation and the observed results? If not, what could be the alternatives to IKI-projects or how could the IKI be developed to be more cost-effective and results-oriented?
- Is the current operational modality justifiable in terms of achievement of the objectives of the overall development cooperation when the costs are factored in?
- How do the available resources compare with the purpose and objectives of the IKI-interventions? Could you achieve the same or more with the used resources?
- Currently the Finnish technical assistance component is high, in terms of human resources involved and also costs involved?
- Does the support consult and its role bring in some quality value added that will compensate for the costs? Is there any efficiency gains achieved by this service, and does it meet with the expectation of freeing the Ministry's or the embassies' human resources in any way?

### **Effectiveness**

- IKI-interventions are usually short and focused: does this approach bring in some comparative advantages in terms of rapid capacity development and institutional development gains, professional networking or any other development outcomes? How could these components be characterized –plusses and minuses?
- To what degree were the objectives achieved overall? Did the document study or the field trip bring to the fore any concrete achievements against the set objectives?
- Currently many of the IKI-interventions are of short duration and with high Finnish technical input. How would you compare a situation in terms of capacity development of individuals and the institutions, if more emphasis be put on

the use of local expertise? What would be the major gains and major obstacles or losses?

- Characterize the quality of planning documents and the project documents? Are they conducive to results-oriented work, monitoring and reporting? Major negative / positive features of the quality of the IKI-intervention documents, considering here also the international frameworks (f.ex. ownership, leadership, mutual benefits etc.) and cross-cutting objectives listed in the beginning of section 5.2.
- Is there an adequate aggregated reporting system by objectives and results, based on evidence of the monitoring reports? What is the quality of the reporting?

### **Sustainability**

- Sustainability of the results is an overall goal of development interventions? How could the sustainability dimension be characterized in IKI-interventions? Is there any ex-post follow-up when an intervention comes to an end? Is there any organized “end-of-project” assessment, evaluation or self-evaluation review, between the cooperating partners? If yes, what are the major topics of discussion and the conclusions?
- Do the partner institutions have any suggestions on how to alter the IKI-instrument to serve them better in terms of longer-term benefits?
- Are there examples, and if yes, what kind, of the activities initiated during the IKI-project, that are continued after the closure of the IKI-project?

### **Impact**

- The actual IKI-instrument was launched in 2008 as a result of the 2007 development Policy of Finland. It has been an instrument in progress all this time? Are there any examples, discernible either in the documentation or in the field, of longer-term impacts, negative or positive, direct or indirect, concrete or at the conceptual level? Has there been any spontaneous follow-up cooperation between the partner institutions?
- Can you think of any measures or alterations to the current modality of implementation that would improve the sustainability of the impact?
- What is your key assessment for the IKI-instrument as compared with its original purpose – capacity development? Does assessments towards the objective of capacity development come through in the progress reports?
- To what extent do the IKI-interventions results reach the stated target beneficiaries? On the basis of already completed IKI-interventions, are any longer-term effects / impacts detectable and if yes, what kind? Is the issue of final beneficiaries in any way discernible in the Ministry’s documents, in the protocols of the quality group, comments on draft project documents or funding decisions made in the ministry?

### **Some special questions on the administrative arrangement and tools**

To lessen the administrative burden of managing a high number of IKI -interventions, the Ministry has, through competitive bidding, hired an external consultancy resource to assist in this task. The external consultant also assists the Finnish institu-

tions in the compilation of the project documents and pre-screens their quality. The consultant compiles regular progress reports on performance of the interventions. Decisions are, however, done in the Ministry.

Some guiding questions:

- What is the special value added of this arrangement? Is it justified to be continued or should it be altered?
- Assess the quality of the products that have, through the consultant, arrived at the Ministry? Does the reporting give adequate results-based analyses of the status of the interventions, its compliance with the original purpose, on the possible problems, and how to solve them, and alerts of needs to intervene?
- Assess the process of reporting, is it participatory including the partner institutions?
- Assess the guidance given by the Ministry in relation to enabling the consultant to deliver quality products?
- What is the quality of the administrator's comments on project proposals? Do these comments include the requirements of the international frameworks, the CCOs and the results-orientation and complementarity? To which degree do they deal with results-orientation and the needs of the stated beneficiaries?
- Do the guidelines provided by the Ministry offer adequate advice and guidance to construct and implement high quality IKI -interventions, monitoring of implementation, reporting. If not, what are the aspects of dimensions that should be developed or that are missing?

### **A special aspect of lessons learned**

Climate sustainability and climate change, mitigation measures, adaptation and natural disaster preparedness have been policy goals for a number of years. There was a specific evaluation on natural disaster, climate change and poverty, which studied the meteorological cooperation as one entry point of Finland to this problem area (Evaluation report 2009:8). A significant number of the current IKI-interventions are in the field of meteorology.

- How do these IKI-interventions define the final beneficiaries? Do they define the modality, how the ultimate beneficiaries are reached? Is the end-to-end disaster preparedness concept in any way integrated in the planning?

## **CASE III B**

### **5.3.3 Specific issues to NGO -instrument**

#### **Complementarity in wider context and frameworks**

A particular context frame in this case-evaluation are the current development policy, the policy guidelines for NGO cooperation, and the country programmes of Finland. A major current issue, depicted in the 2012 development policy of Finland, is

the question of finding innovative ways of using NGO-actors to complement development activities within the country programmes of Finland so as to achieve better reach-out and impact *in vertical and in horizontal sense*. Similarly, the issue of complementarity of the NGO-programmes in respect of **other** actors in development, including the multilateral, the host government, and business sector, is of interest and constitutes an important contextual sphere in this examination. These questions and context considerations arise from “*the holistic*” planning process that would use the different development instruments in a complementary way. This is a central message of the 2012 development policy of Finland.

### **Complementarity within the NGO sector**

NGO-sector plays a particularly important role in the societies, including as advocates in human rights, environmental issues, gender and social equality, anti-corruption, democracy and rule of law, peace building and issues alike. The three NGO-instruments of Finland (INGO-, NGO-, and LFC -cooperation) address *different levels of societies (vertical complementarity)*, the INGO -cooperation reach from the international to the government, and even to local levels, the NGO-cooperation, working with local NGOs, much at the local level, and the LCF supporting the capacity of local CSOs. Some of the bigger Finnish NGOs also work in delivering of *humanitarian aid*, thus having a *double* role. Complementarity already between these actors in any one country would undoubtedly bring in synergy dividends and minimize occurrence of development gaps.

### **Evaluation tasks and questions**

The difficulty in evaluation of complementarity **between** the three categories of NGO-support, and between the NGO-support and the other official development cooperation that is programmed, is the multitude of sectors and themes that are involved and the multitude of working modalities, as well as the widely scattered target countries and cultures in the current NGO-sector cooperation. Also the Finnish legislation pertinent to supporting the NGOs with development budget funding, may hinder more innovative ways of utilizing these instruments.

The evaluation tasks and questions of this case-evaluation include:

- 1) analysis of the current modalities of cooperation and administrative arrangements against the 2012 development policy and against the current policy guidelines of NGO-cooperation, including the LCF norms and guidance and the INGO guidelines;
- 2) assessment of the Finnish NGO-support interventions in terms of contributing to the results requirement of Finnish development cooperation, and the special value of these results in the local and national contexts of the countries concerned;
- 3) assessment of the significance of the NGO-instruments in the implementation of the “reaching out to the wider world”; should the constellation of the NGO-instruments’ use now be changed? In which way? – What could be gained and what be lost?

- 4) assessment of the complementarity factor of the NGO-support with Finland's overall country development programme; what is the complementarity template in cases where there is no bilateral country programme or other project-based cooperation?
- 5) assessment of the complementarity of the NGO-interventions with the partner country's development plans, and with the development objectives of the local CSOs, or their umbrella organisations? What sort of mutually reinforcing planning mechanisms are there in place?
- 6) assess the complementarity of the NGO-programmes with other development actors, multilateral programmes, business and trade interventions, programmes of other donors? what are the used mechanisms of informing each other?
- 7) should complementarity between the INGO-, NGO- and LCF-- instruments be pursued? What would be the losses and the gains in financial terms and in development results, with a tight complementarity requirement being imposed? The NGO-programmes operating in countries other than the principal partner countries of Finland, what is the significance of these programmes in terms of overall development results reporting by Finland in these countries?
- 8) Are there any examples of good practices in the division of labour within the NGO-sector? What are the success factors?

In addition to the overall NGO-sector case-evaluation, there is the special case of three organizations, the Finnish Red Cross, Fida International and the FinnChurchAid that will be assessed as the rest of the NGO-sector. A thorough assessment of the continuum aspect from humanitarian aid through reconstruction and development cooperation will be assessed in connection with another wider evaluation.

Here the evaluation will

- 9) study the complementarity between the humanitarian work of the three organizations and their reconstruction and development work; are there any examples of the dual role of these organizations and their accreditation to the ECHO/EU, that can be considered as having brought special benefits or value added to the organisations' work as agents implementing development cooperation programmes.

### **Organizing the NGO -instrument in a new way**

The whole issue of NGO-cooperation should be looked at from a new angle – should the “traditional” NGO-cooperation, that is planned by the NGOs themselves, continue as it is – and to what extent? Or, should part of the NGO-support be tied to the vertical or horizontal complementarity with regard of the country programmes? Should part of the NGO-funding be directed towards cooperation between NGOs and multilateral actors, or with local business community, or towards direct cooperation with partner governments? These questions would need a completely different mind-set and planning mode for the NGO-programmes and also to the country programmes. Yet, the value added of such new ways may enhance vertical flow of benefits



to the most disadvantaged groups. Thinking should go from bottom-up and from top-down – critically identifying the current gaps – where does the chain break – and who could best serve in mending it?

The following questions may help in this thinking:

- 1) How should the criteria for NGO-funding appropriations be altered for the NGOs to be able to step in the country programme framework? Is current legislation conducive to such a change?
- 2) What are the conditions and modalities that should be deployed when deciding on the eligibility for an organization to be included in the “country programme –eligible” criterion?
- 3) Should the inclusion of Finnish NGOs to the “country programme support category” be opened to the organizations informing the ministry on voluntary basis? Or should the Ministry decide on the inclusion on the basis of past experience and invite organisations to participate?
- 4) How should a country programme be planned to enable the distinction of suitable tasks to the NGO-instruments and those to the more traditional implementing setups?
- 5) What would be the role of the partner governments? Should the NGO-sector cooperation overall be part of the bilateral negotiations? How would complementarity be addressed in countries with little or no other Finnish development activity? Should the dimension of complementarity be a compulsory requirement in NGOs funding proposal?
- 6) Should NGO-cooperation be part of the discussions with the multilateral sector actors, in business promotion and alike?
- 7) Is the current administration of NGO –support in the Ministry suitable for the new “two category” model? What about the administration of the INGO programmes? Some INGOs that are supported by Finland have even a multilateral organisation’s status with the OECD.

## IV SYNTHESIS

### 5.4 Synthesis evaluation

The synthesis evaluation document will bring together the major traits of the different case-evaluations of this entire study on complementarity.

The synthesis analyses will

- 1) assess the significance of the results of the individual case-evaluations and analyses carried out in the wider context of drawing lessons and concrete examples, as well as emerging ideas of potential effectiveness and impact gains through the complementarity factor that is written out in the current development poli-



cy programme of Finland (2012) and featured so clearly also in earlier policies: What is the actual status of complementarity at the moment? And what could it be in the future?

- 2) address the complementarity through the *vertical and the horizontal angles of development* and development partners in these angles;
- 3) propose any further study that might be necessary to achieve (or improve) division of labour internally in Finland and with external partners and give guidance on how to accomplish that?
- 4) give examples of concrete results by the different instruments and identified good practices to achieve complementarity;
- 5) address the system-wide results-orientation in planning, monitoring, reporting, and what benefits strong policy emphasis on complementarity has accomplished or potentially could bring in? How do the different instruments perform in respect of complementarity as a factor in better aid effectiveness and development results?
- 6) consider any other dimension or factor that has clearly emerged from the policy review, the case-evaluations, interviews or any other source used in this evaluation.

In addition to the synthesis evaluation report, a short (no more than 6 pages) policy brief will bring together in a crisp and succinct manner the major lessons learned, conclusions and recommendations that can be drawn from all the case-evaluations and the policy analyses in this study.

## 6 METHODS

The process of this evaluation requires partly joint and partly separate methodologies and tools to be utilised, depending on the case-evaluations and the policy studies. The methods will be a mix of qualitative and quantitative evaluation methods which enable triangulation in the drawing of results.

The inception report will give a detailed account of the methods, tools, judgment criteria, and indicators. There will be an evaluation matrix prepared, which should be drawn separately to each of the case-evaluations and to the synthesis assessments. The purpose of the matrix tool is simply to clarify thinking and open the evaluation questions into more narrow research questions. The inception report will clarify the thinking of the evaluators in how this comprehensive task is approached and implemented in practice.

## 7 EXPERTISE REQUIRED

### ***The evaluators***

As explained in the first section of these TORs (SETTING THE SCENE) this umbrella evaluation requires a wide, multidisciplinary evaluation team with mixed and complementary competences, senior experience level, abilities to work and inform internally and externally, and excellent coordination within the entire team.

The team of experts will include senior female and male experts, and be a mixture of senior experts from the developing and the industrialised countries.

All experts must have a minimum of M.Sc / M.A. university educations, be fluent in oral and written English (level 6). Experts assigned to the field visits in the Latin America region, must be fluent in Spanish. Knowledge of local administrative languages among the experts of the countries selected for the field visits will be an asset.

One of the senior experts will be identified as the Team Leader. The evaluation team will work under the leadership of the team leader, who ultimately carries the responsibility of completing this wide evaluation.

The team leader will have 15 years or more of experience in development policy and cooperation gained from a number of different kinds of assignments, including long-term (*3 years or more, the periods of individual service being more than one year each*) field experience and/or experience in international organisations and good understanding of the global development architecture, the change agenda, and how it has developed over the years. She/he has experience of methodologies of policy influence work and policy analyses. She/he has a track record of at least five (5) cases of leadership of multi-national and multi-theme / development evaluations, and in producing quality outcomes of these evaluations. She/he must be able to exercise leadership and have clear vision over the evaluation task.

Each of the other senior experts will have

- more than eight (8) years of international experience relevant to development policy and cooperation and long-term (*defined above in “Team leader” paragraph*) working experience at the field level in developing country or countries, in different types of assignments relevant to development policy and cooperation.
- sound evaluator experience (*four evaluations*), either as team member of team leader of comprehensive size (*wider than single development project evaluations*) evaluation, and working experience in multinational teams.

Overall requirement of the senior experts is that the team will be a complementary mix between experts with the following competencies distributed among the experts:

- a) 5 years or more experience in NGO-sector cooperation, including INGO-cooperation;
- b) experience in the multilateral organisations at the field operations level, with good understanding of their programming operations;
- c) 4 years or more experience in the development planning processes at the partner country level;
- d) hands-on practical experience in institutional change processes and capacity building at different levels of development;
- e) 4 years or more experience in management of aid; results-based planning, monitoring, reporting and evaluation;
- f) through working experience gained understanding of policy coherence, complementarity, cooperation and experience in their implementation in practice;
- g) 5 years or more experience in development work on the mainstreaming and advocacy of the cross cutting objectives at the operational level;
- h) special working experience in the field visit countries would be an asset.

### **Document retrieval and other assistance to the evaluation team**

There will be 1-2 junior assistants, one of which will be a person who is a native speaker of Finnish language. He/She is required to be available at a short call. There is no opportunity to claim per diems, rental or residential expenses, or other travel than local public transport fees. She/he will serve in the document retrieval, practical organisation, logistics, and similar tasks **in Finland**. She/he may be required to review and summarise some documentation that exists only in Finnish language.

Another junior assistant may be appointed, but she/he will be from a developing country and serve in any of the he IKI or the NGO-case evaluation field-visit countries, and be resident there. The same conditions concerning travel, per diems and accommodation expenses, as stated above to the junior assistant working in Finland, will apply to this junior assistant.

The junior assistants are required to have a minimum academic qualification of M.Sc. or M.A., and a minimum of two years of working experience after the graduation. Both of the junior assistants will be fluent in oral and written English. In addition the junior assistant coming from the developing country will master the major local administrative language.

### **Quality assurance**

Two quality assurance experts will be required. These two experts need to be highly experienced, their expertise and experience corresponding the level and qualifications and experience of a team leader position. They have at least three (3) earlier occasions of service in the capacity of quality assurance of an evaluation process, and are familiar with the international frameworks of the OECD/DAC and the EU regarding the aid evaluation quality standards and the quality criteria of the evaluation reports.

The quality assurance experts will review all the deliverables and offer advice at each juncture of the evaluation process that includes submission of a deliverable (start-up note, inception, draft desk, semi-final, draft final and final reports). At the end of the evaluation process the quality assurance experts will fill in the EU's quality grid for evaluation reports. The reports of the quality assurance experts at each juncture of the deliverables will also be submitted to EVA-11.

## 8 DELIVERABLES

All the deliverables produced in this umbrella evaluation are subject to being approved by EVA-11 as a pre-requirement for the evaluation process to progress to the next step.

It is foreseen and even desirable that all the case-evaluations will not be delivered at the same time (in tandem), but rather that the evaluations on IKI-instrument and the NGO-instruments and the country case-evaluations (ref: section 10) will be completed first, followed by the policy analyses and the final synthesis on complementarity, and the policy analysis.

The following deliverables will be prepared:

1. Start-up note: Will clarify the approach and understanding of the evaluation task as a next step from the tender documents. The start-up note will be prepared within three weeks from the signing of the contract. A start-up meeting will be organized by EVA-11 where the note will be discussed and the evaluation team may seek any clarifications they need regarding the assignment.
2. Inception report: Will be divided between the case-evaluations of the IKI-, NGO-instruments, and the country programme desk-evaluations. The inception report for the policy analyses and the synthesis evaluation will constitute an umbrella report to these three. All of these partial reports can be presented as a combined overall report with separate sections accordingly. – It is important that sound thinking goes in the preparation of this, in terms of the defining the appropriate methodologies and tools to be used and their clear description in relation to the tasks.

The inception report will also specify the time tables of delivering the different case-evaluation reports, fine tune the distribution of tasks between the team members and confirm the duration of their services. – All in all the inception report is a work plan that shows the understanding and flow of the evaluation from start to the final step.

The inception report is expected within six weeks from the start-up meeting, meaning nine weeks from the conclusion of the contract.

3. Draft desk reports on the 1) IKI-, 2) NGO- instruments, 3) country case-evaluation of Mozambique and on country-case evaluation of Zambia; 4) the policy analyses. These are based on document study.

4. Interview plans: These plans will observe the requirement of organizing group interviews and interviews (in particular at the top level of administrations) as mixed teams between the different sections of this evaluation, whenever feasible and possible.

EVA-11 will introduce the interview plans to those planned to be interviewed. This rule applies to the Ministry's staff and the Embassies and as appropriate, as explained in the following section 5, also to institutions in the partner countries.

5. Inception notes for the field studies for the IKI- and the NGO-instruments, which will include the interview plans in the field. These plans will be forwarded through the embassies of Finland, whenever possible, to the main governmental or administrative authorities that the evaluators wish to meet. The introduction of this evaluation will thus be done through the Ministry and the Embassy of Finland, prior to the contacts made by the consultants. Cases where there is no Embassy of Finland, will be discussed separately when time comes.
6. Back from the field oral report with power point support. This reporting will be organized through conference call or web-based connection or wideolink.
7. Semi final draft reports of the IKI-, NGO-instruments, and country-case evaluations (separate for Mozambique and Zambia), and the policy analyses and synthesis on complementarity. These reports are subjected to a wide round of comments by stakeholders. The comments will be delivered to the evaluation team by EVA-11 for consideration.
8. Draft final reports on IKI-, NGO-instruments, country case-evaluations, and policy analyses and synthesis on complementarity. As explained earlier, these reports will be completed in this sequence, the case-evaluations feeding to the synthesis.
9. Final reports of IKI-, NGO-instruments, country-case evaluations (Mozambique and Zambia)
10. Final report on policy analyses combined with the synthesis on complementarity.
11. Draft Policy Brief on complementarity in Finland's development policy and cooperation.
12. Final Policy Brief paper.
13. Oral presentation in Helsinki, Finland, supported by power point(s) of the results of the evaluation, including separate presentations on the case- evaluations of IKI-instrument, NGO-sector and the country desk-studies on Mozambique and Zambia. The presentation of IKI- and NGO-component case-evaluation results can be organized at the time of completion of these reports, in September-October 2013.

A web-based recast of the power point supported presentation of the results of the evaluation(s) to the wider audience in the embassies of Finland and the other stakeholders in different countries.

The presentations of the evaluation results are expected to be no later than mid-December 2013.

All evaluation reports coming out of this evaluation process will show clear factual trail from the analyses to findings, conclusions and recommendations. It is important that the results are evidence-based. The recommendations must be actionable, in clear language and concluded from the findings and conclusions. The reports will clearly describe the limitations, special problems faced or reasons for omission of some issues and alike.

Clarity and brevity of expression are required in reports. The language of the reports must avoid highly technical expressions, since the reports are meant to be used also by the general informed public.

The written reports must comply with the instructions to authors of the Evaluation Reports of the Ministry. These instructions will be delivered to the team at the outset of the evaluation process. The team should from the beginning agree on common formats, for example, type of bullet points, model for tables and lists etc, and agree to follow the instructions to authors overall.

The authors must use precise referencing, including the web-page references, which must include the date of retrieval of information. It is advisable to compile the list of references while writing. Care must be taken for each of the references to comply with the instructions in the format they are listed. The abbreviations and acronyms must also be carefully checked and recorded according to the instructions. The final report, submitted, must have undergone a thorough checking of all details. The report submitted must be ready to print. – The team is advised to jointly peruse the instructions to authors of the evaluation reports, prior to embarking upon the writing of the deliverables.

The final draft reports must be in the format of the final reports, including the English Abstract and Summary. The round of comments on these reports is meant only to correct possible errors. Also the references and abbreviations must be carefully checked. The abstract and summary, including the summary matrix of findings, conclusions and recommendations, must already be included in the final draft report. The principle is that only one round of comments by stakeholders and the Ministry will be enough. The evaluation team and the team leader in particular, will need to ensure, that the drafts delivered to the Ministry are of high quality.

It is essential that the final evaluation reports are completed carefully, copy-edited, and ready to print after EVA-11 will include the preface and the required information on the ISBN page. The language must be clear and concise, and understandable even to readers that are not experts in this field (could be classified as informed laypersons). If the main authors are not native English speakers it is advisable to have the language of the final reports checked before submitting to the Ministry. The Ministry will have the Abstract and the Summary translated in Finnish and Swedish languages.

In the quality of the evaluation process and the reports, the evaluation team should observe the OECD/DAC and the EU aid evaluation quality criteria. A merged table-format tool has been developed of these criteria by EVA-11, and they will be made available to the evaluation team at the outset of the evaluation process.

There will be penalties to the service provider, as specified in the contract, should it happen that the evaluation reports do not comply with the requirements spelled herein, in the instructions to authors, and as guided by the quality criteria provided to the authors at the outset of the work.

In addition to the assessments of the quality assurance experts, the evaluation reports will be subjected to external anonymous peer reviews of quality after completion.

## **9 BUDGET**

The maximum amount available for this evaluation is 600.000 euro + VAT 23% when applicable. The European Commission's directive on the VAT for foreign companies will be observed as appropriate.

## **10 TIME TABLE**

The start-up meeting will be organized in the second week of January 2013. The evaluation should be completed by the end of December 2013.

However, within this overall time schedule, it should be taken into account, when planning the sequence of the work, that the results of the IKI-instrument and the NGO- case-evaluations are needed as soon as it is possible, foreseen to be ready around August-September 2013. The rest of the deliverables will be by the end of 2013.

The first contacts with the selected service provider will be made immediately after completion of the contract, which is foreseen to take place before the Christmas break of 2012.

## **11 MANDATE**

The evaluation team has no immaterial rights to any of the material collected in the course of the evaluation or to any draft or final reports produced as a result of this assignment.

The consultants are expected to but they are not authorised to make any statements, commitments or act on behalf of the Government of Finland.

## **12 AUTHORIZATION**

Helsinki, 15 October 2012

Aira Päivöke  
Director  
Development Evaluation



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