

Evaluation

Finnish Partnership Agreement Scheme



Evaluation report 2008:1

**MINISTRY FOR FOREIGN AFFAIRS OF FINLAND
DEPARTMENT FOR DEVELOPMENT POLICY**

REPORT 2008:1	Finnish Partnership Agreement Scheme ISBN: 978-951-724-672-9 (printed), ISBN: 978-951-724-673-6 (pdf), ISSN: 1235-7618
SPECIAL EDITION 2008:1 (SWE)	FAO: Utmaning till förnyelse. Sammanfattning ISBN: 978-951-724-671-2 (printed), ISBN: 978-951-724-673-6 (pdf), ISSN: 1235-7618
SPECIAL EDITION 2008:1 (FI)	FAO: Haasteena uudistuminen. Lyhennelmä ISBN: 978-951-724-655 (painettu), ISBN: 978-951-724-659 (pdf), ISSN: 1235-7618
SPECIAL EDITION 2008:1 (ENG)	FAO: The Challenge of Renewal. Summary ISBN: 978-951-724-657 (printed), ISBN: 978-951-724-661-3 (pdf), ISSN: 1235-7618
REPORT 2007:3	Implementation of the Paris Declaration – Finland ISBN: 978-951-724-663-7 (printed), ISBN: 978-951-724-664-4 (pdf), ISSN: 1235-7618
REPORT 2007:2	Meta-Analysis of Development Evaluations in 2006 ISBN: 978-951-724-632-3 (printed), ISBN: 978-951-724-633-1 (pdf), ISSN: 1235-7618
REPORT 2007:1	Finnish Aid to Afganistan ISBN: 978-951-724-634-7 (printed), ISBN: 978-951-724-635-4 (pdf), ISSN: 1235-7618
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REPORT 2006:2	Evaluation of CIMO North-South Higher Education Network Programme ISBN: 951-724-549-1, ISSN: 1235-7618
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REPORT 2004:1	Evaluation of Finnish Education Sector Development Cooperation ISBN: 951-724-440-1, ISSN: 1235-7618



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DEPARTMENT FOR DEVELOPMENT POLICY

This evaluation was commissioned by the Ministry for Foreign Affairs of Finland to Impact Consulting Oy Ltd. The Consultants bear the sole responsibility for the contents of the report. The report does not necessarily reflect the views of the Ministry for Foreign Affairs of Finland.



This report can be accessed at <http://formin.finland.fi> and
hard copies can be requested from KEO-08@formin.fi

ISBN 978-951-724-672-9 (printed)

ISBN 978-951-724-673-6 (pdf)

ISSN 1235-7618

Cover Photo: Marja-Leena Kultanen

Cover Design: Anni Palotie

Printing House: Hakapaino Oy, Helsinki, 2008

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PREFACE

The importance of the Finnish non-governmental organisations in supporting the development of civil society of the developing countries has been well recognised in the development policies of the Finnish Government, reflected also as increasing aid volumes channelled through the Finnish NGOs. The Ministry for Foreign Affairs monitors and assesses the performance of the NGOs, which on their part, strive to focus their activities to fulfil the responsibilities entrusted in them. To achieve the set objectives for the civil society support, mutual trust and constructive cooperation is essential.

The Finnish Partnership Agreement Scheme, currently including ten (10) Finnish NGOs was subjected to an evaluation as there was a felt need for information to further develop the scheme. The fact that circa one half of the funds for the Finnish NGOs is channelled through the Partnership Agreement Scheme underlines the importance of this aid instrument and thus also the responsibility of the Ministry for Foreign Affairs to assess regularly the performance of the scheme. The purpose of the evaluation was to achieve a thorough assessment of the entire concept of the partnership scheme, the activities and performance of the individual organisations and the governance by both the Ministry and the partnership organisations.

The evaluation of the Partnership Agreement Scheme was, after a competitive bidding, entrusted to Impact Consulting Oy Ltd and its team of experts led by Dr. Pekka Virtanen. After nearly nine months of work the evaluation report is now ready. The task of the team was cumbersome. The findings, conclusions and recommendations speak for an abundance of detailed information the team had to analyse. The reader is reminded of the fact that due to the versatility of the Partnership Organisations and their country programmes, the evaluation may not have touched every organisation with a similar depth and scope.

In next phase of the evaluation process, the management of the MFA will give its response to the recommendations of the evaluation and the team in the Unit of the MFA responsible for the Scheme will act upon the decision of the management and see that the recommendations are implemented and followed through.

It is hoped that this report shall serve as a solid basis for further dialogue between the Ministry and the partnership organisations. It will also constitute as a valuable instrument for lessons learned to benefit the future cooperation.

Helsinki, 6 May 2008

Aira Päävöke
Director
Unit for Evaluation and Internal Auditing

ACRONYMS

ABC	Activity-Based Costing
ADP	Area Development Programme
ART	Anti-retroviral treatment
BWI	Building and Wood Workers' International
CBO	Community-Based Organisation
COFCAWE	Concern for Children and Women Empowerment (Uganda)
CSO	Civil Society Organization
Danida	Danish International Development Agency
DFID	Department for International Development, the UK
EC	European Commission
EIMI	<i>Educación Inicial: Modalidad Indirecta</i> (Bolivia)
EU	European Union
FBO	Faith-Based Organisation
FCA	FinnChurchAid (<i>Kirkon Ulkomaanapu</i>)
FCGI	Full Gospel Churches of India
FELM	Finnish Evangelical Lutheran Mission (<i>Suomen Lähetyseura</i>)
Fida	Fida International, Mission and Development Co-operation Services of Pentecostal Churches of Finland (<i>Fida International ry</i>)
FIDIDA	Finnish Disabled people's International Development Association
FRC	Finnish Red Cross (<i>Suomen Punainen Risti</i>)
FS	The Free Church Federation of Finland (<i>Frikyrklig Samverkan</i>)
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
HQ	Headquarters
ICT	Information & Communications Technology
IDP	Internally Displaced Person
ILO	International Labour Organisation
INGO	International Non-Governmental Organization
ISF	International Solidarity Foundation (<i>Kansainvälinen Solidaarisuussäätiö</i>)
KEO-33	Unit for Non-Governmental Organisations (the MFA)
KEPA	Service Centre for Development Cooperation (Finland)
LDC	Least Developed Country
LWF	Lutheran World Federation
MDG	Millennium Development Goal
M & E	Monitoring and Evaluation
MFA	Ministry for Foreign Affairs of Finland
NGO	Non-Governmental Organisation
Norad	Norwegian Agency for Development Cooperation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OECD/DAC	Development Assistance Committee of OECD

Plan Finland	Plan National Organisation in Finland (<i>Plan Suomi Säätiö</i>)
PO	Partnership Organisation
PPA	Partnership Programme Agreement (the UK)
PRS	Poverty Reduction Strategy
PS	Partnership Scheme
SASK	Trade Union Solidarity Centre of Finland (<i>Suomen Ammattiliittojen Solidaarisuuskeskus</i>)
SCF	Save the Children Finland (<i>Pelastakaa Lapset</i>)
Sida	Swedish International Development Authority
TB	Tuberculosis
ToR	Terms of Reference
UCOBAC	Uganda Community Based Association for Child Welfare
UK	United Kingdom
UN	United Nations
VSO	Voluntary Service Overseas (the UK)
WFP	World Food Programme
WVF	World Vision Finland (<i>Suomen World Vision</i>)
WVI	World Vision India
WV	World Vision

Kumppanuusjärjestöohjelman Evaluaatio

*Pekka Virtanen, Kristiina Mikkola ja Markku Siltanen sekä
Alice Nankya Ndidde, Rita Dey ja Saul Mendoz*

Ulkoasiainministeriön evaluointiraportti 2008:1

ISBN 978-951-724-672-9 (painettu); ISBN 978-951-724-673-6 (pdf);
ISSN 1235-7618

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

TIIVISTELMÄ

Noin puolet ulkoasiainministeriön kansalaisjärjestötuesta on kanavoitu kumppanuusohjelman kautta. Vuosina 2003–2005 ulkoasiainministeriö on solminut sopimuksen kymmenen suomalaisen kumppanuusjärjestön kanssa. Tämän arvioinnin tarkoitus on kehittää kumppanuusohjelmaa ja kumppaneiden kapasiteettia. Arviointi tarkastelee kumppanuusohjelmaa kehitysyhteistyön instrumenttina, järjestöjen kehitysyhteistyötä ja ohjelman hallintoa. Kumppanuusohjelmalla on selkeitä etuja sekä ministeriölle että kumppanijärjestöille. Etuna on tuen joustavuus, pitkän aikavälin suunnittelu ja byrokratian väheneminen. Ohjelman tavoitteet ja ohjeistot eivät ole selkeät seurannan kannalta eivätkä tue vuoropuhelun syntymistä. Järjestöjen kannalta toimintojen maantieteellinen hajauttaminen saattaa vähentää tehokkuutta ja tulosten kestävyyttä.

Arviointi suosittelee, että ulkoasiainministeriö määrittelee toiminnalle selkeät tavoitteet; parantaa rahoituksen ennakoitavuutta; tarkentaa valintakriteereitä ja avaa mahdollisuuksia uusille kumppanijärjestöille; arvioi säännöllisesti järjestöjen kapasiteettia ja toimintaa; laatii hallinnolliset ohjeistot, joissa määritellään ohjelman keskeiset toiminnot; sekä selkeyttää hallintoa ministeriössä; parantaa laadunseurantaa sekä koordinaatiota ja yhteistyötä ministeriön sisäisesti; vahvistaa KEO-33:n analyttistä ja dialogiroolia. Neuvonantajien ja suurlähetystöjen rooli ohjelmatoteutuksessa on selkiytettävä.

Arviointi suosittelee, että kumppanuusjärjestöt keskittävät toimintoja maantieteellisesti ja temaattisesti; kehittävät toimintaohjeet ideologiselle ja markkinointityölle, joita ei rahoiteta ohjelmasta; parantavat dokumentaatiota ja raportointia; yhdessä UM:n kanssa identifioivat hallintokulut; jatkavat laadun ja seurannan kehittämistyötä.

Avainsanat: kumppanuusohjelma, kumppanuusjärjestöt, kansalaisjärjestöt, kehitysyhteistyö

Utvärdering av Partnerskapsprogram

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Utrikesministeriets utvärderingsrapport 2008:1

ISBN 978-951-724-672-9 (print); ISBN 978-951-724-673-6 (pdf);
ISSN 1235-7618

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

ABSTRAKT

Ungefär hälften av Finlands stöd till frivilliga organisationer kanaliseras via ett partnerskapsprogram. Under perioden 2003–2005 har utrikesministeriet ingått avtal med tio olika frivilligorganisationer. Syftet med denna utvärdering är att utveckla programmet och de olika parternas kapacitet. Utvärderingen riktar in sig på själva konceptet för partnerskapsprogram, frivilligorganisationernas utvecklingssamarbete och hanteringen av programmet. Programmet har uppenbara fördelar såväl för ministeriet som för partnerskapsorganisationerna. Det ökar flexibiliteten, underlättar den långsiktiga planeringen och minskar byråkratin. De mål och regler som styr programmet är emellertid inte tillräckligt tydliga för att utrikesministeriet ska kunna bedriva en effektiv översyn eller för dialog mellan parterna. Den tematiska och geografiska bredden kan minska effektiviteten och hållbarheten.

Utvärderingen rekommenderar att utrikesministeriet definierar tydligare mål och kriterier för programmet; förbättrar förutsägbarheten i finansieringen; specificerar urvalskriterierna och öppnar upp programmet för nya deltagare; regelbundet bedömer frivilligorganisationernas kapacitet och prestation; utvecklar tydliga riktlinjer, inklusive definitioner för viktiga operativa koncept; tydliggör sina interna administrativa processer, sin samordning och kvalitetssäkring; samt stärker frivilligorganisationens roll vid analys och dialog samt rollen för områdesrådgivare och ambassader.

Utvärderingen rekommenderar att partnerskapsorganisationerna fokuserar sina program geografiskt och tematiskt; utvecklar uppförandekoder för det ideologiska arbete och den marknadsföring som inte kan finansieras via programmet; förbättrar dokumentation och rapportering; utvärderar de aktuella administrativa kostnaderna tillsammans med utrikesministeriet; fortsätter utvecklingen av kvalitetssäkringssystemen; ökar samarbetet mellan partnerskapsorganisationer i Finland och andra länder.

Nyckelord: Program för partnerskapsavtal, partnerskapsorganisationer, NGO, utvecklingssamarbete, bistånd

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*Pekka Virtanen, Kristiina Mikkola and Markku Siltanen
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ISBN 978-951-724-672-9 (printed); ISBN 978-951-724-673-6 (pdf);
ISSN 1235-7618

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

ABSTRACT

During 2003–2005 the Ministry for Foreign Affairs (MFA) has signed agreements with ten partnership organisations (POs). Approximately half of Finland's support to civil society organisations is channelled through the Partnership Agreement Scheme. The purpose of this evaluation is to develop the Scheme and the capacities of the partners. The evaluation addresses the Partnership Scheme concept, the PO's development cooperation, and the management of the Scheme. The Scheme offers benefits both for the Ministry and the POs through flexibility, long-term planning and reduction of bureaucracy. The objectives and guidelines are not clear for efficient oversight by the MFA and dialogue. The thematic and geographical diversity reduces effectiveness and sustainability.

The evaluation recommends that the MFA defines clear objectives and criteria for the scheme; improves the predictability of funding; specifies the selection criteria and opens the scheme for new entrants; appraises regularly PO's capacity and performance; develops clear guidelines, and defines key operational concepts; clarifies its internal administrative procedures, coordination and quality assurance; strengthens the NGO Unit's analytical and dialogue role and the roles of sector advisers and embassies.

The evaluation recommends that, the POs to focus their programs geographically and thematically; develop codes of conduct to the ideological and marketing work, which cannot be funded through the scheme; improve documentation and reporting; assess together the MFA the bases for administrative costs; continue development of quality assurance systems.

Keywords: Partnership Agreement Scheme, partnership organisation, non-governmental organisations (NGOs), development cooperation

YHTEENVETO

Noin puolet ulkoasiainministeriön kansalaisjärjestöille suunnatusta tuesta on kana-voitu vuonna 2003 perustetun kumppanuusohjelman kautta. Ulkoasiainministeriö on solminut kumppanuussopimuksen vuosina 2003–2005 kymmenen järjestön kanssa. Nämä järjestöt ovat: Fida International ry, Frikyrklig samverkan, Kansainvälinen solidaarisuussäätiö, Kirkon Ulkomaanapu, Pelastakaa lapset ry, Plan Suomi Säätiö, Punainen Risti, Suomen Ammattiliittojen Solidaarisuuskeskus, Suomen Lähetysseura ja Suomen World Vision.

Tässä arvioinnissa tarkastellaan kumppanuusjärjestökonseptia, kumppanuusjärjestöjen kehitysyhteistyötä sekä ohjelman hallintoa ulkoasiainministeriössä sekä kumppanijärjestöissä. Kumppanuusohjelma on muutosvaiheessa. Uusia yksityiskohtaisempia ohjeistoja kehitetään parhaillaan ulkoasiainministeriössä ja myös kumppanijärjestöt ovat muuttamassa toimintaansa projektikohtaisesta tuesta ohjelmalliseen kehitystyöhön.

Johtopäätökset

Kumppanuusohjelma on tarkoituksenmukainen instrumentti suomalaisessa kehitysyhteistyössä. Sen edut niin ulkoasiainministeriölle kuin myös kumppanijärjestöille ovat lisääntynyt tuen joustavuus, pitkäaikainen suunnittelu sekä vähentynyt byrokratia. Ohjelman ohjeistot eivät kuitenkaan ole riittävän selkeät tehokkaan seurannan kannalta eivätkä myöskään tue vuoropuhelun syntymistä kumppaneiden kesken. Myöskään valintakriteerit ja ministeriön seurantaohjeet eivät riitä todentamaan ja vahvistamaan tilivelvollisuutta hyödynsaajille. Raportointi sen nykyisessä muodossa ei riitä arvioimaan täyttävätkö ohjelmaehdotukset niille asetetut vaatimukset.

Kumppanijärjestöjen organisaatio, temaattiset painopisteet sekä toiminnan mittakaavat ovat erilaisia ja järjestöt toimivat maantieteellisesti sekä kulttuurisesti erilaisilla alueilla. Jotkut kumppanijärjestöt ovat keskittäneet toimintaansa, kun toiset järjestöt puolestaan ovat hajauttaneet toimintaansa useille sektoreille ja useisiin maihin. Tämä erillaisuus ei kuitenkaan tule ilmi projektidokumenteissa. Toiminnan hajauttaminen tai keskittäminen on myös keskeinen asia kustannustehokkuuden ja kestävyyskannalta, mikä tulee ottaa huomioon myös kumppanijärjestöjen strategisessa suunnittelussa. Tuen suunnittelussa tulee ottaa huomioon toimintaympäristöt ja edellytykset.

Suosituksat ulkoasiainministeriölle

- (i) Ulkoasiainministeriön tulee määritellä selkeämmin kumppanuusohjelman tavoitteet uusissa kehitteillä olevissa ohjeistuksissa. Ennakoitavuutta ja rahoituksen läpinäkyvyyttä tulee parantaa. Ministeriön tulee myös selkeyttää mitä edellytyksiä se asettaa eri toiminnolle kuten palvelujen tarjonta, tiedotustoiminta, paikallisten kumppanijärjestöjen toiminnan rahoittaminen ja järjestöjen kehittämistyö. Evaluaatiotiimi suosittelee, että kumppanuusohjelma tukisi erityisesti järjestöjen kehittämistyötä ja tiedotusta. Tilivelvollisuutta hyödynsaajille tulee parantaa.

- (ii) Kumppanuusjärjestöjen valintakriteerit tulee tarkentaa ja ohjelmaan tulee ottaa uusia kumppaneita. Kumppanuusohjelmaan liittyminen ja siitä lähteminen voisi tapahtua esimerkiksi kahden vuoden siirtymä- tai koeajalla. Tällöin voidaan tehdä tarvittavat muutokset ja kehittämistyö. Evaluaatiotiimi ei suositakaan automaattista kumppanijärjestöjen vaihtuvuutta, vaan säännöllistä kapasiteettin ja toiminnan arviointia.
- (iii) Uusien kumppanijärjestöjen arvioinnin lisäksi jo mukana olevien kumppanijärjestöjen kapasiteettia ja toimintaa tulee arvioida säännöllisesti. Euroopan komission laatimia indikaattoreita voidaan soveltaa arvioinnissa.
- (iv) Ulkoasiainministeriössä tulee selkeyttää hallinnolliset käytännöt, koordinaatio ja laadunvalvontamekanismit. Samoin myös KEO-33 rooli laaja-alaisessa kansalaisyhteiskunnan kehittämistyössä tulee selkeyttää. Taloudellisen seurannan ja toiminnan monitoroinnin lisäksi KEO-33 roolia tulisi vahvistaa analyttisessä työssä ja vuoropuhelussa kumppaneiden kanssa. Kumppanijärjestöjen ja ulkoasiainministeriön yhteistyötä voi vahvistaa kutsumalla sektori-neuvonantajat ja lähetystöt mukaan.
- (v) Ulkoasiainministeriön tulee kehittää uuden ohjeistot erityisesti ohjelma-luonteista toimintaa varten. Näissä ohjeissa pitää määritellä ministeriön edellytykset kapasiteetin kehittämisen, tiedotustyön sekä palvelujen tarjonnan toteuttamiselle sekä myös kumppanuusohjelman seurantaindikaattorit. Talousraportoinnin periaatteet tulee selkeyttää uusissa ohjeistoissa.
- (vi) Evaluaatio suosittelee, että kumppanuusohjelmaa ei sidota Suomen kahden-välisen kehitysyhteistyön tavoitteisiin, sillä se antaa mahdollisuudet toimia myös maissa, jotka eivät ole kehitysyhteistyön pitkäaikaisia kumppaneita.

Suositukses kumppanuusjärjestöille

- (i) Niille järjestöille, joiden toiminta on hajautettu useisiin maihin ja useille sektoreille, suositellaan toimintojen keskittämistä. Kestävyyttä ja kustannustehokkuutta tulee analysoida toimintaohjelmien kehittämisessä. Evaluaatiotiimi suosittelee, että kumppanijärjestöt keskittyisivät järjestötyön kehittämiseen sekä tiedotustoimintaan.
- (ii) Kumppanijärjestöjen tulee kehittää yhdessä ulkoasiainministeriön kanssa toimintaohjeet erottamaan kehitystyö ideologisesta toiminnasta ja markkinointi tiedotustyöstä.
- (iii) Dokumentointia ja raportointia tulee parantaa. Nykyinen systeemi ei anna ministeriölle mahdollisuuksia todelliseen seurantaan. Suunnitelmiin ja raportteihin pitäisi sisällyttää maakohtaisia taustatietoja.

- (iv) Kumppanuusjärjestöjen ja ministeriön tulee arvioida mistä nykyiset hallintokulut koostuvat.
- (v) Laadunvarmennusjärjestelmien kehittämistyön tulee jatkua. Yhdenmukaista järjestelmää ei kuitenkaan voida luoda, sillä monet kansainvälisten verkostojen jäsenet käyttävät oman verkostonsa laatusysteemejä.
- (vi) Suomalaisten kumppanijärjestöjen yhteistyön tulee heijastaa kumppaneiden muuttuvia tarpeita. Kumppanijärjestöjen yhteistyötä sekä maatasolla että myös temaattista yhteistyötä tulee lisätä ja myös kumppanimaiden hallituksen edustajat tulee ottaa mukaan toimintaan.

SAMMANFATTNING

Ungefär hälften av Finlands stöd till frivilligorganisationer kanaliseras för närvarande via det partnerskapsprogram som startades 2003. Det finska utrikesministeriet har mellan 2003–2005 ingått partnerskapsavtal med tio finska frivilligorganisationer. Dessa organisationer är Fida International rf (Fida), Frikyrklig samverkan (FS), Internationella solidaritetsstiftelsen (ISF), Kyrkans Utlandshjälp (KU), Rädda Barnen Finland, Plan Finland, Finlands Röda Kors (FRK), Fackliga Solidaritetscentralen i Finland (SASK), Finska Missionssällskapet (FMS) och Finlands World Vision (SWV).

Partnerskapsprogrammet är under utveckling. Nya, mer detaljerade riktlinjer för urvalet av frivilligorganisationer förbereds av utrikesministeriet. Dessutom rör sig partnerskapsorganisationerna mot ett allt mer programmerat tillvägagångssätt vid planering och implementering av bistånd. Denna utvärdering har undersökt de olika delarna av frivilligorganisationernas utvecklingssamarbete samt ledningsrutiner och administrationen av programmet såväl på utrikesministeriet som inom partnerskapsorganisationerna.

Huvudslutsatser

Partnerskapsprogrammet är ett lämpligt instrument för finskt utvecklingssamarbete. Det har uppenbara fördelar för både utrikesministeriet och de deltagande frivilligorganisationerna vad gäller ökad flexibilitet, planering på lång sikt och minskad byråkrati. Man observerade emellertid att de mål och regler som styr programmet inte är tillräckligt tydliga för att utrikesministeriet ska kunna bedriva en effektiv översyn eller för en meningsfull dialog mellan parterna. Inte heller de allmänna urvalskriterier och instruktioner som styr utrikesministeriets översyn är tillräckliga för att verifiera och stärka ansvarsskyldigheten gentemot förmånstagarna. För närvarande ger inte den information/dokumentation som tillhandahålls via frivilligorganisationerna och utrikesministeriet tillräcklig information för att bedöma om det föreslagna programmet uppfyller de uppställda kraven.

Partnerskapsorganisationerna skiljer sig vad gäller organisatorisk struktur, tematiskt fokus och verksamhetsvolym. Även geografisk spridning samt sociokulturell och politisk heterogenitet är olika i partnerländerna. Vissa av partnerskapsorganisationerna är förhållandevis väl fokuserade och koncentrerar sig på några få huvudsektorer och/eller några få länder medan andra är relativt spridda. Denna spridning reflekteras inte på ett adekvat sätt i frivilligorganisationernas huvuddokumentation och väcker kritiska frågor angående stödets kostnadseffektivitet och hållbarhet. Vid planering av stöd ska ett vidare sammanhang beaktas och utvecklingsinterventionerna tillämpas.

Rekommendationer för programmet och utrikesministeriet

- (i) Utrikesministeriet ska i de nya riktlinjer som tas fram på ett bättre sätt definiera mål, syften och strategisk vision för partnerskapsprogrammet. Även förutsägbarhet och transparens i finansiering ska förbättras. Ytterligare ska utrikes-

ministeriet tydliggöra sina förväntningar angående tjänsteleverans kontra befrämjande arbete samt beträffande aktivitetsstöd och stöd till organisationsutveckling. Utvärderingsgruppen rekommenderar att partnerskapsprogrammet betonar organisationsutveckling och befrämjande arbete. Ansvarsskyldigheten för förmånstagarna ska förbättras.

- (ii) Tydliga urvalskriterier ska definieras och programmet ska vara öppet för ett begränsat antal nya deltagare som väljs i en öppen process. Inträde i och utträde ur systemet kan ske via en övergångs-/försöksfas under vilken exempelvis nödvändiga ändringar och åtgärder kan vidtas och verifieras.
- (iii) Frivilligsorganisationernas kapacitet ska utvärderas regelbundet. Förutom förhandsbedömningen av nya deltagare ska organisationernas organisatoriska kapacitet och prestation inom programmet bedömas regelbundet. Indikatorer och prestationskriterier som har utvecklats av EG kan tillämpas.
- (iv) Utrikesministeriets interna administrativa processer och samordning ska stärkas. Områdesrådgivare och ambassader i Finlands långsiktiga partnerländer ska engageras och kommunikation mellan ambassaderna och KEO-33 ska förbättras och ske regelbundet. Utrikesministeriet ska tydligt definiera den huvudsakliga roll som KEO-33 har i ett bredare perspektiv av stöd till civila samhällsorganisationer. Utvärderingsgruppen rekommenderar att den roll som KEO-33 har vid analys och dialog stärks.
- (v) Nya riktlinjer för ledningsarbetet ska utvecklas som återspeglar ett planerat tillvägagångssätt. Dessa riktlinjer ska innehålla (a) beslut angående tillvägagångssätt vid kapacitetsutveckling, befrämjande arbete och stöd för tjänsteleverans inom programmet samt (b) programmets grundläggande prestationsindikatorer. De nya riktlinjerna ska även rationalisera den finansiella rapporteringen.
- (vi) Partnerskapsprogrammet rekommenderas att inte kopplas samman med målen för Finlands bilaterala utvecklingssamarbete. I dess nuvarande form tillåter programmet samarbete i länder som inte är långsiktiga partners för finländskt utvecklingssamarbete.

Rekommendationer till frivilligorganisationerna

- (i) De frivilligorganisationer som för närvarande är spridda över ett stort antal länder och/eller tematiska områden rekommenderas en bättre geografisk och tematisk fokusering. Kostnadseffektivitet och hållbarhet ska ingå som en del av partnerskapsorganisationernas strategiska tänkande. Frivilligorganisationerna ska företrädesvis fokusera på organisatorisk utveckling och befrämjande arbete.
- (ii) Frivilligorganisationerna ska tillsammans med utrikesministeriet utveckla genomförbara uppförandekoder för att skilja utvecklingsarbete från ideologiskt

arbete, som till exempel omvändelsearbete, och marknadsföring från information och befrämjande arbete.

- (iii) Dokumentation och rapportering till utrikesministeriet ska förbättras eftersom det nuvarande systemet inte tillåter utrikesministeriet att utöva en adekvat översyn. Kontextuella frågor på nationell nivå ska återspeglas i relevanta programdokument såsom operativa planer.
- (iv) Frivilligorganisationerna ska tillsammans med utrikesministeriet tydliggöra definitioner och tillvägagångssätt och därefter utvärdera de nuvarande administrativa utgifterna. Detta skulle tjäna som utgångspunkt för att vid behov justera den övre gränsen för att säkra en högkvalitativ administration.
- (v) Utvecklingen av kvalitetssäkringssystemen ska fortsätta. Med tanke på mångfalden av partnerskapsorganisationer är det eventuellt inte realistiskt att alla antar samma kvalitetssystem, i synnerhet eftersom flera av de partnerskapsorganisationer som arbetar via internationella nätverk har tillgång till och använder nätverkets kvalitetssäkringssystem.
- (vi) Samarbetet mellan frivilligorganisationer i Finland ska på ett bättre sätt fokusera på att återspegla parternas skiftande behov. Samarbete mellan frivilligorganisationerna, på såväl nationell som tematisk nivå, bör ökas och relevanta statliga myndigheter bör involveras. Samarbete, inklusive utbyte och spridning av information angående bästa praxis, bör ökas.

SUMMARY

Approximately one half of Finland's support to NGOs is currently channelled through the Partnership Agreement Scheme, which was established in 2003. The Ministry for Foreign Affairs in Finland has signed partnership agreements with ten Finnish partnership organisations (POs) between 2003-2005. These organizations are Fida International ry (Fida), the Free Churches Federation in Finland (FS), International Solidarity Foundation (ISF), FinnChurchAid (FCA), Save the Children Finland (SCF), Plan Finland, the Finnish Red Cross (FRC), the Trade Union Solidarity Centre of Finland (SASK), the Finnish Evangelical Lutheran Mission (FELM) and World Vision Finland (WVF).

The partnership scheme is evolving. New, more detailed guidelines for the selection of partnership organizations are being prepared by MFA. Likewise, the partnership organizations are in the process of moving forward towards a more programmatic approach in their aid planning and implementation. This evaluation examined partnership organisations' development cooperation activities and the management procedures and administration of the Scheme in the MFA and the POs.

Key conclusions

The Partnership Scheme is a suitable instrument for Finnish development cooperation. It has evident benefits for both the MFA and the participant NGOs in terms of increased flexibility, long-term planning and reduced bureaucracy. It was, however, observed that the objectives and rules guiding the scheme are not clear for efficient oversight by the MFA and meaningful dialogue between the partners. Also, the general selection criteria and the instructions guiding oversight by the MFA are insufficient for verifying and strengthening accountability towards beneficiaries. Currently, the information/documentation provided by the POs to the MFA does not provide sufficient information to assess whether the proposed programme meets the set requirements.

The POs diverge in terms of organisational structure, thematic focus and volume of operations, and also in terms of geographical spread and related socio-cultural and political heterogeneity of the partner countries. Some of the POs are fairly well focused, concentrating on a few key sectors and/or a few countries, while others are rather dispersed. This diversity is not adequately reflected in the key documentation prepared by the POs and it raises critical questions about cost-effectiveness and sustainability of the support. Support should be planned taking into account the wider context in which the development interventions are implemented.

Recommendations regarding the scheme and the MFA

- (i) The MFA should better define the goals, objectives and strategic vision for the Partnership Scheme in the new guidelines which are being prepared. Also predictability and transparency of funding should be improved. Further, the MFA should clarify its expectations regarding service delivery vs. advocacy

work, and in terms of activity support and support to organisational development. The evaluation recommends that the Partnership Scheme should emphasise organisational development and advocacy work. Accountability to beneficiaries should be improved.

- (ii) Clear selection criteria should be defined and the scheme should be opened for a limited number of new entrants to be selected in an open process. Entry to and departure from the system can take place through a transition/trial phase lasting e.g. two years during which the necessary changes and corrections can be implemented and verified.
- (iii) The capacity of the POs should be assessed regularly. In addition to the pre-appraisal of new entrants, the organisational capacity and performance of the organisations within the scheme should be regularly appraised. Indicators and performance criteria developed by EC could be applied.
- (iv) The MFA's internal administrative procedures and coordination should be strengthened. Sector advisers and the embassies in Finland's long-term partner countries should be engaged and communication between the embassies and KEO-33 improved and made regular. The MFA should define clearly the main roles of KEO-33 in the broader context of CSO support. The evaluation team recommends strengthening the role of KEO-33 in analysis and dialogue.
- (v) New management guidelines should be developed reflecting programmatic approach. These guidelines should include (a) determination of the approach to capacity development, advocacy work and support to service delivery in the scheme; and (b) basic performance indicators of the Scheme. The new guidelines should also streamline financial reporting.
- (vi) The Partnership Scheme is not recommended to be tied to Finland's bilateral development cooperation targets. In its current form it allows cooperation in countries which are not long term partners for Finnish Development Co-operation.

Recommendations to Partnership Organisations

- (i) Better geographical and thematic focusing is recommended to those POs currently scattered over a large number of countries and/or thematic areas. Cost-effectiveness and sustainability should be part of the strategic thinking for the POs. The PO should focus preferably on organisational development and advocacy work.
- (ii) The POs should develop, jointly with the MFA, enforceable codes of conduct for separating development work from ideological work such as proselytising, and marketing from information services and advocacy work.

- (iii) Documentation and reporting to the MFA should be improved as the current system does not allow for adequate oversight by the MFA. Country-level contextual issues should be reflected in relevant programme documents, e.g. operational plans.
- (iv) The POs, together with the MFA should clarify the definitions and procedures and then assess what are the current administrative expenses. This would serve as a basis for adjusting the cap if deemed necessary for securing high quality administration.
- (v) The development of quality assurance systems should continue. Considering the diversity of the POs, however, adopting the same quality system may not be a realistic proposal especially as several of the POs working through international networks have access to and are using the network's quality assurance systems.
- (vi) Cooperation between POs in Finland should better focus to reflect the changing needs of the partners. Collaboration between the POs at both country level and thematically should be increased and relevant government authorities drawn in. Cooperation including information sharing and dissemination of best practices should be increased.

Summary: Findings, Conclusions and Recommendations regarding the Scheme		
<i>Recommendations to the MFA</i>		
FINDINGS	CONCLUSIONS	RECOMMENDATIONS
<p>The Partnership Scheme is a valid instrument for Finnish Development co-operation. However, the objectives of the Partnership Scheme are not clear. The funding of the scheme has increased of more than 100% per year in some cases. Accountability is mostly dealt with as sets of bilateral rather than multi-stakeholder relationships.</p> <p>The approach and expectations of the MFA regarding service delivery vs. advocacy work, and in terms of activity support vs. support to organisational development are not clear.</p>	<p>One of the key objectives of the Partnership Scheme of increasing the predictability and continuity of MFA funding in order to facilitate long-term planning has not been realized. The funds allocated by MFA automatically release other funds available to the organisation for uses which may or may not be acceptable under the Scheme, i.e. the funding is fungible. The structure of the Scheme can make the POs behave as a donor.</p> <p>Sustainability can be improved by integrating service delivery with strategic capacity building and advocacy interventions.</p>	<p>The MFA should better define the goals, objectives and strategic vision for the Partnership Scheme. A more predictable and transparent system of annual allocations is needed even in times of increasing MFA appropriations.</p> <p>The partnership programmes of the POs should be assessed in the institutional context, not as separate free-floating entities.</p> <p>POs and the entire Scheme needs to find ways how to meet the concrete local level needs in project activities and at the strategic level. Accountability towards beneficiaries should be improved.</p> <p>The approach of the Scheme to capacity development, advocacy work and support to service delivery must be determined by the MFA and POs. Each PO must translate them into a coherent strategy. These should also be reflected in the basic performance indicators of the Scheme. The evaluation team recommends that the Partnership Scheme should emphasise organisational development and advocacy work</p>

<p>The partnership organisation status is not permanent but dependent on fulfilment of certain organisational capacity and performance criteria.</p>	<p>The partnership organisation status should be regularly assessed. Participation in the Scheme should reflect changes in the focus and capacity of the organisations as well as Finnish and global development context.</p>	<p>The PO qualifications should be sharpened. Clear selection criteria should be defined and the Scheme should be opened for a limited number of new entrants to be selected in an open process. In addition to pre-appraisal of new entrants, the organisational capacity and performance of organisations within the Scheme should be regularly appraised. Entry to and departure from the system can take place through a transition/trial phase lasting e.g. two years during which the necessary changes and corrections can be implemented and verified.</p>
<p>The current guidelines are inadequate for a programme-type instrument. There are no clear performance indicators for the Scheme.</p>	<p>New guidelines and performance indicators for the Scheme are needed.</p>	<p>New management guidelines should be developed reflecting programmatic approach. Basic performance indicators for the Scheme must be developed. The performance indicators proposed for EC's cooperation with CSOs in developing countries (EC 2007) a useful point of departure for drafting such indicators.</p>
<p>Internal administrative principles and procedures in MFA are not coherent.</p>	<p>As the personnel rotation is likely to continue in the MFA, transparency of administration would ensure equal treatment to all POs.</p>	<p>The MFA's internal administrative procedures should be clarified, including strengthening of coordination within the MFA and quality assurance. The role of KEO-33 should be strengthened in analysis and dialogue. The sector advisers and the embassies in Finland's long-term partner countries should be engaged and communication between the embassies and KEO-33 made regular.</p>

<i>Recommendations to the POs</i>		
FINDINGS	CONCLUSIONS	RECOMMENDATIONS
Some POs concentrate on a few sectors and/or a few countries, while others are dispersed. Many projects deliver services which may not be sustainable.	Service delivery together with capacity building and advocacy work may produce sustainable effects. Dispersing activities to many countries and sectors raises critical questions about cost-effectiveness and sustainability.	The PO work should be more focused. They should focus on organisational development and advocacy work. A move towards longer, e.g. 4+4 years programmes should be considered. Geographical and thematic focusing is recommended to those POs currently scattering their programme interventions over a large number of countries and/or thematic areas.
Development work versus ideological work, marketing versus information services and advocacy work are areas where there is a possibility of using MFA funding contrary to current regulations.	Separation of missionary and development work is crucial, as the use of ODA for proselytism is against both MFA regulations and international conventions. Excluding religious organisations from the development partners would make little sense e.g. in countries where faith-based organisations are strongly rooted on community.	Codes of conduct are needed to separate development work from ideological work, and to distinguish marketing and information services from advocacy work.
Information about country and sector and challenges related country diversity are not reflected in the documentation prepared by the POs.	The documentation provided to KEO-33 does not give sufficient basis for assessing the feasibility of the PO programmes, especially in cases where the implementation is spread over 20 or 30 different countries.	Documentation and reporting to the MFA should be developed as the current system does not allow for adequate oversight by the MFA. By providing a format for project reporting in the annual NGO project catalogue (which includes also PO projects), the MFA can establish common standards for minimum data for all NGOs.

Reporting on administrative costs is not consistent. Most POs do not have a functioning work-time monitoring system.	What is reported to the MFA are not actual administrative costs, but rather a theoretical figure based on artificial definition of 'administrative costs' created by each organisation.	The POs, together with the MFA should assess what are the current administrative costs, to serve as a basis for adjusting the current 10% cap if deemed necessary. There are large differences in the quality and cost of administration of different partnership programmes by different POs.
Some POs use the quality system developed with KEPA or by their international networks. Others have tried to integrate quality monitoring into their planning and monitoring.	Development of the quality scorecard towards a more practical format would seem relevant for those POs which cannot build on already existing systems within their network.	Development of quality assurance systems in the POs should continue. However, adopting the same quality system may not be a possible, because several POs work through international networks and use the network's quality assurance systems.
The POs found regular meetings useful, especially the meetings on thematic issues. Local partner organisations keep local authorities informed about their activities.	The Partnership Forums and PO meetings have not been used sufficiently for dialogue with the MFA. The meetings without focused agenda could be replaced thematic meetings, in which the MFA could participate more actively. There is not sufficient coordination with government authorities.	Cooperation between POs in Finland should better focus to reflect the changing needs of the partners. Collaboration between the POs at both country level and thematically should be increased and relevant government authorities drawn in.

1 INTRODUCTION

The important role played by the Finnish non-governmental organisations (NGOs) in supporting civil society in developing countries is recognized in the recent development policy documents of the Ministry for Foreign Affairs (MFA 2006 and 2007a). It is seen as valuable means to complement other forms of development cooperation and to contribute to the key objective of poverty reduction and achievement of the Millennium Development Goals (MDGs).

Approximately half of Finland's support to NGOs is currently channelled through the Partnership Agreement Scheme. This Scheme, established in 2003, consists of partnership agreements with ten Finnish partnership organisations (POs). Partnership agreements have been signed during period 2003-2005 with Fida International ry (Fida), the Free Churches Federation in Finland (FS), International Solidarity Foundation (ISF), FinnChurchAid (FCA), Save the Children Finland (SCF), Plan Finland, the Finnish Red Cross (FRC), the Trade Union Solidarity Centre of Finland (SASK), the Finnish Evangelical Lutheran Mission (FELM) and World Vision Finland (WVF).

According to the Finnish NGO development cooperation guidelines (MFA 2006) the POs should base their development work on explicit objectives and operating principles which are consistent with Finland's development policy. These NGOs are also expected to demonstrate good management and implementation capacity, adequate own funding, credibility and proven track record in development cooperation. They should also have good networks with international NGOs and credible cooperation partners in developing countries.

The Scheme is autonomous development policy instrument complementary to other development cooperation mechanisms of the Government of Finland. Introduction of the Scheme is linked with a global trend in development cooperation of moving from project approach to programmatic approach. The Scheme is also expected to reduce administrative burden both to the MFA and to the concerned NGOs. It provides a flexible, long-term financial and operating framework, thus benefiting also the selected partners in developing countries. It is based on premises similar to EC's programme for CSOs in development, which is an actor-oriented programme aimed at capacity building through support to CSOs' own initiatives (EC 2007).

2 PARTNERSHIP/FRAMEWORK SCHEMES

2.1 The Finnish Scheme

Finland currently supports NGOs through five main channels: (i) annual grants to individual projects of Finnish NGOs; (ii) 2–4 year grants to partnership programmes of ten large Finnish POs; (iii) small grants to local NGOs operating in developing countries, administrated by three sector-based foundations located in Finland; (iv) grants to local NGOs in developing countries, administrated by Finnish embassies; and (v) grants to international NGOs (INGOs). The Ministry also finances the work of the Service Centre for Development Cooperation (KEPA), which is a service organisation for some 270 Finnish NGOs engaged in development cooperation. In addition, the European Commission (EC) grants annually approximately 200 million euros of development cooperation aid to NGOs' projects through the joint financing budget policy (MFA 2007b).

In 1988, the MFA initiated planning for a new system of framework agreements with NGOs, based largely on the Swedish model. In 1993, agreements were signed with five Finnish NGOs. By 2001, the Scheme had expanded to two more NGOs. Initially the agreements were made for three years, but in 2001 the contract period was extended to four years. The main objectives set by the MFA for the new Scheme were to reduce administrative burden in the MFA and to improve the overall quality of projects implemented by NGOs by ensuring financing for the most professionally operating organisations.

An evaluation of the Framework Scheme was conducted in 2002 (Wallenius & al. 2002). This evaluation found little evidence that the administrative burden at the MFA had decreased due to the framework agreements. The evaluation also doubted whether the framework agreement had contributed to the overall quality of NGO projects. According to the evaluation findings, the respective projects would most likely have been funded even without the Scheme. The evaluators recommended that the MFA should (i) clearly define the objectives of the framework agreements; (ii) define clear and transparent criteria for NGOs to obtain a framework agreement, and (iii) move towards programme-based support with the framework NGOs.

A transition from framework agreements to the current Partnership Scheme was done in 2003–2004. The following criteria were set for the partnership agreements:

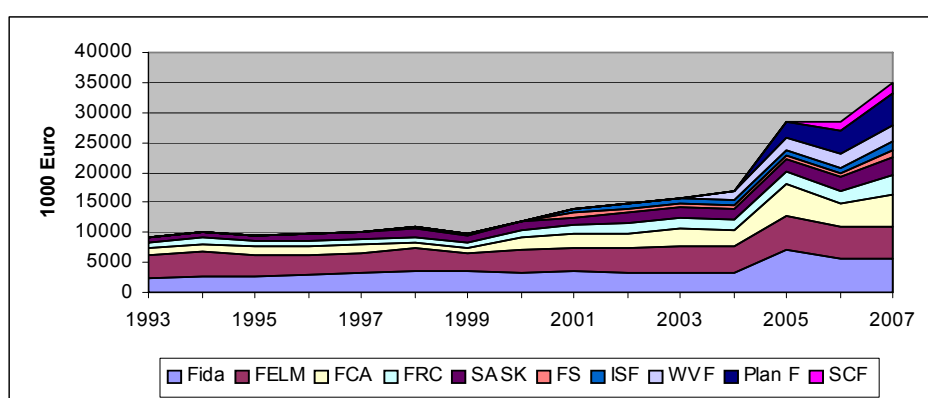
- (i) a coherent policy in parallel with the Finnish Government's development cooperation policies;
- (ii) reliable and strong relations with partners in the project countries;
- (iii) well-established financial administration and fund-raising;
- (iv) being well-known in Finland and broad expertise in development cooperation.

In addition to the objectives set for the framework Scheme, the Partnership Scheme was expected to change the role of the MFA Unit for NGOs (KEO-33) from financial monitoring towards development policy orientation and dialogue with the POs (Äijälä & al. 2006). While the new Scheme was a direct response to the third recommendation of the 2002 framework Scheme evaluation, the NGO capacity assessment (Äijälä & al. 2006) indicated that the two other issues had been insufficiently addressed during the first three years of the new Scheme: The MFA should better define the aim of new partnerships and clarify the criteria and the administrative practices and procedures should become more transparent. It further recommended strengthening the role of KEO-33 in monitoring and evaluation.

2.1.1 Development of the Scheme

The period covered by this evaluation (2004–2006) is characterised by very rapid growth of constant value allocations through the Partnership Scheme (Figure 1). In fact, the allocations grew by almost 70% between 2004 and 2005, and another ‘jump’ can be observed from 2006 to 2007. Both increases were partly absorbed by the addition of three new POs since 2003, and partly by increased allocations to the seven original POs. In 2005, the major part of increase was consumed by Fida and FCA, which more than doubled their MFA allocations. In 2007, the increase was spread more widely with seven of the POs increasing their allocation by 28% or more. The recent growth pattern differs markedly from the development of the framework Scheme, which was characterised by relative stagnation from 1993 to 1999, followed by gradual growth between 1999 and 2002. Again the growth was absorbed partly by addition of two new framework organisations (FS in 1995 and ISF in 2001), and partly by increased allocations to the original five framework organisations.

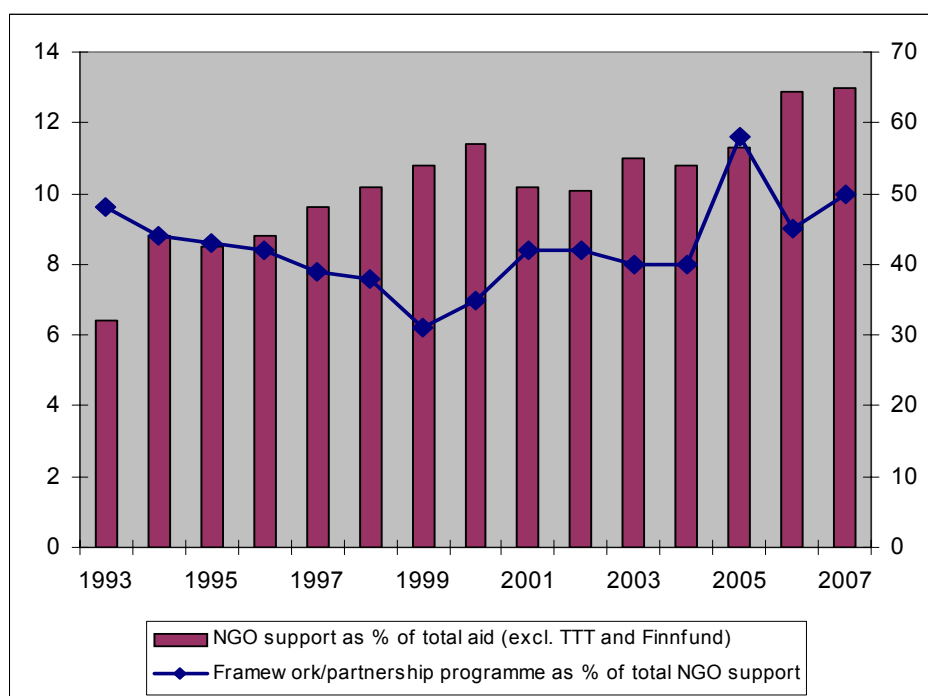
Figure 1 MFA Allocations to Framework and Partnership Scheme Organisations, 1993–2007 (Data at constant 2000 market prices).



Source: Wallenius & al. 2002; Äijälä & al. 2006; MFA 2007b.

The share of NGO support in total Finnish aid has doubled between 1993 and 2007. The growth took place in two phases, from 1993 to 2000, followed by a slight decline in 2001–02, and then again growth from 2002 to 2007 (Figure 2). At the same time, the share of the framework/ partnership programme in total NGO support (based on planning figures) in 2007 is roughly at the same 50% level as it was in 1993. This, however, hides a gradual decline from 1993 to 1999, and then progressive increase – with a distinct peak in 2005 when partnership funds increased suddenly at least partly due to tsunami-related relief – until 2007. Increase in the share of funds channelled through NGOs is thus coherent with the present trend, even though combined with the planned increase of the total volume of Finnish ODA to 0.7% of GDP by 2015, it would entail a considerable growth in volume. Increase in the share of the Partnership Scheme to 60–70% of NGO support would mean substantial augment in the part of individual PO allocations, even though admitting new organisations would absorb some of the increase.

Figure 2 Support to NGOs as % of total Finnish aid, and Support through the Framework/Partnership Programme as % of total NGO Support, 1993–2007.



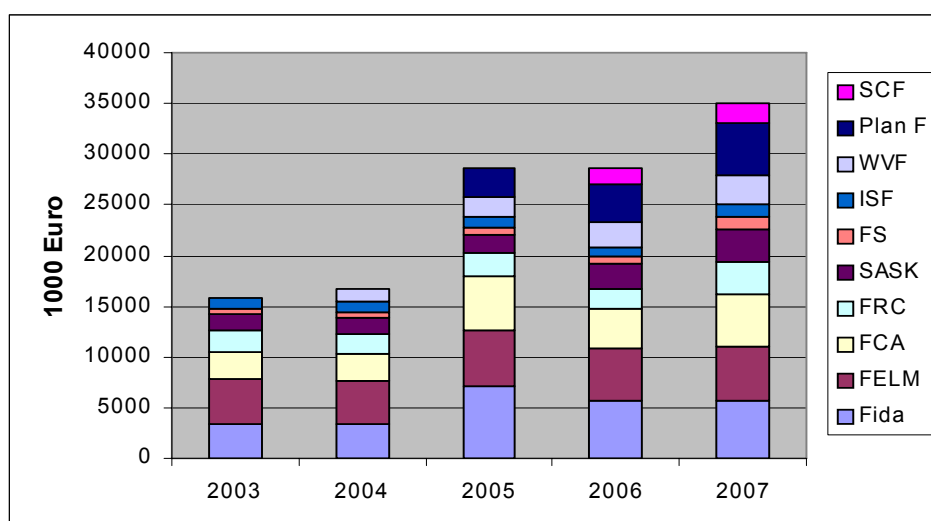
Source: MFA 2007b.

The Finnish POs have diverse backgrounds reflecting their different historical grounding in Finnish society. Five of them were founded before World War II (FELM in 1859, FRC in 1877, SCF in 1922, Fida in 1927, and FS in 1936) as a response to domestic humanitarian and/or charitable concerns. FCA was founded soon after the war, initially

for channelling funding from the international church network for domestic relief work, but since the end of the 1950s mainly for development cooperation abroad. The second main group of POs was founded or entered Finland since 1970 (ISF in 1970, WVF in 1983, SASK in 1986, and Plan Finland in 1998), i.e. after the post-colonial development cooperation phenomenon had reached the country.

Between POs there is also a huge difference in annual appropriations, ranging from an average 0.7 million Euro per year for FS to 5.7 million Euro for Fida in 2004–2006. The new POs, Plan, WVF, and SCF have been able to gain a strong foothold quite fast, considering that they entered the scheme recently (WVF in 2004, Plan in 2005 and SCF in 2006). In 2005–2006, their annual appropriations were on the average 3.5 million Euro for Plan and 2.2 million for WVF, while SCF is planning to reach 3.2 million Euro in 2009. In the period 2005–2006, the average annual allocation per PO was approximately 2.6 million Euro (Figure 3).

Figure 3 MFA Allocations to Partnership Scheme Organisations, 2003–2007
(Data at constant 2000 market prices).



Source: Äijälä & al. 2006; MFA 2007b (Based on original financing agreement allocations).

The differences are also reflected in the POs' social background and membership basis: five are faith-based, including three of those founded before the war as well as FCA which was founded in its aftermath. World Vision, which was founded in the USA in 1950, is a faith-based transnational NGO which started in Finland in 1983. FRC and SCF are humanitarian organisations with long-term roots in the Finnish society, but also members of globally recognised international umbrella organisations. Plan International is a child-centred development organisation with headquarters in the UK. It was founded in 1937 in the context of the Spanish civil war. As part of a move to open national offices in the Nordic countries in the 1990s, Plan Finland foundation

was established in 1998. ISF was founded in 1970 by the Social Democratic Party and SASK in 1986 by the labour movement for the specific purpose of development cooperation. Three of the POs label themselves as child focused (SCF, WVF and Plan), while SASK focuses on labour-related issues. The other six are general development organisations, even though each has its own profile and set of priorities.

Perhaps the most visible recent change in NGO cooperation is the emergence of transnational NGOs and NGO networks in the domestic aid scene. Transnational refers here to entities which transcend national boundaries and in which nation-state governments do not play a significant role. In Finland the original concept of public funding for NGOs reflected support to both domestic civil society and that in developing countries, which justified the requirement for demonstrable membership base in Finland. However, some observers admit that this line of argument looks less convincing in the Nordic context as fewer of the new generation join NGOs within their society, leaving the membership base of traditional NGOs minimal or falling. These 'new generation NGOs' actively use the media for marketing rather than just for advocacy or development education, using the international network's brand and size to ensure high levels of coverage for the local affiliate (Pratt & al. 2006). On the other hand, they are highly professional, and for example World Vision International received very high scores (except for transparency) in a recent international study on accountability (Blagescu & Lloyd 2006). Some of the transnational NGOs, such as Plan Finland and WVF, can claim far more popular support than many longstanding Finnish NGOs, and therefore argue for an equal right to funding support from official agencies as well.

Some six or seven other NGOs have expressed their interest in entering the partnership Scheme. The annual MFA support to those NGOs has oscillated somewhat, but for example in 2006 varied between 0.2 and 0.7 million Euro (Äijälä & al. 2006). Controlled increase in the number of POs should not pose major administrative problems, but before any expansion the MFA should clarify the objectives and criteria it wants the Scheme to fulfil. It might, however, be useful to clarify the function of the current umbrella foundations (Abilis, KIOS and Siemenpuu) and FIDIDA *vis-à-vis* the POs, as some PO's (e.g. FS's) mode of operation is closer to an umbrella organisation than a coherent programme organisation. In 2006 the annual MFA allocations for the three foundations were close to one million Euro each, while that of FIDIDA was below 0.2 million Euro (Äijälä & al. 2006). It is also worth noting that some of the faith-based organisations interested in entering the Scheme (e.g. Adventist Development and Relief Agency and the Finnish Free Church) are in some ways similar to Fida and/or FS.

2.2 Other Partnership/Framework Schemes

The advent of government funding for CSOs' development cooperation since the 1960s has led to a substantial growth in the number of NGOs across Europe. Along with Finland, a number of other EU member states, for example, Austria, Denmark,

Ireland, the Netherlands, Norway, Sweden, and United Kingdom (UK) support development cooperation work of the larger NGOs, both long-standing and recently established, through some kind of long-term programme or institutional level mechanisms. Such funding mechanisms include block grants, framework agreements and partnership Schemes. Block grants generally refer to a single payment for a set period covering a range of projects, while framework agreements refer to general support based on an overall organisational assessment and sometimes specific agreed outcomes. Partnership Schemes have an explicit programmatic focus. Partnership and framework agreements differ from simple institutional support and block grants in that they (should) have a detailed structure of application and reporting procedures (Pratt & al. 2006).

For the purposes of comparison and lessons learnt, four partnership/framework schemes operated by selected EU countries (UK, the Netherlands, Sweden, and Denmark) were analysed. These four countries belong to the informal Nordic+ reference group, and their development policies are therefore similar to that of Finland. Basic comparative data on the four schemes and Finland are presented in table 1. The terms and conditions of selected partnership/framework schemes are summarized in table 2 and a more detailed description of the four schemes selected for the review are presented in the annex 4 of this report. Below is a summary of the general findings.

Table 1 NGO Partnership/Framework Schemes in selected EU countries (2005).

Country	ODA as share of GNI (%)	No. of NGOs	Annual support*	Average support/ NGO*	Started
United Kingdom	0.48	18***	119.2	6.6	2000
The Netherlands**	0.82	6	417.0	69.5	1980
Sweden	0.92	14****	116.5	8.4	1977
Denmark	0.81	6	69.1	11.5	1991
Finland	0.47	9*****	30.0	3.3	1993

* Allocations in Government budget (EUR million, approximate figures).

** The Co-financing Programme of the Netherlands was integrated into general NGO support from 2007 onwards.

*** In 2006/07 the number of PPAs in the UK scheme was 26, with a total support of EUR 127 million and average support of EUR 4.9 million per PPA.

**** In 2006 the number of Framework organisations in the Swedish scheme increased to 15.

***** In 2006 the number of POs in the Finnish scheme increased to 10, with a total support of EUR 30.3 million and average support of EUR 3.0 million per PO.

The choice of the partnership/framework organisations has been based mainly on historical factors and precedents, and less often on explicit criteria. This is reflected in a relatively high level of heterogeneity. In both Sweden and the UK the schemes consist of two types of organisations, umbrella organisations which prepare and pass on funding applications from their member organisations, and organisations that develop and run their own development cooperation programmes and projects and sign agreements

directly with cooperation partners in the south. Some organisations under the scheme are also specialised in working through volunteers, while others are specialised in environment, disabled persons, children, etc. Some are similar to Finnish KEPA or Siemenpuu Foundation in terms of their operational logic. In general, Sweden and the UK operate relatively diversified schemes with a number of different types of organisations, while Denmark and (formerly) the Netherlands operate more restricted schemes with a small number (6) of more or less generalist development organisations – even though they are still far from homogeneous. Due to the small number of participating organisations and relatively large volume of public funding made available, the allocations per organisation in the latter two countries are big, on the average 11 million Euro or even close to 70 million Euro.

In all four countries the differences in allocations between participating organisations tend to be large. For instance, according to DFID (2007), the UK scheme ranged from approximately 0.5 to 12.1 million Euro per year during the period 2005–2007 (excluding VSO). In Sweden, the highest allocation in 2005 was 19.1 million Euro and the lowest 1.9 million Euro (Sida 2006). The variation was considerably smaller in Denmark and the Netherlands. In Denmark, the average lowest and highest annual allocations per framework organisation varied between 5 and 21 million Euro in 2005–2007 (Danida 2007), while the allocations per organisation in the Dutch scheme ranged from approximately 48 to 96 million Euro in 2000, i.e. before the current transformation process started in the year 2000 (Ruijter & al. 2002). Normally a certain part of self financing is required. For example, in the Nordic countries the minimum is currently 10%.

Regardless of the histories of individual schemes, they all face problems with transparency and clear criteria for who should be included and excluded (Pratt & al. 2006). In most cases examined, the main criterion for inclusion was previous involvement in other official agency schemes, combined with political considerations usually left implicit. Sometimes changes in criteria also reflect changes in external factors, such as perceived global security threats. In Denmark, for example, framework organisation must ensure that partner organisations and others that receive part of the framework grant are not registered on UN or EU lists of terrorist organisations (Danida 2006). In some cases the lack of clarity over the criteria of access to, and involvement in, the funding schemes has led to stagnation, with the same NGOs being supported year-on-year. This is not only an issue regarding the choice of NGOs, but also presents problems for those within the system, as they suffer from lack of clarity about the basis on which they should report to the funding agency. As a consequence of increasing criticism, the schemes have sought to establish more transparent systems of admission and monitoring. The terms and conditions of three schemes (Sweden, Denmark, and the UK) are summarised in table 2. The Netherlands was not included as the scheme was devised as a phasing out strategy.

Another subject of debate concerns the question whether the relative autonomy in the use of public funds by the partnership/framework organisations should be reduced

and the programmes tied more closely to respective governments' development co-operation policy priorities. The instrumental view, whereby donor governments regard development NGOs as vehicles for achieving their aims (either directly through service delivery or subcontract, or indirectly through frameworks which steer NGOs towards service provision or filling in gaps in services) is both increasing and decreasing. While some studies have found evidence indicating a move towards the contract mode of funding for both northern and southern NGOs and an erosion in grant culture (e.g. Pratt & al. 2006), for example, Denmark phased out the contract-based system between the ministry and Danish NGOs in the 1990s (Danida 1994), even though it is currently increasing conditionality in the framework system.

There is also some evidence that the exclusive funding of NGOs has undermined the development of social movements. As a result, the traditionally strong working relationship between NGOs and social movements has eroded. Government agencies look for modern managerial structures by which to deliver services. Social movements tend to be less suited to formal contract-based way of working than large development NGOs, which increasingly seem to place managerial efficiency above achieving broader societal values and having an impact on the poor. As a result, in funding terms, social movements are often marginalised by professional NGOs, resulting in a reduction in the diversity and power-contesting function of civil society (Pratt & al. 2006).

One of the objectives of all the schemes reviewed has been to reduce the management burden of the respective ministry. The administrative work per NGO is, however, actually higher among the smaller NGOs than the large ones, a dilemma that has been treated differently in different schemes. In the Swedish system, the administration of NGO funding has been delegated almost entirely to umbrella NGOs operating under the framework scheme. In Denmark administration of small projects has been outsourced under a separate agreement to an umbrella organisation, while medium-sized projects (above 400,000 Euro) are still handled by Danida. In the British system, initial review of applications for small-scale projects (up to approximately 730,000 Euro for a maximum of five years) has been outsourced to an independent consultancy firm, which uses criteria provided by DFID. Based on the reviews, DFID makes the final decision and manages the agreed grants. DFID does not provide funding through umbrella organisations, as it believes this would entail a conflict of interests. There are also fears that outsourcing would significantly weaken the policy dialogue between the ministry and CSOs (Pratt & al. 2006).

Overall, many of the problems seem to be common to the four schemes. These include the problem of transition from individual projects to programme approach; lack of dialogue between the organisations and the relevant ministry; and lack of clear objectives, selection & evaluation criteria and guidelines for monitoring & evaluation. Emphasis has typically been on incremental solving of problems in routine administration rather than on policies, programmes and strategies, and communication with other parts of the responsible ministry and embassies is in most cases *ad hoc* and generally weak. On the positive side, considerable development has taken place in recent years at least in

the Finnish scheme, and the instrument is generally highly valued by participating organisations due to flexibility, reduced administrative burden and the possibility for long-term planning it provides.

Finally, the analysis of the four schemes (Swedish, Danish, UK, and Dutch) supports the key principles identified by Pratt & al. (2006) for developing partnership/framework scheme administration. The critical priorities for successful implementation of such schemes are : (i) clarity in the criteria used to determine funding decisions and to choose NGOs for the schemes; (ii) making a commitment to a specific partnership/framework scheme requires more efficient organisational assessment than witnessed in most of the schemes; (iii) the mechanisms chosen need to allow for changes in the selection of NGOs funded to avoid stagnation; and (iv) appropriate and effective evaluation and monitoring systems are an essential element for efficient and transparent implementation of such schemes.

3 IMPLEMENTATION OF THE EVALUATION

3.1 Objectives

According to the ToR (Annex 1), the objectives of the evaluation are: (i) enhanced capacity of the MFA to manage the NGO partnership programme; and (ii) improved partnership programme, so that it stands out as a complementary aid modality among the Finnish development assistance instruments. The purpose of this evaluation is to serve the needs of the MFA to improve its planning, decision-making and management of NGO funds.

The ToR also emphasise the forward looking character of the evaluation: the rationale of evaluating the Scheme at this point of time is that it is still evolving. More detailed guidelines for the selection of partnership organisations are currently being prepared by the MFA, while also the POs are moving towards a more programmatic approach in their development cooperation planning and implementation.

3.2 Process

The evaluation team consisted of six experts comprising three teams of one international and one local expert (Annex 4). The evaluation was initiated in August 14th, 2007. The process of the evaluation is described in Table 3.

Table 2 Terms and Conditions of Selected Partnership/Framework Schemes.

Terms and conditions	UK/Programme Partnership Agreements	Sweden/Framework Agreements	Denmark/Framework Agreements
Eligibility criteria	<p>1) Congruence between the NGO's and DFID's strategic & development objectives;</p> <p>2) Minimum 5 years relevant track record;</p> <p>3) Experience from a range of developing and/or transition countries;</p> <p>4) Demonstrated capability to link grassroots work with wider policy/advocacy work;</p> <p>5) At least 3 years of substantial DFID funding.</p> <p>PPA scheme is partly competitive: NGOs submit applications for project support according to general criteria, but in respect of substantively different projects so DFID cannot readily compare the different bids; DFID recently hired consultants to propose a new performance measurement system & criteria, but no such performance framework has yet been adopted.</p>	<p>1) Democratic structure, democratic values and openness to stakeholders and general public;</p> <p>2) General expertise and documented capacity in development cooperation and global policy;</p> <p>3) Competence in learning and methods development and flexibility in applying it;</p> <p>4) Ability to communicate with members and partners in cooperation;</p> <p>5) Capacity for communication and information on development issues in Sweden;</p> <p>6) Ability to mobilise commitment in Sweden and raise funds or mobilise resources;</p> <p>7) Scope and breadth of activities or skills in specific issues;</p> <p>8) Reliability of systems for management and control;</p> <p>9) Quality of previous cooperation with Sida or other partners.</p>	<p>1) Documented lengthy engagement in development assistance and clear profile of competence in development issues;</p> <p>2) Supported activities must be in accordance with Danish development assistance policy and relate to the poverty reduction strategies of the programme country;</p> <p>3) Supported activities must be formulated as part of larger, coherent development programmes within delimited sectors and concentrate in a limited number of countries;</p> <p>4) Satisfactory level of administrative and technical capacity for the implementation and quality assurance of the development activities, including ability to document the outcomes of development assistance efforts;</p> <p>5) Documented strong, sustained popular rooting in Danish society.</p>

Applications procedures	Expression of interest in response to tenders, full proposal with logframes and outcome indicators from those short-listed; assessment by respective DFID staff.	Open tenders, programme document including standard components (e.g. income and expenditure, objectives, follow-up system, etc.); assessment by Sida or external consultants.	The government has decided not to enter into agreements with further framework organisations.
Accountability	Equivalent of project completion report not required; DFID relies mainly on self-assessments from their partners progress updates; independent external evaluation based on outcome indicators included in PPA; evaluations done regularly and published in website.	Framework organisations submit annual financial reports in accordance with Sida's requirements; during each four-year cycle, a follow-up of previous system audits and a programme evaluation (external) is carried out; Sida assesses each organisation's qualifications as a framework organisation at least during each alternate four-year cycle.	The four-year rolling plan includes report for the past period; annual published programme & project report submitted to the Parliament; annual financial reports to Danida, which also makes supervisory visits and spot checks in Denmark and programme countries; Danida conducts regular capacity analyses and technical thematic reviews of the organisations.

Table 3 Work Plan and Timetable for the Period 15.8.2007–15.2.2008.

Month & Benchmark	Tasks	Delivery date
Month 1: Inception Report delivered and discussed	Briefing meeting in the MFA; studying the documentation (MFA, POs, internet); review of other similar schemes; meetings with NGO unit & advisors; preparation of semi-structured interview framework for POs; writing and presentation of the Inception Report.	4.9.2007 (delivery) 11.9.2007 (discussion)
Month 2: Participatory Workshop with POs organised	Continuing the desk study; interviews with key staff members (POs, MFA, other partnership programmes); selection of field projects to visit and preparation of preliminary travel plan; organising Participatory Workshop with POs.	12.10.2007
Month 3: Interim Report delivered and discussed	Desk studies on case-countries; preparation of fieldwork methodology, including list of stakeholders and semi-structured interview framework; preparations for fieldwork (final travel plan, logistics, etc.); writing and presentation of the Interim Report.	24.10.2007 (delivery) 30.10.2007 (discussion)
Month 4: Fieldwork conducted in three case-countries	Conducting fieldwork in Bolivia, India and Uganda: interviews with POs, their partners and other stakeholders; project visits; completion of country documentation; preparation of draft Country Reports jointly with national experts.	31.10–10.11.2007 (Uganda) 13–24.11.2007 (Bolivia) 18.11–4.12.2007 (India)
Month 5: Workshop with NGO unit organised; Draft Report delivered	Workshop with NGO unit; Synthesis of country reports and revision/elaboration of preliminary findings; additional contributions from national experts; compilation and delivery of Draft Report.	12.12.2007 (workshop) 14.1.2008 (report delivery)
Month 6: Final Report delivered and presented	Finalising the report incorporating comments from MFA and other stakeholders (by 24.1.); delivery of Final Report & debriefing with MFA.	5.2.2008 (discussion) 28.2.2008 (delivery)

3.3 Evaluation Scope

The evaluation focuses on the POs' development cooperation activities in partner countries and on the management by the MFA at the headquarter and embassies. Even though the evaluation team acknowledges the importance of the work done by the POs in Finland, the limited resources available did not allow for a thorough analysis of this side of the Scheme. Due to the wide scope of the evaluation and the large number of organisations, the work focuses mainly on relevance, sustainability and effectiveness as requested in the ToR. Instead of trying to assess the development impact of the

Scheme, the dimension of validity of the Scheme, i.e. its procedures and administrative capacity as well as suitability in the context of partner countries are examined.

During this evaluation – but independently from it – a performance audit of three POs with a focus on their programmes in India was carried out by an external auditor, and a second performance audit focusing on Tanzania was under way. This evaluation had access to the results of the first audit but not the second one. As these audits assess the performance and aspect of financial administration in detail, it was agreed with the MFA that the results of the audits would provide the main material for assessing the performance and financial administration aspects, which do not constitute a main focus area for this evaluation.

Case studies were carried out in Bolivia, India and Uganda. The case countries were chosen by the MFA against the following criteria: (i) at least five of the ten POs have a significant programme in the country, and (ii) each of the partnership organisations will be evaluated at least in one country. A list of people interviewed is presented in annex 2 .

From each PO's project portfolio, one or two projects/programmes were selected for a closer study and a field visit. Also at least one project in each main thematic area was visited in each country. These projects and programmes reflect a selection of themes particularly relevant in each country's development context. The approach of different POs (and their partner organisations) in the same thematic area (e.g. HIV/AIDS in Uganda), and of the same PO in different countries (e.g. World Vision in Uganda and India, Plan in Uganda and Bolivia) was compared.

In Bolivia, the fieldwork was carried out between November 12th and 24th, 2007. The team interviewed local coordinators or partner representatives of five out of six POs present in Bolivia (Plan Bolivia, Bolivian Red Cross, regional representative for Fida International, Finland-Sweden Free Churches through regional representative for Fida, and the Bolivian Evangelic Lutheran Church). Most meetings were held in La Paz, but FS and Fida were visited in Cochabamba. In Cochabamba, a field visit was paid to Ivirgarzama municipality in Chapare Province. In La Paz, project visits were paid to Bolivian Red Cross, the Bolivian Evangelic Lutheran Church and Plan Bolivia. Representative of the unit responsible for NGOs of the Ministry participated in the mission for two days during the country visit to Bolivia. Regional Red Cross representatives, as well as the desk officer from Finnish Red Cross were visiting the Bolivian Red Cross at the same time that the Mission.

Seven POs have implemented activities under the Scheme in India during 2004–2006. Among those, Fida International, Save the Children Finland, World Vision Finland and the Trade Union Solidarity Centre of Finland were selected for a closer study. From their project portfolios, seven projects/programmes and their local partners were further identified for a field visit. The projects and programmes reflect a selection of themes particularly relevant in the Indian development context. The evaluators visited

a Save the Children project in Rajasthan and World Vision projects in Maharashtra and Andhra Pradesh (one in each state). Fida's projects were also visited in Maharashtra (one) and in Andhra Pradesh (two). Finally, one SASK-supported project was visited in Delhi. The team also met the Embassy of Finland staff in Delhi. During each project visit, in-depth interviews were conducted with PO and local partner staff. Brief field visits to interact with project beneficiaries and other stakeholders (where possible) were organised.

In Uganda, the field visits took place between October 31st and November 10th, 2007. One project from each of the four POs operating under the Scheme was selected for a closer study. The POs and respective national partner organisations were Plan Finland (Plan Uganda), FinnChurchAid (LWF Uganda), World Vision Finland (WV Uganda) and International Solidarity Foundation (COFCAWE). For purposes of comparison, the project were selected so that each had at least a HIV/AIDS component. It was also decided to include one post-conflict rehabilitation project, the FCA/LWF project in Katakwi in the north-east. The projects selected for field visits from Plan and WV are both situated in the eastern province of Tororo. The ISF/COFCAWE project is situated in Wakiso, relatively close to Kampala (the capital) in the central region. During each visit, semi-structured interviews were conducted with PO and/or local partner staff. Beneficiaries and other stakeholders were met during visits to project sites, where focus group interviews were also organised. During the visits additional documentation and statistical data was collected. In Kampala the team visited headquarter-level staff of the counterpart organisations and two umbrella NGOs, as well as a representative of the Ministry of Health.

3.4 Evaluation Methodology and its Limitations

The evaluation is based on participatory work within the team, and dialogue with the stakeholders in Finland and in partner countries, semi-structured interviews and facilitated group discussions. The analysis of the Partnership Scheme is based on a review of relevant programme documentation, including partnership agreements, financing agreements and operational plans, as well as previous evaluations and other relevant background material. This was complemented by interviews with MFA staff responsible for management of the Scheme as well as a few other staff members, including the HIV/AIDS advisor and a representative of internal audit. Three other sectoral advisers were also interviewed by telephone, while embassies in Finland's eight main partner countries as well as those responsible for the case countries were approached through e-mail. Key staff members from the ten POs were interviewed individually by the international experts in Finland. In addition to feedback received from MFA staff in the meetings organised to discuss the inception and interim reports, one workshop was organised with representatives of the POs and one with relevant staff of the NGO Unit of the MFA. As far as possible the data was cross-checked from different sources such as stakeholder interviews and relevant documents

The country analysis is based on a review of relevant study reports, programme and project documentation, plans and evaluation reports, and interviews with the relevant officials in the MFA and the POs staff, including country coordinators. This was complemented by an analysis of three case study countries, including field visits.

Documents, evaluation reports and studies of similar schemes in Sweden, Denmark, the Netherlands, and the UK were also studied. In addition, the Team Leader visited Stockholm to interview a Sida official and collect additional material on the Swedish scheme (Sida 2007). Relevant international documents from the EU, OECD and UN organisations were also collected and reviewed.

The team focused on assessing the Partnership Scheme as an instrument of Finnish development cooperation. Less attention was given to evaluation of the development impact of individual POs or projects. The analysis of all ten POs and selected projects from each PO in the case study countries constituted an essential part of the exercise, but mainly as data for assessing the merits and shortcomings of the instrument as a whole. The limited number of projects and partner countries visited (both overall and per PO) renders any attempt to evaluate or rank the POs or individual projects unfeasible and spurious.

The project and country data currently available from POs is extremely heterogeneous and largely incommensurable. Therefore, any attempts to place the projects and countries visited by the evaluation team in the larger context of each PO's overall programme would have required much larger resources than the team had at its disposal. All data concerning individual POs and projects should thus be understood as examples of issues, and may not give an accurate overall impression of the respective PO or project. The MFA does not have project or country level data on the partnership programmes.

Another limitation concerns financial data. The incompatibility between the financial accounting system of the MFA and the intervention data system of the Department of Development Policy was already criticised in the capacity assessment report (Äijälä & al. 2006), which noted that the information stored in the two systems was very fragmented. During this evaluation it also turned out to be rather difficult to get reliable project specific data from some of the POs. Also, the diversity of the financial management systems used by the POs made comparison difficult. The financial data presented in this report should thus be considered as approximate and indicative, not exact and definitive.

4 THE PARTNERSHIP ORGANISATIONS (POs)

4.1 Structure and Profile

The Partnership Scheme is guided by five criteria essential for the MFA support to NGOs and projects, with added emphasis on previous long-term experience and administrative capacity. Organisations participating in the Finnish Partnership Scheme are expected to fulfil the following criteria:

- (i) The organisation has a coherent policy and clear objectives in parallel with the Finnish Government's development cooperation policies and objectives.
- (ii) The organisation has adequate and well-established financial administration capacity and its own fund-raising is in good condition. Its budget also includes other than government funding.
- (iii) The organisation's broad and long-term professional activities in a developing country has continued at least for five years, and it has evidence of broad expertise in development cooperation including a large number of successful projects.
- (iv) The organisation is well-known in Finland, and it offers a channel for active citizens to participate in voluntary development cooperation. It informs actively the general public on its work and on the need for international cooperation.
- (v) The organisation's international contacts are well established and its partners in the developing country are reliable, their financial administration and own fund-raising are in order and they have an active role in the partner country's civil society (MFA 2007b).

Three of the current POs (FCA, ISF and Plan Finland) are foundations, while the rest are registered in Finland as NGOs. The seven first framework organisations were transferred to the Partnership Scheme without formal capacity appraisal. The new criteria were (presumably) applied by the MFA staff when the three new POs (WVF, Plan Finland and SCF, all members of large and professional international networks) were admitted. A special audit was carried out in the new POs prior to agreements, but no other external capacity appraisals were made.

Six of the POs are members of a major international framework, although their structural relationship differs considerably (Table 4). Perhaps the closest collaboration takes place within the Plan network (though it consists of independent organisations). Also SASK and FCA operate mainly or even exclusively through the respective network even though at least FCA is moving towards increased implementation with bilateral partners. SCF operates primarily through its local partners and own country offices. WVF and FRC also operate through their network, but the structure is federational. Approximately one third of the resources is channelled through offices of other members of international Save the Children Alliance. Among the four others, Fida and FS operate mainly through local churches or related NGOs linked with the respective church networks, but the

networks do not have a formal role. FELM works mainly with local Lutheran churches or NGOs, but also through international church networks such as the Lutheran World Federation (about 20% of funding). ISF collaborates directly with local NGOs. Its membership in the international Solidar-network serves for exchange of information, new contacts and advocacy work.

The role of the Partnership Scheme in the operational profile of the POs differs drastically. ISF and SASK concentrate almost exclusively on development cooperation activities which are funded mainly (though not exclusively) through the Scheme. Three other POs (Plan Finland, WVF and FCA) are also professional development cooperation organisations, which get a substantial part (42–75%) of their funding from sources other than the Partnership Scheme. This is also reflected in the proportion of staff allocated to PS tasks, which is 60% and 90% in the case of the first group, but between 18% and 40% in the latter. The FRC and SCF are both large professional organisations specialised in other areas (emergency relief and child welfare), but also have important development activities.

Three faith-based organisations (FELM, Fida and FS) are active both in missionary work and development work, using a major part (60–80%) of the overall resources for the missionary work. (In the case of FS the human resource comes directly from the member churches). In this combination a clear separation of funding sources is crucial, as the use of ODA for proselytism is against both MFA regulations and international conventions. This issue of separating proselytism from development work in missionary-cum-development NGOs has also been discussed in the media (e.g. Huhtala 2007) and during the MFA's inspection visits. It is also recognised (although seldom formally addressed) as a problematic grey area of CSO support in various other countries such as Sweden. The situation is especially problematic when the same staff member works in both fields (as 5 out of Fida's 60 field workers, for example, do) and adequate task-based work time monitoring is not implemented. Religious affiliation may also influence inordinately the selection of staff, overriding e.g. professional qualifications in the process. To some extent this appeared to be a problem in some projects visited by the evaluation team in India and Bolivia. For example, all three Fida's partner project teams visited in India were found to have an imbalance between technical staff and administrative/support staff.

While excluding religious organisations from the group of legitimate development partners would make little sense especially in countries such as Uganda, where faith-based organisations are strongly rooted on community level, it is crucial that these functions are not confused in the Scheme. Some kind of explicit code of conduct in this area is clearly needed. The existing Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief may serve as an example. While missionary work can be considered on a par with other kinds of ideological work which cannot be funded through ODA, it is important to avoid confusing it with promotion of internationally accepted social objectives such as gender equality, children's rights or minimum labour regulations, which comply with ODA

Table 4 Characterisation of the Partnership Organisations.

Partnership Organisation	Staff PS/total*	Budget PS**/total*	International framework	No of PS countries*	Local partner	Monitoring system
FCA	12/65	4.9 Mill €/ 20 Mill € (dev. coop. budget)	Lutheran World Federation	19	LWF country offices, local & national NGOs	Partly own, partly LWF M&E system
Fida Int'l	7.5/145	4.7 Mill € / 16 Mill €	n/a	34	Churches and church-based NGOs, local governments	Fida has own planning, monitoring and reporting system
FELM	9.5/380	5.8 Mill € / 25.5 Mill €	n/a	14	Local churches	Mostly own planning, monitoring & reporting system
FRC	21/1757	4.1 Mill € / 20 Mill €	Federation of the Red Cross and the Red Crescent	20	National societies of the RC	Uses the Int'l Federations planning, monitoring & reporting system
FS	4 (part-time) /4	1.2 Mill € / 3 Mill €	n/a	23	Churches, local & national NGOs	FS has own planning, monitoring & reporting system
ISF	5+3country coordin./ 6+3	1.4 Mill € / 1.9 Mill €	n/a	3	National & local NGOs	ISF has own planning, monitoring & reporting system
Plan Finland	10/41	5.65Mill € / 15.3 Mill €	A member of Plan International	16	Plan country offices and local partner organisations	Uses Plan International's planning, M&E system
SCF	6/195	2.1 Mill € / 16 Mill €	Save the Children Alliance	7	SC sister organisations, national & local NGOs	SCF has own quality and programming manuals
SASK	7/12	3.7 Mill € / 4.7 Mill €	Global Union Federation	28	National trade unions	SASK has own monitoring system
WVF	5+ 2 part-time /15	3 Mill € / 5.1 Mill €	World Vision International (federation)	7	WV National Offices, national & local NGOs	Uses WV International's planning, M&E system

PS=Partnership Scheme; *in MFA 2007a; **MFA contribution as per financial agreement.

criteria and are endorsed in major international conventions and promoted by the respective UN organisations.

The majority of the POs (including FRC, FCA, FELM and Fida, but also new POs such as WVF, Plan Finland and SCF) expressed an interest to strengthen the position of reconstruction and natural disaster preparedness in post-conflict and post-disaster countries amongst activities funded under the Partnership Scheme. Most of them are already involved in the sector, and in their view, such activities can have an important role in poverty reduction as the poor tend to suffer most in the catastrophes and often do not have the necessary means to embark in activities needed for recovery. While this request seems well justified, it is important to ensure efficient coordination between partnership funding and disaster-relief funding, which are administered under different units in the MFA.

For all POs, fundraising consists of donations from general public (SCF, WVF, ISE, Fida, FCA, FELM) and/or from parish members in the case of church-based organisations (Fida, FS, FCA, FELM) and child/project sponsorship (Fida, FS, Plan Finland, SCF, WVF), supplemented by small business in some cases (e.g. recycling by Fida, publications by FS). SASK gets its funding mainly from Finnish trade unions. Private sector fund raising is rapidly increasing, having spread from transnational development NGOs (e.g. Plan Finland) to traditional Finnish organisations (e.g. FCA).

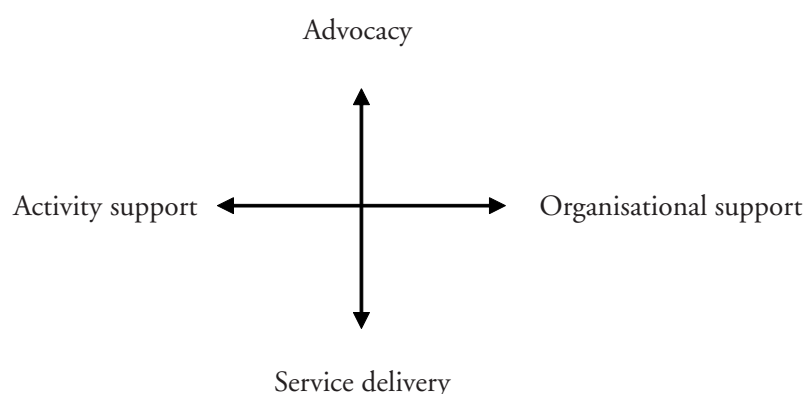
4.2 Service Delivery, Advocacy and Capacity Building

The POs admitted to the Finnish Partnership Scheme are expected to have a development cooperation programme which includes activities in both developing countries and in Finland. The activities in developing countries can include a wide range of activities such as service delivery, capacity building and advocacy work. In Finland the work supported through the programme can include advocacy work and/or information sharing activities. Formulation of clear strategic goals for such “two-fold” support to civil society has turned out to be a challenging task, as noted, for example, in the discussion about the recent Nordic+ study (NORAD 2007). For instance, in the UK partnership scheme and the EC scheme, particular emphasis is laid on advocacy and capacity building, but in the Finnish scheme no clear goals are set in terms of advocacy work and capacity building versus service delivery.

Service delivery refers to services and their support systems that are typically regarded as state responsibility, such as social services (e.g. primary education and basic health services) and infrastructure (e.g. water and sanitation). Advocacy consists of influencing decision-making by creating linkages, networking, mobilising support, lobbying and/or distributing relevant information. Capacity development is a means to improve the performance and governance system of the partner organisation as such, but it can also be used as a means to enhance the partner’s capacity to conduct advocacy work.

Support to civil society can be analysed on the basis of two intersecting axes which represent two complementary dimensions of the process: the functions supported (advocacy work and service delivery) and the types of support (activity and organisational). It should be noted that the four types of support are not exclusive, but rather mutually reinforcing (Figure 4). Different programmes, however, are likely to have different combinations. The idea of the analytical tool is to arrive at a profile which makes comparison easier. Traditional NGO cooperation has tended to be strong on activity support and service delivery, while organisational support and advocacy have gained more emphasis in recent years. It should be noted that these combinations are not automatic, as advocacy work can also be supported through direct support to relevant activities, while service delivery can be supported through capacity building in relevant organisations, for example.

Figure 4 Two Axes of Support to Development of Civil Society.



Source: Sida 2007.

In general, the way advocacy work and information distribution is done in Finland depends on the interface of the PO with Finnish society, which was discussed above (4.1). In general terms, the POs are involved in global education aiming at strengthening the understanding on development issues and human rights both in Finland and in developing countries. Some of the POs are also involved in international activities aiming at structural changes in world trade and other global issues that are crucial for developing countries.

The faith-based POs linked directly to Finnish churches or parishes (FCA, FELM, Fida, FS) have traditionally focused advocacy work and information dissemination targeted to church members, even though some of the larger POs such as FCA are turning increasingly to the general public. Others such as SCE, FRC, SASK, and ISF have established reference groups through large base organisations with long-term roots in Finnish society, but also attempt to reach the general public through other channels of communication. Finally the transnational NGOs (Plan Finland and WVF) have not sought to establish a traditional membership basis but rather rely on education,

media- and child sponsorship campaigns and volunteer work to reach the general public. While most of the activities directed at creating and maintaining an interface with Finnish civil society are not financed through the Partnership programme, they constitute an important part of the POs' activities. Advocacy work in the partner countries is usually left to local partner organisations, while the function of country or regional offices operated by the Finnish POs – when they exist – usually have an administrative function.

4.3 Transition to Programme Approach

Some of the POs have a strong thematic focus (e.g. child welfare or labour issues) under which they are creating regional programmes (e.g. SCF and SASK). Fida is shifting to regional programmes using East Africa as a pilot, and this is also the strategy of WVF following WV International's new policy. ISF started with country programmes, but found them somewhat artificial and is now moving to thematic programmes. FCA is also moving towards a more thematic focus. FS is basically an umbrella organisation of Swedish speaking Baptist, Pentecostal, Methodist and Free Evangelical Church congregations; the projects are not planned by FS but proposed by the respective churches, and thus do not constitute a coherent programme even though FS is striving to build common focus under the thematic areas of health, education and social issues.

Programme approach appears to remain a challenge to all POs, albeit less so for those POs which see the Finnish partnership programme as a source of funding for parts of partner country programmes under their global network (e.g. Plan Finland and WVF). Previous evaluation reports also suggest that transition from project to programme approach is a process which takes a substantial period of time (e.g. Äijälä & al. 2006).

There are different ways of linking individual projects with programme approach. For instance, some of the POs working with large international networks (WVF, FCA, FRC, SASK) often select the projects to be included in the partnership programme from a list of project ideas developed within the network. It should, however, be noted that the project proposals are often planned according to a more or less strict conceptual model (e.g. WV's ADP model), which tends to limit the scope of activities to be prioritised and supported, increasing thus the danger of weak ownership and low sustainability. On the other hand, such models can also be used in a flexible and participatory way. When combined with good baseline studies done jointly with local communities, individual projects and programmes can adapt relatively well to local needs and realities, especially if the intervention has an adequate time horizon. An important benefit comes from monitoring of cost effectiveness and replicability (for example WVF and SASK/BWI projects in India), which can more easily be integrated in the planning and evaluation system.

A strong tradition in grassroots work does not necessarily make transition to programme approach easier. The challenge is often faced most clearly in the context of responding

to concrete development needs identified by local partners such as CBOs. Many of the traditional faith-based organisations (Fida, FS, FELM) get project ideas directly from the partners (often local sister churches) in the developing countries where they operate. Often they have spread their resources thinly over a large number of very different kinds of projects and countries without a coherent strategy. This is obviously a problem for small organisations with limited resources and administrative capacity such as FS, but cost-effectiveness and long-term sustainability of such an approach can be questioned even in the case of larger organisations such as Fida. Another problem is that while the local partners of the faith-based organisations, typically local churches or congregations, are strongly rooted in local communities (or parts of them), they are not necessarily very competent and efficient in terms of development project planning and implementation (cf. Tamm & al. 2002). In such cases basing the planning process on a strong and clearly articulated strategy process – developed jointly with partners – is crucial.

ISF has decided to concentrate on three countries (possibly increasing to four), where suitable partners and projects are identified locally on the basis of the selected thematic areas. ISF has a country representative in each of the countries, and his/her task is to get familiar with local civil society, create links and identify potential partners. The project plans are then prepared jointly with the partner organisations and communities. While this is evidently a good approach in terms of developing local CSOs, especially when combined with a strong capacity-building component, it has also its problems concerning efficient implementation. A thorough joint planning process and close oversight of the partner is needed at least in the early phases of collaboration. It is also important to appraise thoroughly the partner organisation's financial administration capacity and management culture to ensure sufficient capacity and compatibility with own cooperation approach. There are still some risks involved, as shown in the case of a recently initiated HIV/AIDS project in Uganda, which had to be discontinued after pilot phase and re-started with another local NGO.

A number of POs have their own regional or country programme offices and/or coordinators (e.g. SCF, ISF and Fida) or are currently creating such a network (e.g. FCA). Some POs rely on sister organisations from the same network (e.g. SCF in West Africa), or even another PO, as in the case of an FS project monitored by the Fida representative in Bolivia. A number of POs, such as SCF, SASK, and FCA are currently focusing on fewer countries and states of large federations such as India. SASK and FCA also intend to focus their programmes on fewer thematic areas and reduce the number of projects. The number of WVF partner countries has been decreasing, but it plans to increase the number over the next few years. Fida and FS, on the other hand, have increased the number of partner countries from 26 and 14 in 2004 to 34 and 23 in 2007, respectively.

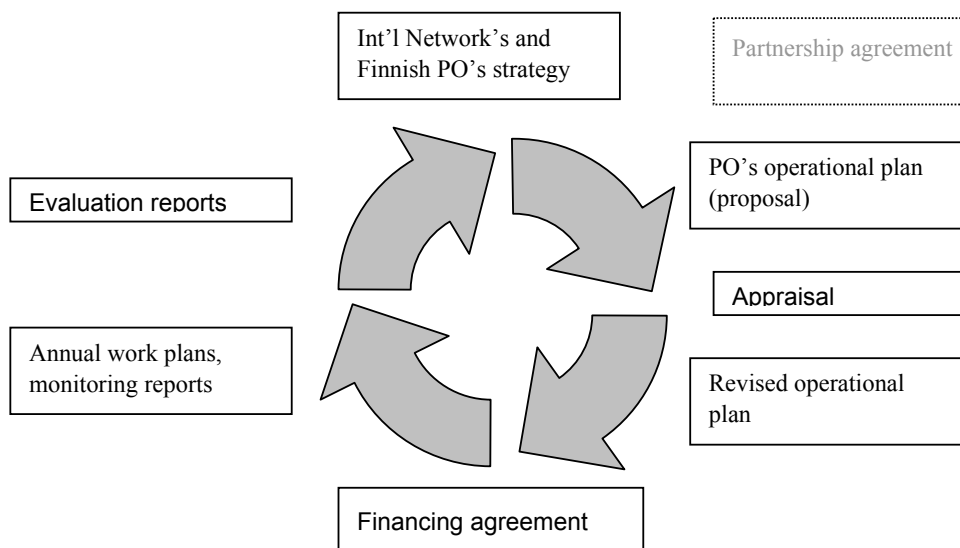
5 MANAGEMENT OF THE SCHEME

5.1 Management Procedures of the NGO Unit

The development cooperation strategy of each organisation is the basis for a standing partnership agreement between the MFA and the PO. The agreement, however, gives only very general guidelines for the partnership. The basic operational documents of the programme cycle, which reflect the administrative procedures between the MFA and individual POs are relatively simple and remain largely unaltered from the framework programme.

Building on its development strategy, the PO prepares a multi-year operational plan proposal, which is appraised by the MFA and revised by the PO if deemed necessary. Based on the approved plan and subsequent financing agreement, the PO reports annually to KEO-33 on implementation of the programme and presents a work plan and budgets for the following year. Annual report (including audit reports) is usually submitted to MFA in August, followed by unofficial negotiations in September. An official partnership meeting takes place in October and the new annual work plan and budget are submitted in November. The basic cycle is described in Figure 5.

Figure 5 Key Documents of the Programme Cycle.



Source: Based on Äijälä & al. 2006.

An important advantage of the Scheme when compared with other types of MFA funding for Finnish NGOs, is that it allows for long-term planning. While the financing agreements are made for only 2–4 years at a time, project cycles within PO programmes are typically 10–15 years, although only 5–6 years in the case of SCF. The POs are expected to inform the MFA official in charge on possible problems or major alterations during programme implementation, and most MFA officials keep regular contact with the POs they handle.

In general, project monitoring and evaluation is left to the POs. This is one of the principles of the Partnership Scheme as stated in the respective financing agreements. The staff of the NGO Unit in the MFA makes occasional inspection visits to the field. Sometimes the Finnish embassy staff in partner countries also makes field visits and reports to KEO-33 on the findings. Aside from the recent NGO capacity review, external assessments commissioned by the MFA in the Partnership Scheme context seem to be limited to performance audit reports by KPMG Oy Ab, where the focus has been on financial administration and management issues.

The results of internal inspections by MFA in 2000–2003 caused concern about the management capacity of KEO-33 due to shortage and continuous change of staff (Ulkoasiainministeriö 2004). Since then, the situation has improved considerably and currently the staffing level must be considered relatively good. Currently five staff of KEO-33 are in charge of the ten POs, with 1–3 POs (and usually a variable number of other NGOs and/or foundations and other tasks) each. Except for the three child-focused POs which are handled by the same official, the others are not grouped thematically or otherwise. Despite requests by some POs to increase human resources in KEO-33 in order to improve capacity for substance-level dialogue, such increase is unlikely as the MFA is likely to decrease rather than increase staff in the near future (OECD/DAC 2007). Some 70% of the staff is still within the normal staff circulation routine of the ministry, so continuity and institutional memory need to be secured through adequate reporting routines.

While the staff situation is currently in order, PO representatives complained in various occasions about incoherence of administrative principles and norms applied in the Scheme and even certain vacillation in management decisions and guidance between different officials in KEO-33. Some PO representatives felt that the Scheme lacks clear and consistent rules, and too much depends on discretion of individual officials. Often the guidance is based on case-by-case decisions which are not properly documented and enforced (cf. Äijälä & al. 2006). Other POs, however, are pleased with the current situation, which leaves them considerable room for operation. These are usually those POs which see the MFA principally as a funding agency with little if any role in substance matters.

The guidelines for managing the Scheme are not adequate. The problems were brought up in a debate following the 2007 performance audit on three POs (FCA, Plan Fin-

land, and WVF) and their programmes in India, but were apparently already noted by both the KEO-33 and PO staffs much earlier. Such regular PO performance audits are introduced recently. Similar audits focusing on Tanzania were under way during this evaluation, but the results were not yet available.

The audits in 2007 revealed various minor shortcomings and problems in financial administration and project management in the POs selected for inspection, and identified key administrative procedures that need correcting or strengthening. In addition, the auditors pointed out potential problems linked to the multi-level administrative systems characterising many POs, such as duplication of planning, monitoring and administrative costs. The reports strongly emphasise the role of the Government to guarantee responsible use of Finnish taxpayers' money, which is also underlined in the latest development cooperation policy document (Ulkoasiainministeriö 2007b).

The guidelines made for project-based NGO cooperation are not relevant for programme-based cooperation. While the audit reports correctly refer to existing key documents that are supposed to guide implementation of the POs' programmes, including both the general NGO guidelines and bilateral documents such as partnership agreements, operational plans and financing agreements, not much attention was paid to whether these guidelines for projects is applicable for programme-based cooperation. In fact, even the partnership and financial agreements refer to application of general NGO guidelines 'as appropriate' in the programme context and the project guidelines are applied for lack of better alternatives even when they are not entirely appropriate. Some of the requirements of the general NGO guidelines, for example that 'the NGO's own financial share for the project has to be true financing collected specifically for that project' are clearly not realistic in programme context. Also the demand that 'the direct beneficiaries of Finnish support and the persons responsible must be clearly identified' is not realistic in the case of programme support in the context of network NGOs such as Plan or FRC. It is also not clear whether the concept of 'significant variance' refers to programme level budgets (as interpreted by most POs) or project level budgets (as interpreted by the auditors).

The multi-layered character of programme management, which is typical of most POs, makes reporting on administrative costs less transparent and consistent. For instance, representatives of various POs complained about the lack of clarity of various key concepts such as administrative costs. Most POs do not have a functioning work-time monitoring system which would register the actual use for specific tasks/projects. In many cases what is reported to the MFA are not actual administrative costs attributable to specific activities, but rather a theoretical figure based on a more or less artificial definition created by each organisation. The one common feature seems to be that the figure recorded as administrative costs remains within the limit set in the agreement while the remaining costs are reported under other headings; i.e. the rule has an effect on reporting procedures but not on activities. The evaluation team thus considers such

a limit meaningless without a clear definition of what ‘administrative costs’ entail, backed up with an effective system of work-time registration operated by the POs. This issue was also taken up in the KPMG’s performance audit reports. For example, actual administration costs for FCA in 2004 in Finland were higher than the figure they reported in the annual financial report, but because of the 10% cap on administrative costs by the MFA, FCA recalculated the costs for the report (KPMG 2007a).

Another issue needing clarification is the difference between information/advocacy work and marketing/promotion of the organisation’s own work because according to the common terms of the funds for information activities, they cannot be used for producing material that promotes the organisation’s own work (KPMG 2007a). Drawing the line between these two, however, is rather difficult. Therefore, it would be useful to arrive at a common definition and perhaps some kind of ‘code of conduct’ in this area of operation. While the POs have agreed on using the Activity-Based Costing (ABC) financial reporting model, according to which marketing is not an administrative cost but rather a support function, the problem remains as partnership funding can be used for various other support functions such as advocacy and communications but not for marketing (cf. WVF 2007).

Regular meetings between KEO-33 and the POs (i.e. the Partnership Forum) and among the POs were introduced after the transition to the Partnership Scheme. The new communication fora have improved dialogue and transparency in the Scheme. However, while those PO representatives who participated in the PS preparation process considered it good and collaborative; they were worried about increasing bureaucratisation. Most of the discussions in the Partnership Forum address technical issues while issues of substance are seldom brought up. Some POs also felt that with increasing number of POs, the general meetings are becoming less useful while meetings in thematic sub-groups (e.g. among child welfare organisations) or focusing on specific issues (e.g. impact assessment or monitoring) provide more value-added.

One of the key objectives of the partnership Scheme was increasing the predictability and continuity of MFA funding in order to facilitate long-term planning. However, even a brief look at the statistics presented in table 5 reveals that MFA appropriations through the Scheme have actually been rather unstable, showing increases of more than 100% per year in some cases of sudden emergency (Fida and FCA in 2005), followed by substantial decreases.

Table 5 Annual and Cumulative Change in MFA Allocations to POs, 2004–2007
(Change in constant year 2000 market prices, %).

Organisation	2004/05	2005/06	2006/07	2004/07
Fida	+113	-20	0	+70
FELM	+26	-6	+4	+23
FCA	+114	-27	+30	+103
FRC	+13	-10	+61	+63
SASK	+14	+26	+39	+99
FS	+14	+6	+53	+85
ISF	+7	-4	+28	+33
WVF	+34	+27	+18	+100
Plan	-	+32	+39	+83*
SCF	-	-	+29	-

*Period 2005/2007. Source: Äijälä & al. 2006; MFA 2007a.

The predictability of MFA funding has been further hampered by additional appropriations made available at the very end of the financial year. It appears that not getting an annual late-year additional appropriation in 2007 actually came as a surprise to some POs, which had already counted it in their plans and needed subsequently to revise the budgets. The cumulative growth has also been very rapid in the case of many POs, being around 100% in three cases and 63–85% in four cases. Such sudden leaps in financing cannot be considered to be in line with good planning principles and raise doubts about the capacity of the respective POs to plan and implement the increasing volume of activities efficiently. A more predictable and transparent system of annual allocations is clearly needed even in times of increasing MFA appropriations.

5.2 Financial Administration by the POs

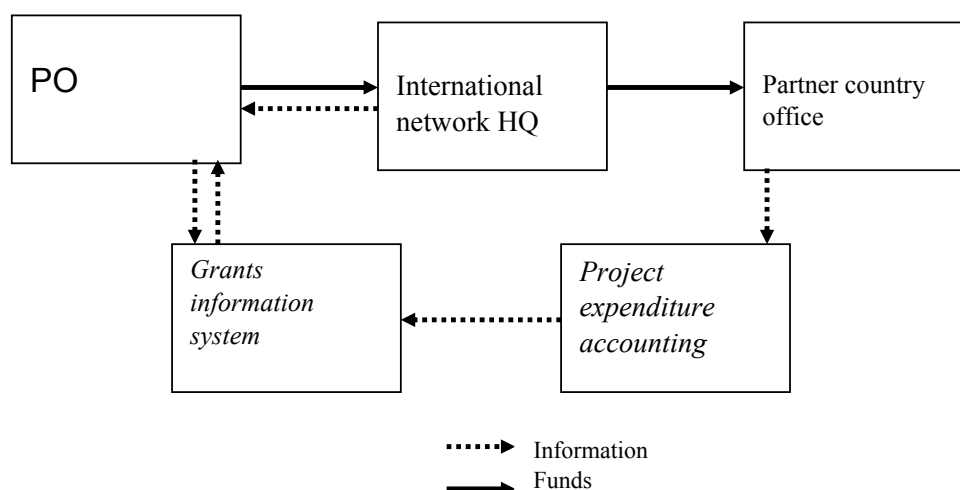
The Partnership Scheme is an important additional resource for the NGOs. Provided that the programme funded by the Partnership Scheme is a priority for the respective PO, the funds allocated by MFA automatically release other funds available to the organisation for uses which may or may not be acceptable under the Scheme, i.e. the funding is fungible. The situation is not particular to the Finnish Partnership Scheme, but rather a general characteristic of this type of funding (e.g. Wallenius & al. 2002; Pratt & al. 2006). The implication, however, is that the partnership programmes of the POs should be assessed in the institutional context which makes them meaningful, not as separate free-floating entities.

The systems of financial administration among the POs are highly diverse. Some POs such as ISF and Fida have bilateral contracts with the implementing CSOs in the partner countries and transfer the funds directly to these organisations' bank accounts. The CSOs are responsible for providing regular financial and progress reports to the PO. The system is also supported by country representatives who monitor project planning and implementation on-site. SCF has a similar system even though it is

developing towards implementation through country offices. In the case of FS, partnership funding is transferred directly from the Finnish member churches to the partners (usually also churches) in developing countries. Both Fida and FS augment the large allocation for missionary work in their budgets with additional funds earmarked for proselytising channelled directly from the parishes to the field, which do not show in the POs' accounts. In other words, based only on the information provided to KEO-33, it is very difficult if not impossible to understand the overall context and strategy in which the partnership funding is implemented by different POs even when an international network (which unavoidably brings in other donors' priorities) is not involved.

In most of the network-based NGOs that receive funding through the Partnership Scheme, the funds from the MFA plus the self-financing part are transferred through the international network headquarters. In the Plan network, where the funding from different sources is pooled to perhaps the largest extent, transfers are based on grants agreement documents negotiated and signed between Plan national offices (donors) and Plan country offices (recipients). In the case of Plan Finland, the funds are transferred four times per year (in Euros) to Plan International, where they are transferred to US\$ and pooled together with other grants, donations and sponsorship funding. From there funds are sent weekly in local currency to country offices, where they go to a single 'basket' bank account. The funds sent from Plan Finland are recorded by it in a grants information system used by the Plan network to keep record (both income and expenditure) of all grants based on the grants agreement documents. Country offices record all the expenditure and send this information to Plan International via regional offices every month. This data is also recorded in the grants information system (KPMG 2007b).

Figure 6 Information and Fund Flow within a Schematised International Network.



Source: Based on KPMG 2007b.

Some version of the same basic system is used by most of the other POs working as parts of an international network. In the FCA system, for example, financial flows are normally channelled through LWF headquarters, which is responsible for the correctness and quality of financial and narrative reports. Project reports are submitted directly by country programmes to FCA, while official audit reports come from the headquarters.

In the WVF, the projects included in the Partnership Scheme are negotiated and monitored bilaterally with the national WV offices in partner countries. Based on funding commitments made directly between WVF and respective national office, WVF sends the funding advances for selected projects through the WV International. The WVF is usually the only external donor, which makes monitoring somewhat less complicated. The projects send their reports through the respective national office directly to WVF. WV International and WV regional offices do not have a role in the monitoring process.

Currently, ear-marking of the Finnish POs' funding implemented through an international network is not required. For example, a recent performance audit states that the funds channelled from Plan Finland through Plan International to Plan's India cannot be fully traced to specific project activities, and it is thus not possible to verify that the MFA appropriation is used according to specific rules and regulations different from other funds administered by Plan (KPMG 2007b). While the PO and the auditors seem to interpret the concept 'traceability' differently, the issue brings up a more crucial question. If KPMG's interpretation will be accepted as correct, it would imply that the financial administration system of the entire organisation must fulfil the conditions set in the contract with the MFA, and a shortcoming anywhere in the financial administration has an equal discrediting effect on the entire system. This also has relevance in terms of the scale of audits. For example in the case of LWF, which is currently FCA's main international partner, the internal audit plan is not donor-based, but usually country- or project-based. In this context, some donors do their own audits: for example the Church of Sweden has decided to audit the whole LWF country programme in Ethiopia (KPMG 2007a).

If the MFA considers that it must be able to monitor its programme funding at the same level of detail as project funding, it is necessary to clarify the guidelines given to POs and probably require some kind of ear-marking of PS funding. The question is: is this necessary and would it be consistent with the overall objectives of programme approach? The question is highly relevant also in terms of the Paris Declaration's principle of harmonisation.

5.3 Intervention Cycle Management by the POs

In the Partnership Scheme monitoring and evaluation is mainly the responsibility of the POs and failure to monitor properly the use of assets in projects may be considered as non-compliance by the MFA. Up to now, the MFA has in its oversight function

concentrated almost exclusively on financial administration and auditing, including the recent performance audits. It does not have basic performance indicators (for instance, such as those used by the EC, see chapter 7.1.1.) to monitor the Scheme.

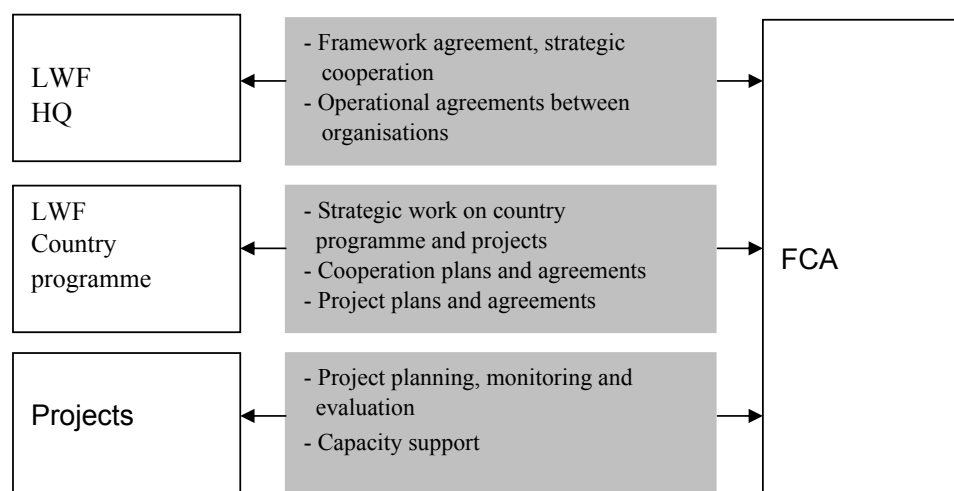
The transfer of administrative burden to POs is also reflected in the administrative costs. The performance audits indicated that in many POs, project funds used to field activities have decreased (calculated in proportion to total funding), while the funds for planning, monitoring and project administration in Finland have respectively increased. The number of personnel in the FCA, for example, has grown substantially during the last few years, from 37 in 2004 to 62 in 2007 (KPMG 2007a). A reliable comparison between POs is, however, difficult as key definitions used by different POs are not identical while the planning, monitoring and evaluation systems have changed along with growing budgets in most POs.

Three of the POs (FCA, Plan Finland, and WVF) use their international network's planning, monitoring and evaluations systems. The rest of the POs have their own M&E systems, which were in most cases developed on the basis of MFA guidelines and lessons learnt from existing systems, for example the models used by international network partners. In FS, WVF, Plan, SCF, and ISF the system is currently being revised to better correspond to developing programme thinking.

Most of the large POs working through international networks (FCA, Plan, WVF, FRC, and SASK) have quite strong and well established planning, monitoring and evaluation systems including baseline studies, regular monitoring mechanisms and standard evaluation procedures relying on external or mixed evaluation teams. In some cases, however, there is a certain difficulty in relating the evaluations to the PO programme or its component projects as the evaluation may be carried out for the purposes and in the context of a larger framework (e.g. thematic country programme). In some cases the international and/or local partners are not adequately informed about the contents and requirements of the respective partnership agreement between the PO and the MFA. While most national counterparts interviewed during the field visits were aware of the relevant MFA rules and regulations, they were often not familiar with the Partnership Scheme and its objectives.

When POs work through international networks, different parts of the planning, monitoring and evaluation process are the responsibility of different units of the network. The current division of tasks between FCA and LWF is described in Figure 7. However, while the functions appear clear in the diagram, there is still some danger of overlap especially as the administrative resources and role of the LWF headquarters has recently diminished while direct cooperation between FCA and partner country organisations has increased. It should also be noted that most of the LWF projects implemented under country programmes receive financing from various donors, which usually have somewhat different reporting requirements.

Figure 7 Programme and Project Management between LWF and FCA.



Source: Based on FCA internal document.

In a somewhat similar manner, WVF International's role is focused on global strategy development, global brand management, leading organisational development processes and international audits and peer reviews, and developing joint ICT and project cycle management tools for the whole network. Projects are negotiated directly between WVF and the respective national offices. Reports (both interim and annual) are prepared by project staff and verified and approved by the national office before being sent to WVF. A manual where all relevant WVF guidelines (including those from MFA) are put together was under preparation in 2007, and will be forwarded to national offices in partner countries (WVF 2007).

In the Plan network, the role of the headquarters is primarily to provide guidance and support services to Plan's national and country offices. This includes technical advice, policy and programme support, international marketing and communications, finance and information technology. National offices (e.g. Plan Finland) are principally fundraisers and coordinating agencies in donor countries, while country offices oversee country programme planning and implementation in developing countries. Country offices are coordinated by four regional offices; Plan Finland however coordinates the Finnish Partnership Scheme projects directly.

SASK operates through international labour unions. For example, in the case of a child-worker education programme in India, its contractual partner is the head office of the BWI in Geneva. The global coordinator of the partnership with SASK is based in Geneva, while oversight to project implementation and management is provided by a project director and project coordinators based in Delhi, India. Activities are implemented by participating unions in five Indian states. The programme is funded by several international trade union partners. BWI has its own planning and monitoring

system, which was deemed to meet the requirements of the Finnish Partnership Scheme. Local partners are involved in annual project evaluations, while self-evaluations are done biannually with the main international partners. In this case, an external evaluation mission was also organised by one of the partners.

In most other POs the role of the international network is less prominent, even though especially in faith-based organisations cooperation typically takes place with churches of the same denomination or similar sister organisations in the partner countries (e.g. FELM and Fida).

An extreme case is provided by FS, where individual projects are planned and implemented by member churches, while FS serves as a loose umbrella which channels MFA funding to members and attempts to provide some coordination. According to the organisation's own calculations, FS and the member churches together allocate annually approximately six person-years to PS programme administration, which is complemented by 1.4 person-years of voluntary planning and administrative work by member churches. The administrative process is rather fragmented, consisting of work inputs from more than 30 individuals. As the human resources for administration in FS itself are minimal (approximately one man-year consisting of four part-time contributions, and until 2006 only half of it), programme level planning and monitoring remains rather weak. This was also one of the problems identified in a recent audit. For example in Bolivia, the local FS project was actually monitored by the resident Fida coordinator. While cooperation between POs is positive as such, the controversial results of the project arouse doubts about the value added of FS's intervention in the country.

5.3.1 Clarity of Tasks and Concepts

It is important to agree on common definitions of key operations in the planning-monitoring-evaluation chain. As the POs have very different strategies and structures for international cooperation, responsibilities of different organisations in the implementation chain should be very clear in both formal contract and in practice. This is crucial for the MFA to monitor the implementation of the agreements, but also for the POs and their local partner organisations in order to avoid prolonged disputes or even legal cases if things go wrong.

Monitoring and evaluation also tend to become more difficult as the implementation chain gets longer. Sida, for example, has found it difficult to evaluate its support to NGOs as they have created too many links in the chain with their system of umbrella organisations. This makes it virtually impossible to evaluate impact, because of the proxy system operating from Sida to Swedish frame organisation, from the frame organisation to their individual Sweden-based member NGOs and from these NGOs to local development partners overseas (Pratt & al. 2006). A similar situation is often encountered with NGOs working through international networks.

Recently a lot of emphasis has been laid on quality work and impact evaluation which are increasingly seen as PO responsibilities. However, it is important to differentiate between result monitoring and impact evaluation. According to the new MFA Evaluation Guidelines (MFA 2007a), result-based management is a strategy focusing on performance and achievement of outputs, outcomes and impacts. Impacts are the positive and negative primary and secondary effects produced by a development intervention, directly or indirectly, intended or unintended. Outputs, outcomes and primary effects are relatively easy to identify and sometimes even to quantify, and their monitoring should be an integral part of project/process planning and implementation. Impact, on the other hand, refers to the overall effects of the intervention, including secondary effects taking place after considerable time interval, and its evaluation is thus a rather complex process arguably best done by – or at least under supervision of – independent external evaluators. In practice, project and programme reports have often sought to analyse impact, but the concept has almost always been confused with result while attempts to attribute observed changes to the respective project/programme have lacked credibility (cf. Äijälä & al. 2006).

Measuring results in advocacy and capacity building requires a different type of assessment than service delivery projects. Service delivery project results are often tangible, whereas advocacy and capacity building projects may require more qualitative assessments of institutional change. Governance indicators such as participatory levels in community meetings or rights awareness are some of the possible sources of information when assessing results of advocacy projects.

In terms of quality monitoring, a lot of effort was invested by the POs with the support of KEPA on the quality scorecard process. The POs which participated in the process (Plan Finland and SCF joined later) considered developing the card useful for self-reflection and sharing, but have not used it aside from some isolated experiments, with the possible exception of FCA. Plan Finland adopted it as a tool for self-evaluation in 2007, but most of the others find it too comprehensive and time consuming for regular use. Some POs use the quality system developed by their international network (e.g. SCF), and most others have tried to integrate quality monitoring into their planning and monitoring processes even though with variable success. However, as the POs are usually subject to various demands from their international and national partners to follow specific formats and procedures, adding one more obligatory standard procedure does not seem justified if using it does not have demonstrable value-added. Development of the quality scorecard towards a more practical format would thus seem relevant for those POs which cannot build on already existing systems within their network.

5.4 The Role of Other Institutions

The POs meet regularly four times per year. The PO representatives found the system useful, especially the meetings on thematic issues such as impact evaluation and quality card. Initially the collaboration took place predominantly with the whole group, but

has recently been developing towards task-forces and issue-based groups (e.g. child welfare organisations). Now some POs feel that maybe the number of regular meetings without focused agenda could be reduced and replaced with more focused thematic meetings, in which the MFA could participate more actively. It was felt that the Partnership Forums and PO meetings have potentially an important role in advocacy work and dialogue with the MFA, but that dimension has not been fully developed this far.

The role of KEPA as a facilitator in the Partnership Scheme was appreciated by all POs. Most representatives also valued highly the training provided in cooperation with KEPA, although some felt they had progressed from trainees to trainers. KEPA's role as an important forum for development policy dialogue and a channel of advocacy work in Finland was also appreciated.

Substance-level dialogue between the POs and the MFA is currently limited to KEO-33, which is not always the most relevant and/or best informed bridgehead in the MFA. Very little contact is kept with other MFA staff such as sector advisers, even though they are substance experts and have potentially an important role in terms of advocacy work. Currently contacts are maintained to some extent at individual or organisation level, but the Partnership Scheme has no role in the process. While it is probably not realistic to expect KEO-33 to have sufficient substance-level competence in each specific operational sector – this being the domain of the POs – competent appraisal of the programme proposals requires some kind of professional input, either from elsewhere in the MFA or from outside. Better coordination of MFA support directed to civil society through different channels (e.g. the Local Cooperation Fund) is also needed, as it appears that funds have been channelled to the same CSO through different instruments in some individual cases.

The role of Finnish embassies is marginal in the Partnership Scheme (Kunguru & al. 2002; Killian & al. 2004). As none of the case-countries of this evaluation are Finland's main development cooperation partners, the team contacted the embassies in the main partner countries by e-mail in order to know how much they are involved in the Scheme (all except for Ethiopia responded). Uganda is under the embassy in Kenya, which was contacted as a main partner country. In addition, the embassy in India was visited, and the embassy in Peru (which is in charge of Bolivia) was contacted through e-mail.

The responses to the questionnaires show that embassies have no role in the monitoring or coordination of the Partnership Scheme as such (some embassies did not even know what the Scheme was or which NGOs are part of it), but they do follow to some extent the activities supported by Finnish NGOs in the country. There seems, however, to be rather large variation between embassies in how actively they are in contact with such NGOs. In some embassies, such as the one in Mozambique, the NGO liaison person visits them regularly and sends reports to KEO-33. The embassy in Nepal even monitors that funds allocated centrally by the MFA and locally by the embassy do not overlap. Others such as Peru, on the other hand, reported little contact with Finnish NGOs

and no active monitoring. Similarly, the embassy in India did not express much interest in active involvement of monitoring the Scheme. Responses from the POs confirm these findings: contact between a PO and Finnish embassy in partner country depends very much on the initiative and interest of the ambassador, the NGO liaison person in the embassy, and activity of the PO.

According to the current development cooperation policy, embassies will have an increasingly important role in donor cooperation and policy dialogue with partner governments. The MFA has also been instructed to develop the division of tasks between embassies and the MFA as well as other ministries, and to increase the decision making powers and responsibility of embassies in development cooperation (Ulkoasiainministeriö 2007a). Especially the increasing number of sector advisers placed in the embassies could be useful for the Partnership Scheme. However, it should be noted that Finland has embassies in less than half of the countries where the Partnership Scheme projects are currently under implementation, and sector advisers are concentrated in Finland's eight long-term partner countries.

6 KEY FINDINGS

6.1 Partnership Agreement Scheme

The evaluation findings are discussed under the respective evaluation questions presented in the ToR (Annex 1).

6.1.1 Relevance

Relevance means whether the results, purpose and overall objectives of the intervention are in line with the needs and aspirations of the beneficiaries, and with the policy environment of the intervention. Relevance is addressed through three specific questions.

What is the validity of the partnership Scheme as such and as an aid delivery model?

Some observers have noted that the Paris Declaration, by stressing harmonised international aid focused on supporting partner governments' national development plans, leaves little space for civil society, especially where it is pursuing an agenda or focus that is different from the government's. This stems from a core assumption of the declaration, that national development plans are evolved through a democratic process to which local civil society groups have contributed and feel ownership of. Civil society should thus adhere to these national plans and/or be contractors to central government/donors in delivering them (Pratt & al. 2006). This view is disputed by those donors who believe that CSOs have an increasingly important role in advocacy

and oversight over service delivery by public authorities, which benefit from increasing volumes of donor funding in the form of direct budget support and sector-wide programmes (DFID 2007). A number of major international donors such as the EC seek to both increase capacity building to civil society actors in order to facilitate their involvement in the policy-making process and to enhance capacity to deliver basic services to the poorest peoples in developing countries (EC 2007).

The objective of the Partnership Scheme is to improve the quality of development cooperation and to offer NGOs an opportunity to implement their own programmes independently (MFA 2006). What this means in practice appears to be somewhat obscure even for the participating NGOs, not to mention partner organisations in developing countries. They were often unaware of the Scheme or knew it only very vaguely. A number of PO representatives noted that it would be easier to develop the programme approach and related indicators if the strategic goals set by the MFA for the Scheme were clearer. Now it appears to be mainly a technical modality established to reduce the administrative burden of KEO-33, increasing as a side effect the administrative responsibilities of the respective NGOs at the same time as it facilitates long-term planning and flexible use of resources. In terms of these pragmatic, management level criteria the Scheme must be considered valid.

The substance dialogue between the POs and the MFA has not developed as expected. The KEO-33 staff continues to be busy with routine administration. This is a common finding also in the framework/partnership Schemes of other countries reviewed in this report, and reflects the fact that the interface between the ministries and the respective NGOs is very constricted, consisting essentially of formal administrative monitoring by the respective NGO unit. What broader role national development NGOs could have seems to be unclear to everybody.

How relevant are the objectives of the partner organisations and their programs from the perspective of Finnish development policy and specific country policies and plans?

The new development policy document emphasises the complementary role of NGO development cooperation in relation to public bilateral, multilateral and EU development policies. The document further emphasises that NGOs should, as far as possible, strengthen the implementation of the principles mentioned in the government's development cooperation programme in their own programmes (Ulkoasiainministeriö 2007b). The same issue has come up in the context of other Nordic+ group member countries' development cooperation policy reviews. For instance, in Denmark and the Netherlands, the governments have demanded better compliance of the NGO programmes with respective government's policies. In the cases of Sweden and the UK, the relative independence of NGOs has, however, been maintained. The issue was also debated in Finland during the previous government's term, even though the most recent NGO support policy document (MFA 2006) emphasises independent implementation of NGOs' own programmes as a key objective of the Partnership Scheme.

The findings of this evaluation show that the operational plans of the ten POs are coherent with the poverty eradication objective and those MDGs relevant to their respective areas of operation. General compliance with Finnish development policy and the MDGs is actually a non-issue due to the very general character of both the MDGs and the POs' programmes. The same general goals are also shared by most of the partner countries. At least in the three case countries included in this evaluation the objectives of the POs' country programmes and/or individual projects supported by them were found to be coherent with relevant MDGs and related national Poverty Reduction Strategies (PRS) documents.

However, the dispersion of the projects to a number of partner countries makes monitoring of the coherence criteria by the MFA difficult. All the POs take note of PRS- and other national development plans, as well as MDGs and profess to plan their work so that it is in line with government policies, even though their relevance for specific POs varies. FRC, for example, emphasises its independence from all governments and governmental organisations, including the UN system, while also Plan Finland feels that CSOs should not be bound by government programmes. Others, such as Fida, WVF and FS emphasise conformity with national policies and programmes. As noted above, possible differences do not appear on the level of macro-policies, which tend to be derived from MDGs and other globally ratified development targets, but on specific policies and especially on the role and relative autonomy of CSOs vis-à-vis local authorities in project implementation. In some cases lack of coordination or conflicting relationships with authorities have led to duplication of services and lack of sustainability.

In terms of the cross-cutting themes of Finnish development cooperation policy – gender equality and the rights of women, girls and children in general, disabled persons, indigenous peoples, ethnic minorities, and the fight against HIV/AIDS – the compliance of the PO programmes and projects reviewed were found to be relatively good (cf. Ulkoasiainministeriö 2007b). Prominence of the rights-based approach in such organisations as Plan Finland, WVF, SCF, ISF, SASK and FCA was evident, and even more traditional faith-based organisations such as FELM, Fida and FS had integrated the cross-cutting themes effectively in their work, which was reflected in campaigns against domestic violence, for example. Environment is a key factor in Finnish development policy aiming at poverty reduction as a part of sustainable development, which constitutes the main goal of the European Consensus on Development (Council of the EU 2005). Environment, which was previously considered as a cross-cutting theme, is considered in PO programmes to a variable degree. While it is a key element in rural development and sanitation projects, its relevance is perceived as less evident in projects supporting service delivery e.g. in education or HIV/AIDS prevention and mitigation.

How relevant is the country allocation of partnership NGO interventions from the viewpoint of Finnish aid policy, which emphasises support to least developed countries (LDCs) and concentration of aid to a fewer number of countries?

The question of relevance becomes problematic at the level of compliance required with respect to specific Finnish sectoral policies and selection of partner countries. Basically the question is whether the PO programmes should be harnessed to directly serve Finland's bilateral and multilateral cooperation programmes and projects, or whether they should be complementary (i.e. mutually supportive in terms of covering relevant sectors or geographical areas where the other does not operate) to such programmes and projects while compatible with the overall development cooperation policy. The latter interpretation has been used this far and is embraced by the current NGO policy delineation of both Finland (MFA 2006) and the EC (2007).

Country selection by the POs is typically based on both relevance of programmatic development objectives (poverty reduction, building civil society, post-conflict reconstruction, child welfare etc.) and historical factors, such as relationships created through missionary work (Fida, FS, FELM), continuation from relief work to reconstruction (FCA, Fida, FRC) or even marketing factors (WVF). WVF, Plan and Fida also emphasise conformity with Finland's development cooperation objectives. Fida and Plan, and to some extent SCF target Finland's partner countries while the other POs do not appear to target Finland's main development cooperation partners (even FS states that the inclusion of four partner countries is based on other criteria). Only a few of the POs (WVF, Plan and SCF) have explicit criteria for country selection, but relatively high proportion of LDCs amongst partner countries seem to indicate emphasis on poverty criteria in the cases of FCA, FRC, ISF and SCF (Table 6). For the other POs, LDC status does not appear to be important as they claim to target the poor within the country (peripheral or marginal regions and communities) or within communities (disadvantaged groups such as orphans, HIV/AIDS patients, disabled, internally displaced etc.).

None of the case-countries visited are Finland's main development cooperation partner countries. Therefore, the country studies could not address the issue of the PO programmes compliance with Finland's country programmes in these countries. Interviews with PO staff in Finland and responses to e-mail questions addressed to Finnish embassies in the eight partner countries, however, revealed that the POs do not consider Finland's country programmes a prominent factor when planning their programmes and projects. The NGO focal points in the embassies noted that they were not attempting to coordinate the work of POs or other Finnish NGOs in the respective countries.

There is considerable variation in the allocations per country among the POs, ranging from more than 400,000 Euro (ISF, WVF, and FELM) to 50,000 Euro (FS). Noting that these are average figures, country level allocations for minor partners are bound to be very low in the case of Fida and SASK, but particularly in the case of FS (Table 7).

Table 6 Characterisation of PS Partner Countries in terms of Development Status and Priority in Finland's Bilateral Cooperation.

Partnership Organisation	No. of countries (2007)	LDCs, no./share*	Finland's development partners, no./share**
FinnChurchAid	19	13/68%	3/38%
Fida International	34	9/26%	4/50%
FELM	14	6/43%	3/38%
FRC	20***	11/55%	3/38%
FS	23	7/30%	4/50%
ISF	3	2/67%	1/13%
Plan Finland	16	7/44%	4/50%
SCF	7	5/71%	3/38%
SASK	28***	4/14%	3/38%
WVF	7	2/29%	1/13%

* LDCs as % of countries where PO operates; ** % of Finland's partner countries (8) covered by PO.

***There are also regional programmes covering other countries.

Table 7 Country-level allocation of funds by each PO in 2007.

Partnership Organisation	Budget, million €	No. of countries	Average budget/country, million €*
ISF	1.4	3	0.47
WVF	3.0	7	0.43
FELM	5.8	14	0.41
Plan Finland	5.7	16	0.35
SCF	2.1	7	0.30
FinnChurchAid	4.9	19	0.26
FRC	4.1	20	0.21
Fida International	4.7	34	0.14
SASK	3.7	28	0.13
FS	1.2	23	0.05

*Indicative, includes only MFA allocation, not self-financing.

Most of the POs are developing their new programmes with the objective of focusing in fewer countries, which is consistent with the objectives of sustainability and effectiveness of aid. However, some of the POs with a very high number of partner countries in relation to their management capacity, such as Fida and FS, seem to be determined to continue with the current high number of partner countries or even increasing the number. These POs justify the current geographical dispersion on demands rising from local partners, but the evaluation team is concerned about possible lack of effectiveness and sustainability caused by lack of geographical and country focus. At least in some cases (Fida in India, FS, and FELM in Bolivia), observations in the field support this.

6.1.2 Effectiveness

Effectiveness describes how well the results achieved have furthered the attainment of the intervention purpose. In assessing the effectiveness of the Partnership Scheme, the following three questions are pertinent:

Has the ministry the necessary capacity, guidelines and procedures in place to ensure that its support brings about desired outcomes and impacts?

Previous evaluations of Finnish NGO support in Kenya and Tanzania (Kunguru & al. 2002; Killian & al. 2004) concluded that monitoring by KEO-33 and the embassies was inadequate. The evaluations, however, did not focus on the framework scheme or the specific planning, monitoring and evaluation arrangements that are integral to the programme approach. As noted above (5.1), the recent performance audit carried out in India brought up a number of important issues, which reflect core problems in the administrative guidelines of the Partnership Scheme: There is a major mismatch between the requirements set for financial management and monitoring of the use of funds in the projects and the programmes.

The dilemma appears to be linked to lack of clarity in the roles of different stakeholders. Borrowing a theoretical insight from new institutional economics, we can differentiate institutional environment from institutional arrangements. While the institutional environment (including both formal and informal rules) creates the basis for economic activities, institutional arrangements provide the specific guidelines that mediate particular economic relationships. Normally the former is mainly the responsibility of the state, while the latter are left to individual non-governmental/private actors (Klein 2000).

The guidelines are not adequate to create a coherent, transparent and relevant environment for the individual (usually bilateral) arrangements made between the various stakeholders in the implementation chain. The team heard a lot of complaints about the guidelines, which are too detailed and inappropriate for programme work in some cases, while clear general instructions are lacking in other key areas. Some of the rules intervenes the management and implementation arrangements while all necessary aspects of the implementation environment are not covered. Focus seems to be on detailed financial rules, not on the quality and sustainability of the results and their relevance to intended beneficiaries. Issues like capacity building, participation and advocacy tend to be sidelined.

The above does not, however, mean that the team recommends MFA to be more lax on financial monitoring. The idea of the Partnership Scheme is based on the notion that the POs are responsible for setting up structures that make sure that the funds are used in conformity with the agreement. MFA is responsible for the funds allocated to the POs, and is therefore fully entitled and even obliged to check that they are used

appropriately. The POs are obliged to provide the necessary information for that purpose. In fact it seems that certain laxity in this function has been a main cause for the rearrangements in Sweden and the Netherlands.

Fulfilling the supervisory role in a way that does not wreck the whole programme approach, however, calls for clear and uniform basic rules that are shared and agreed upon by all stakeholders. There seem to be various different interpretations about the rules in the Finnish scheme. For example the review of PO projects in the three case-countries clearly shows that the level of data available at the MFA is highly variable, and in many cases totally inadequate for the purposes of monitoring. While flexibility in terms of planning and financial allocations is one of the key merits of the Partnership Scheme, it also requires high level of diligence and transparency from the POs.

The MFA needs information about country and sector. This information is currently not provided adequately (if at all) in PO operational plans. By providing a format for project reporting in the annual NGO project catalogue (which includes also PO projects), the MFA can establish common standards for minimum data for all NGOs. If considered necessary, the MFA could prepare specific guidelines for POs. Currently the catalogue is rather heterogeneous and during this evaluation the data contained in the last three editions was often unreliable. Also descriptions found in the internet pages of the POs were rather variable in both content and format. For example, SCF, Fida, FS and FCA have included descriptions on all projects, while others introduce only some of them or the descriptions are too vague. Plan Finland, WVF and Fida pages include substantive information about the Partnership Scheme, while SCF, for example, does not mention it.

A major problem stems from the immense diversity observed in the structure and operational modalities of the POs. FS, for example, is basically an umbrella organisation through which MFA funding is transferred to Finnish partner churches. These churches, in turn, channel the funds to their developing country partners for use in individual and essentially unrelated projects. Plan Finland's partnership programme, on the other hand, is largely an administrative tool for transferring MFA and other funds collected from Finland through Plan International to country programmes/thematic sub-programmes implemented by Plan offices in the developing countries. In the first case, the basic unit of operation to be monitored is a local bilateral NGO project, but in the second it is an international network and country level programmes under it.

It is crucial that the MFA can provide clear and transparent general rules and guidelines, including sufficiently practical and unambiguous definitions of key operational concepts that apply equally to all participants of the Scheme while respecting their differences and the logic of programme level cooperation. This common institutional environment can then be complemented with more specific institutional arrangements reflecting each PO's individual characteristics (structure, mode of operation, administrative and planning capacity and procedures, etc.) recorded in the bilateral agreements signed

between the respective PO and the MFA (standing partnership agreement and/or fixed-period financial agreements). Similar bilateral institutional arrangements concerning deviating audit procedures have already been made in some cases, e.g. FRC and FELM.

Do programme documents and/or operational principles of the partnership NGOs adequately describe the approach and systems (to be) used in (impact) evaluation and have adequate resources been allocated to monitoring and evaluation?

Transparency is an important aspect of accountability. Thus, it is important that the information available to the public (in the internet and relevant MFA publications) is accurate and provides a coherent set of basic data. On the other hand, it should be noted that project descriptions in the internet are not a substitute for progress reports prepared for monitoring purposes to KEO-33. While it can hardly be expected that project descriptions in the internet – which serve mainly publicity purposes – devolve much on problems and failures, reporting to the MFA should be open and even self-critical when needed.

As noted above (4.3), most of the POs have adequate systems and resources for monitoring and evaluation, or are currently developing such systems and resources. At least FCA, WVE, ISF, Plan Finland, and SCF seem to have allocated adequate human and financial resources for monitoring and evaluation, and the systems are documented. Despite a rather large number of staff in partner countries, on the basis of country visits the evaluation team was left with some doubts about the monitoring and evaluation systems of FS, Fida and FELM. Interim- and final evaluations are regularly done in Plan Finland, WVE, SCF, SASK, ISF, FCA and Fida. FS has repeatedly reported planning such evaluations, but this far the plans have not been realised. Among network-based POs, evaluations are typically organised through international network partners such as LWF in the case of FCA. In most cases the evaluations are external and independent, but mixed teams are also used, for example by WV and LWF.

Adequate administrative capacity is crucial for efficient programme administration, and it is one of the basic criteria for joining the Partnership Scheme. Recently some concern has been expressed over the increase in administrative costs in PO programmes. The evaluation team considers this a normal development as the POs had an obligation to develop planning, monitoring and evaluation in order to fulfil the MFAs requirements. Public funding was increasing rapidly at the same time as most POs were struggling with transition to programme approach, and the increase was probably caused by these factors.

It should, however, be noted that where funds are not allocated to specific projects but larger components such as country programmes or sub-programmes (e.g. Plan Finland in Ethiopia), the evaluations by the organisation do not focus on the use of MFA funding. In this context the MFA should, together with the respective PO, review the specific programme implementation framework in each case and define the scope and

focus of monitoring and evaluation required for adequate oversight of the Finnish Partnership Scheme. This is linked to a more general issue: a clear vision of the key elements of a programme and its implementation context is needed before meaningful information and indicators for monitoring can be provided. Programme reporting requires relatively high level of synthesis and analytical summarising, which then makes possible risk analysis and re-directing if/when need arises. All the POs have room for development in this area.

It is important to agree on common definition of concepts (e.g. results vs. impact), and consider carefully on what level of evaluation/monitoring different stakeholders can and should do. Alternative approaches such as cluster evaluations (both country and thematic) and joint evaluations could be used for impact assessment, especially as the POs tend to have similar projects and programmes (e.g. HIV/AIDS in Uganda). The Nordic+ network may also provide a useful basis for cooperation, as the recent joint study of trends, impact and effectiveness of different models for supporting civil society at country level shows. This provides one possible way to realise the Paris Declaration's aim of harmonisation among like-minded donors.

How does the partnership agreement aid delivery mechanism compare with other forms of development aid in respect of effectiveness?

As noted above, the current system of monitoring and evaluation does not provide adequate information for assessing the effectiveness of the Scheme in comparison with other forms of development aid. It does not have a coherent system for monitoring and evaluating programme level results and impact. While project reports provide information on some concrete results such as wells sunk or training courses offered, such information covers only a few of the results of an individual project and in most cases data on their cost-efficiency was not available. Less tangible results related to advocacy work or capacity building are even harder to pin down.

Most POs emphasise that programme approach facilitates long-term planning, good coordination, flexibility and collaboration with other stakeholders while reducing administrative bureaucracy. All these benefits are in line with the objectives of the Paris Declaration, and lead at least potentially to more effective and sustainable development cooperation in comparison to annual project-based allocations. The area development programme (ADP) in Ambegaon, implemented by WV India, provides an example. WVF has been the donor ever since 1995 when the ADP was initiated, drawing initially on child sponsorship funding. Over the years the approach has changed from a welfare approach to a development approach, while the management approach has changed from project-based to programmatic. Currently WV India only uses WV's standard formats and approaches throughout the project cycle, i.e. one format meets the needs of both WV India and WVF. In terms of administrative costs, this is a significant improvement compared to the earlier years when every major document from project plan to progress report needed to be produced in two versions. The project has now

become a model for the WVF-WVI partnership, and WV India has started the formulation of four more ADPs with WVF funding.

The programme modality appears to serve the grassroots level stakeholder needs particularly well, because the POs are not in a rush to close down activities prematurely. It is a flexible instrument which allows for evolution of project scope and focus as and when new community needs emerge. When compared to INGO support and local cooperation funding through Finnish embassies, the Scheme can – if the MFA so wishes – provide Finnish value added in the form of advocacy work on issues that support Finnish development cooperation policies as well as through Finnish experts working in international and local partner organisations abroad. This, however, should be based on the organisations' own programme and cannot be imposed by MFA. It also provides opportunities for Finnish people interested in development issues to gain concrete experience in developing countries and in development administration, even though it should be noted that large-scale use of expatriate staff tends to reduce sustainability and weaken local ownership. Special emphasis should, therefore, be put on professional qualifications and relevant work experience when recruiting expatriate staff.

For the MFA, management of NGO projects through the Scheme is cost-effective (calculated per volume of funding) than management of individual project grants. The same, rather self-evident observation was also made about the British scheme.

6.2 Programme and Case Countries

In this evaluation, planning and implementation of the individual partnership programmes was examined in three case-countries: Bolivia, India, and Uganda. While this rather limited sample gives an idea about the diversity of the partner countries, it does not give sufficient basis for evaluating individual PO programmes, not to mention individual projects implemented under these programmes. The findings do, however, highlight the magnitude of the task of developing a coherent development programme operating in such variable economic and socio-political contexts. Table 8 presents some key development indicators which illustrate the enormous heterogeneity. More comprehensive analysis on country level can be found in the three country reports annexed to this report.

While all three countries have average GDP per capita levels well below the average for developing countries, only Uganda is classified as a LDC. Bolivia enjoys a relatively high adult literacy rate and school enrolment rate. It is also the most urbanised and suffers from the highest rate of economic inequality among the case countries. India has the highest GDP per capita and almost the same life expectancy as Bolivia, but it suffers from lower than average literacy and gross enrolment rates, which can become a major handicap in terms of achieving the MDGs. Uganda suffers from a very low life expectancy, which is partly caused by high prevalence of HIV/AIDS. On the other

Table 8 Key Development indicators for Uganda, Bolivia and India (2004).

	HDI value	Life expect. (years)	Adult literacy (%)*	Gross enrolm. (%)**	GDP/capita (US\$ PPP)	Popul. Growth (annual)	Urban popul. (%)	Gini index
Uganda	0.502	48.4	66.8	66	1,478	3.3	12.5	43.0
Bolivia	0.692	64.4	86.7	87	2,720	2.2	63.7	60.1
India	0.611	63.6	61.0	62	3,139	1.9	28.5	32.5
Dev.countries	-	65.2	78.1	63	4,775	1.9	42.2	-

* Ages 15 and older; ** Combined for primary, secondary and tertiary schools.

Source: UNDP 2006a.

hand, its population growth rate is substantially higher than the average for developing countries, which together with the AIDS situation has contributed to a markedly skewed demographic profile with a high number of children and old people in proportion to working-age people. Combined with rapid social change, this has weakened drastically the basis of traditional social security networks in the country.

The three case country reports show how diverse the operational context for CSOs is in different countries. Perhaps the most striking difference concerns the sources of NGO funding, which are mainly national in the case of India, but overwhelmingly external in the cases of Bolivia and Uganda. Extensive dependence on external resources tends to have important negative implications on the ownership and sustainability of development interventions. While it should be noted that there are substantial differences in terms of legal environment between states in India's federal system, conditions there are generally more conducive to independent civil society development than in Bolivia or Uganda. In the latter two, the focus of partner NGOs is typically on service delivery while the respective governments do not seem to encourage the advocacy role of NGOs. A common feature of non-state actors is their independence from the state and the voluntary basis upon which they have come together to act and promote common interests (EC 2007).

The capacity of local partners depends on their status and local support. Thus faith-based organisations such as Fida, FS, and FELM working with sister churches in contexts where the respective denominational groups are relatively marginal are likely to face problems caused by weak financial and management capacity of counterpart organisations. This can lead to lack of sustainability, as observed in the case of some Fida projects in India and FELM projects in Bolivia. The socio-cultural context is thus a key factor to be considered. In the case of some partner countries and projects (e.g. the FS project in Bolivia) their relevance in terms of development potential can be questioned. Such examples highlight the importance of strategic project planning and independent appraisal in programme development.

6.2.1 Relevance

Relevance refers to consistence of the interventions with the needs and priorities of the target group and the policies of the partner country and other donor agencies. Here it is addressed through the following two questions:

How relevant are the objectives of the partner organisations and their programs from the perspective of specific country policies and plans?

The programmes are all well in line with the partner countries' development policies and relevant MDGs, such as poverty reduction, universal education, improving survival and nutrition status of children, empowering women and girls and environmental protection. Policies in specific areas of intervention are based on globally ratified international documents such as the United Nations Convention of Child and the relevant ILO conventions. Due to the very great variety of themes covered by different projects, it is not possible to address the issue of relevance on sectoral basis. For example, just in India the programmes reviewed covered the following key themes: child rights, basic education, HIV/AIDS, labour policy and labour management, rural development, community development, environmental conservation, social services, water supply and sanitation, post disaster reconstruction and rehabilitation.

As all POs place substantial emphasis on service delivery and capacity building, which is usually planned in cooperation with the authorities, the relevance in terms of government policies and plans is generally good. All POs had consulted relevant official development plans and shared their own project plans with respective local authorities, and in most cases close collaboration was observed. The HIV/AIDS project implemented by WV India in Guntur, for example, is also a member of the District TB and HIV Coordination Committee. Some of the trade unions supported by SASK in India are also represented in public committees dealing with labour and education issues at state and even national level, while BWI is strong in lobbying with the central government on policy issues and has developed good rapport with political and a-political leaders in the country. Other large network NGOs such as Plan, LWF, Save the Children, and the Red Cross were also represented in district and/or national level boards and NGO umbrella organisations.

The situation is different for POs such as ISF, FS, FELM, and Fida, which work directly with smaller local NGOs or churches with less resources and public visibility. While they are in contact with local authorities in the areas where they operate, their influence on policy issues is clearly less prominent, and in some cases the relations with authorities appeared to be problematic (e.g. the FS school project in Ivirgarzama, Bolivia). Some problems in finding reliable and efficient partners were also observed, e.g. in the case of ISF HIV/AIDS project in Uganda. These POs need to open up and approach both the government, civil society and NGO actors. This is not only needed for the sake of networking and advocacy but also in order to access new partners and human resources with proven technical and thematic capacity. Local liaison offices

and resident coordinators, where they exist, have an important role in this process and special care should be taken when selecting staff for these functions.

A somewhat different issue is whether the goals and principles listed in project and programme documents are followed in practice. In the case of SCF projects in India, for example, the evaluation team observed the rights-based approach and methodologies being applied consistently in all activities. In other cases, an organisation's project plan and report formats may address crosscutting issues, such as gender, environment, people with disabilities, cultural aspects and HIV/AIDS adequately, but their manifestation on the ground is patchy. For instance, while Fida professes gender equity in its documents, the team observed that in the FCGI project teams fielded in India men outnumbered women 16 to 1.

How relevant are the PO country programmes and projects in relation to the needs of beneficiaries and to the aim of strengthening of the civil society?

The Partnership Scheme reflects three broad, partially overlapping trends in international support to civil society in developing countries. The Scheme aims to move (i) from project-based support to increased use of core or programme support; (ii) from direct support to indirect support through intermediaries; and (iii) from unilateral support to several donors working together (Disch & al. 2007). The Partnership Scheme is obviously a direct result of the first trend, but also the other trends have impacted the way it is implemented at country level.

The move from direct to indirect NGO support is linked to the debate on whether government agencies in the north should continue to fund service delivery by foreign NGOs in the south, which can be considered as a form of tied aid. The point is that the donors and/or foreign NGOs should rather provide funding or other support for local organisations to do this. This is what happens in the Partnership Scheme, even though again different POs have different operational structures. All ten POs are in contractual relationship with locally registered NGOs in partner countries, which implement their programmes and projects. Most national partners also collaborate with local NGOs and CBOs, providing training and resources. The national partners, however, are a very heterogeneous lot. WV India, for example, was established in 1962 and carries out development work in 24 states, employs around 1,300 staff and works with over 5,000 communities. On the other hand COFCAWE, which is ISF's new national partner in the HIV/AIDS project in Uganda, has only a handful of permanent staff and was registered as an NGO in 2007.

Many of the POs are currently in transition towards the indirect support modality. The operations of SCF in India, for example, have been managed directly by SCF staff until present. However, a national Save the Children organisation (*Bal Rakshya Bharat*) was registered in 2004 with support from SCF and other international Save the Children Alliance members. It will now assume the implementing and coordinating role of SCF's (and other members') activities in India. With the exception of one local partner,

all the partners had experience of working with international organisations. Nevertheless, SCF has included a strong partner capacity building element to the programme.

Those POs operating through an international network (FCA, FRC, SASK, Plan, WVF, and SCF) represent donors working together under one framework. While this is potentially good for donor harmonisation, it does not necessarily strengthen local ownership as the national branches of the network are in some cases more like INGOs than local NGOs – and are perceived as such by many local NGO activists for example in Uganda. The depth of local roots is, however, highly variable between networks and countries.

Support via INGOs and transnational NGOs has been accused of creating power imbalances in civil society in the south, and thereby of undermining the development of autonomous, locally based civil society (Disch & al. 2007). On the other hand, transnational NGOs are often highly professional and provide an efficient channel for development assistance, including experienced organisation and secure channels for international financial transfers. With the exception of a few top positions in Bolivia and Uganda, the staff of the network organisations was also fully national. Promoting local ownership by cooperating bilaterally with local NGOs, on the other hand, increases the risks of inefficiency and misuse of funds due to lack of administrative capacity and/or weak oversight if the local coordination function is not adequate. This was also observed during the field visits in all three case countries.

One definite benefit that the partnership instrument provides is the potential for learning and replication across thematic and geographical boundaries. In the case of the SASK/BWI project, for example, the success achieved with the initial three project implementing unions has motivated the BWI (along with the international trade union partners) to replicate the project in three other states, and in 2007 BWI started a similar project with SASK support in Nepal, where the lessons learned so far will be replicated. During the process BWI has developed a project replication strategy, which provides criteria and clear processes when a project expands to a new area. Another example is provided by WV India, which methodically used lessons and experiences from earlier projects and studies to design a new programme to combat HIV/AIDS through community participation. Similar strategies were also observed in HIV/AIDS projects implemented by different organisations in Uganda, and there is obviously important benefits to be gained if these lessons learnt can be properly analysed and shared internationally.

In the programme framework accountability is mostly dealt with as sets of bilateral rather than multi-stakeholder relationships: between MFA and POs, between the PO and the international NGO partner (INGO) and/or the local offices of NGO partners (local or international), and finally between local NGO/CBO partners and the communities with which they work to implement the projects. While the Scheme is based on the idea of partnership, the structure entails the risk of replicating the standard donor-beneficiary relationship with accountability only upwards to the donor.

This problem is not restricted to the relationship between MFA and the POs, for the structure can easily make the POs behave in practice as a donor in subsequent bilateral relationships along the chain, and this can even be repeated between southern NGO partners and communities. While the immediate concerns of MFA and the POs over sound financial management and efficient project management are important and entirely justified, in this context they may critically overshadow development of the partners' local accountability capacity towards the beneficiaries.

The question, therefore, is not about a choice between locally based and globally based organisation, but rather how to ensure 'downward accountability', i.e. the local CSO's accountability towards its target groups/beneficiaries as well as the intermediary organisation's accountability towards the CSO as well as beneficiaries of support (Disch & al. 2007). All POs claim to use participatory methods in project planning, and project visits and available documentation support this claim in various cases. In the case of SCF projects in India, for example, the planning processes included detailed consultations and discussions with the main beneficiaries (children) as well as all representatives of other relevant social categories in the community and other relevant stakeholders. Similar planning processes are used by Plan, WV, FCA, and ISF, among others. In this evaluation it was not possible to assess how deep the process actually goes in concrete planning processes.

6.2.2 Effectiveness

What have been the main project development results and impacts and to what extent the development intervention objectives have been achieved, or are expected to be achieved especially in terms of poverty reduction, strengthening of civil society and cross-cutting themes?

The findings of the evaluation indicate that poverty reduction was addressed in one way or another practically in all the projects examined. In the four projects visited in Uganda, the target group for the interventions can be categorized as vulnerable, most at risk populations and very poor. For example, the HIV/AIDS target groups consist of children and youth (including orphans and disabled) and internally displaced persons, as well as those already infected and affected by HIV/AIDS. In India, the projects were found to be targeting the poorest sections of the population or most disadvantaged groups. For instance, SCF in Rajasthan is working with the disadvantaged children, especially girl children. Similarly, WV India works directly with rural poor and disadvantaged groups in Ambegaon and with HIV positive persons in Guntur. Fida's partner in Mumbai targets poor slum residents who are most vulnerable and living under dismal environmental conditions.

The POs are focusing largely in service delivery especially in Uganda, which is the poorest of the three case countries. The key areas of social support addressed are provision of social rights including education, basic health care, food security and social protection initiatives for vulnerable groups. Concrete help such as LWF's home based care package for HIV positive persons targets those infected as well as family members who have

been affected indirectly. Training improves local knowledge and skills on such everyday needs as safe water, nutrition, hygiene and sanitation. Various interventions also help to generate income for the poor households unable to meet basic needs.

More efficient focusing would probably improve both cost-effectiveness and sustainability of the interventions. All projects visited tended to include a large number of components, reflecting the variety of local needs. Especially some integrated rural development projects (e.g. the FCA/LWF project in Katakwi, Uganda and the FELM project in Bolivia) seemed to be stretching their resources too thinly. There are, however, important differences between POs. SASK, and SCF, for example, have chosen to focus on a relatively narrow, manageable set of thematic areas, even though SASK's number of partner countries seems excessive. A transnational NGO like WVF can also be selective; choosing only one or two types of interventions from its partner's broad range of programmes as in the case of World Vision India. Interestingly, thematically broadest but also the most incoherent programmes are found with the three traditional faith-based POs, perhaps because their emphasis is on holistic community development.

In terms of cross-cutting issues, all the POs articulate gender issues and gender mainstreaming as a core value and a crosscutting theme at institutional and programme levels. For example Plan Uganda has an HIV/AIDS work place policy and provides equal opportunities to both male and female at recruitment. At programme level, women and girls are specifically targeted. In India, for example, WVI, SCF and SASK's partner BWI have clear-cut gender policies with observed impact on both programme content and staffing. The affirmative gender policy of BWI, stipulating that 30% of activity participants have to be women, and women representation should be 30% at the union level structures, is worth noting as the sector is traditionally strongly male dominated. However, while the POs have been quite successful in meeting various practical needs of women and girls, such as access to health services, education and income generating activities, structural barriers and socio-cultural attitudes and practices in terms of access to and control over resources, division of labour and decision making are often not addressed.

The evaluation team observed that all cross-cutting issues are not addressed to the same extent by POs. Similar to gender, environment is reflected in plans and reports. However, while the other themes (e.g. ethnic minorities, culture) were often written into the documents, they did not manifest themselves in the grassroots activities. While the same was observed to some extent even with gender and environment, some of the field staff expressing problems in seeing their relevance for implementation e.g. in Katakwi, the phenomenon was even more evident for the other themes.

Capacity building of local organisations, including both training of government and CBO staff and infrastructure development is included in all projects and programmes examined, but assessing their impact – i.e. going beyond quantitative outputs – is difficult. For example, Plan Uganda had trained over 250 village health teams in Tororo District and passed them over to the district health department for deployment. In the

same district, Plan has constructed several health centres and staff accommodation, providing also equipment for the health centres. Data for assessing the development impact of these activities, however, was not available (impact assessment is planned to take place in 2009).

The capacity building and advocacy efforts have to various degrees contributed to strengthening civil society. For those POs which work directly with local NGOs in partner countries, organisational development of the partner organisation is almost a standard element of partnership. Some transnational POs and their partners have also been able to strengthen the CSO actors at the grassroots. In India, for instance, support by WV has empowered local populations to demand for public services such as sanitation facilities or treatment for AIDS patients, while support from SCF through its partners to a child rights network has helped to combat atrocities on children. These are signs of civil society movements which, however, would need further strengthening.

The programmes are also supporting some innovative approaches, such as training selected school children as HIV/AIDS peer educators. The concept has been found to be cost effective, effective and sustainable, although this was not fully supported by observations made by the evaluation team. It appears that innovations have not been actively encouraged by most POs, (with the possible exception of ISF which has helped develop innovative approaches in micro-credit management and psycho-social approach to HIV/AIDS in Uganda), even though especially network-based POs such as Plan, WV, FCA, and SASK are constantly improving their working methods based on relatively advanced planning and monitoring systems.

How well does the Partnership Scheme complement other forms of support in use and how is it streamlined and coordinated with partner government's own policies and operational principles as well as operations of other NGOs?

To the extent that the POs support service delivery in close collaboration with government authorities, their interventions are obviously well in line with government policies. Some of the local counterparts, like the national Red Cross societies, have a recognised auxiliary role with respect to public authorities in a specific sector. Especially in Uganda, the four POs largely concentrate on service delivery. The school level HIV/AIDS activities, for example, are designed to reinforce the government's HIV/AIDS programme. In the projects visited by the evaluation team in Uganda, the partner organisations' staff generally tried to fit the activities into existing local government structures and policies, doing what government should have done while failing to challenge the inefficiencies that existed in the system. In a somewhat less obvious way, the same approach was observed in Bolivia and India.

In practice, all local partner organisations in charge of project implementation are involved in the local level organs for sectoral and/or overall development coordination, or at least claim to keep local authorities informed about their activities. This is the level where coordination of concrete activities with government policies and operational

principles takes place. In all three case countries the national partners of transnational POs also tend to be actively involved in government initiated collaborative organs such as consultative groups in their areas of interest, while they are often less active in independent groups and networks openly critical of government policies and their implementation. However, local partners of the other POs did not appear to have a more critical stand, being merely less visible in the national level government-led collaborative groups.

6.2.3 Sustainability

In his welcoming address to the evaluation team in Nabuyoga sub-county in Tororo, Uganda, the local chief wished for “*World Vision to stay forever*” in the sub-county. The expression was intended as a compliment to the organisation and its local staff (our hosts), who were quick to point out that the programme was actually meant to make itself unnecessary in the long run. However, while it is too early to assess the sustainability of this specific ADP, the remark reflects an attitude shared by many beneficiary communities.

Sustainability refers to the degree to which the benefits produced by the intervention continue after the external support has come to an end. In the context of the Partnership Scheme, focus is more on partner organisations:

– *When and to what extent are the partner organisations expected to be able to operate effectively and independently, and what is their capacity to continue providing benefits when external funding and support has been discontinued?*

Answer to this question depends largely on two aspects: capacity building and ownership. The ToR presents two related questions:

(i) In which ways have the local partner capacity and networks been strengthened and what are the respective roles of the Finnish and the local partners in implementation, monitoring and accountability for development results?

(ii) How do the programme/project activities fit into partner country societies and how are they supported or ‘owned’ by local partner organisations or communities?

As noted above (4.2), support to civil society can be analysed on the basis of two dimensions of the process: (i) the functions supported (advocacy work and service delivery) and (ii) the types of support (activity and organisational). Traditionally development cooperation through NGOs has focused on support to service delivery, often in the form of activity support. While the role of advocacy work and organisational development has increased recently, the MFA has not set clear objectives for them in the context of the Partnership Scheme.

All the POs include service delivery in their programmes. Often improved service delivery is also among the first priorities of the partner communities. However, a general

conclusion of the evaluation team is that without the resources from the Finnish scheme and other external donors, the local partners would not be able to continue implementing activities on their own even in India, where CSOs are much less dependent on external funding than CSOs in Bolivia and Uganda.

In this context, relative sustainability becomes important. The general goal of sustainability should not necessarily exclude unsustainable, but well-targeted and cost-effective service delivery to special marginalised groups. Such activities should, however, be combined with capacity building and advocacy work, based for example on analysis of the intervention's replicability and cost-effectiveness. Unfortunately these aspects have, with a few exceptions such the BWI/SASK and SCF programmes in India, been largely neglected by the POs.

In the following we assess how different aspects contribute to overall sustainability in some of the projects and programmes visited. As noted above (3.4), the objective is not to evaluate the projects and programmes as such, but rather we hope that the descriptions can collectively give an idea about the contribution of the Scheme as a development cooperation instrument.

In its work in Rajasthan, India, SCF emphasises organisational development and advocacy. Advocacy is an integral part of the programme, consisting of workshops and seminars for both civil society and government, partnership building with other organisations, participation in applied research and policy analysis. For example, SCF leads the reporting on Convention on the Rights of Child in Rajasthan together with the local partner Prayatn. SCF places a prominent emphasis on capacity building of partner organisations and community level stakeholders, including direct beneficiaries. However, the role of SCF staff is not to step in as project implementers, but to facilitate and to build the capacity of the partner organisation. Service delivery functions, such as building school facilities and health centres are included in the programme, but will be taken up only if they can be transferred to the government. As a result of this operational profile, high level of empowerment and capacity building was noted among NGO partners for SCF programme. The rights based approach and joint planning and analysis with the communities have helped people to learn about existing government schemes and facilitated their access to those schemes.

Building Wood Worker's International's (BWI's) Child worker education programme in India, which is supported by SASK, focuses on advocacy and capacity building, with a secondary role given to service delivery. The projects have in-built components of capacity building and assist affiliates all through in strengthening advocacy work and project implementation at the field level. BWI has a strong advocacy component working on different levels from local authorities to central government, and has for example managed to stop the use of child labour in many villages. Its work has a strong rights-based approach building on core UN and ILO conventions. The programme has grown gradually from an experimental basis on child labour schooling into an effective programme consisting of labour organising and campaign work, gender

awareness, self-help groups and adult literacy classes. It has also helped the unions to develop better rapport with government authorities, notably the education and labour departments. Service delivery is supported by establishing schools for child workers and paying teachers salaries, but the facilities are expected to be taken over by the government. An interesting innovative element is the project replication strategy developed by BWI.

Unlike SCF and BWI/SASK, **Fida** does not have a coherent strategy in India. The focus of its development work is on activity support and service delivery, while advocacy and networking with other civil society actors has only a small role. Fida's projects are mostly integrated community development programmes in both rural and urban (slum) settings, supporting education, HIV/AIDS, gender equality, water, health and sanitation, care of orphans, disabled and the aged, and the environment. Project activities consist of training and capacity building for poor communities combined with support to service delivery. Organisational support is provided mainly to village level self-help groups, women's groups and community health education committees. Fida's vision is to strengthen the partner churches so that they could become legitimate and self-sufficient service providers in social and community development in their localities, but it appears that their partners have not internalised this view. For instance, the leaders of Fida's main local partner in Andhra Pradesh, the Full Gospel Church of India stated that they would not be able to continue social and development work at community level without external support.

In India **World Vision**, which has large operations all over the country, appears to be operating under two somewhat different modalities. WVF supports both types of projects in India. Basically, the area development programmes (ADPs) function as service delivery and capacity building agents with advocacy restricted to local level, while HIV/AIDS projects have also a prominent district- and state-level advocacy function. In the former, village development committees and self-help groups are the main beneficiaries of capacity building. In the latter, the main beneficiaries include, besides those affected by HIV/AIDS, local CBOs, FBOs and rural medical practitioners. WV India is a member of key NGO networks and works together with Government departments for poverty alleviation. Community based performance monitoring is also perceived as a tool for advocacy and is integrated in all the projects and programmes. This is a rights based tool for community empowerment by making the government/service providers accountable to the people/service users. It is interesting to note that, aside from the diversity of operational models within India, the ADP visited in India appears to be very much alike the ADP visited in Uganda. The programme in Tororo works in close collaboration with sub-county authorities and local CBOs, which have also been involved in the planning process.

Supported by **FCA**, LWF Uganda has been implementing emergency relief services in the camps established for internally displaced persons (IDPs) in the north of Uganda since 2002. Since 2005, the project has been shifting the approach to support reconstruction and resettlement of IDPs. It focuses on HIV/AIDS activities, food

security and water and sanitation. Emphasis is largely on activity support e.g. through training, distributing seeds and other material, drilling boreholes, and establishing tree nurseries. In these areas the project works closely with respective local government authorities, and the physical structures (e.g. boreholes) are handed over to relevant community structures and/or respective authorities. Capacity building in governance, management and technical competence is also included, targeting both government and CBO staffs. In terms of organisational support, the project facilitates the formation of community structures such as water user committees, community based AIDS educators and post-test clubs, collaborating with a local CBO in HIV/AIDS work. Advocacy work targets local government and communities to support provision of social rights including education, counselling and psychosocial support for those affected by HIV/AIDS, food security and social protection initiatives for vulnerable groups.

In Uganda, ISF worked in the period 2004–2006 with three local NGOs to implement its country programme. The programme focuses on eradication of extreme poverty by developing livelihoods and improving community level self sufficiency. Another key objective is promotion of gender equity and improvement of the position of women and girls through training. Capacity building has a central role in ISF's work, notably in the case of Uganda Community Based Association for Child Welfare (UCOBAC), a long-term partner organisation of ISF in Uganda. Support was channelled through two projects concentrating on capacity building to UCOBAC and its regional offices, supporting the establishment of a revolving credit fund to increase sustainable income generation and savings of rural families in target communities, and awareness raising amongst solidarity group members on their rights, leadership and practical issues such as health and livelihoods. Capacity building was done through both activity support and organisational support, the partner organisation being the implementer in both. While the projects have been strong in empowerment and the services supported (mainly micro-credit) are relatively sustainable, the role of advocacy work has been largely neglected. Even though the model is innovative and has potential for replicability, lack of networking with authorities and other CSOs has restricted making use of this opportunity.

Plan Finland's support to Uganda is channelled through the Plan country office in Uganda, which implements four programmes in support of children's welfare, focusing on health, education (especially early childhood care), HIV/AIDS and child empowerment. The last component emphasises children's rights, strengthening supportive and protective relationships, capacity building for implementing child-centred project and related advocacy work and promoting food security. In the HIV/AIDS programme Plan seeks to combine activity support in service delivery (training, construction of health and school facilities, provision of health and support services and direct material support) with evidence-based advocacy grounded on field activities. Capacity building of both government staff (e.g. teachers) and community members (e.g. peer educators in schools, post-test club members and village health educators) is also an important part of the programme. Advocacy work includes both local level interventions to increase access to health services such as anti-retroviral treatment (ART)

in rural areas, and participation in national working groups such as the Government Birth Registration Task Force working to improve the quality and coverage of birth registration in the country. Rather similar approach – with different emphasis, i.e. excluding HIV/AIDS – was observed in Bolivia, where Plan Finland's support is directed to two specific 'Finnish' projects and not pooled with other donor funding under the country programme.

The FELM channels its development assistance through various organisations, of which the most important is the Lutheran World Foundation. In Bolivia it supports two projects through LWF. The local partner is the Bolivian Lutheran Evangelical Church, a relatively small FBO with approximately 20,000 members mainly in La Paz region. The projects, which are supported by several donors, are managed by the social development secretariat of the church. The financial administration and project implementation capacity of the church is rather weak, and is currently subject to institutional reform, assisted by an external consultant and funded mainly by external donors. The projects funded by Finland address problems of agricultural production, water and sanitation mainly through activity support and training. Sustainability of the results seems to be problematic, especially as the geographical coverage of the projects are large while the national organisation's support and oversight capacity is limited. The dilemma of the church, however, seems to lie in combining evangelical work with development projects, as most donors are willing to finance only development interventions supporting vulnerable people. As its own membership is rather small and relatively poor, it is desperately looking for external sources of institutional support.

The Bolivian Red Cross has a large number of donors, most of which channel their funding through separate projects of short duration (less than 15 months), which are linked together. The organisation has competent staff, but insufficient resources for planning. New temporary staff is usually recruited for projects, which are supposed to be transferred to local staff already during the project cycle. While this is supposed to reduce dependency, it may actually have weakened the administration even further. The important role played by volunteers (currently approximately 500) is also problematic in terms of administrative efficiency, even though it has a positive role in strengthening local ownership. The fragmented basis of funding impedes strategic planning, which is desperately needed to improve coherence and sustainability of activities. **Finnish Red Cross** channels its support to Bolivia through regional projects, which are coordinated from the Lima office in Peru. The support is directed to development of blood donor services, disaster preparedness, development of health care and organisational development of the Bolivian Red Cross. Organisational support includes capacity building in financial and general administration, planning and project implementation. Training of local communities and their leaders in health care and disaster preparedness is also supported. The objective of another FRC funded programme is to reduce disaster vulnerability in the communities. It consisted mainly of activity support, including determination of risk zones and construction of protective embankments to avoid catastrophes during floods.

As noted above (5.3), FS represents a special case in terms of operational structure. Individual projects are planned and implemented by member churches, while FS serves as a loose umbrella which channels MFA funding to members and attempts to provide some coordination. Currently FS has projects in 23 countries, and one project from one country provides obviously insufficient basis for assessing the whole programme. In Bolivia, FS is funding one project for which the funds are channelled through the Bolivian Pentecostal Church, while oversight function is taken care by the resident coordinator of Fida International. The project consist of partial support for a college in Ivigarzama, Cochabamba Department. Funding has been used for the construction of classrooms and provision of equipment for hairdressing and computer classes, but the respective vocational courses have not been officially recognised by the authorities. It appears that there are some problems in coordination with the local government, which seems to be receiving funding for the same purpose from other sources (Venezuela).

7 CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

As noted in the ToR, *“the rationale of evaluating the partnership agreement system at this point of time is that it is still evolving. Currently, new, more detailed guidelines for the selection of partnership organisations are being prepared by Ministry. Likewise, the partnership organisations are in the process of moving forward towards a more programmatic approach in their aid planning and implementation”* (Annex 1). In this context, the forward looking focus given to the evaluation is highly pertinent.

7.1.1 Conclusions Regarding the Scheme and the MFA

The evaluation team considers that the Partnership Scheme is a valid instrument for Finnish development cooperation. It has evident benefits for both the MFA and the participant NGOs in terms of increased flexibility, long-term planning and reduced bureaucracy. It was, however, observed that the objectives and rules guiding the Scheme are not clear for the purposes of efficient oversight by the MFA and meaningful dialogue between the partners.

One of the key objectives of the Partnership Scheme of increasing the predictability of MFA funding in order to facilitate long-term planning has not been realized. The funding of the Scheme has increased of more than 100% per year in some cases. Also, the funds allocated by MFA automatically release other funds available to the organisation for uses which may or may not be acceptable under the Scheme, i.e. the funding is fungible. This implies that the partnership programmes of the POs should

be assessed in the institutional context which makes them meaningful, not as separate free-floating entities.

The expectations of the MFA regarding service delivery vs. advocacy work, and in terms of activity support vs. support to organisational development are not clear. This has led to a situation where the POs fund activities or services that are not sustainable. While these dimensions are not exclusive but rather complementary, each PO must integrate them into a coherent strategy. Substantial evidence from previous studies and evaluations of similar CSO instruments has shown that programmes focusing exclusively on service delivery are not likely to produce a sustainable development impact, although they are easier to implement and monitor, less politically charged, and are more visible. As a consequence of such findings, donors increasingly have seen capacity development and advocacy work as the best means to support civil society in achieving the MDGs and other long-term development goals. The findings of this evaluation support this conclusion. The team also believes that the sustainability can be improved by integrating service delivery with strategic capacity building and advocacy interventions.

The team considers that the partnership organisation status should depend on the fulfilment of certain organisational capacity and performance criteria, which should be assessed by the MFA regularly. Participation in the Scheme should reflect changes in the focus and capacity of the organisations as well as Finnish and global development cooperation policies and priorities. The current draft for new selection criteria and admission procedure provides a good basis, but the qualifications should be sharpened and expanded especially with respect to proven capacity for organisational development and advocacy work in developing countries and the organisation's integration in Finnish society.

The current guidelines are a hybrid between institutional support and traditional project cooperation, and as such inadequate as a guide for a programme-type instrument. Therefore, new guidelines should be prepared. In order to make the selected strategic goals operational, it is important that the role of capacity development, advocacy work and support to service delivery are also reflected in the basic performance indicators used in the Finnish Partnership Scheme. The evaluation team considers the performance indicators proposed for EC's cooperation with CSOs in developing countries (EC 2007) a useful point of departure for the drafting such indicators. The EC indicators are divided into two sets, those concerning work in the partner countries and those for work in the north.

In the partner countries, cooperation interventions should contribute to:

- Capacity building of non-state actors to strengthen their participation in poverty reduction and sustainable development strategies;
- Changes in government policy and practice towards civil society in favour of their involvement in the development process, including changes in legislation, removal

of obstacles and/or improved government commitment regarding involvement of CSOs;

- Degree of participation of poorest sections of the population in developing countries, including particularly marginalised and vulnerable groups out of reach of mainstream services and excluded from policy making processes;
- Number of quality partnerships established promoting networking and alliances between a wide range of different stakeholders from the north and partner countries;
- Increase in interaction between state and non-state actors in different contexts, including non state actor involvement in policy dialogue with government and capacity to play an oversight role;
- Capacity of worker's organisations and employers to engage in social dialogue and promote corporate social responsibility;
- Strengthen citizen's capacity to take action, defend their rights and take part in the political debate at local, national and international levels.

For advocacy work in the north, core performance indicators proposed by EC are:

- Increased public awareness on global interdependencies between Finland and developing countries and support for action against poverty and more equitable north-south relations;
- Change in attitudes and improved public understanding of the issues and difficulties facing developing countries and their peoples;
- Degree of integration of development issues into formal and non-formal education systems in member states, ensuring inclusion of the development dimension in global agendas such as democracy, active citizenship, inter-cultural understanding etc.;
- Level of commitment to promoting policy coherence and degree to which development cooperation objectives are accounted for in all EU policies with a likely impact on developing countries.

Lack of means to verify and strengthen accountability towards beneficiaries in programme planning and implementation is another gap noted between the general selection criteria and the instructions guiding oversight activities by the MFA. In the FPAS management guidelines accountability is mostly dealt with as sets of bilateral rather than multi-stakeholder relationships: between the MFA and POs, between the PO and the transnational NGO partner and/or the local offices of NGO partners (local or international), and finally between local NGO partners and the communities with which they work. While the Scheme is based on the idea of partnership, the

structure entails the risk of replicating the standard donor-beneficiary relationship with accountability only upwards to the donor. The problem is not restricted to the relationship between MFA and the POs, for the structure can easily make the POs behave in practice as a donor in subsequent bilateral relationships along the chain, and this can even be repeated between southern NGO partners and local communities. In addition, the POs and the entire Scheme needs to find ways how to meet the concrete local level needs in project activities and at the strategic level.

Clear and consistent rules and administrative procedures are needed because internal administrative procedures in the MFA are not coherent. Under the current system, the information provided by the POs to the MFA does not give sufficient basis for the responsible officials in the MFA to determine whether the proposed programme meets the requirements of relevance, efficiency, effectiveness and sustainability. As the personnel rotation is likely to continue in the MFA, transparency of administrative practices is the best way to provide equal treatment to all POs. Performance in terms of achieving mutually agreed development targets, which are only rarely translated into verifiable indicators, does not appear to be reflected in future financial allocations.

It would be useful if there was more cooperation with the sector advisers and the embassies in Finland's long-term partner countries. The role of the embassies in Finland's long-term partner countries should be clarified and strengthened especially in programme appraisal and monitoring. Sector advisers placed in the embassies have an important role in project appraisal and monitoring. Clearer management procedures would also release time and human resources to dialogue and substance issues for the KEO-33.

7.1.2 Conclusions Regarding the Partnership Organisations

Some of the POs are fairly well focused, concentrating on a few key sectors and/or a few countries. Others are working in a considerable number of sectors and countries, with a number of themes, or with very broad scope of interventions. This raises critical questions about the ability of respective POs to work in such diversified manner. Some POs have not integrated the questions about cost-effectiveness and sustainability of the support in their strategic thinking.

The evaluation team does not recommend tying Partnership Scheme support to Finland's main development partners or making the Scheme sub-servant to official development targets, but emphasises that activities must be implemented cost-effectively. This requires better thematic and geographical focusing. The supported programmes must, of course, be in line with the rather broad development goals and policies of Finland. This should not mean that the MFA puts a straight-jacket on Finnish NGOs, as they are still fully entitled to implement activities in other countries and/or sectors with alternative sources of funding.

Separation of funding sources for missionary and development work is crucial, as the use of ODA for proselytism is against both MFA regulations and international

conventions. However, excluding religious organisations from the group of legitimate development partners would make little sense especially in countries such as Uganda, where faith-based organisations are strongly rooted on community level. Development work versus ideological work (e.g. proselytising, and marketing versus information services and advocacy work) are areas where the possibility of using MFA funding contrary to current regulations is evidently a problem. It is also important to assess whether activities are replicable on a broader scale, and whether they are cost-effective. Unfortunately this aspect seemed to be largely neglected by most POs, or the knowledge gained was available only within the organisation and its closed network.

The POs do not report on a coherent way that makes adequate oversight by the MFA possible. For instance, the country diversity and related challenge to programme development was not adequately reflected in the key documentation prepared by the POs. This is particularly important in cases where the implementation is spread over 20 or 30 different countries in various continents. In such cases it is necessary that the documentation provided to KEO-33 gives sufficient basis for assessing the feasibility of the PO programmes. Also, the wider context in which the development interventions are located, must be brought in. This is reflected very concretely in issues like the government's tolerance for critical advocacy role by NGOs, potential for local financing and long-term sustainability and so forth.

Reporting on administrative costs is not transparent and consistent. Because most POs do not have a functioning work-time monitoring system, what is reported to the MFA are not actual administrative costs, but rather a theoretical figure based on artificial definition of 'administrative costs' created by each organisation. There is also a need to clarify what are eligible administrative costs and what would be the minimum criteria for effective administration.

Some POs use the quality system developed with KEPA or by their international network. Others have tried to integrate quality monitoring into their planning and monitoring. Both approaches have their advantages and disadvantages. Development of the quality scorecard towards a more practical format would seem relevant for those POs which cannot build on already existing systems within their network.

The PO found regular meetings useful, especially the meetings on thematic issues. The Partnership Forums and PO meetings have an important role in advocacy work and dialogue with the MFA, but that dimension has not been fully developed. The meetings without focused agenda could be replaced thematic meetings, in which the MFA could participate more actively.

Local partner organisations keep local authorities informed about their activities. However, informing local authorities only does not allow sufficient coordination with government policies.

7.2 Recommendations

Recommendations are presented separately to the MFA and to the partnership organisations.

7.2.1 Recommendations to the MFA

- (i) **The MFA should better define the goals, objectives and strategic vision for the NGO Partnership Scheme in the new guidelines which are being prepared.** This would ensure efficient oversight by the MFA and meaningful dialogue between the partners. Further, the MFA should clarify its expectations regarding service delivery vs. advocacy work, and activity support vs. support to organisational development. **The evaluation team recommends that the NGO Partnership Scheme should emphasise organisational development and advocacy work.** Service delivery and activity support can also be funded, providing their cost-effectiveness and/or innovativeness and replicability are demonstrated. Capacity building and advocacy are long-term processes which require long-term cooperation. A move towards longer, e.g. 4+4 year programmes should be considered.
- (ii) **A more predictable and transparent system of annual allocations is needed even in times of increasing MFA appropriations.** The partnership programmes of the POs should be assessed in the institutional context, not as separate free-floating entities. POs and the entire Scheme need to find ways how to meet the concrete local level needs in project activities and at the strategic level. Accountability towards beneficiaries should be improved.
- (iii) **Clear selection criteria should be defined and the Scheme should be opened for a limited number of new entrants to be selected in an open process.** Entry to and departure from the system can take place through a transition/trial phase lasting e.g. two years during which the necessary changes and corrections can be implemented and verified. It should be noted that the evaluation team does not recommend automatic rotation of POs, but rather regular appraisal of each PO's capacity and performance, which includes the possibility of leaving the Scheme if a PO consistently fails to fulfil the criteria or concludes that the modality does not comply with its own strategy.
- (iv) **The capacity of the POs should be assessed regularly.** Appraising the POs within the Scheme should include (i) checking that the organisation still fulfils the organisational capacity requirements set for POs (capacity assessment), and (ii) evaluating the performance of the organisation against the partnership programme document (evaluation of the ongoing PO programme or pre-appraisal of the PO future plan). The ongoing performance audits are a step towards the proposed direction (provided that more appropriate guidelines are followed), but are not sufficient as they do not cover programme aspects.



The performance indicators of EC (see 7.1.1) can be used as a basis. Also, the new framework model used in Sweden provides useful ideas. The pre-assessment of new entrants, in turn, should cover the organisation's strategic planning approach, how it takes decisions, the skills and capacity of the organisation, accountability to its stakeholders, and monitoring and evaluation procedures, among others.

- (v) **The MFA's internal administrative procedures should be clarified.** As the personnel rotation is likely to continue in the MFA, transparency of administrative practices is the best way to provide equal treatment to all POs. The coordination within the MFA should be strengthened. The sector advisers and the embassies in Finland's long-term partner countries should be engaged and communication between the embassies and KEO-33 improved and made regular. The role of the embassies in Finland's long-term partner countries should be clarified and strengthened especially in programme appraisal and monitoring. Here sector advisers placed in the embassies can have an important role. The MFA should also define clearly the main roles of KEO-33 in the broader context of CSO support. The evaluation team recommends strengthening the role of KEO-33 in analysis and dialogue in addition to the traditional financing and oversight roles.
- (vi) **New management guidelines should be developed reflecting programmatic approach.** These guidelines should include (a) determination of the approach to capacity development, advocacy work and support to service delivery in the Scheme; and (b) basic performance indicators of the Scheme. These new guidelines should provide sufficiently practical and unambiguous definitions of key operational concepts that apply equally to all participants of the Scheme. These guidelines should then be complemented with more specific contractual arrangements reflecting each PO's individual characteristics, recorded in the bilateral agreements signed between the respective PO and the MFA. The new guidelines should also streamline financial reporting to and do away with current duplication of financial accounts.
- (vii) **Basic records in standard format should be kept at KEO-33.** These records should include comprehensive information about implementing organisations and their financial basis, quality control mechanisms and project/programme implementation in programme countries. Also, all relevant evaluation reports should be routinely forwarded to KEO-33. The evaluation team believes that clarification of internal administrative procedures and operationalisation of new guidelines will release human resources in KEO-33 for substance dialogue with CSOs. Outsourcing small NGO project management provides one possible way of rationalising resource use, and the forthcoming evaluation on management by foundations could also examine possible synergies with the Partnership Scheme.

- (viii) The Partnership Scheme is not recommended to be tied to Finland's bilateral development cooperation targets, because in its current form it allows cooperation in countries which are not long term partners for Finnish Development Co-operation.

7.2.2 Recommendations to Partnership Organisations

- (i) The PO work should be more focused. **Better geographical and thematic focusing is recommended to those POs currently scattered over a large number of countries and/or thematic areas. Cost-effectiveness and sustainability should be part of the strategic thinking for the POs. The PO work should preferably focus on organisational development and advocacy work. Capacity building and advocacy are long-term processes, and therefore a move towards longer, e.g. 4+4 years programmes should be considered.**
- (ii) **Codes of conduct are needed to separate development work from ideological work and to distinguish marketing and information services from advocacy work.** The POs should develop jointly with the MFA enforceable codes of conduct to avoid the possibility of using MFA funding contrary to current regulations. However, excluding religious organisations from the group of legitimate development partners would make little sense especially in countries such as Uganda, where faith-based organisations are strongly rooted on community level.
- (iii) **Documentation and reporting to the MFA should be developed** as the current system does not allow for adequate oversight by the MFA. Country-level contextual issues should be reflected in relevant programme documents, e.g. operational plans. By providing a format for project reporting in the annual NGO project catalogue (which includes also PO projects), the MFA can establish common standards for minimum data for all NGOs.
- (iv) **The POs, together with the MFA should first clarify the definitions and procedures and then assess what are the current administrative expenses,** to serve as a basis for adjusting the cap if deemed necessary for securing high quality administration. Current Partnership Scheme guidelines set a 10% cap on administrative expenses. There are large differences in the quality and cost of administration of different partnership programmes by different POs.
- (v) **The development of quality assurance systems should continue.** Development of internal quality assurance systems was started with the quality scorecard process in collaboration with KEPA. Considering the diversity of the POs, however, adopting the same quality system may not be a realistic proposal especially as several of the POs working through international networks have access to and are using the network's quality assurance systems.

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- (vi) **Cooperation between POs in Finland should better focus to reflect the changing needs of the partners.** Collaboration between the POs at both country level and thematically should be increased and relevant government authorities drawn in Cooperation including information sharing and dissemination of best practices should be increased.

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ANNEX 1 TERMS OF REFERENCE

Terms of Reference

Evaluation of the Finnish Partnership Agreement Scheme (89845601)

1. Background

Enhancing aid effectiveness and harmonization are very high on the Finnish aid agenda especially after the Paris Declaration (2005) and the European Consensus on Development (2005). Past action to improve aid effectiveness and to monitor the progress of the implementation, have focused much on multilateral and bilateral aid. However, within a number of international aid agencies and increasingly within the non-governmental organisation (NGO) community, an understanding is emerging that ongoing efforts to make aid more effective should also become instrumental in the ways the international and national non-governmental organisations operate. Especially, these principles should be reflected in ways in which NGOs harmonise their cooperate with partner country civil society and with international NGOs, partner country government organisations and also with various aid agencies to enhance the development impact of aid.

The important role played by the NGOs especially in terms of supporting the civil society in developing countries and creating democratic societies is explicitly recognized in the development policy of Finland (2004). Strengthening the civil society and the related aid/service delivery are seen as valuable means to complement other forms of development cooperation and to contribute to the key objective of poverty reduction and achievement of the other millennium development goals (MDGs). During the last decade, the amount of support channelled to development cooperation through NGOs has increased substantially. In 2005, the Finnish NGOs received and managed about 10% of the total development aid of Finland. In 2006, the respective share was 11.6%, totalling in absolute terms about 57 million EUR as compared with the total aid disbursement of 490 mill. EUR.

Support to partnership organisations is an increasingly important form of cooperation. In recent years, the support to partnership NGOs has increased both in terms of volume and relative to other NGOs. In 2006, support to partnership organisations accounted for 57 % of the total NGO support. In 2003–2005, ten partnership agreements were signed, namely with Fida International ry, Frikyrklig samverkan (Finland-Swedish Free Churches, FS.Free Churches), Kansainvälinen Solidaarisuussäätiö (International Solidarity Foundation, ISF), Kirkon Ulkomaanapu (FinnChurchAid, FCA), Pelasta-

kaa Lapset ry (Save the Children Finland), Plan Suomi Säätiö (Plan Finland), Punainen Risti (The Finnish Red Cross), Suomen Ammattiliittojen Solidaarisuuskeskus (The Trade Union Solidarity Centre of Finland, SASK), Suomen Lähetysseura (The Finnish Evangelical Lutheran Mission, FELM) and Suomen World Vision (World Vision Finland). Seven of these organisations had earlier received support from the Ministry for Foreign Affairs (Ministry) under so-called framework agreements (predecessor to the partnership agreement scheme). Partnership scheme is favoured because of reduced administrative burden both to the Ministry and to the concerned NGOs. It provides a more flexible, long-term financial and operating framework, thus benefiting also the selected partners.

Based on the 2001 evaluation of the NGO framework agreement system, new principles were introduced to guide the selection and operation of the partnership NGOs. Most importantly, the selected NGOs were to have explicit objectives and operating principles consistent with the Finnish development policy. In this sense, NGO partnership agreements can be seen as a complementary – but *autonomous* – development policy instrument to other aid mechanisms. According to the new NGO Development Cooperation Guidelines (2006) the partnership NGOs are expected to demonstrate good management and implementation capacity, adequate own funding, credibility and a proven track record in development cooperation, good networks with international NGOs, and credible cooperating NGO partners in the developing countries.

According to the current development policy of Finland, there are plans to increase the amount of funds channelled through the NGOs from 74 mill. EUR in 2007 to 122 mill EUR in 2012 – a factual planned growth of 65% in five years. Concomitantly, the share of partnership organisations is likely to become about 60–70% of the entire NGO funding. The raising aid flows channelled through the partnership NGOs, combined with increased NGO dependence on government support, is descriptive to the current trend to move from individual project approach to programmatic approach. However, the mounting overall concern about quality and sustainability of aid, aid harmonization and coordination, all add to the call to evaluate the impacts of the NGO partnership program. Moreover, there is a felt need to critically look at the criteria and to assess the actual value added of the entire concept of the NGO partnership agreements, let alone, since in the nearby future, there is growing interest to include a number of new organisations within this framework.

2. Evaluation Purpose

This is a forward looking evaluation. The rationale of evaluating the partnership agreement system at this point of time is that it is still evolving. Currently, new, more detailed guidelines for the selection of partnership organizations are being prepared by Ministry. Likewise, the partnership organizations are in the process of moving forward towards a more programmatic approach in their aid planning and implementation. Both of these situations will benefit from an external expert view on the entire concept of the NGO partnership arrangement.

The primary purpose of the evaluation is to serve the Ministry's planning, decision-making and management of NGO funds. The evaluation is expected to offer well-thought ideas to further develop the NGO partnership agreement scheme and its criteria so that it will even better contribute to the overall goal of aid effectiveness and complement other development aid instruments. The evaluation is designed so that its findings can be utilised in the valuation of the current and potential new partnership NGOs and their local partner organisations. It is expected that the results of the evaluation can be used to enhance the capacities of these organisations towards better integration of the principles of effective aid in their programmes.

3. Objective of the evaluation

The objective of the evaluation is

- enhanced capacity of the Ministry to manage the NGO partnership programme and
- improved entire partnership programme so that it stands out as a complementary aid modality among the Finnish development assistance instruments.

4. Scope of the evaluation

The evaluation will be carried out at two levels that feed into each other, namely at the partnership agreement scheme level and at the program and case country project level. Specific evaluation tasks have been identified to both of these levels (pls. see below 5.1.). The evaluation will look at the entire concept of the NGO partnership arrangement, including its management in the Ministry, selection criteria of the partnership NGOs, capacities of involved organisations and the type and capacities of the local partners. The evaluation will cover all ten partnership organisations and their programs. Country level analysis will be based on (i) a review of all program documentation, plans, and evaluation reports; and (ii) an analysis of three (3) case study countries, including field visits.

The evaluation focuses on the NGOs' development cooperation activities in partner countries and on the management of funds by MFA at the headquarter, embassy and field levels.

The time-scope of the evaluation is three last years, 2004–2006.

Due to the wide scope of the evaluation, and a great number of organisations, the work will focus mainly on relevance, sustainability and effectiveness. The impact will be assessed through existing evaluation reports and data. Instead of trying to assess the development impact of the current NGO partnership mechanism, the dimension of validity of scheme, its procedures and the administrative capacity, will be looked at and also how this mechanism lends itself to development cooperation in the context of the cooperating countries.

5. Evaluation issues

As described in para 4 above, the evaluation will focus on:

Relevance

- What is the validity of the partnership agreement scheme as such and as an aid delivery model?
- How relevant are the objectives of the partner organizations and their programs from the perspective of the Finnish development policy and specific country policies and plans?
- How relevant is the country allocation of partnership NGO interventions from the viewpoint of the Finnish aid policy that emphasizes support to least developed countries (LDCs) and concentration of aid to a fewer number of countries?
- How well do the NGO program interventions fit in the MFA's country programs?
- How relevant are the NGO country programs and projects in relation to the needs of beneficiaries and to the aim of strengthening of the civil society?

Effectiveness

- Do program documents and/or operational principles of the partnership NGOs adequately describe the approach and systems (to be) used in (impact) evaluation and have adequate resources been allocated to monitoring and evaluation?
- How do the Ministry and the Finnish NGOs and their local partners monitor development impacts and effectiveness in practice? Which internationally proven good practices are followed?
- What have been the main project development results and impacts and to what extent the development intervention objectives have been achieved, or are expected to be achieved especially in terms of poverty reduction, strengthening of civil society and cross-cutting themes?
- How well has the NGO support been aligned with beneficiary country strategies?
- How well does the NGO support program complement other forms of support in use and how is it streamlined and coordinated with governments' own policies and operational principles as well as operations of other NGOs?
- Has the Ministry the necessary capacity, guidelines, and procedures in place to ensure that its support brings about desired outcomes and impacts?
- How does the partnership agreement aid delivery mechanism compare with other forms of development aid in respect of effectiveness?

Sustainability

- When and to what extent are the partner organizations in developing countries expected to be able to operate effectively and independently, and what is their capacity to continue providing benefits when external funding and support are discontinued?
- How do the program/project activities fit into the partner country societies and how are they supported (owned) by local partner organisations and communities?

- In which ways have the local partner capacity and networks been strengthened and what are the respective roles of the Finnish and the local partners in implementation, monitoring and accountability for development results?

The evaluation will also look at the *compliance* of the Programmes of the Partnership NGOs with the overall development policy of Finland, including the cross-cutting themes contained therein. Similarly, the country level programme should be reflected against the priorities and development policies, NGO-policies, if any, or poverty reduction strategies of the partner countries in which the programmes are implemented.

5.1. Specific tasks

In addition to the above the evaluation will assess the following specific tasks:

At the *partnership agreement scheme level*, the evaluation will:

- Provide a thorough overview of the current partnership agreement scheme.
- Assess *the relevance* of the overall partnership agreement scheme and its individual programs of partnership organizations from the perspective of the Finnish development policy e.g. in terms of reaching the poorest countries and the poorest, most vulnerable and neglected groups of people; consideration of cross-cutting themes?
- Identify the main *achievements* of the partnership agreement scheme. What are the unintended positive and/or negative consequences of the partnerships programme activities and procedures?
- Assess the relative value added, if any, of the partnership agreement scheme against other type of NGO-delivered development assistance.
- Express a view on the complementary nature of NGO partnership scheme with other aid forms in Finland, if any, and suggest alternative mechanism for NGO -involvement, if necessary.
- Make a comparison with other countries' respective partnership agreement schemes. What is the level of cooperation and harmonisation with other donors in the NGO-field?
- Assess how the recommendations of the previous evaluation ["Kansalaisjärjestöjen kehyssovimusjärjestelmän arviointi" (Report 2002:6)] have been taken into account.
- Make concrete and clear recommendations addressed individually to the Ministry and all the other parties to the partnership agreements, to improve the outreach capacity, relevance and sustainability of the partnership scheme.

At the *program and (case) country project level*, the evaluation will:

- Assess the overall *quality* of individual programs and projects, and their implementation and how these projects match with the "umbrella" program (i.e.strategies, policies etc). Suggest ways of accelerating the move towards an improved programming approach.

- Assess the *relevance* of designed and implemented programs in selected countries. Assess how do the activities fit into the beneficiary countries' societies? How relevant have the activities been to the local NGOs in terms of their priorities and goals and in terms of the national policies?
- Appraise *coherence* of these programs and projects with other development efforts in the case study countries.
- Assess how the Finnish NGOs have developed the capacity building of the local organisations and how these partnerships have contributed to strengthening the civil society and harmonisation of aid in the case study countries.
- Assess the nature of *partnership* in terms of inclusiveness and participation in programme design, decision-making, monitoring and reporting, interaction, and networking.
- Appraise *development impacts* and *sustainability* of individual programs.
- Assess the processes of *organisational learning* within the organisations.
- Assess methods of evaluation and follow-up, incl. in the Ministry, the partnership organisation and their partners in the developing countries.

6. Evaluation Methodology

The methods used in the evaluation should be participatory. 'Participatory' refers here to the respective approach to be used in the discussions and the way how feedback is fed into the evaluation exercise. It will be up to the consultant to suggest the precised evaluation approach and method that can best respond to the evaluation questions and tasks and take into account the overall nature of this evaluation, including the field case studies in three countries.

A performance audit will be carried out so that the results of the audit may benefit the final analysis of the evaluation. This audit will cover issues such as analysis of decision-making, planning, monitoring, reporting, financial management, audit and other systems. The performance audit may be implemented only in one or two of the case study countries.

The evaluation will be done in two stages, first the desk study, on the basis of which the second stage, the field study and its approach will be defined. The first stage comprises mainly analysis of programmes of individual partnership NGOs on the basis of written material and interviews. This phase will help provide an overview of the program and help narrow down the evaluation questions to the most crucial ones.

The field study of the evaluation will be carried out in three countries: Uganda, India, Bolivia. The countries have been chosen against the following criteria:

- At least five of the 10 partnership organisations have a significant programme in the country.
- Each of the partnership organisations will be evaluated at least in one country.

6.1. Information sources

The team is encouraged to use any convenient means of modern technology of communication to facilitate the collection of relevant material.

In the following, general sources of information are suggested:

- The Development Policy of the Government of Finland (2004).
- NGO Cooperation Guidelines (2006).
- Earlier evaluation material of the NGO sector (list available in KEO-08).
- Ministry's country programme documents.
- Ministry's statistics on aid.
- Paris Declaration and harmonisation agenda.
- MDGs.
- Partner NGO-specific documents, such as NGOs' program documents, plans for using Ministry's support, individual programme or organisational evaluations, reports and statistics.
- Interviews with NGO unit staff, desk officers, sectoral advisers and embassy and relevant MFA staff and possibly also representatives of other aid agencies.
- Interviews with partnership and other Finnish NGOs combined with a possible survey based on a questionnaire.
- Interviews of local partner NGOs and other local partners, relevant government authorities, other international NGOs as well as beneficiaries combined with a field survey based on a questionnaire.
- Interviews with consultants who have worked in NGO projects or evaluated them.

The team should, whenever possible and feasible, interact with the planned international evaluations: Nordic+ Joint Study of Trends, Impact and Effectiveness of Country-level Funding Mechanisms for Civil Society Support, and Multi-donor Approaches to Working with Civil Society and Engaging with Non-traditional Civil Society (ODI).

7. Required Expertise

The evaluation requires a multidisciplinary team, comprising international consultants and local consultants/partner organisations. The tenderer is requested to suggest local partners or individual experts to the team to help facilitate the country program evaluations in the case study countries.

The Team Leader shall have the following qualifications:

- has at least Master's level education;
- has at least five years of proven theoretical and prior practical experience in evaluation of development projects/programmes and/or policy development issues incl. budgetting;
- has prior experience as a Team Leader of Evaluation team;

- additional experience in performing evaluations as team member evaluations (measured by amount of evaluations);
- experience in relevant field in general (development cooperation and NGOs);
- experience in project management (number of years)
- international working experience in the field of development;
- proven experience in good writing skills and compilation of concise and concise and analytical reports;
- good communication and interpersonal skills.

The Team Leader will have the overall responsibility for the report writing and other arrangements, including communication with the Ministry.

The Team as a whole shall have the following qualifications:

Competency and complementarity of the Team should be related to approach and methodology. Overall requirement in the team member(s) is a minimum of three years of prior experience in development issues and at least Master's level education. In addition the team will have

- familiarity with Finnish and international development policies, principles and modalities;
- proven track record in carrying out similar evaluations;
- relevant international working experience;
- familiarity with NGO cooperation in developing countries and in Finland;
- experience in development project management and administration;
- at least one member of the team must be fully fluent in written and spoken Finnish; all members shall have good command of English;
- representative from partner country/-ies is required;
- gender balance is an asset;
- familiarity with the local context;
- overall familiarity with the field study countries is a definite asset.

8. Organizing the Work and Timetable

The main evaluation steps are envisaged to be:

- Evaluation launch meeting at the Ministry with KEO-33, KEO-08 and other relevant ministry units and the selected consultant to discuss the task at hand; at least the team leader and one of the other experts are expected to attend the launch meeting.
- Presentation of a very concise, well-structured and clear inception report, focusing on the work plan and approach as well as the description of methodology of the evaluation.
- Desk study phase.

- Interim report, including a precised approach and work plan for the field study phase.
- Field visits to selected three (Bolivia, India, Uganda) case study countries, incl. consultations with relevant stakeholders at the level of authorities, NGO partners and beneficiaries.
- Debriefings in case study countries at the end of each field mission.
- Presentation of the draft and final reports at MFA.
- Finalising the evaluation report with due consideration to the feedback received to the draft final report.

The evaluation is to be completed within six (6) months from the date of the signing of the contract.

9. Reporting

The report shall express the collective and consolidated expert views of the evaluation team on the evaluation questions, tasks and issues specified in this terms of reference. Yet, the evaluation team is free to bring forward any pertinent issue or observation they deem necessary for the sake of achieving the evaluation objective and purpose, even if it has not specifically been requested and identified in the terms of reference. The team shall follow ethical standards in their reporting and adhere to the true findings of the team in the course of the evaluation task.

The evaluation report shall be elaborated in phases, comprising an inception report, an interim report, a draft final report, and a final report with the following tentative timing in relation to each other and to the launch of the evaluation.

The tentative reporting schedule is foreseen to be the following:

- Submission of an inception report to the Ministry within three (3) weeks after the launch meeting. The inception report will include a precised outline of the time table of the entire evaluation process, the work plan and approach, as well as the detailed description of methodology of the evaluation. The report will be very concise, well-structured and clear.
- Interim report two (2) weeks after the completion of the desk-study phase, including a precised approach and work plan for the field study phase.
- After completion of the field studies, submission of the final draft evaluation report, including all key findings, conclusions and recommendations, for comments and consideration three (3) weeks after completion of the field trip phase.
- Collection of comments from relevant sources – duration two (2) weeks.
- Finalisation and submission of the final evaluation report to the Ministry two (2) weeks after receipt of the stakeholders comments.
- Final debriefing of the evaluation to the Ministry in an internal seminar.

- Preparedness by the consultant team leader to avail him-/herself to a seminar on the evaluation results organised by the Ministry to the NGO community and other interested parties.

The dates of these two debriefings will be agreed upon between the parties during the evaluation process, when the date of completion of the process is discernible.

The evaluation reports shall be written in the English language to enable broader access. The final report will follow the written instructions provided by the Ministry pertaining to the Evaluation Report Series. The final report shall include an abstract of a maximum of 250 words in English and in Finnish, and if possible also in Swedish, although the Swedish translation may be provided by the Ministry if needed. Translation into Spanish pertinent to those sections of the report which are relevant to Bolivia may also be considered by the Ministry. The Final Report shall include an Executive Summary in the English and Finnish languages, and distinct and separate sections of key findings and recommendations. The findings and recommendations must be concrete, stated clearly and presented in such a way that they easily avail themselves to decision-making, and so that they address the department or unit responsible for the follow-up action in the Ministry or another party to the evaluation. The dimension of lessons learned is important. For clarity, table format may be used.

The quality of the report will be assessed against the nine EU Quality Criteria.

The team leader is responsible for the report and approves the contribution of the other experts.

The report will be handed over to the Ministry in five hard copies and in electronic format both as Word and PDF files (by USB or by E-mail). The final version has to be proof-read and be strictly in accordance with the instructions of the Ministry to allow printing without any modifications. The final report shall not exceed 80 pages, annexes (e.g. country studies) excluded. Graphs, tables and boxes may be included. The country studies, appended to the main report, should follow a unified structure.

10. Mandate

The evaluation team members are entitled and expected to discuss with pertinent persons and organizations any matters relevant to the assignment. However, they are not authorised to make any commitments on behalf of the Government of Finland. The final report shall be subject to the approval by the Ministry.

Aira Päivöke
Director

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Evaluation report 2008:1
ISBN 978-951-724-672-9 (printed)
ISBN 978-951-724-673-6 (pdf)
ISSN 1235-7618

Ministry for Foreign Affairs of Finland
Department for Development Policy