Evaluation

Peace and Development in Finland´s Development Cooperation

Case Study of Finland´s Regional Programme in the Western Balkans



Evaluation report 2014:4

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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Bill Sterland
Zehra Kačapor Džihić
Rozeta Hajdari

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MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

This report was commissioned by the Ministry for Foreign Affairs of Finland to Itad Ltd.
The Consultant authors 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.

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This report can be accessed at http://formin.finland.fi/developmentpolicy/evaluations

ISBN 978-952-281-258-2 (pdf)
ISSN 1235-7618
Cover photo: Marja-Leena Kultanen
Cover design: Anni Palotie
Layout: Taittopalvelu Yliveto Oy

Anyone reproducing the content or part of the content of the report should acknowledge the source. Proposed reference: Sterland B, Kačapor Džihić Z, Hajdari R 2014 *Peace and Development in Finland's Development Co-operation: A Case Study of Finland's Regional Programme in the Western Balkans*. Evaluation report 2014:4. Ministry for Foreign Affairs of Finland, Grano Oy, Jyväskylä, 104 p. ISBN 978-952-281-258-2 (pdf).

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PREFACE

This evaluation is about Finnish development cooperation in the Western Balkans and showcases a region that has come out of war and is now in different stages of EU integration. The study forms a part of a larger thematic evaluation on Peace and Development, which includes three other case countries and regions, namely Afghanistan, Palestinian territory and Ethiopia, each experiencing a different situation of fragility. The findings of all four cases are presented in a separate synthesis report.

This evaluation assesses how Finnish development cooperation in Western Balkans has contributed towards peace and security. The evaluation is contributing to the implementation of the new guidelines of fragile states and to the planning of the forthcoming cooperation activities in Western Balkan.

The evaluation concludes that Finland has contributed visibly to the strengthening of Kosovo's institutions by supporting policy reform and also the integration of minorities at the community level. Finland has also contributed to establishing an improved environment for economic development in Kosovo. The Regional projects in the environment sector were also very successful in bringing people together across political and cultural divides. However, impact attributable directly to Finland is limited to long-term involvement with inclusive and special needs education in Kosovo.

Helsinki, September 25, 2014

Jyrki Pulkkinen
Director
Development Evaluation Unit

ACKNOWLEDGMENTS

Research for this evaluation was conducted between July 2013 and August 2014 by a team of consultants contracted by Itad Ltd, which is based in Hove, UK. The team comprised Jon Bennett in the role of team leader, lead author of the synthesis report and lead author of the Afghanistan case study; David Fleming as Itad evaluation manager, co-author of the synthesis report and member of the Ethiopia sub-team; Bill Sterland as lead author of the Western Balkans case study; Debi Duncan as lead author of the Palestinian Territories case study; Tuija Stenbäck as lead author of the Ethiopia case study; Zehra Kacapor Dzihic and Rozeta Hajdari as members of the Western Balkans sub-team; Mohammed Mussa as member of the Ethiopia sub-team; Akbar Sarwari as member of the Afghanistan sub-team; and Samir Baidoun as member of the Palestinian Territories sub-team. Itad extends thanks to the evaluation team for their commitment and engagement throughout in what has been a very challenging and exciting evaluation.

The evaluation team was supported by a number of Itad staff and associate consultants. David Fleming (Senior Consultant) was responsible for evaluation management and coordination, with the support of Jodie Ellis (Senior Project Officer) and Dane Rogers (Managing Director). Itad's Duty of Care team comprising Julian Barr, Sarah Ockenden, Alice Parsons and Susannah Bartlett, supported by Brennan Dwyer and the Safer Edge Team, provided logistical and security arrangements for the Afghanistan fieldwork. Former Itad Director, Derek Poate, provided quality assurance and methodological insights throughout the evaluation, for which the team is extremely grateful. In Finland the team was supported by Erja Hänninen (Junior Expert). Proofreading was carried out by editing consultant Chris Steel and abstract and summary translations were carried out by Karoliina Zschauer and Wolfestone.

Itad Ltd and the team wishes to express sincere gratitude to the Unit responsible for development evaluation (EVA-11) attached to the Office of the Under-Secretary of State in Finland's Ministry for Foreign Affairs (MFA): Jyrki Pulkkinen (Director), Riitta Oksanen (Senior Advisor), Sanna Pulkkinen (Senior Evaluation Officer), Riikka Miettinen (Evaluation Officer), and Kristiina Kuvaja-Xanthopolous (Counsellor).

The team is extremely grateful to all of the staff members of the MFA in Helsinki as well as the embassies in Western Balkans, Afghanistan, Ethiopia and the Representative Office in the Palestinian Territories for their kind support in facilitating the team's fieldwork and for being available for interviews and freely expressing their views.

The Western Balkans evaluation team would in particular like to thank Anu Rämä (First Secretary), and Ismo Kolehmainen, (former Deputy Head) of the Unit for European Union (EU) Enlargement and the Western Balkans for their assistance and cooperation. The team is very grateful for the information, analysis and logistical help provided by Anne Meskanen (Chargée d'Affaires), Vesa Kotilainen (First Secretary/Development Expert) and Jehona Sejdiu (Fund for Local Cooperation (FLC) Coordinator) from Finland's Embassy in Prishtina. The team would also like express thanks to Donji Blagojević (European Forest Institute) and Srdjan Susić (Regional Environmental Centre for Central and Eastern Europe) for their invaluable assistance in arranging and coordinating so many of the meetings for the evaluations of the Education for Sustainable Development (ESD) and FOPER projects.

The team would also like to take this opportunity to gratefully acknowledge and thank the numerous individuals interviewed. They graciously gave their valuable time to facilitate the team's country and mission visits and to provide information, analysis, interpretations and explanations. The views of all of these stakeholders were crucial in helping the team to formulate its assessments and recommendations. The team has attempted to address all the evaluation questions in the Terms of Reference. Needless to say, the flaws and omissions are entirely ours. The team is also responsible for the views and recommendations expressed in the final report.

ACRONYMS AND ABBREVIATIONS

ADA	Austrian Development Agency
ALMP	Assisted Labour Market Projects
AMP	Aid Management Platform
B&H	Bosnia and Herzegovina
CCO	Cross-cutting Objective
CIMIC	Civil-Military Cooperation
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DEED	Diaspora Engagement in Economic Development
EBRD	European Bank for Reconstruction and Development
ECHR	European Convention on Human Rights
ECMI	European Centre for Minority Issues
ECtHR	European Court of Human Rights
ENVSEC	Environmental Security Issue
EPAP	European Partnership Action Plan
EQ	Evaluation Question
ESD	Education for Sustainable Development
ESDP	European Security and Defence Policy
EU	European Union
EULEX	European Rule of Law Mission in Kosovo
FAO	Food and Agricultural Organisation (United Nations)
FLC	Fund for Local Cooperation
FOPER	Forest Policy and Economics and Economics Education and Research
FYR	Former Yugoslav Republic
FYROM	Former Yugoslav Republic of Macedonia
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit (German International Aid Agency)
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HRTF	Human Rights Task Force
IBM	Integrated Border Management
ICJ	International Court of Justice
ICO	International Civilian Officer
ICTY	International Criminal Tribunal for former Yugoslavia
IDA	International Development Association
IFI	International Financial Institutions
IMF	International Monetary Fund
IOM	International Organisation for Migration
IPA	Instrument for Pre-accession Assistance
IUCN	International Union for Conservation of Nature
JICA	Japan International Cooperation Agency
KFOR	Kosovo Force
KPC	Kosovo Protection Corps
KSF	Kosovo Security Force
MFA	Ministry for Foreign Affairs of Finland
MTEF	Medium-Term Expenditure Framework
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental Organisations
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OSCE	Organisation for Security and Cooperation in Europe
RAE	Roma, Ashkali and Egyptian
RBA	Rights-based Approach

RCC	Regional Cooperation Council
REC	Regional Environmental Centre for Central and Eastern Europe
RHP	Regional Housing Programme
SAP	Stabilisation and Association Process
SEDPP	Sustainable Employment Development Policy Programme
SEE 6	South-East European countries: Albania, B&H, Croatia, FYROM; Montenegro; Serbia
STM	SAP Tracking Mechanism
SWAp	Sector-wide Approach
TA	Technical Assistance
TAGAK	Training of Agricultural Advisors in Kosovo
ToR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
UNKT	United Nations Kosovo Team
UNMIK	UN Mission in Kosovo
UNSC	United Nations Security Council
USA	United States of America
USAID	US Agency for International Development
VET	Vocational Education and Training
WB	World Bank
WBIF	Western Balkan Investment Framework

Evaluointi rauhasta ja kehityksestä Suomen kehitysyhteistyössä

Osaevaluointi Suomen alueellisesta ohjelmasta Länsi-Balkanilla

Bill Sterland, Zehra Kačapor Džihić ja Rozeta Hajdari
Suomen ulkoasiainministeriön evaluointiraportti 2014:4
ISBN 978-952-281-258-2 (pdf)
ISSN 1235-7618

Koko raportti on luettavissa osoitteessa http://formin.finland.fi/developmentpolicy/evaluations

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TIIVISTELMÄ

Tämä osaevaluointi arvioi Suomen kehitysyhteistyön lähestymistapaa, metodeja ja tuloksia Länsi-Balkanilla 2009–2013 osana laajempaa evaluointia Suomen kehitysyhteistyöstä hauraissa valtioissa. Se sisältää kattavan dokumenttianalyysin ja sidosryhmähaastatteluja rajallisella, mutta monipuolisella otoksella, lähinnä Kosovossa.

Ohjelma on keskittynyt Kosovon valtion haurauteen ja lisäämään rajat ylittävää yhteistyötä alueella. Kosovossa sitä on koordinoitu yhdessä Suomen diplomaattisten- ja kriisinhallintaoperaatioiden kanssa, ja se on sisältänyt laajan valikoiman kehityskysymyksiä ollakseen kattava. Ympäristö on ollut alueella yhdistävä teema, kun taas Kosovon portfolio keskittyy enenevissä määrin taloudelliseen kehitykseen. Suomi on varmistanut ohjelmansa relevanttiuden täydentämällä muiden avunantajien toimia samalla varmistaen että toimet ovat linjassa Kosovon hallituksen politiikan kanssa. Hankkeidensa kautta Suomi on kuitenkin säilyttänyt monien aktiviteettien kontrollin itsellään. Suomi on osallistunut näkyvästi Kosovon instituutioiden vahvistamiseen tukemalla poliittista reformia sekä vähemmistöjen integraatiota yhteisötasolla. Alueelliset ympäristöhankkeet olivat erittäin menestyksekkäitä tuomalla ihmisiä yhteen yli poliittisten- ja kulttuurirajojen. Suomi on ollut mukana luomassa parempaa ympäristöä talouden kehitykselle Kosovossa. Suomen ansioiksi suoraan luettavat vaikutukset rajoittuvat pitkäaikaiseen inklusiiviseen- ja erityisopetukseen osallistumiseen Kosovossa. Yleisesti ohjelman tulokset edellyttävät jatkettua ulkopuolista tukea kestävyyden varmistamiseksi.

Suosituksia annetaan molempien; ohjelman rajoitetun jatkumisen ja UM:n tulevan rauhan ja kehityksen tuen suunnittelun ja strategisen johtamisen vahvistamiseksi.

Avainsanat: Länsi-Balkan, Kosovo, kehitys, turvallisuus, vakaus

Utvärdering av fred och utveckling i Finlands utvecklingspolitik

En fallstudie av Finlands regionalprogram i Västbalkan

Bill Sterland, Zehra Kačapor Džihić ja Rozeta Hajdar
Utrikesministeriets utvärderingsrapport 2014:4
ISBN 978-952-281-258-2 (pdf)
ISSN 1235-7618

Den fullständiga rapporten finns på http://formin.finland.fi/developmentpolicy/evaluations

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REFERAT

Denna fallstudie bedömer strategi, metoder och resultat av Finlands utvecklingsprogram i Västbalkan 2009–2013, som en del av en bredare utvärdering av Finlands utvecklingssamarbete i bräckliga stater. Den innehåller en omfattande genomgång av dokument och intervjuer med ett begränsat, men varierat urval av programintressenter, främst i Kosovo.

Programmet har fokuserat på att ta itu med statens bräcklighet i Kosovo och ökat gränsöverskridande samarbete i regionen. I Kosovo har det samordnats med Finlands diplomatiska uppdrag och krishanteringsuppdrag och omfattar av ett brett utbud av utvecklingsfrågor för att bli vittomspännande. Miljön har varit ett förenande tema i regionen, emedan Kosovo-portföljen alltmer fokuserar på ekonomisk utveckling. Finland har säkerställt relevans genom att komplettera andra givares interventioner och anpassa sig till Kosovos regeringspolitik, men har behållit kontrollen över många interventioner genom sitt förhållningssätt till projekten. Finland har synligt bidragit till att stärka Kosovos institutioner genom att stödja politiska reformer och integrationen av minoriteter på samhällsnivå. Regionala projekt i miljön var mycket framgångsrika i att föra människor samman över politiska och kulturella klyftor. Finland har bidragit till att skapa en bättre miljö för ekonomisk utveckling i Kosovo. Effekter som kan hänföras direkt till Finland är begränsade till långsiktiga engagemang med utbildning som är inkluderande och tar hänsyn till särskilda behov i Kosovo Programmets resultat kräver generellt fortsatt stöd utifrån för att säkerställa hållbarheten.

Rekommendationer ges för att stärka planering och strategisk ledning av både en begränsad fortsättning av programmet och framtida stöd från UD till fred och utveckling.

Nyckelord: Västbalkan, Kosovo, utveckling, säkerhet, stabilitet

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Evaluation report of the Ministry for Foreign Affairs of Finland 2014:4
ISBN 978-952-281-258-2 (pdf)
ISSN 1235-7618

The full report can be accessed at http://formin.finland.fi/developmentpolicy/evaluations

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ABSTRACT

This case study assesses the approach, methods, and results of Finland's development programme in the Western Balkans 2009–13, as part of a wider evaluation of Finland's development cooperation in fragile states. It includes an extensive review of documents and interviews with a limited, but diverse sample of programme stakeholders, mainly in Kosovo.

The programme has focused on addressing state fragility in Kosovo and increasing cross-border cooperation in the region. In Kosovo, it has been coordinated with Finland's diplomatic and crisis management missions and covered a wide range of development issues in order to be comprehensive. In the region, the environment has been a uniting theme, while the Kosovo portfolio increasingly focuses on economic development. Finland has ensured relevance by complementing other donor interventions and aligning with Kosovan government policy, but it has retained control of many interventions through its project approach. Finland has contributed visibly to the strengthening of Kosovo's institutions by supporting policy reform and also the integration of minorities at the community level. Regional projects in the environment were very successful in bringing people together across political and cultural divides. Finland has contributed to establishing an improved environment for economic development in Kosovo. Impact attributable directly to Finland is limited to long-term involvement with inclusive and special needs education in Kosovo. Programme results generally require continued external support to ensure sustainability.

Recommendations are given to strengthen planning and strategic management of both a limited continuation of the programme and future MFA support to peace and development.

Keywords: Western Balkans, Kosovo, development, security, stability.

YHTEENVETO

Johdanto
Tämä evaluointi keskittyy Suomen kehitysyhteistyöhön Länsi-Balkanilla vuosina 2009–13, mutta se huomioi myös Suomen kehitysyhteistyön alueella kokonaisuudessaan alkaen sen ensimmäisestä sitoumuksesta vuonna 1996. Evaluoinnin tarkoitus on tarjota kattava kuvaus Suomen kehitysyhteistyön saavutuksista, osuudesta ja heikkouksista rauhan ja kehityksen tukemisessa Länsi-Balkanilla. Evaluointi sisältää myös loppuevaluoinnit kahdesta alueellisesta hankkeesta, joiden tulokset ovat vaikuttaneet pääevaluointiin.

Tiimi kehitti yhtenäisen, neljän laaja-alaisen arviointikysymyksen ympärille rakennetun evaluointikehyksen kaikille osaevaluoinneille. Aluksi suoritettiin dokumenttianalyysi, joka sisälsi asiakirjakatsauksen ja haastatteluja Helsingissä. Tämän jälkeen tehtiin neljän viikon matka Bosnia ja Hertsegovinaan, Kroatiaan, Serbiaan ja Kosovoon tiedonkeruuta ja dokumenttianalyysin alustavien tulosten triangulointia varten.

Tulokset
Tuen merkitys rauhan ja kehityksen edistämisessä
Suomen Länsi-Balkanin ohjelmaan ei ole identifioitu erityisiä tavoitteita tai tuloksia, eikä siihen ole laadittu interventiologiikkaa tulosten saavuttamiseksi. Tulosten, prosessien, läpileikkaavien kysymysten (CCOs), UM:n poliittisten linjausten ja avun tuloksellisuuden periaatteiden seurantaa ei ole toteutettu hanketasolla.

Vaikka virallista kontekstianalyysiä ei tehty ja dokumentoitu aikarajauksessa, ohjelma on ollut erittäin relevantti haurauden ja epävakauden syille niin Kosovossa kuin laajemmallakin alueella. Täydentävyyden avulla sekä ryhmittymällä muiden avunantajien kanssa Suomi on tukenut keskeisiä rauhan ja kehityksen edistäjiä Länsi-Balkanilla.

Politiikan johdonmukaisuus ja resurssien allokointi
Ohjelma kehitettiin ”kattavan turvallisuuden” saavuttamiseksi täydentämällä Suomen diplomaattisia pyrkimyksiä ja sen osallistumista kansainvälisiin siviili- ja sotilaskriisinhallintatehtäviin Kosovossa. Ohjelma pyrki myös rauhan ja kehityksen kokonaisvaltaiseen lähestymiseen kokoamalla toisiaan täydentäviä toimia teemojen vakaus ja turvallisuus (*Stability and Security*), kauppaa tukeva kehitysyhteistyö (*Aid for Trade*), sosiaalinen kestävyys (*Social Sustainability*) ja ympäristö (*Environment*) alle. Tämä lähestymistapa oli laajuudessaan liian kunnianhimoinen, ja se johti Kosovossa aluksi liian monien toimien rahoittamiseen liian monilla alueilla vähentäen johdonmukaisuutta ja potentiaalista tehokkuutta. Viimeaikainen priorisointi talouden kasvua ja työllistämistä tukeviin toimiin on parantanut fokusta Kosovossa. Aluetasolla ohjelma lähestyi epävakautta sektorispesifisti keskittyen rajat ylittävien hankkeiden portfoliossa teemaan ”ympäristö”. Tämä antoi ohjelmalle paljon tarvittua johdonmukaisuutta.

Kosovossa ohjelma on edistänyt valtion rakentamista ja hyvää hallintoa tukemalla sosiaali- ja talouspolitiikan uudistamista sekä yhteisön osallistumista suunnittelu- ja päätöksentekoprosesseihin. Suomen tuki desentralisaatiolle on edistänyt serbiyhteisöjen uudelleen integroitumista muodostamalla serbienemmistöisiä kuntia. Osallistavat hankkeet ympäristö-teeman alaisuudessa ovat olleet asianmukaisia ja tehokkaita keinoja luotaessa rajat ylittävää yhteistyötä aikaisemmin vihamielisten ja epäluottavaisten yhteisöjen välille. Tällä tavoin hankkeet ovat vaikuttaneet alueelliseen vakauteen.

Läpileikkaavat tavoitteet
Suomen läpileikkaavia tavoitteita ei ole johdonmukaisesti valtavirtaistettu koko ohjelmaan. Huomiota on kiinnitetty enemmän gender-tasapainon ja naisten oikeuksien tukemiseen kuin muihin syrjäytymisen uhan alla oleviin ryhmiin. Merkityksellistä huomiota on kiinnitetty etnisten vähemmistöjen oikeuksiin vain Kosovossa. Muut syrjäytyneet ryhmät on yleisesti laiminlyöty ohjelmassa. Suomen paikallisen yhteistyön määrärahaa (PYM) on tehokkaasti käytetty kaikkiin läpileikkaaviin tavoitteisiin ja edistämään ihmisoikeuksia yleisesti. Kosovossa PYM määrärahoja on kasvavassa määrin käytetty strategisesti täydentämään Suomen kehityspolitiikan painopisteitä ja käynnissä olevia hankkeita sekä tukemaan kansalaisyhteiskunnan toimijoita (CSO), joiden tehtävä on vahvistaa hallintoa.

Avun tuloksellisuus ja kehitystulokset

Avunantajat ja kansalliset sidosryhmät tunnistavat Suomen erityisosaamisen ja kehitysyhteistyöhön tuoman lisäarvon opetussektorilla, erityisesti inklusiivisessa- ja erityisopetuksessa, sekä vammais-, ympäristö- ja metsäsektoreilla. Kosovossa Suomi on aikaansaanut todellisia vaikutuksia inklusiivisen- ja erityisopetuksen saralla, mikä liittyy alueella vuodesta 2001 jatkuneeseen teknisen asiantuntemuksen soveltamiseseen.

Ohjelman keskipitkän aikavälin aikataulu on epäjohdonmukainen Suomen ulkoasianministeriön vuoden 2009 *Kehitys ja turvallisuus Suomen kehityspolitiikassa* -linjauksen kanssa, missä peräänkuulutetaan pitkäaikaista ulkoista tukea konfliktin jälkeisiin ja hauraisiin valtioihin. Ohjelman välittömien vaikutusten kestävyyttä ei ole varmistettu. Kestävän kehityksen politiikan ja paikallisten suunnitelmien toteuttaminen Kosovossa vaatii edelleen instituutionaalista kapasiteetin kehittämistä ja taloudellista tukea. Yhteisötason rajat ylittävä yhteistyö tulee vaatimaan ulkoista avustamista, kuten myös vahvistettua poliittista tukea keskushallinnolta.

Päätelmät ja opit

Joukko päätelmiä ja oppeja on esitetty ohessa:

- **Tuloshakuinen suunnittelu olisi lisännyt ohjelman tuloksellisuutta, tehokkuutta ja mahdollisia lopullisia ohjelmavaikutuksia**. Tämän olisi pitänyt sisältää hallittavat ja realistiset tavoitteet sekä käytännöllisiä strategioita määrittämään testattava muutosteoria.
- Ohjelman aikajänne oli liian lyhyt kestävien ja merkittävästi laajempien tulosten aikaansaamiseksi.
- **Suomen kehityksen ”kokonaisvaltainen lähestymistapa” osoittautui Kosovossa liian kunnianhimoiseksi**. Tiiviimpi keskittyminen harvemmille sektoreille tai erityiskysymyksiin ja teemoihin olisi lisännyt tehokkuutta ja johdonmukaisuutta.
- Suomen sektorispesifinen lähestymistapa alueellisiin ohjelmiin on hyvä keino keskittää toimintaa ja resursseja näkyvien tulosten saavuttamiseksi.
- **Kosovossa ohjelma on keskittynyt riittämättömästi Suomen tunnustettuun erityisosaamiseen.**
- **PYM on tärkeä instrumentti kehitysavun toteuttamisessa**, mutta sen täyttä potentiaalia osallistavan demokratian, hyvän hallinnon ja oikeusvaltion vahvistamisessa ei ehkä ole täysin ymmärretty Suomen suurlähetystöissä.
- **Länsi-Balkanin ohjelma ei ole perustunut ”ihmisoikeuksien kunnioittamiseen ja edistämiseen”**, jota Suomen kehityspolitiikka edellyttäisi. Ohjelmajohto ei ole ohjeistanut toimeenpanevia kumppaneita riittävästi suunnittelemaan, toimeenpanemaan, monitoroimaan ja raportoimaan Suomen läpileikkaavista teemoista.
- Suomi on valinnut sopivat apumuodot ja ohjelmakumppanit valtiollisen haurauden ja konfliktin jälkeisen toipumisen käsittelyyn.
- **Suomelle on liian aikaista poistua alueelta kokonaan**, koska rajat ylittävän yhteistyön tulokset vaativat edelleen ulkoista avustamista. Institutionaalinen lisätuki ja tekninen apu hiljattain valmistuneille aloitteille lisäisivät potentiaalista kestävyyttä Kosovossa.
- **Vaikutusten saavuttamiseksi vaaditaan kehitysyhteistyön pitkäaikaista jatkuvuutta**. Tätä tukee vahva näyttö tuloksista, joita Suomi on saavuttanut inklusiivisen- ja erityisopetuksen kentällä Kosovossa.

Suositukset

Länsi-Balkania koskevat suositukset

- Uudistaa Kosovon nykyinen tuki 2009–13 ohjelman paremman jatkuvuuden varmistamiseksi, ja samalla tehdä toimiva suunnitelma asteittaiselle ja koordinoidulle Suomen ja muiden avunantajien tuen alasajolle.
- Rahoitusjaksolle, johon UM on Kosovossa sitoutunut, tulee kehittää tulosorientoitunut suunnitelma tai matriisi.
- Harkita Suomen inklusiivisen opetuksen tuen laajentamista tarjoamalla kunnille teknistä tukea ja apua.
- Kohdistaa paikallisen yhteistyön määrärahoja julkista osallistumista ja hallinnon läpinäkyvyyttä edistäville kansalaisyhteiskunnan toimijoille (CSO).
- Fasilitoida seurantatoimia alueellisille rajat ylittäville ympäristö- ja opetushankkeille vastaukseksi niihin jatkuvan kapasiteetin kehittämisen tarpeisiin, jotka identifioitiin loppuarvioinneissa ja -raporteissa.
- Työskennellä toimeenpanosta huolehtivien kumppaneiden kanssa sen varmistamiseksi, että he riittävästi käsittelevät, seuraavat ja raportoivat kaikkia Suomen läpileikkaavia tavoitteita (CCOs).

UM:ää koskevat suositukset

- Hauraiden valtioiden ohjelmatuki kannattaa tulevaisuudessa kohdistaa vain joihinkin teemoihin ja niiden sisällä rajattuun määrään erityiskysymyksiä keskittyen Suomen erityisosaamisalueisiin. Valittaessa avun muotoja ja toimeenpanokumppaneita hauraissa valtioissa jatketaan Pariisin periaatteiden ja New Deal for Engagement with Fragile States soveltamista huomioiden kunkin asiakokonaisuuden mahdollisuudet ja rajoitukset.
- Tulosperustaiselle johtamiselle perustetaan virallinen järjestelmä ja siihen sisällytetään standardoidut työkalut ja käytännöt. Järjestelmän on tarkoitus parantaa hankkeiden suunnittelua, johtamista ja seurantaa sekä Suomen ohjelmien evaluointia konfliktinjälkeisissä ja hauraissa valtioissa.

SAMMANFATTNING

Introduktion
Denna utvärdering fokuserar på Finlands utvecklingssamarbete i Västbalkan under perioden 2009–2013, men tar även hänsyn till helheten av Finlands utvecklingssamarbete i regionen från det inledande engagemanget 1996. Utvärderingen syftar till att ge en omfattande översyn av vad som uppnåtts, bidrag och svagheter i Finlands utvecklingssamarbete för att stödja fred och utveckling i Västbalkan. Utvärderingen inbegriper också två slutgiltiga utvärderingar av två regionala projekt, och resultaten av dessa har bidragit till den huvudsakliga utvärderingen.

Teamet utvecklade en för alla fallstudier gemensam utvärderingsram, strukturerad runt fyra övergripande frågor. Efter att en skrivbordsstudie genomfördes med en detaljerad genomgång av dokument och intervjuer i Helsingfors, genomfördes ett fyra-veckors fältbesök i Bosnien och Herzegovina, Kroatien,Serbien och Kosovo för att samla ytterligare bevis och triangulera preliminära resultat från skrivbordsstudien.

Resultaten
Betydelsen av stödet till de som driver på för fred och utveckling
Finlands program på Västbalkan har inte identifierat specifika mål eller resultat, inte heller har det fastställts en interventionslogik för att uppnå resultat. Granskning av resultat, processer, övergripande frågor (CCO: Cross-Cutting Objectives), riktlinjer från UD och effektivitetsprinciper för bistånd har inte genomförts på programnivå.

Även om en formell kontextuell analys inte har genomförts och dokumenterats vid tiden för avgränsning, har programmet varit mycket relevant med avseende på orsakerna till bräcklighet och instabilitet både i Kosovo och den mer omfattande regionen. Med hjälp av komplementaritet och anpassning till andra givare, har Finland stött den viktigaste drivkraften för fred och utveckling i Västbalkan.

Samstämmighet i policy och resursallokering
Programmet har utvecklats för att uppnå ”omfattande säkerhet”, genom att komplettera Finlands diplomatiska ansträngningar och deltagandet i internationella civila och militära krisuppdrag i Kosovo. Programmet har också försökt att holistiskt ta sig an fred och utveckling genom att samla ett antal kompletterande insatser under temana *stabilitet och säkerhet*, *handelsbistånd*, *social hållbarhet* och *miljö*. Detta tillvägagångssätt var överambitiöst i sin omfattning och resulterade inledningsvis i Kosovo i alltför många interventioner inom alltför många områden som finansieras, vilket minskade samstämmigheten och effektivitetspotentialen. Fokus har ökat nyligen genom prioriteringarna av interventioner i Kosovo i syfte att främja ekonomisk tillväxt och sysselsättning. På regional nivå har programmet anammat en sektorsspecifik strategi för att ta sig an regional instabilitet genom att fokusera på en portfölj av gränsöverskridande projekt under rubriken *miljö*. Detta gav programmet en välbehövlig samstämmighet.

Programmet har i Kosovo bidragit till statsbyggnationen och goda styrelseformer genom stöd till reformer i social och ekonomisk politik och samhällsdeltagande i planerings- och beslutsprocesser. Finlands stöd till decentralisering har bidragit till återanpassning av serbiska samhällen genom inrättandet av kommuner med serbisk majoritet. Deltagarprojekt under rubriken *miljö* har varit ett lämpligt och effektivt medel för gränsöverskridande samarbete mellan tidigare antagonistiska och misstänksamma samhällen. På detta sätt har dessa projekt bidragit till regional stabilitet.

Övergripande mål
Finlands CCO:er har inte integrerats konsekvent genom programmet. Mer uppmärksamhet har getts till att stödja könsfördelning och rättigheter för kvinnor än för andra grupper som riskerar att exkluderas.

Meningsfull uppmärksamhet har endast getts till etniska minoriteter i Kosovo. Andra exkluderade grupper har allmänt negligerats i programmet. Finlands fond för lokalt samarbete (FLC: Fund for Local Cooperation) har använts effektivt till att ta itu med alla CCO:er och för att främja mänskliga rättigheter i allmänhet. I Kosovo har FLC-anslag i ökande utsträckning använts strategiskt för att komplettera Finlands utvecklingsprioriteringar

och pågående projekt och för att främja civilsamhällets organisationer (CSO: civil society organisations) vars uppdrag är att stärka förvaltningen.

Biståndets effektivitet och utvecklingsresultat

Givare och nationella intressenter identifierar Finlands specifika expertis och deras mervärde för utvecklingssamarbete inom utbildning, särskilt utbildning som är inkluderande och tar hänsyn till särskilda behov, funktionshinder, miljö och skogsbruk. I Kosovo har Finland åstadkommit en verklig effekt inom området för utbildning som är inkluderande och tar hänsyn till särskilda behov, tack vare den fortlöpande tillämpningen av den tekniska expertis man har inom detta område sedan 2001.

Programmets medellånga tidsram är oförenlig med UD:s *riktlinjer om samarbete för utveckling och trygghet från 2009*, vilka åberopar långsiktiga externa stöd till stater som är i ett bräckligt tillstånd efter konflikter. Hållbarheten för programmets omedelbara resultat är inte säker. Implementeringen av politik och lokala planer för hållbar utveckling i Kosovo kräver uppbyggnad av ytterligare institutionell kapacitet och ekonomiskt stöd. Gränsöverskridande samarbete på nivån för samhällsgrupper kommer att kräva ytterligare externt stöd, såväl som stärkt politiskt stöd från central förvaltning.

Slutsatser och lärdomar

Ett antal slutsatser och lärdomar läggs fram här:

- **Resultatorienterad design skulle ha förstärkt effektiviteten och potentiellt programmets slutgiltiga effekt**. Detta borde ha inkluderat etableringen av en hanterbar och realistisk uppsättning mål och en uppsättning av genomförbara strategier som etablerar en testbar teori för förändring.
- Programmets tidsfönster var för litet för att hinna uppnå hållbara resultat och kunna bidra i någon väsentligt grad till mer omfattande verkan.
- **Finlands ”omfattande strategi” för utveckling visade sig vara alltför ambitiös i Kosovo**. Effektiviteten och enhetligheten skulle ha ökat med en snävare fokusering på ett mindre antal sektorer eller specifika frågor och teman.
- Finlands sektorsspecifika strategi för regionala program är ett bra sätt att fokusera ansträngningar och resurser för att åstadkomma synliga resultat.
- **I Kosovo har programmet varit otillräckligt orienterat kring Finlands erkända specifika expertis.**
- **FLC är ett viktigt instrument för att leverera utvecklingsstöd**, men dess fulla potential för att stärka deltagande demokrati, god samhällsstyrning och rättsstatsprincipen har kanske inte helt förståtts av Finlands ambassader.
- **Programmet för Västbalkan har inte varit grundat på ”respekt för och främjande av mänskliga rättigheter”**, såsom krävs av Finlands utvecklingspolicy. Programledningen har inte försett implementerande partners med adekvata riktlinjer för att hjälpa dem planera för, implementera, övervaka och rapportera tillbaka om Finlands CCO:er.
- Finland har valt lämpliga biståndsformer och programpartners för att ta sig an bräcklighet i staten och återhämtningen efter konflikten.
- **Det är fortfarande för tidigt för Finland att lämna regionen fullständigt**, eftersom resultaten av gränsöverskridande samarbete fortfar att kräva ytterligare externa insatser. I Kosovo skulle ytterligare institutionellt stöd och TA till nyligen avslutade initiativ ytterligare öka potentiell hållbarhet.
- **Det krävs kontinuitet i utvecklingssamarbetet på längre sikt för att uppnå önskad effekt**. En stark antydan om detta ges av bevisen på inverkan Finland har uppnått i Kosovo gällande området för utbildning som är inkluderande och tar hänsyn till särskilda behov.

Rekommendationer

Rekommendationer specifika för Västbalkan

- Omforma det nuvarande stödet till Kosovo för att ge större kontinuitet med programmet 2009–2013 och för att skapa en fungerande plan för en gradvis avveckling av finskt stöd i samordning med andra givare.
- Utveckla en resultatinriktad plan eller matris för en planerad fortsättning av programmet i Kosovo så att det täcker perioden av finansiering UD har åtagit sig.
- Överväg att förlänga Finlands stöd till inkluderande utbildning genom att tillhandahålla TA och underlätta för kommunerna.
- Använd FLC-medel till att inrikta på CSO:er som är hängivna att öka allmänhetens deltagande och myndigheternas ansvarsskyldighet.

- Underlätta uppföljande åtgärder till regionala gränsöverskridande projekt inom miljö och utbildning för att ta itu med de särskilda fortsatta kapacitetsuppbyggnadsbehov som identifierats i slutgiltiga utvärderingar och slutrapporter.
- Arbeta med partners som står för genomförandet för att säkerställa att de inriktar sig på, övervakar och rapporterar om alla Finlands CCOs till den grad som behövs.

Rekommendationer specifika för UD

- För framtida programmering gällande bräckliga stater, fokusera på ett begränsat antal specifika frågor inom ett reducerat antal teman, koncentrera på områden där Finland har särskild expertis. Vid val av biståndsformer och implementerande partners i bräckliga stater, fortsätt anpassa Paris-principerna och New Deal for Engagement with Fragile States till kontextens möjligheter och begränsningar.
- Inrätta ett formellt system för resultatbaserad förvaltning med standardiserade förfaranden och verktyg för att förbättra planering, förvaltning, övervakning och utvärdering av Finlands program i bräckliga stater efter konflikter.

SUMMARY

Introduction

This evaluation focuses on Finland's development cooperation in the Western Balkans over the period 2009–13, but also includes consideration of the entirety of Finland's development cooperation in the region from its initial engagement in 1996. The evaluation's purpose is to provide a comprehensive review of the achievements, contributions and weaknesses of Finnish development cooperation in supporting peace and development in the Western Balkans. The evaluation also includes final evaluations of two regional projects, the results of which have contributed to the main evaluation.

The team developed an evaluation framework common to all of the case studies structured around four overarching evaluation questions. After a desk study was carried out involving document review and interviews in Helsinki, a four-week field visit was conducted in Bosnia and Herzegovina, Croatia, Serbia and Kosovo to gather additional evidence and triangulate preliminary findings from the desk study.

Findings

Relevance of support to the drivers of peace and development

Finland's Programme in the Western Balkans has not identified specific objectives or outcomes, nor has it established an intervention logic for the achievement of results. Monitoring of results, processes, cross-cutting objectives (CCOs), MFA policy guidelines and aid effectiveness principles at the programme level has not be undertaken.

Although a formal context analysis was not carried out and documented at the time of scoping, the Programme has been highly relevant to the causes of fragility and instability in both Kosovo and the wider region. By means of complementarity and alignment with other donors, Finland has supported the key driver of peace and development in the Western Balkans.

Policy coherence and resource allocation

The Programme was developed to achieve "comprehensive security", by complementing Finland's diplomatic efforts and its participation in the international civilian and military crisis missions in Kosovo. The programme also attempted a holistic approach to peace and development by assembling a range of complementary interventions under the themes *Stability and Security*, *Aid for Trade*, *Social Sustainability* and the *Environment*. This approach was overambitious in its scope and in Kosovo resulted initially in too many interventions in too many fields being funded, reducing coherence and potential effectiveness. Recent prioritisation in Kosovo of interventions to promote economic growth and employment has increased focus. At the regional level, the Programme took a sector-specific approach to address regional instability by concentrating on a portfolio of cross-border projects under the *Environment*. This provided the Programme with much needed coherence.

In Kosovo, the Programme has contributed to statebuilding and good governance through support to reform of social and economic policy and community participation in planning and decision-making processes. Finland's support to decentralisation has contributed to the reintegration of Serb communities through the establishment of Serb-majority municipalities. Participatory projects under the *Environment* have been an appropriate and effective means of establishing cross-border cooperation between previously antagonistic or distrustful communities. In this way these projects have contributed to regional stability.

Cross-cutting objectives

Finland's CCOs have not been mainstreamed consistently across the Programme. Greater attention has been paid to supporting gender balance and the rights of women than those of other groups likely to be excluded.

Meaningful attention has been paid to the rights of ethnic minorities only in Kosovo. Other excluded groups have generally been neglected in the Programme. Finland's Fund for Local Cooperation (FLC) has been used effectively to target all CCOs and promote human rights in general. In Kosovo, FLC grants have increasingly been used strategically to complement Finland's development priorities and ongoing projects and to promote civil society organisations (CSOs) whose mission is to strengthen governance.

Aid effectiveness and development results

Donors and national stakeholders identify Finland's specific expertise and added value to development cooperation in education, in particular inclusive and special needs education, disability, the environment and forestry. In Kosovo, Finland has achieved real impact in the field of inclusive and special needs education, owing to the continuous application of its technical expertise in this field since 2001.

The Programme's medium-term timeframe is inconsistent with the MFA *Guidelines on Co-operation for Development and Security 2009*, which calls for long-term external support to post-conflict and fragile states. The sustainability of the Programme's immediate results is not assured. The implementation of policy and local plans for sustainable development in Kosovo require further institutional capacity building and financial support. Community-level, cross-border cooperation will require further external facilitation, as well as strengthened political support from central governments.

Conclusions and lessons

A number of conclusions and lessons are put forward here:

- **Results-oriented design would have enhanced the effectiveness, efficiency, and potential final impact of the Programme**. This should have included the establishment of a manageable and realistic set of objectives and a set of practicable strategies setting out a testable theory of change.
- The Programme's time horizon was too short to achieve sustainable outcomes and contribute significantly to wider impact.
- **Finland's "comprehensive approach" to development proved to be overambitious in Kosovo** Effectiveness and coherence would have been increased by a tighter focus on a smaller number of sectors or specific issues and themes.
- Finland's sector-specific approach to regional programmes is a good way to focus effort and resources in order to achieve visible results.
- **In Kosovo, the Programme has been insufficiently oriented around Finland's recognised specific expertise**.
- **The FLC is an important instrument for delivering development aid**, but its full potential for strengthening participatory democracy, good governance and the rule of law has perhaps not been fully understood by Finland's embassies.
- **The Western Balkans Programme has not been founded upon "respect for and promotion of human rights"**, as demanded by Finland's development policies. Programme management has not provided implementing partners with adequate guidelines to assist them plan for, implement, monitor and report back on Finland's CCOs.
- Finland has chosen appropriate aid modalities and programme partners to address state fragility and post-conflict recovery.
- **It is still too early for Finland to exit from the region completely**, as the results of cross-border cooperation continue to require further external facilitation. In Kosovo, further institutional support and TA to recently completed initiatives would increase potential sustainability.
- **Continuity of development cooperation over the longer term is required to achieve impact**. This is strongly suggested by the evidence of impact Finland has achieved in the field of inclusive and special needs education in Kosovo.

Recommendations

Recommendations specific to the Western Balkans

- Redesign the current assistance to Kosovo in order to provide greater continuity with the 2009–13 Programme and to establish a workable plan for a gradual phasing out of Finnish support in coordination with other donors.
- Develop a results-oriented plan or matrix for the planned continuation of the Programme in Kosovo covering the period of funding committed by the MFA.
- Consider extending Finland's Support to Inclusive Education by providing TA and facilitation to municipalities.
- Use FLC funds to target CSOs dedicated to raising public participation and government accountability.
- Facilitate follow-up actions to regional cross-border projects in the environment and education to address the specific continuing capacity building needs identified in final evaluations and completion reports.
- Work with implementing partners to ensure that they adequately address, monitor and report on all Finland's CCOs.

Recommendations specific to the MFA

- In future programming in fragile states, focus on a limited number of specific issues within a reduced number of themes, concentrating on areas of Finland's special expertise. When selecting aid modalities and implementing partners in fragile states continue to adapt the Paris Principles and the New Deal for Engagement with Fragile States to the opportunities and constraints of the context.
- Establish a formal system of results-based management with standard procedures and tools to improve the planning, management, monitoring and evaluation Finland's programmes in post-conflict and fragile states.

Summary of key findings, conclusions and recommendations

Findings	Conclusions	Recommendation
The programme's timeframe, limited to the medium term, and the significant reduction of support to Kosovo from 2014 are inconsistent with the MFA's *Guidelines for Development and Security 2009* and the Fragile States Principles which call for long-term external support to post-conflict and fragile states.	It is still too early for Finland to exit from the region completely. In Kosovo further institutional support and TA to recently completed initiatives would increase potential sustainability.	1 Redesign the current assistance to Kosovo in order to provide greater continuity with the 2009–13 Programme: Increase the allocation in the short-term; provide TA and institutional support to recently completed projects to ensure the sustainability of results; establish a phased reduction of Finnish support over three to five years.
The overall effectiveness of the Kosovo country programme has been reduced owing to a lack of sector or issue-based focus. The failure at the time of programme design to apply results-oriented planning and to establish a plausible and coherent intervention logic led to an overambitious programme. Too many interventions in too many fields have been funded, while insufficient finance has been applied to areas of Finland's acknowledged expertise and influence.	Finland's "comprehensive approach" to development proved to be overambitious in Kosovo. The programme comprised too many projects of limited scope across four broad thematic areas. Effectiveness and coherence would have been increased by a tighter focus on a smaller number of sectors or specific issues and themes. Results-oriented design would have enhanced the effectiveness, efficiency, and potential final impact of the Programme.	2 In future programming in fragile states, focus on a limited number of specific issues within a reduced number of themes, concentrating on areas of Finland's special expertise. Understand the "comprehensive approach" to development as the combined efforts of international donors to which Finland can contribute by means of filling gaps and providing added value. 3 When carrying out results-based management of Finland's programmes in fragile states, establish a set of standard procedures and tools. This system and the tools should be outlined clearly in the new *Fragile States Guidelines.*
Donors and national stakeholders identify Finland's specific expertise and added value to development cooperation in education, in particular inclusive and special needs education, disability, the environment and forestry. Finland has achieved real impact in the field of inclusive and special needs education in Kosovo. This has been achieved as a result of Finland's continuous engagement in this field since 2001.	In Kosovo, the Programme has been insufficiently oriented around Finland's recognised specific expertise. Continuity of development coordination over an extended period is necessary to achieve impact.	4 Carry out an evaluation of Finland's Support to Inclusive Education in Kosovo as part of a wider review of inclusive and special needs education in Kosovo. 5 Extend the Support to Inclusive Education by means of project-based TA and facilitation to municipalities in order to strengthen the decentralisation of inclusive education and its integration into the wider education system.
The programme's project-based approach is not entirely in keeping with the Paris Principles or the New Deal for Engagement with Fragile States, but it has been reasonably justified on the basis of low government absorptive capacity and poor government-donor	Finland has chosen appropriate aid modalities and programme partners to address state fragility and post-conflict recovery. When delivered by impartial, external agents, the project approach is an effective means of facilitating increased communication and co-	6 To select aid modalities and implementing partners in fragile states continue to adapt the Paris Principles and the New Deal for Engagement with Fragile States to the opportunities and constraints of the context and the purpose of development co-

coordination in Kosovo, as well as allowing Finland the opportunity to utilise its specialist expertise in areas where it considers it has a comparative advantage. The project modality has proved an effective way of strengthening the responsiveness of interventions, as it has incorporated stakeholder participation, including that of direct beneficiaries, in needs analysis and the design and management of projects.	operation between segregated or antagonistic communities. Where communities are in conflict with, or excluded from the state, the project is also an effective means of facilitating their integration. However, the success in Kosovo of budget support (Sustainable Employment Development Policy Programme – SEDPP) in advancing national policy and strengthening institutional capacity, confirms the validity of applying the aid effectiveness principle of programme-based approaches (and budget support) to promote statebuilding and development objectives.	operation, in line with the flexibility recommended in Finland's new *Fragile States Guidelines*. 7 In the new *Fragile States Guidelines*, establish criteria for the selection of different modalities and partners, giving concrete examples, to guide MFA planning teams.
Finland has targeted its CCOs effectively by use of FLC funds, supporting a range of small-scale interventions promoting the rights of various excluded groups. FLC grants have increasingly been used in a strategic way to complement Finland's development priorities and ongoing projects in Kosovo. In the Programme's last two years, Finland has used the FLC to promote CSOs whose mission is to strengthen governance by means of rights-based advocacy, watchdog activities or policy dialogue with government.	The FLC is an important instrument for delivering development aid, but its full potential for strengthening participatory democracy, good governance and the rule of law has perhaps not been fully understood by Finland's embassies. From 2014 onwards, after the recent reduction of Finland's aid to Kosovo, the FLC will be relatively more important to Finland for achieving its development objectives – as the FLC's annual allowance of €300 000 remains unchanged – and it will demand greater attention to CSO selection and fund management.	8 In Kosovo, maintain the FLC's orientation towards Finland's CCOs and human rights, but ensure its primary aims are to fund: • CSOs whose main purpose is to engage with government in support of the rights of their constituencies and to raise public participation in decision-making; • CSOs dedicated to interethnic dialogue or cooperation across ethnic boundaries, focusing especially on the integration of minorities into social, economic and political processes.
The absence of an effective system for monitoring and evaluating results at the programme level has led to weak strategic management of both the Kosovo and regional portfolios and the inability of the Programme to generate lessons learned and to identify best practice. This has been caused by • the lack of instruments for monitoring the context; • the lack of instruments for tracking programme results; • insufficient specialist development expertise in both the MFA's Unit for EU Enlargement and Western Balkans and the Embassy in Prishtina.	Management of Finland's cooperation for peace and development would be strengthened by providing management units with greater human resources and specialist expertise and by establishing clearer lines of responsibility for planning, monitoring and reporting between the MFA in Helsinki and Finland's embassies.	9 For country programmes (as opposed to regional programmes), devolve authority and responsibility for management and funding decisions within the MFA approved funding envelope, while maintaining guidance and technical advice from Helsinki. Where embassies have the required human resources, they should be responsible for conducting context analysis, programme scoping, identifying project interventions, and programme management, including monitoring.

1 INTRODUCTION

This report is one of four case studies that contribute to a strategic, thematic "Evaluation of Peace and Development in Finland's Development Cooperation'. In compliance with the Terms of Reference (ToR) it is:

> a comprehensive overall independent view on the achievements, contributions and weaknesses of Finnish development cooperation in supporting peace and development in fragile states. [It will] provide lessons learned from the past … and give recommendations on how to enhance the implementation of policy priorities in supporting peace and development through development cooperation.

Rather than being a conventional country programme evaluation, it focuses on the peace, security and development nexus. Fragility is interpreted here in a broad sense to encompass not only those states currently or recently in conflict, but also those that have an important role to play in regional stability and peacebuilding. The chosen case studies cover a spectrum from relatively stability (Ethiopia) to those still in the middle of conflict (Afghanistan). The evaluation is geared towards the usability of findings both at headquarters and country levels; it is a learning process that captures how strategy is translated into action at the country level. It should also help support the implementation of the new *Fragile States Guidelines* published by the Ministry for Foreign Affairs of Finland (MFA) in 2014 (MFA 2014).

The majority of Finnish development cooperation includes a wide range of interventions supporting conflict prevention and mitigation indirectly, with development cooperation being implemented in parallel with diplomacy, crisis management and humanitarian assistance. Hence, an important element of the evaluation is a contextual analysis of events over time, how Finnish development cooperation interplays with wider international development cooperation, and how strategy has evolved in relation to national priorities and policies. Humanitarian aid and civilian crisis management operations are not included in the scope of the evaluation, but we do explore the interface between development cooperation and other official development assistance (ODA)-financed activities at the country level. Likewise, individual projects will not be evaluated as such, but may be used to illustrate wider strategic learning.

The analysis and evaluation addresses both the "why?" questions flagged in the intervention logic(s) – the rationale for, and consequences of, decisions made by Finland over time; and the "how" questions – the manner in which policy has translated into action. Although our focus is on development cooperation, the continuity between this and the totality of Finland's approach will be explored, as well as the leverage that development cooperation affords to political dialogue in the countries under review.

2 APPROACH

2.1 Scope and purpose

This evaluation focuses on Finland's development cooperation in the Western Balkans, encompassing Albania, Bosnia and Herzegovina (B&H), Croatia, Kosovo, the Former Yugoslav Republic of Macedonia (FYROM), Montenegro, and Serbia, for the period of its Development Policy Framework Programme 2009–13. At the same time, it includes consideration of the entirety of Finland's development cooperation in the region from the time of Finland's initial engagement in B&H in 1996. The evaluation also includes final evaluations of two regional projects (a) Education for Sustainable Development in the Western Balkans (ESD), and (b) Strengthening/ Consolidation of Forest Policy and Economics Education and Research (FOPER I & II), the results of which have contributed to the main evaluation (see Annexes 10 and 11).

Finnish assistance in the period 2009–13 has concentrated on Kosovo in what is, in effect, a separate country programme within the regional framework. The evaluation thus gives special attention to the Kosovo context while incorporating findings and conclusions relating to Kosovo within those for the wider region and programme.

The purpose of the evaluation is to provide a comprehensive review of the achievements, contributions and weaknesses of Finnish development cooperation in supporting peace and development in the Western Balkans. It seeks to provide lessons learned and recommendations from the Western Balkans that will support the MFA in designing policy and programme strategies to promote peace and development in fragile states in other contexts and, in addition, to support the revised guidelines on fragile states which the MFA in the process of drafting.

The evaluation covers Finland's sector support, programmes and projects funded through bilateral instruments and bilateral contributions through multilateral channels. In addition, it also reviews Finland's bilateral cooperation through the FLC. While the evaluation concentrates on aspects of peace and development in the peace, security and development nexus, security is addressed only when it is part of the Western Balkan Development Policy Framework Programme. Finland's engagement in civilian and military crisis management operations in Kosovo (and B&H) are not included in the evaluation.

The evaluation proceeds with a description of the evaluation methodology and its limitations. The Western Balkan and Kosovo contexts are outlined separately in Section 3. This includes the socioeconomic background, and overview of the main political and security-related events to have taken place over the period 2009–13, and an outline of international development assistance from 2000 to 2013. Section 4 reviews Finland's support to the Western Balkans 2009–13 and the development policy background to this support, including international and Finnish policy. Donor community initiatives in the region taking place over 2009–13 are described, and Finnish development policies that have guided Finland's interventions in the region are summarised. The Western Balkans Policy Framework Programmes is reviewed and an analysis given of Finnish financial disbursements to the region over 2009–13. This section concludes with a detailed contextual analysis, including the indicators and drivers of instability and poverty, as well as the process of European Union (EU) integration which provides a framework for the region's states and donor countries to promote national and regional socioeconomic and political stability and development.

Detailed evaluation findings and their summary are presented in Section 5, according to the evaluation questions and judgement criteria established during the evaluation's inception phase. Two final sections provide conclusions from the whole the evaluation and recommendations specific to the Western Balkans Programme and to the MFA more generally on the basis of the key findings.

2.2 Methodology and limitations

The evaluation was carried out in four phases: inception, desk study, fieldwork, and analysis and writing up.

Evaluation inception
The evaluation approach was elaborated during this period. This included the identification of 21 judgement criteria by which to answer the four main evaluation questions established in the ToR (Annex 1). At the same time a strategic intervention logic (or theory of change)[1] was constructed from the Western Balkans Policy Framework Programme document that examined the rationale and objectives for Finnish engagement in the Western Balkans, which was to be used to identify why the programmed development cooperation sectors and activities were selected.

The evaluation questions set for the Western Balkans development policy framework programme were as follows:

EQ 1 Has Finnish development cooperation provided relevant support to the drivers of peace and development in fragile states, including poverty reduction? Have the choice and mix of sectors and instruments contributed to these targets?
EQ 2 What have been the mechanisms to integrate the Finnish development policy priorities also stipulated in the 2009 guidelines 'Development and security in Finland's development policy' in the country

[1] The team developed an intervention logic based on original design intentions and have used it to try and understand the theory of change behind Finland's approach. In the report we use the terms "intervention logic" and "theory of change" interchangeably.

level interventions? Are development interventions on the ground complying with the priorities and thematic focuses of the development policies and the 2009 guidelines?

EQ 3 How have the cross-cutting objectives been integrated in Finland's development interventions in fragile states? How has their integration/non-integration affected identified and achieved results? What are the lessons learned and best practices in implementing cross-cutting objectives?

EQ 4 How have the aid effectiveness commitments been integrated in the Finnish development interventions? How has their application supported development results and the overall objective of peace and development? What have been the lessons learned and best practices?

Desk study

An initial desk study was carried out to arrive at preliminary findings that could be tested and explored further through consultations in the subsequent field trip phase. This proceeded from a detailed review of all relevant policy documents and guidelines from the MFA and a wide range of contextual research and analytical studies on the Western Balkans from external sources such as, the World Bank, the EU, United Nations (UN) agencies and reputable international think tanks and research agencies.[2] Consultations with MFA officers were also carried out at this stage directly in meetings in the MFA in Helsinki and via email or Skype communication.

Detailed documentation relating to individual interventions within the Western Balkans Programme was reviewed to obtain more in-depth understanding of the coherence and relevance of the programme, as well as indications of project and programme results and their possible impact. This included project documents/proposals, progress and completion reports, budgets, mid-term evaluations and final evaluations wherever available. This was supplemented by publicly available documents from implementing partners' websites. In order to place, the desk study and its findings within the current context, relevant policy documents from other international donors and aid agencies were sourced, and recent research and news sources were referred to.

Field visit

A four-week field trip was carried out to the region in February 2014. Two weeks of this were mainly dedicated to gathering field data for the project evaluations of ESD and FOPER I & II in B&H, Croatia and Serbia. The remaining two weeks were spent in Kosovo gathering information for the Western Balkans Programme as a whole, although inevitably this part of the field trip shed light more specifically on Finland's interventions in Kosovo.

Consultations were carried out with a range of stakeholders, using semi-structured interviews that explored aspects of the evaluation questions relevant to each interlocutor. These included Finnish Embassy staff, Finland's implementing partners, representatives of Kosovo ministries, bilateral and multilateral donors, civil society activists, and local and international analysts.[3] Specific attention was given to assessing two of Finland's interventions in Kosovo, namely (a) Support to Inclusive Education, and (b) Sustainable Development in Dragash Municipality. For these two projects, a greater number of project stakeholders were consulted, including direct beneficiaries in schools and local communities, the latter of which were consulted by means of focus group discussions in the municipality and local villages.

Analysis and writing up of evaluation results

The evaluation approach to assessing Finland's contribution to results in the Western Balkans was guided by an adaptation of contribution analysis – which was used to provide an account of not only why the observed results have occurred (or not), but also other internal and external factors that influence outcomes. It was used to confirm the theory of change, providing evidence and a line of reasoning from which we can have drawn plausible conclusions regarding the extent to which the Programme has made an important contribution to the documented results. In relation to the evaluation questions (EQs) and chosen field samples four steps were taken to provide a contribution analysis:

1 The problem to be addressed was set out: What influence has the intervention had on the observed result? Why has the result occurred and what role did the intervention play? Is it reasonable to conclude that the preponderance of evidence demonstrates that the intervention made a difference?

[2] Sources cited directly in the text are listed under References. A wider list of all other documents referred to is given in Annex 3.

[3] See Annex 2 for a list of all those consulted during the field visit.

2 A theory of change was developed:[4] This had already been established within the reconstructed intervention logic and nuanced during the desk phase, particularly in respect of individual interventions. The theory of change included the assumptions made in the results chain and the inherent risks, as well as external influences such as donor priorities, resourcing levels and exogenous (e.g. conflict) variables.
3 Evidence was gathered on the theory of change, including information from performance measures and evaluations. Any evidence on the assumptions and risks behind the links in the theory of change was analysed, differentiating between (a) strong (good evidence available, strong logic or wide acceptance); and (b) weak (little evidence available, weak logic or little agreement among stakeholders) evidence. All evidence regarding identified influencing factors and the contribution they may have made was considered.
4 The initial argument was revised and strengthened using additional available evidence. This included data received from interviews conducted during field work, as well as statistical data provided by official sources and the synthesis of evidence from the two evaluations of regional projects carried out in parallel with this programme evaluation.[5] By including careful consideration of risks and assumptions, the analysis makes a plausible case on where the intervention has made an important contribution to expected and observed results, indicating where the intervention (a) had no or very little influence; (b) should have had an influence, direct or indirect; or (c) should have had a degree of direct control.

There are inherent limitations in pitching an evaluation at a strategic level. Less attention is paid to individual project outcomes and hence to the immediate experiences of participants and beneficiaries. To some extent this was compensated for by the inclusion of two project evaluations in the regional case study. The strategic focus of the evaluation nevertheless meant that there was insufficient time during the fieldwork phase to consult widely with participants and local stakeholders, diminishing the evaluators' understanding of the current context and of the results of individual interventions. The greatest limitation, however, has been the incomplete documentary record of Finland's interventions. It has not been standard practice to carry out final evaluations of Finnish projects, so our assessment of results has in many places depended on completion reports written by the implementing partner. Mid-term evaluations were also not always available, and the record of progress reports for individual interventions was often not up to date.

3 COUNTRY CONTEXT

3.1 Country background

3.1.1 Socioeconomic situation in the Western Balkans

All countries of the Western Balkans were classified in 2012 as enjoying high human development (United Nations Development Programme – UNDP 2013, 143–7)[6] with the exception of Croatia, which – mainly owing to its per capita gross domestic product (GDP) of US$15 419 – is ranked among countries with very high human development. Overall life expectancy and educational standards continue to be above world averages, but rather modest per capita GDP of between US$7 713 (B&H) and US$10 471 (Montenegro) (UNDP 2013, 143–7), places these countries among upper-middle income countries according to the World Bank's classification (World Bank Country and Lending Groups List). In 2011, the average per capita GDP for the region of €7 850 was only 31% of the average for the EU 27 (Penev 2011, 17).

After having experienced strong average growth of 5,5% for the years 2004–08 (Kovtun *et al.* 2014, 6), the region was hit hard by the global and then Eurozone debt crises, with the South-East European six countries (SEE 6: Albania, B&H, FYROM, Kosovo, Montenegro and Serbia) as a group experiencing a double-dip recession, which only spared Albania and Kosovo, and from which the region as a whole is still recovering hesitantly (World Bank 2013a, 1–3). The current recovery is too weak to impact positively on historically very high

[4] See Annex 9.
[5] See Appendix 1 Evaluation of Education for Sustainable Development (ESD); and Appendix 2 Evaluation of Forest Policy and Economics Education and Research (FOPER).
[6] As the status of Kosovo is still officially unresolved and subject to UNSCR 1244, it is not included in the UNDP's Human Development Index.

levels of structural unemployment, especially youth unemployment, which the entire region's countries continue to experience. In 2012, unemployment across the region stabilised at 22,8%, more than twice the rate of the EU 11 countries,[7] while in some countries (Serbia 51,2%, Macedonia 53%) youth unemployment was more than double the national rate (World Bank 2013a, 21–2).

Recession in the region has impacted on already high levels of poverty by European standards. An estimated 33% of the population in SEE 6 lives in poverty, with consumption of under US$5 a day, of which 8% live in extreme poverty with under US$2,5 a day (World Bank 2013a, 6). As a hedge against poverty, remittances are highly important in the Western Balkans. Remittance rates are among the highest in the world, with those to Kosovo and B&H amounting to 18 and 13% of GDP respectively.

In all countries except Montenegro, incidence of poverty is greater and deeper in rural areas than in urban areas. Social exclusion continues to limit access to healthcare, education, and jobs for many of those who are already poor and vulnerable; in particular, the Roma and other ethnic minorities, children and adults with disabilities, women in rural areas, and the internally displaced (European Commission 2013a, 2013b, 2013c, 2013d, 2013e).

3.1.2 Socioeconomic situation in Kosovo

Kosovo remains the poorest country in the region and one of the poorest in Europe, with per capita GDP in 2012 standing at €2 721 equal to only 11% of the EU27 (European Commission 2013f, 22). This is despite an average annual rate of 4% continual growth since the ending of the conflict in 1999. Owing to its relative insulation from the world economy and a policy of high public investment in infrastructure, Kosovo managed to maintain positive, if subdued, growth during the economic crisis of 2009–12 (World Bank 2012a, 3; European Commission 2013f, 21). This growth has done little so far to ameliorate persistent and widespread poverty and high levels of unemployment. Some 34,5% of the 1,8 million population is living below the poverty line of €1,5 per day, and 12% live off less than €1 per day. In contrast to the rest of the region, poverty rates between urban and rural areas do not differ greatly, but there are marked inequalities between Kosovo's regions (World Bank 2012a, 6).

Unemployment is very high, even for the region, and it particularly affects youth, women, ethnic minorities, especially the Roma, Ashkali and Egyptian communities (RAE) as well as people with disabilities. The national unemployment rate is estimated to be between 35,1% (European Commission 2013f, 23) and 45% (World Bank 2012a, 6) and is a substantial factor in Kosovo's high poverty rates. Unemployment among the RAE is estimated to be as high as 58% (UNDP 2010, 42), while the unemployment rate for youth between the ages of 15–25 years, a cohort who comprise 21% of the population, is estimated to be a staggering 76%. Owing to the poor quality of the education system and limited job opportunities, young people have little chance to access and retain jobs (World Bank 2012a, 6).

With only 11% of working-age women employed, female unemployment stands at 56% (World Bank 2012a, 7). This is an indication of continuing gender imbalance which is institutionally and culturally embedded throughout society. Women are over three times as likely as men to be illiterate and girls at all levels, except university, have markedly lower levels of educational achievement. The RAE are at a further disadvantage, with 25% of primary school children not attending school, and a far greater number not continuing to secondary school (UNDP 2010, 31).

Health outcomes in Kosovo are particularly poor. Kosovo has the lowest life expectancy in the region (69 in 2006) (UNDP 2010, 68) and infant mortality rates of between 18 and 49 per 1 000 and under-five mortality rates of between 35 and 40 per 1 000 are the highest in Europe (UNDP 2010, 18). Here too women and other social excluded groups are at a particular disadvantage. Maternal mortality rates at 43,3 per 100 000 births are some of the highest in Europe and Central Asia, a consequence of a combination of inadequate antenatal and birthing care, poor female nutrition and low levels of education (World Bank 2012a, 7). UNDP reports that the RAE are the most excluded from health care in Kosovo owing to multiple barriers including, high poverty

[7] The EU 11 countries include the following continental EU members which have acceded to the Union since 2004: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic, Slovenia and Croatia.

rates, unemployment, low educational levels, as well as the risks to health from insanitary or unsafe accommodation (UNDP 2010, 74).

3.1.3 Overview of political/security events in the Western Balkans 2009–13

In this and the following Section 3.1.4, we provide a selective description of the key political and security events occurring in the region and Kosovo over the period 2009 until early 2014, outlining how the international community has responded. A fuller listing of events influencing the response of donors is provided in Annex 4 for the period 2007–14. This timeline of events also juxtaposes selected initiatives carried out by Finland, with the intention of mapping the response of the MFA to events in the region and within the international community.

Over the period 2009–13, the region beyond Kosovo (which is considered separately below) has been largely peaceful and politically stable. Political events have been dominated by each state's respective progress towards European integration as members of the EU SAP. The SAP is a programme of intensive, structured political and economic support which focuses, in particular, on institution building and infrastructure improvement. It has the primary aim of establishing regional post-conflict reconstruction and stability, allied to preparing states for possible accession to the EU.

In July 2013, having successfully completed its obligations towards market and institutional reform, Croatia acceded to the EU as its 28th member state. Montenegro, was granted candidate status to the EU in December 2010 and entered into accession negotiations in June 2012, with initial priorities of further reform to strengthen the judiciary, fundamental rights, freedom and security measures (European Commission 2012a, 3). Albania's Stabilisation and Association Agreement with the EU came into force in April 2009. In October 2012 the EC recommended candidate status subject to Albania carrying out further reforms concerning the judiciary and parliamentary procedure (European Commission 2013a, 3).

The progress of FYROM, a candidate country since 2004, towards EU membership appears becalmed. Despite recommendations every year by the European Commission to open accession negotiations, no action has yet been taken. In March 2012 Serbia was granted EU candidacy status, and agreement to its starting accession negotiations was granted by the European Council in June 2013, following Serbia's fulfilling the condition of improved, sustainable relations with Kosovo, achieved by the signing in April 2013 of an agreement on principles governing the normalisation of relations between Serbia and Kosovo (European Commission 2013e, 3).

An almost perpetual state of political crisis has prevailed in Bosnia and Herzegovina, revolving around the inability of the political elite of the country's three "constituent peoples" (Bošnjaks, Croats and Serbs) to come to agreements regarding political and institutional reforms demanded of the country by the EU and the SAP. In December 2009, in a landmark case brought by representatives of the Roma and Jewish minorities (*Sejdić-Finci* v. *Bosnia and Herzegovina*), the European Court of Human Rights (ECtHR) ruled that the constitution of B&H was in violation of the European Convention on Human Rights (ECHR) in reserving offices of state only for its constituent peoples. Following presidential and parliamentary elections in October 2010, the country entered an extended period of heightened ethnic tension and state paralysis. Six months after its formation, the Federation government was deemed illegal, the Croat minority established its own extra-constitutional Croat National Assembly, and there was no state government in place for 14 months (International Crisis Group (ICG) 2012). In December 2013, in response to the failure of B&H to implement the ECtHR ruling, and to introduce reforms required by the SAP, the EU cancelled 54% or €47 million of its support to the country (European Commission 2013b, 4–6). The 600-strong European stabilisation force, EUFOR, renewed its mandate for a further 12 months to November 2014 (United Nations Security Council (UNSC) 2013).

3.1.4 Overview of political/security events in Kosovo 2009–13

In February 2008, the Assembly of Kosovo declared Kosovo an independent state and pledged to implement independence according to the conditions of the Comprehensive Proposal for the Kosovo Status Settlement, or Ahtisaari Plan.[8] These included international supervision under an EU-led International Civilian Office

[8] The Ahtisaari Plan (March 2007), formally known as the UN Comprehensive Proposal for Kosovo's Status Settlement, was drawn up by the UN Special Envoy to Kosovo and former Finnish president, Martti Ahtisaari, on the basis of over a

(ICO), an extension of the mandate of the Kosovo Force (KFOR) international peacekeeping force and the deployment of a European Union Rule of Law mission (EULEX). The Kosovo Serb community and the Republic of Serbia rejected Kosovo independence. Since 11 February 2014, 107 of 193 UN member states have recognised the Republic of Kosovo, including just 23 of the EU's 28 members.

In December 2008, EULEX deployed to Kosovo, but its authority, as well as that of the ICO was not accepted in the Serbian municipalities north of the Ibar River. Municipal elections held in September 2009 established the basis for political decentralisation envisaged in the Ahtisaari Plan, with new Serbian majority municipalities of Gračanica, Klokot, Novo Brdo and Ranillug (Parteš in 2010) successfully created in the south. Serbian municipalities in the north boycotted elections and political and administrative control in this area remained with Belgrade.

In July 2011, after attempts by the government of Kosovo to secure border crossings with Serbia in the north, widespread violence and disorder broke out in the north, with one member of the Kosovo police killed. A state of emergency was announced and KFOR was deployed to calm the situation. At the urging of the UNSC and the personal intervention of German chancellor Angela Merkel, Serbia and Kosovo resumed dialogue and came to an agreement on collecting customs duties and on allowing EULEX to operate throughout Kosovo. Customs duties were to be used in a fund for the development of northern Kosovo. This fund will become operational in 2014 under the administration of the EU in Kosovo.

In 2012 the Kosovo government established an administrative office in North Mitrovica in an attempt to reach local Serbs and pave the way for the formation of a newly decentralised municipality of North Mitrovica, as envisaged under the Ahtisaari Plan. In September 2012, the ICO closed, thus ending supervised independence, although EULEX and KFOR remained.

Through the agency of the EU High Representative for Foreign Affairs and Security Policy, high level dialogue between Serbia and Kosovo resulted in an agreement on Integrated Border Management in December 2012. In April 2013, Serbia and Kosovo achieved a 17-point agreement on normalising their relations. Key elements included: the withdrawal of direct Serbian support to Serbian communities and their institutions, with any Serbian support channelled via Prishtina; all local elections, including those in the north, to be administered by Prishtina; a single police force for the whole of Kosovo, with Serb police in the north integrated into the Kosovo state structures; and the establishment of an Association of Serbian Majority Municipalities to represent the collective interests of the Serb community (UNDP 2014, 7–8).

Municipal elections were held throughout Kosovo in November 2013. For the first time a significant proportion of the Serb community in both the north and the south participated in a democratic process under Kosovo's jurisdiction, resulting in the election of mayors and municipal assemblies under Kosovo's authority in all municipalities (ECMI 2013, 3).

The coming 12 months in Kosovo will bring an uncertain continuation of implementing the Brussels Agreement and integrating Serb communities into Kosovo's political structures. Parliamentary elections are due to take place before October. Dialogue continues between Prishtina and Belgrade on the role and scope of the Association of Serb Municipalities, as well as on other elements of the Brussels Agreement, including reform of the police and judiciary (UNDP 2014, 8). Financial resources and donor attention will be turned to the north and its 80 000 inhabitants in the immediate future, to meet the considerable infrastructure needs and the low levels of capacity in the newly elected municipalities. The Fund for North, based on customs duties, is expected to yield between €3 and 15 million (UNDP 2014, 8–9). In addition, as much as €38 million of the Instrument for Pre-accession Assistance (IPA) 2013 funds withheld by the EU in B&H may be redirected solely for development in Kosovo's northern municipalities.[9]

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year's consultations with the Serbian government and Kosovo Provisional Institutions of Self-Government to find a sustainable solution to Kosovo's unresolved status. As the Plan implied sovereignty for Kosovo, it was not accepted by Serbia or the Kosovo Serb community. It received strong support, however, from the USA and most European Union countries, and Kosovo's declaration of independence in February 2008 included a commitment to implement the Plan in full, particularly with regard to establishing greater powers of self-government for the Serb community, and putting in place a European Union Rule of Law Mission (EULEX) to oversee policing and the judicial system.

[9] Interview 20 February 2014, Prishtina.

3.2 Development assistance to the Western Balkans

3.2.1 Western Balkans 2004–08

Over the period immediately preceding the evaluation period, 2004–08, the Western Balkan countries were major recipients of international development aid. In the absence of data for FYROM and excluding Kosovo, the Organisation for Economic Co-operation and Development (OECD) records that total country programmable aid[10] to the Western Balkan countries collectively amounted to US$10 906,6 million (Table 1).[11]

Table 1 Country programmable international aid to Western Balkans 2004–08 (US$ millions).

Year	Albania	B&H	Croatia	Montenegro	Serbia	Total – all countries
2004	364,1	771,0	149,2	25,1*	1 240,3	2 549,7
2005	382,2	543,7	139,9	4,7*	947,3	2 017,8
2006	393,0	567,8	236,8	80,0	975,4	2 253,0
2007	324,3	588,8	174,6	107,4	852,1	2 047,2
2008	345,5	430,2	245,8	106,8	912,6	2 040,9
Total	**1 809,1**	**2 901,5**	**946,3**	**324,0**	**4 927,7**	**10 908,6**

Source: OECD Country Programmable Aid: Partner Countries: http://webnet.oecd.org/dcdgraphs/CPA_recipient/

* Montenegro declared independence from Serbia in June 2006. Until this time the major part of aid received is recorded under Serbia.

The greater part of development aid to Western Balkan countries at this time was dedicated to just two sectors. US$4 372,2 million, or 40%, was spent on government and civil society, or in other words on institutional capacity building, policy development, governance, and the rule of law. A further 24% or US$2 624,1 million was dedicated to economic infrastructure. No other single sector, such as social infrastructure, water and sanitation, health, or education, received more than 8% in total (OECD Country Programmable Aid: aid statistics).

The most important donors to the Western Balkans in order of volume of development aid disbursed were: the EU (US$2 925,92 million), USA (US$1 371,66 million), the World Bank International Development Association (US$1 236,60 million), Germany (US$728,73 million), Switzerland (US$521,27 million), and Sweden (US$482,79 million) (Ibid.). OECD records that Finland disbursed a total of US$70,71 million to the region in the period, making it the 17th largest provider of international development assistance.

3.2.2 Western Balkans 2009–12

During the period of Finland's Western Balkans Policy Framework Programme 2009–13, total development assistance to the region (excluding FYROM and Kosovo) has gradually reduced year-on-year to all countries with the exception of Montenegro, as shown in Table 2. The total amount to the region in the year 2012 of US$1 253,2 million represents approximately a fall of 38,5% in total aid disbursed to the region in 2008. A significant proportion of this reduction is accounted for by Croatia no longer receiving development aid from 2011 onwards, in anticipation of its accession to the EU in July 2013.

[10] Country programmable aid (CPA) is the portion of aid donors programme for individual countries and over which partner countries could have a significant say. CPA has been proven in several studies to be a good proxy of aid recorded at country level. It includes flows from both bilateral and multi-lateral sources. See http://www.oecd.org/dac/aid-architecture/cpa.htm.

[11] The OECD data is inconsistent. In the same database, total aid to the Western Balkans is recorded as US$11 484,8 million or approximately 5,2% more than the figures cited in the text (OECD Country Programmable Aid).

Table 2 Country programmable international aid to the Western Balkans 2009–12 by year and recipient country (US$ millions).

Year	Albania	Bosnia-Herzegovina	Croatia	Montenegro	Serbia	Total – all countries
2009	355,3	412,2	180,5	79,6	623,4	1 651,0
2010	350,8	523,8	152,5	83,0	689,8	1 799,9
2011	301,4	408,9		76,6	559,2	1 346,1
2012	300,1	350,3		97,7	505,1	1 253,2
Total	**1 307,6**	**1 695,2**	**333,0**	**336,9**	**2 377,5**	**6 050,2**

Source: OECD Country Programmable Aid: Partner Countries: http://webnet.oecd.org/dcdgraphs/CPA_recipient/

A review of the top donors to the Western Balkans in this period (Table 3) suggests that bilateral donors and the World Bank are gradually reducing their commitment to the region in favour of the EU, which supports the European aspirations of the region's countries with development aid delivered through its IPA. Thus the total annual commitment of the EU over the period, calculated as US$529,26 million or 25% of the US$2 117,04 million disbursed, remains approximately the same at its annual commitment of US$58,0 million for the years 2004–08, once the effect of Croatia no longer receiving assistance is taken into account. Of particular note is the significant reduction in annual non-loan assistance to the region from both the USA and the World Bank over the period 2004–12, estimated on the figures presented in Section 3.2.1 and Table 3 to be 47,5 and 46% respectively.

Table 3 Top donors to the Western Balkans 2009–12 (US$ millions).

1	EU institutions	2 117,04
2	Germany	742,88
3	United States of America	466,61
4	International Development Association	445,11
5	Sweden	265,97
15	Finland	33,05

Source: OECD Country Programmable Aid: Partner Countries: http://webnet.oecd.org/dcdgraphs/CPA_recipient/

The OECD records Finland's contribution to the region for this period as US$33,05 million, placing it 15th on the list of donors.

The sector interests of donors in the Western Balkans exhibit continuity with the antecedent period, 2004–08. Government and civil society (US$1 596,6 million or 29%) and economic infrastructure (US$1 450,1 million or 26%) account for over half of all development assistance to the region,[12] reflecting the dominance of institutional capacity building, governance, and associated fields, and infrastructure modernisation and economic development, as targets of international development aid (Table 4).

[12] The figure for total aid disbursements of US$5 524 million given by the OECD in Table 4 is inconsistent with the total recorded in Table 3 of US$6 050,2 million, also given by the OECD.

Table 4 Aid disbursements to the Western Balkans 2009–12 by sector (US$ millions).

Sector	Albania	B&H	Croatia	Montenegro	Serbia	Total
Government and civil society	256,2	581,9	86,3	18	654,2	1 596,6
Economic infrastructure	407,9	302,7	42,4	14,3	682,8	1 450,1
Water supply and sanitation	146,1	115,6	23,2	32,5	102,5	419,9
Multi-sector	97,7	110,6	93,7	4,8	133,6	440,4
Others including production, education, other social infrastructure, agriculture, health and environment	78,4	73,2	4,5	5	101,5	1 617,0
Total						**5 524,0**

Source: OECD Country Programmable Aid: Partner Countries: http://webnet.oecd.org/dcdgraphs/CPA_recipient/

3.2.3 Kosovo 2009–13

Over the period 2009–13 Kosovo has received a total of a little under €1 200 million in development assistance from bilateral and multilateral donors. The amount disbursed annually over the five-year period has reduced marginally, settling at around €225 million (Table 5). We understood from donors during the fieldwork that a number of them, including the USA, have decided to reduce their development budgets for Kosovo and that some, such as the United Kingdom, have even ceased providing development assistance to the country. From the figures provided by Kosovo's Aid Management Platform (AMP), it is not possible to discern any trend towards a reduction of donor engagement.

Table 5 Total international disbursements to Kosovo by year for the period 2009–13 (euro).

2009	2010	2011	2012	2013	Total 2009–13
238 500 830	258 391 790	231 337 320	224 336 100	219 614 370	1 172 180 410

Source: Kosovo AMP (May 2014), Ministry of European Integration.

The most important donors during the period in terms of volume have been the EU (€368,24 million) and the USA (€335,95 million) in almost equal measure. Together these two donors have accounted for 60% of all aid disbursed to Kosovo from 2009–13. Other significant donors to Kosovo include Germany (€85,68 million), Norway (€55,92 million), Switzerland (€49,54 million), and Sweden (€48,79 million). Finland's recorded contribution for the period of €14,01 million places it as the 12th largest donor (Table 6).

Table 6 Top donors to Kosovo 2009–13, recorded disbursements (euro).

1	EU	368 241 850
2	United States	335 950 410
3	Germany	85 680 390
4	Norway	55 922 100
5	Switzerland	49 554 890
6	Sweden	48 798 720
12	**Finland**	**14 015 060**

Source: Kosovo AMP (May 2014), Ministry of European Integration.

Donors in Kosovo have been funding similar development sectors to those they funded in Kosovo's regional neighbours. Strengthening institutional capacity of government and public administration, policy reform, good governance, the rule of law civil society have accounted for approximately 40% (€473,61 million of €1 172,18 million) of all donor investments in Kosovo in the period. Support to the education sector (€96,79 million) and actions that cuts across sector demarcation lines (€130,25 million) are the only other areas that have received more than 8% of the total international development assistance (Kosovo AMP).

4 FINLAND'S SUPPORT TO WESTERN BALKANS 2009–13

This chapter provides a detailed account of Finland's development assistance to the Western Balkans for the period 2009–13 within the historical context of Finland's support for peace and development in the region since 1996. A description of the key donor initiatives in the region for the period 2009–13 is followed by an overview of Finland's development assistance from 1996–2009. The Western Balkans Development Policy Framework Programme 2009–13, its scope, design, and the distribution of its interventions, is then described, followed by a detailed analysis of how and to what amount Finland has financed the Programme. The chapter concludes with a brief analysis of the context to which Finland has applied its development assistance over the whole period in the Western Balkans, with special attention given to exploring the factors behind continuing instability and fragility in the region and the potential drivers for peace.

4.1 Development policy background

4.1.1 Donor initiatives 2009–13

Kosovo medium-term expenditure framework
On 11 July 2008, 37 countries and 16 multilateral organisations met in Brussels for a donor conference in support of Kosovo's socioeconomic development as a newly independent state. The conference confirmed international commitment to Kosovo and the implementation of the Ahtisaari Plan, including support to political and administrative decentralisation. It produced total pledges of €1,2 billion for the period 2009–11 for financing priority development needs identified in Kosovo's Medium-Term Expenditure Framework (MTEF) 2009–11, and providing a contingency fund of €100 million. The MTEF itself had been developed by the Kosovo government in close cooperation with the donor community. The EU made the largest pledge of €508 million, while Finland pledged a total of €16 million for the period 2008–11.

Against a background of around 40% unemployment, the donors highlighted the need to make rapid progress in establishing a functioning market economy and accelerating job-creating economic growth. They also paid particular attention to the needs of institution building in the new state, noting that financial support would be linked to reforms, particularly in democratic practices. Key foci of donor support would be: infrastructure, improving education, and developing the institutions to consolidate democracy and the rule of law in a multi-ethnic society (European Commission 2008a).

The funds disbursed to Kosovo from all donor sources for the longer period 2009–13, amounting to €1 172 billion (Ministry of European Integration), are only a little over 2% less than total pledges made at the conference.

4.2 Finland's development cooperation in Western Balkans 1996–2013

4.2.1 Finland's development cooperation 1996–2009

Finland's development assistance to the Western Balkans started in Bosnia and Herzegovina in 1996, soon after the signing of the Dayton Peace Accords. Assistance in the period 1996–99 consisted largely of infrastructure reconstruction projects, delivered by Finnish non-governmental organisations (NGOs), or the Finnish contingent of the military peacekeeping force (the Stabilisation Force – SFOR), with the purpose of providing for the population's basic needs (Berggren and Olin 2004). As part of the wider international effort to stabilise the country and assist post-conflict return and reconciliation, Finland's assistance was closely aligned with international policy, as expressed through projects supported by UN agencies, the EU and the World Bank.

In November 1999, MFA issued the report "Finnish Support to the Western Balkan's Post-Crisis Management',[13] which represents Finland's first strategy for contributing to both the stabilisation and the longer-term devel-

[13] This document was not available to this study, but is described in Berggren and Olin 2004.

opment of the whole region. The primary aim of this strategy remained social and economic reconstruction, based upon the following principles of Finnish international development cooperation defined in Finland's Policy on Relations with Developing Countries 1998: Increasing security, poverty reduction, promotion of human rights and democracy, decreasing environmental problems, and increasing economic cooperation.

Finland's regional approach at this time, 1999–2003, focused very closely on the two principal post-crisis territories of B&H and Kosovo and was closely allied to ongoing crisis management activities carried out by international peace keeping forces (SFOR, KFOR), international civil administrations (Office of the High Representative and the UN Mission in Kosovo – UNMIK) and supervisory police missions (International Police Task Force and UN Police Mission in Kosovo) to which Finland made significant contributions. An important feature of Finland's cooperation at the time was the introduction of major institutional capacity building projects, which were in essence oriented towards long-term social development, most notably in health, education and water management. While the promotion of security at this stage was clearly the priority, all projects sought to promote human rights by targeting vulnerable groups, such as women, children, people with disabilities, ethnic minorities, and possible returnees.

In the period 2003–09, Finland's cooperation was guided by a strategy document *Finnish Support to the Aftercare of the Crisis in the Western Balkans* (MFA 2003). In addition to following the principles of Finnish policy for development (as above), the strategy states that the starting point for the programme is to complement aid provided by the EU and the international community for the stabilisation and development of the region, in particular the SAP, as a means to promote political stabilisation, economic development, and regional cooperation. It goes on to specify a broad range of development priorities in social and economic development identified by the international community to which the strategy will apply. The strategy also specifies that activities supported are project-oriented and that as a result of low institutional capacity and professional expertise in the Western Balkans, project implementers will be primarily Finnish consulting companies and Finnish NGOs.

The key features of Finland's Western Balkans Programme in this period were the extension of country-specific interventions to all the region's countries, a continued focus on Kosovo and B&H, a clear preference for projects in the education and environment sectors, a focus on capacity building projects based on Finnish expertise, and the development of a range of regional cross-border projects.

4.2.2 Overview of the Western Balkans framework programme

The Western Balkans Development Policy Framework Programme 2009–13 (MFA 2009a) sets out Finland's development cooperation the region. It is designed to address continuing political instability in the region and low levels of economic development in all its countries in relation to other parts of Europe. All countries are assessed as being internally fragile, subject to incomplete processes of socio-political and economic reform, and characterised by weak state structures and institutions, and low levels of governance. Kosovo is identified as the most unstable and fragile state in the region, owing to its disputed legal status, weak institutional capacity and governance, acute interethnic tensions, high levels of social exclusion, and the worst overall poverty rates in the region.

The Framework Programme has maintained continuity with the preceding period in terms of the overall distribution of funds and activities to individual countries and to the region as a whole. It also maintains a clear methodological focus on financing institutional capacity development at all levels from the community to the national, and upwards to the region, providing support to broadly inclusive participatory processes for advancing the development and implementation of social, economic and environmental policy and the strengthening of development cooperation.

The overall scale of the programme is modest, covering a total of 34 funded interventions, which exclude local civil society projects (CSOs) financed directly by embassies under the FLC. The total recorded MFA disbursements over 2009–13 is €33,58 million (MFA email communication. See also Section 4.3 below). A total of 10 projects inherited from the previous Western Balkans Strategy period (2003–08) were completed in the Programme, with a total estimated investment of €3,22 million, the remainder representing new initiatives. All Programme activities were planned to complete by the end of 2013, suggesting that at the time of scoping longer-term cooperation in the region was not being considered with any certainty.

Coherence in Programme design is intended by organising interventions according to four overlapping and mutually dependent thematic areas:

- *Stability and Security* covers projects to alleviate local points of instability in Kosovo and initiatives promoting mechanisms for regional cooperation.
- *Aid for Trade* focuses principally on initiatives to develop and reform national policy relevant to trade and production, but also includes support to regional funding mechanisms for infrastructure projects, as well as technical assistance and training for strengthening economic production at the local level.
- *Environment* concentrates on education and institutional capacity development to promote ecological protection, improved natural resource management and sustainable economic development, both locally and also across borders.
- *Social Sustainability* includes a diversity of actions viewed as prerequisites for internal stability and security, as well as economic development, in areas such as good governance, the rule of law, democracy, the promotion of civil society, human rights and minority rights, and combating corruption.

In essence, the Programme consists of two portfolios of approximately equal size in terms of funding requirements; one focused on Kosovo only, the other on regional, cross-border interventions and a small number of projects specific to other countries in the region beyond Kosovo. Medium-term policy development projects in Bosnia (disability sector, 2006–09) and Serbia (forestry, 2006–09), were completed soon after the Programme commenced. A further two projects in vocational education and training (VET) and stimulating local economic production in returnee and displaced communities were carried out in Macedonia and Serbia respectively, both of which included related and parallel activities in Kosovo. The only other country-specific intervention outside of Kosovo was a contribution of €300 000 in 2011–12 to the budget of the UN One operation in Albania, which was not foreseen in the Framework Programme. This was described as "symbolic" and, as Finland has no embassy in Tirana, it was considered small enough to be managed efficiently from outside Albania (MFA 2010).

Few other changes have been made to the planned schedule of interventions presented in the Programme document. A three-year project was added to support the implementation of forestry policy and strategy in Kosovo (2010–13), and granted a one-year no-cost extension in May 2013. In place of an intervention of a similar scale (€3,75 million) for the development of local economic production in Kosovo, planned for the period 2010–13, two policy-oriented projects to promote pro-poor trade and investment in Kosovo by its extensive diaspora have been funded over 2012–13. At the same time, planned projects to promote economic productive capacity of the forestry sector in Albania and Serbia were not pursued. The MFA reported that this was a result of cuts in the overall aid budget to the region following the global economic crisis and policy changes enacted by the new Finnish government formed in June 2011. The project to strengthen the political decentralisation process in Kosovo, led by ECMI, has been extended from 2011 to 2013 to focus on bolstering government efforts to establish a new municipality in the Serb-dominated area of North Mitrovica and to promote local economic development in the five other new/extended Serb-majority municipalities south of the Ibar River. In addition, a training project of agricultural extension workers in Kosovo was carried out with Finnish expertise over 2012–13, and a contribution was made to a project fund to support continued work, over a shorter term, of international advisors to key institutions in Kosovo, after ending of Kosovo's supervised independence in September 2012.

Country-specific finance has continued to be provided primarily through the FLC in support of local civil society and CSO projects. The major part of FLC contributions has been administered by Finland's embassies in Kosovo and Serbia. The more modest scheme applying to B&H, Croatia, FYROM and Montenegro was discontinued in 2011, on the MFA decision to reassign diplomatic representation in those countries away from a roving ambassador for the region to a third country. Thematically the FLC fits most neatly within *Social Sustainability*, but CSO missions and the individual CSO projects financed under the FLC may also support Finnish development objectives in any of the other three thematic areas.

The adjustments made to the original programme framework, the natural conclusion of planned interventions, and the reduction in FLC scope have had the effect of streamlining the programme's design around two thematic areas. In Kosovo, the portfolio has increasingly focused on economic development (*Aid for Trade*), while elsewhere, with the completion of any country-specific activities, the programme has concentrated sharply on cross-border initiatives to promote sustainable development (*Environment*).

In 2014, Finland discontinued its support to the Western Balkans, continuing only with its support to Kosovo, significantly reduced to an annual total of €1,5 million, including €300 000 for the FLC.

4.2.3 Finland's development cooperation in Kosovo 2009–13

In Kosovo, a total of 16 projects have been funded over the five-year period.[14] Statebuilding by means of the capacity building of state institutions at both central and local level has been at the core of the Kosovo portfolio.

Aid for trade
Three of the four projects delivered under *Aid or Trade* are complementary policy initiatives to strengthen the business and investment environment in Kosovo, with an overall aim to promote equitable economic growth and job creation. They include a €4,5 million contribution to budget support via the World Bank Trust Fund for Kosovo to strengthen employment policy and public financial management. Finland has also supported a relatively limited two-year initiative to train agricultural extension workers and develop university training capacity (Training of Agricultural Advisors in Kosovo – TAGAK).

Environment
Finland has supported two four-year projects concerning the development of both national and local structures, mechanisms, knowledge and skills necessary to implement policies relating to natural resource management and sustainable economic production within the forestry sector and one selected municipality, respectively. In this way, Finland's environmental interventions complement the above projects under *Aid for Trade*.

Security and stability
Five projects intended to contribute to *Security and Stability* have been delivered in Kosovo. These are quite diverse in nature, and it is difficult to define clear linkages between them. They include, for example, support to the reintegration of former officers from the Kosovo Protection Corps, a multi-stakeholder pilot initiative to implement a law on domestic violence, and small project support for local businesses and small infrastructure administered by Finnish Civil-Military Cooperation (CIMIC).

Social sustainability
A further five projects have been delivered under *Social Stability*, one of which, Support to Inclusive Education, follows the longer-term Finnish Support to the Special Needs Education in Kosovo originating as far back as 2001. A degree of thematic coherence is gained by each of the initiatives here (youth and HIV/AIDS; children with special needs; ethnic minorities) clearly being linked to either or both of Finland's cross-cutting objectives concerning the rights of groups easily excluded and combating HIV/AIDS.

4.2.4 Finland's support to regional projects 2009–13

Thirteen regional projects have been financed in the period 2009–13. These are all oriented in some way towards cross-border cooperation, the strengthening of regional organisations, or funding mechanisms that support development activities in and between the Western Balkan countries.

Environment
Five longer-term (up to 48 months) environmental interventions account for 74% of the funds allocated to regional projects. These all focus on the capacity development of community and municipal actors or sub-national institutions for planning and practical action for improved natural resource management and sustainable economic development. When situated in municipalities, these projects also contribute to the decentralisation of government-run services and administrative function in relation to the environment and local economic planning that is policy in all Western Balkan countries. Finland's regional environmental initiatives are all larger, directly financed, discrete projects and implemented by regional organisations with Finnish expertise

[14] See Annex 8 for a full schedule of Finnish interventions in Kosovo and elsewhere in the Western Balkans, 2009–13.

Stability and security
Two projects listed under *Stability and Security* deal with alleviating regional security risks arising out of threats to the environment regarding pollution and poor natural resource management. These together have been allocated a further 17% of the budget for regional projects.

Other interventions
In all other cases, interventions are funded multilaterally, usually by means of some kind of pooled fund and implemented by a multi-national or supra-national agency, such a branch of the UN or an office of an International Finance Institution. Finland's contribution to the majority of these interventions has been modest, in the case of the Roma Education Fund, as little as €100 000.

4.3 Analysis of Finnish financial disbursements

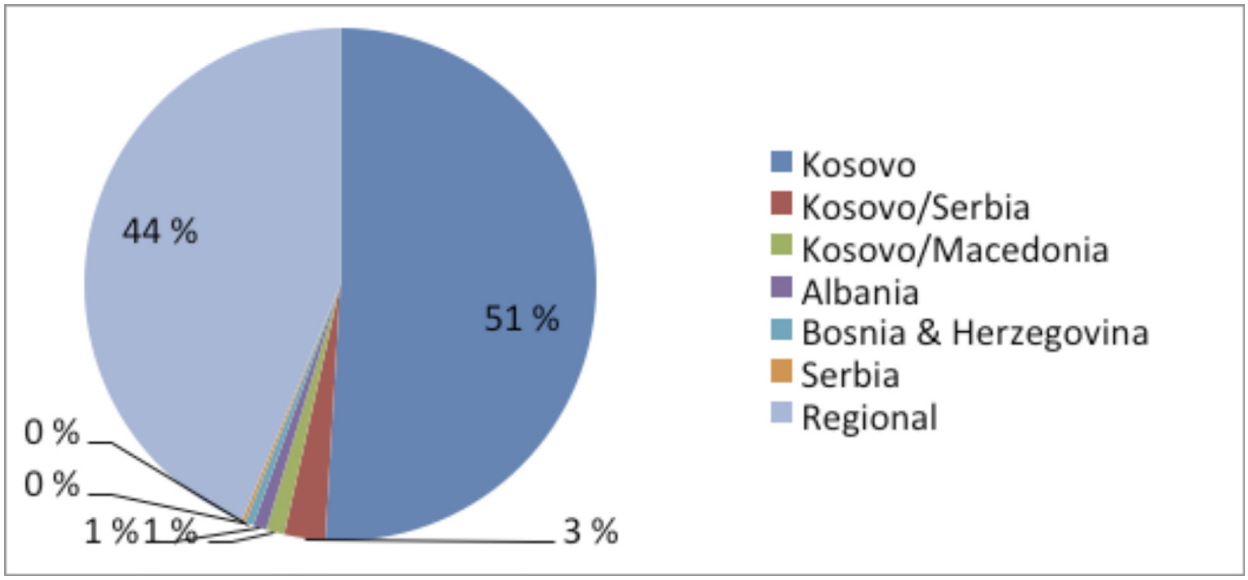
The total recorded MFA disbursements to the Western Balkans over the period 2009–13, excluding locally administered FLC funds, is €29 088 346. Finland's €4 500 000 contribution to the World Bank Trust Fund for the SEDPP was made in 2008. This makes a total of programme cost of €33 588 346, which is over €3 million less than the programme's predicted total cost of €36 875 000 (MFA 2009a).

As the information received from the MFA regarding actual disbursements is not disaggregated according to country, intervention theme or aid modality, we have based the following analysis on an estimated budget constructed from the summary of Finland's support for the years 2000–13, Finland's Development Interventions in the Western Balkans (MFA undated), the Framework Programme Document (MFA 2009a) and project contracts. Using this method, the total cost of Finnish aid to the Western Balkans for the period 2009–13 is estimated to be €34 985 450.

Reflecting the programme's stated country-specific focus, just under 51% of the total has been dedicated to projects in Kosovo, while nearly 43% (Figure 1) has financed cross-border, regional projects. Finnish support to the other region's countries has been of marginal significance.

Kosovo has, nevertheless, benefitted from a slightly larger proportion of programme finance than was initially planned. We calculate that a total of €17 788 300 (Table 7) has been disbursed to Kosovo activities, representing just under €1 million more that the predicted programme cost of €16 821 000 (MFA 2009a).

Figure 1 Percent of Finnish aid to W. Balkans 2009–13 by country, excluding FLC Kosovo programme.



Source: MFA undated; 2009a.

Table 7 Summary of Finland's aid to the Western Balkans 2009–13 (euro).

	Kosovo	Regional projects	Country-specific projects	TOTAL
Stability and security	2 176 000	2 801 000		**4 977 000**
Aid for trade/ economic development	6 889 420	1 000 000	1 300 000	**9 189 420**
Social sustainability	1 972 880	300 000	183 000	**2 455 880**
Environment	6 750 000	11 125 150	85 000	**17 960 150**
UN One (Albania)			300 000	**300 000**
TOTAL	**17 788 300**	**15 226 150**	**1 868 000**	**34 882 450**

Source: MFA undated; 2009a.

Projects under *Environment* have collectively received considerably more programme support than the other three thematic areas. The total support for environment projects, at €17 960 150, accounts for over 51% of total disbursements made to the programme. Some 75% of all finance to regional, cross-border initiatives has been dedicated to projects under the *Environment* theme (Table 7). The funding focus here is more apparent when account is taken of Finnish support for a major project to mitigate regional environmental risks and pollution (Environmental Security Issue – ENVSEC), €2,5 million) that was placed under *Stability and Security.*

In Kosovo, a greater balance has been achieved in the financing of the Programme's thematic areas, although more money has been dedicated to activities to stimulate economic development and environmentally sustainable development. Finance for *Aid for Trade*, and economic development accounts for 38,7% (€6 889 420) of the disbursements to the country; *Environment* 37,9% (€6 750 000); *Social Sustainability* 11,1% (€1 972 880); and *Stability and security* 12,2% (€2 176 000) (Table 7).

The FLC funds distributed by Finland's embassies to support civil society activities, many of which would fall under *Social Sustainability*, are estimated to total €3 178 250 (Table 8). Amounting to 9% of the Programme disbursement, these represent a significant addition to the resources available to Finland to support peace and development in the region. In Kosovo, the FLC of €1 500 000, or €300 000 per year, amounts to an additional 8,4% of total programme funds.

Table 8 Estimated FLC disbursements to each country 2009–13 (euro).

Country	Period of disbursement	Amount/year	TOTAL
Kosovo	2009–13	300 000	1 500 000
B&H	2009–11	est. 24 000	est. 72 000
Croatia	2009–11	150 000	450 000
FYROM	2009–11	est. 41 250	est. 123 750
Montenegro	2009–11	est. 27 500	est. 82 500
Serbia	2009–11	(2009: 150 000) 200 000	950 000
TOTAL			**3 178 250**

Source: MFA undated; 2009a.

Finland has delivered 67%, or €23 403 150, of its total aid to the Western Balkans in the form of support to projects for which it is the sole funder. There is a correlation between the proportion of finance disbursed through direct contracting and the number of projects funded in this way, which total 19 out of the 32 projects counted (Table 9).

Although Finland has made use of pooled funds for financing 12 interventions, the overall scope of disbursements to pooled funds, at €6 979 300 or about 20% of the total, is not extensive. Budget support has been utilised only once, but Finland's contribution here of €4 500 000 is considerable, representing almost one quarter of the Kosovo portfolio.

Table 9 Disbursements according to funding modality (and number of interventions counted) (euro).

	Kosovo	Regional projects	Country specific	TOTAL
Budget support – WB Trust Fund	4 500 000 (1)			4 500 000
Pooled funds – UN agencies/trust funds/ agency support	2 679 300 (5)	4 000 000 (6)	300 000 (1)	6 979 300
Direct contract – NGOs, consultants, UN agencies	10 609 000 (9)	11 226 150 (6)	1 568 000 (4)	23 403 150
TOTAL	**17 788 300**	**15 226 150**	**1 868 000**	**34 882 450**

Source: MFA undated; 2009a.

4.4 Contextual analysis

4.4.1 Regional security

In 2008, at the time of designing Finland's Western Balkans Policy Programme Framework 2009–13, and six years after the signing of the Ohrid Agreement, which established a negotiated conclusion to Macedonia's 6-month internal guerrilla war, the Western Balkans had become a relatively stable and secure region, free from military conflicts and with democratic processes established in all countries which were free, if not always fully inclusive and fairly conducted. However, violent unrest across Kosovo in spring 2004, as well as periodic outbreaks of more localised ethnically based violence in south Serbia, Macedonia and Kosovo, all pointed to the underlying continued instability of the region and its potential to return to the excesses of its recent more violent past.

4.4.2 Constitutional frameworks

Common to all Western Balkan countries of former Yugoslavia was that their constitutional arrangements arising out of internationally mediated peace settlements had been shaped by elites associated with armed conflicts who had established a division of powers and privileges on the basis of the ethnic nation, which undermines the legitimacy and authority of central state institutions. This had made possible the continuation of ethnically determined political power bases parallel, or in opposition to the state, which by their inclusion of communities across two or more countries created further destabilising tensions in the region. The re-constitution of states following the decade of violence in the Balkans has left sovereignty in many places still hotly contested. A synthesis report prepared by Paul Stubbs in 2009 on social protection and social exclusion notes that "[t]hroughout the region, then, a process of statebuilding remains unfinished, there are simmering territorial disputes and many contiguous minorities living in one state, but with an affiliation to another" (Stubbs 2009, 13).

The region's constitutional frameworks have thus created the basis for structurally weak states. It was noted by the International Commission on the Balkans how

> [e]ach state must compete with strongly decentralised powers (especially in the case of Bosnia and Serbia and Montenegro); with parallel structures that are wholly unaccountable to the constitutional frameworks (particularly in Kosovo); and with intrusive international structures that have near monopolies of power which are nonetheless ill-defined in crucial statebuilding areas (for example, security in Bosnia and Kosovo) (International Commission on the Balkans 2005, 17).

4.4.3 Kosovo

The destabilising factors in the region of interethnic tensions, contested sovereignty, weak state institutions and the presence of unofficial parallel government structures have been exemplified by Kosovo, rendering it a continual potential flashpoint for renewed violent conflict in the region.

Since 1999, when the NATO bombing of Serbia had forced the withdrawal of Serbian security forces from Kosovo and established the province as a UN protectorate (UNMIK) assisted by a 50 000 strong NATO-led peace keeping force (KFOR), Kosovo had been a particular point of instability and insecurity in the Western Balkans. While UNMIK had in time handed over the major part of all executive, legislative and judicial powers to local Provisional Institutions of Self-government, Kosovo's status, as defined by UNSCR 1244, had remained unresolved. Officially Kosovo remained a province of the neighbouring Republic of Serbia which clearly was at odds with the reality on the ground by which de facto control of the province lay with the Albanian Kosovo population which constituted approximately 90% of the total population.

Disputed status enabled the Serb minority, with a core of its population inhabiting the three municipalities bordering with Serbia to the north of the Ibar River, and the remaining two thirds scattered throughout Kosovo in as many as 50 isolated and effectively segregated enclaves, to avoid integration of any sort into Kosovo's provisional institutions. Financed directly by Belgrade, Serb communities throughout Kosovo established parallel local authorities with responsibility for administering all public services. The parallel system impacted most noticeably on security and the integrity of the provisional state, as the Kosovo government had negligible authority over the police, courts, customs, transport and borders in areas of Serbian patrimony. The disputed border between Serbia and Kosovo, but also poor border control between Kosovo and neighbours Macedonia and Albania, facilitated significant smuggling and the trafficking of drugs and women, impacting negatively on regional security and the security of local populations.

During this period, Kosovo remained institutionally weak. This was characterised by a poorly functioning democracy, weak central administration, an ineffective and overburdened judiciary, and low levels of decentralised authority and finance for providing services to their point of use in communities.

The declaration of independence by the Kosovo authorities in February 2008 heralded a period of uncertain political transition which carried with it further risks of internal and regional destabilisation. While Serb-majority municipalities in the south have been established according to the Ahtisaari plan, many elected Serb officials still do not recognise the legitimacy of the Republic of Kosovo (ECMI 2013, 2). Efforts since 2008 to extend the authority of the state to all Serb areas have been the trigger on many occasions for serious interethnic violence and occasional deadly attacks on EULEX officers (Balkan Insight 2013).

The achievement in April 2013 of the Brussels Agreement by the EU between the Republics of Serbia and Kosovo and the participation by all Serb communities for the first time in the Kosovo-wide municipal elections held in November 2013 are indications that the process of accommodation between Kosovo Serbs and Albanians has advanced, even if the basic questions concerning the status of Kosovo, the locus of legitimate state authority, and the continued segregation and isolation of Serb communities remain.

4.4.4 Social exclusion and governance

Constitutional weakness continues to be a central factor in the wider problem of poor governance in the region's states that has rendered them all, to a lesser or greater degree, internally fragile. *De facto* and *de jure* decentralisation of powers to locally dominant minorities has resulted in an erosion of the powers of state institutions to regulate and to provide effective and responsive services to all, including those of security and justice. Corruption was and remains endemic to the region. Social policy, in many places still unreformed and discriminatory, continues to lack effective mechanisms for its implementation, particularly to rural communities. Governments both central and local remain obscure and unaccountable to their electorates, while civil society as a means of representing the interests of the people and advocating for human rights is weak and poorly understood and supported by local populations, and is still fighting for a "political space" in which to engage government. The result across the whole region and common to all states is high levels of social exclusion and vulnerability, on the basis of cultural and structural discrimination, affecting in particular, women, especially rural women; ethnic minorities; people with disabilities; the elderly; and youth (especially in Kosovo). Roma (and Askhali and Egyptian) people on the whole continue to be those most likely across the region to fall into poverty, be unemployed, lack education and suffer poor health (UNDP 2010; 2012).

The Worldwide Governance Indicators (published each year online by the World Bank) highlight the challenges to governance in the region. The latest indicators available, from 2012, suggest that Croatia and Montenegro, which both score positively for almost all indicators, have improved the quality of governance in recent

years, particularly regarding political stability and government effectiveness. For the remaining five Western Balkan states, the indicators point to overall weak governance and continuing state fragility that, in the cases of FYROM, Kosovo and Albania, appears to have deteriorated over the last five years. Kosovo scores particularly badly for political stability, and also government effectiveness, weaknesses that it shares with B&H and which seem to suggest that together these two countries remain unstable and susceptible to civil unrest and possible violence (World Bank 2013b).[15]

4.4.5 Poverty and low economic development

A great cause of inequality and social exclusion in the Western Balkans has been the inability of national economies to generate sufficient economic growth to provide employment for all, but particularly for groups vulnerable to poverty. During the 2000s the economic situation in the region was assessed to be "dire" (International Commission on the Balkans 2005, 4), characterised by "high unemployment, a widespread informal economy, the destruction of social solidarity/networks, excessive share of public expenditure in GDP (and also ODA), difficulties in maintaining the external and fiscal balance, high levels of indebtedness, low level of foreign direct investments, [with major] challenges in building and transforming institutions" (Matković 2006, 3–4). Although per capita GDP has grown somewhat since that time, recent analysis identifies continuing high levels of poverty, unemployment and inequality, with the same underlying structural weaknesses in all the Western Balkan economies (World Bank 2013a). While the original causes of poverty and unemployment in the region are to be found in the upheavals of earlier conflicts, they are now considered of themselves to present serious threats to state stability and a potential driver of further conflict. Serious social unrest broke out during field work for this evaluation in as many as 30 towns in B&H, uniting Bosnians young and old across previous ethno-national fault lines around a variety of longstanding economic grievances and anger at government's continual failure to respond effectively.

4.4.6 European perspective

A defining feature of the Western Balkans context is the intensive, structured, political and economic support provided to all countries by the EU, around which almost all other international donors have aligned their own support to the region. In 1999 the EU launched the SAP, which all states, including Kosovo, signed up to – via the STM, or SAP Tracking Mechanism – to take account of its unresolved status under UNSCR 1244. The SAP focuses, in particular, on institution building and infrastructure improvement with the primary aim of establishing regional (post-conflict) reconstruction and stability allied to preparing states for possible accession to the EU according to the three so-called Copenhagen Criteria concerning: the establishment of stable institutions that guarantee good governance and human rights; (transition to) a functioning market economy; and the ability to move towards political integration and union.

The EU has identified three central challenges to be addressed by the Western Balkan countries through their membership of the SAP:

1 *Strengthening the rule of law*, including action to strengthen the judiciary, fight corruption and organised crime, carrying out public administration reform, and guaranteeing fundamental rights and freedoms;
2 *Advancing regional cooperation and reconciliation* by maintaining good neighbourly relations, participating in regional mechanisms for closer social, political, and economic cooperation, entering into constructive dialogue on outstanding interethnic and status issues,, and working with civil society to foster initiatives for reconciliation;
3 *Tackling economic and social challenges*, including developing pro-employment economic policy, increasing investment in the social sectors, undertaking structural reforms, particularly in education, infrastructure, and labour market policy, promoting foreign trade (especially within the region), and strengthening revenue collection (European Commission 2012b, 4–11).

Despite its regional perspective, the SAP remains in essence a collection of separate "classical statebuilding policies" (International Commission on the Balkans 2005, 15), tailored to the conditions of each participating state. The progress of each state within the SAP and their relationship with possible EU membership is widely uneven, shining a light on possible "hot spots" of instability and the continued general lack of political, social, and economic cohesion throughout the region. Croatia successfully acceded to the EU in July 2013,

[15] See Annex 5 for Worldwide Governance Indicators for Western Balkans countries, 2008 and 2012.

while Montenegro has progressed quickly to negotiating accession under the condition that it takes substantive action to fight corruption and organised crime. On the other hand, limited progress has been made in Albania and FYROM, while lack of progress in B&H on "meeting political criteria and achieving more functional, coordinated and sustainable institutional structures (European Commission 2012b, 27), particularly with regard to constitutional reform, has resulted in the EU withdrawing a significant part of its IPA support to the country.

4.4.7 Finland's framework programme vis-à-vis the context

By aligning its Western Balkans policy closely with the process of European integration and the implementation of the Ahtisaari Plan in Kosovo, Finland has been well placed to support the key political drivers of change in the region and to adapt to the political context as it changes. Continuity with the previous Western Balkans Programme in its methodological focus on institutional capacity development provides an entry point for Finland to address a key cause of state fragility, particularly in Kosovo, whether working at the central or municipal level. Finland's comprehensive approach to development assistance, embracing the broad thematic areas of *Stability and Security*, *Aid for Trade* (and economic development), *Social Sustainability* and the *Environment* enables Finland to address multiple social and economic points of instability simultaneously, as well as ensure that the programme is fully inclusive, particularly of the vulnerable and socially excluded.

5 EVALUATION OF PEACE AND DEVELOPMENT IN FINLAND'S DEVELOPMENT COOPERATION WITH THE WESTERN BALKANS

The following chapter captures the key findings of the evaluation based around the four evaluation questions agreed at the inception stage, and their corresponding judgement criteria (i.e. sub-questions). The evaluation criteria of the OECD/DAC – relevance, efficiency, effectiveness, impact and sustainability – in addition to issues of coordination and coherence are addressed within the judgement criteria. We recall that this is neither a country programme evaluation as such, nor a project evaluation. It is a thematic evaluation wherein the evaluation questions, common to all our case studies (Afghanistan, Palestine, Ethiopia and Western Balkans), are formulated to raise issues, lessons learned and recommendations on Finland's contributions to peace and development in fragile states. The emphasis therefore is on this higher level of analysis and learning rather than the specifics of each programme. The four evaluation questions (EQs) are as follow and are addressed in turn:

EQ1: Has Finnish development cooperation provided relevant support to the drivers of peace and development, including poverty reduction, in Western Balkans? Have the choice and mix of sectors and instruments contributed to these targets, and recognised issues of fragility in the country?

EQ2: What have been the mechanisms to integrate Finnish development policy priorities in country-level interventions? Are development interventions on the ground complying with the priorities and thematic focuses of the development policies and the 2009 guidelines?

EQ3: How have cross-cutting objectives been integrated in Finland's development interventions in Western Balkans? How has their integration/non-integration affected identified and achieved results? What are the lessons learned and best practices in implementing cross-cutting objectives?

EQ4: How have aid effectiveness commitments been integrated in Finnish development interventions in Western Balkans? How has their application supported development results and the overall objective of peace and development?

5.1 Relevance of support to the drivers of peace and development

This section addresses whether Finnish development cooperation provided relevant support to the drivers of peace and development, including poverty reduction, and whether the choice of mix of sectors and instruments contributed to these targets, and recognised issues of fragility in the Western Balkans.

Box 1 Summary of key findings for evaluation question 1.

- Programme design was closely aligned with the internationally accepted analysis of the context available at the time. It correctly identified the key drivers of peace and stability in Kosovo and the region.
- The Programme does not identify objectives and the expected outcomes of the combined effect of its various interventions. Its intervention logic, therefore, is not articulated.
- No system has been in place for monitoring progress towards programme outcomes and higher-level goals. The link between activities and project results with programme outcomes regarding stability and development has formally not been established, or tracked.
- Via the Finnish Embassy in Prishtina, the MFA is active in promoting the technical and political requirements of Kosovo's progress towards European integration. This activity is based around Finland's areas of special expertise and is complementary to its development cooperation.
- The programme's timeframe, limited to the medium term, and the significant reduction of support to Kosovo from 2014 are inconsistent with the MFA's *Guidelines for Development and Security 2009*, which calls for long-term external support to post-conflict and fragile states.
- The Programme's project-oriented approach is appropriate given the continuing low capacity of the Kosovo government to both absorb and coordinate external funding. It is also the most effective means for Finland to utilise Finnish technical expertise in fields in which it has comparative advantage and which are highlighted as priorities in Finland's Development Policy Programme 2007.
- Finland successfully identified specific areas of intervention where its added value would be recognised by stakeholders, and its implementing partners extended considerable effort working with beneficiaries and other stakeholders to introduce and adapt Finnish approaches to local contexts.
- In Kosovo, as the Programme has progressed, Finland has sought to focus more on economic development and employment generation on the basis of analysis that identifies the increasing importance of poverty, inequality and unemployment as causes of instability in Kosovo (and the Western Balkans).

5.1.1 Extent to which the design of and strategic choices made within each country programme is based on good contextual, political economy, poverty and conflict analyses

There is no documentary evidence of specific contextual analysis of the region having been undertaken by the MFA. Interviews with MFA officials confirmed that recourse was made to analytical material available at the time from the EU, World Bank, UN agencies, such as EU country progress reports and UNDP national human development reports.

There are two key features of the Programme that indicate the main choices MFA made in designing this programme: (a) Specific-country development cooperation focuses almost exclusively on Kosovo, on the basis that Kosovo is not only the most fragile and unstable state in the region, but that its continued weakness is the most likely destabilising factor for the region as a whole; (b) The greater part of the remaining programme is directed towards furthering regional stability by means of supporting regional, cross-border interventions, with no specific-country focus. The success of Finland's FOPER I project was cited as a reason for extending the range of cross-border interventions. This was because it established a regional forum in which Serbia, previously understood by the MFA to be a potential fault line in the region, was seen for the first time to sit with the other former Yugoslav countries.

A comprehensive set of constitutional (legal and political), administrative, and security arrangements were set out in the Ahtisaari Plan. The fact that Finland's Programme in Kosovo was designed to support the implementation of the Ahtisaari Plan (MFA 2009a, 10), along with all other major international donors, suggests its close alignment with internationally accepted context analysis.

Finland's decision to discontinue its country activities in Bosnia and Herzegovina was a major departure from MFA policy as outlined in the *Development Policy Programme 2007* (MFA 2007, 32) and the *Development and Security Guidelines 2009* (MFA 2009b, 16), which identified the country as a partner country in receipt of support for post-conflict crisis resolution and stabilisation. In 2008–9, although threats to B&H's internal security were assessed to be few, political instability remained very high. Analysis at the time pointed to increasing instability in B&H with political tensions in the country pushing the country towards internal fragmentation, state paralysis and vulnerability (ICG 2009, 1–25) "combined with a worsening economic climate" as part of a deterioration that had been continuing "over the past few years" (Safer World/Nansen Dialogue Centre 2010, 6, 21). Our consultations with the MFA suggest that Finland's lack of diplomatic representation in B&H, limiting its ability to monitor and evaluate, as well as the constraints on the Western Balkan budget were the factors determining the decision to discontinue the Bosnia country programme.

From the regional perspective, in the absence of any significant politically supported process of reconciliation between the successor states to former Yugoslavia, analysis pointed to a lack of regional coherence and co-operation, rather than instability. The accepted wisdom, rather than concrete analysis, exemplified most in the EU's regional strategy (European Commission 2005) and the regional focus of the EU's SAP, towards which Finland's Programme is clearly aligned, was that the promotion of regional cooperation "with regard to regional free trade, the creation of regional markets for electricity and gas, the development of transport, energy and telecommunication infrastructures, the environment, research technology and development, cross-border and parliamentary cooperation, and a number of other areas" would not only create an impetus for regional stability, but would also help address internal fragility of the region's states (European Commission 2005, 6). Thus, it appears that political issues rather than development goals were the principal determinants of Finland's focus on cross-border development projects.

5.1.2 Extent to which intervention logics underpinned the designed strategy, and the extent to which these were relevant, valid and understood by Finland's MFA and its partners

The Policy Framework Programme document does not explicitly identify direct outcomes for interventions in the region, nor does it clearly establish causal links between Finnish and other internationally funded development goals, whether these are regional stability, sustainable development or poverty reduction. This means that the aims of the programme were not clear. Project partners in general did not comprehend their interventions as contributing to a set of wider programme objectives, although the beneficiaries of the regional projects FOPER and ESD understood results as contributing to cross-border cooperation and regional integration.

Monitoring of the Programme has been carried out on a project-by-project basis, combining reviews of proposals by Quality Boards in the Department for Development Policy, monitoring of the delivery of project outputs by respective project steering committees, and external mid-term reviews of larger projects only. The monitoring of regional environmental projects has been outsourced to the Finnish Environmental Institute. In Kosovo, effective monitoring is hindered by the lack of a clear division of responsibility between the embassy and the MFA Unit for EU Enlargement and Western Balkans.

Interviews with MFA in Helsinki and Kosovo confirmed that no mechanism exists and no monitoring tool has been developed to measure programme results and track their achievement according to a logical sequence of events and a set of contextually specific assumptions. However, it is reported that an annual schedule of project mid-term reviews/evaluations is delivered to the evaluation unit of the MFA.

5.1.3 Extent to which other MFA's interventions (political dialogue, humanitarian action) have complemented and/or provided leverage to development cooperation

In Kosovo, Finland combines traditional diplomacy with engagement in military and civilian crisis management missions, which are viewed as being complementary to its development cooperation. Forty Finnish policemen and women, prosecutors and judges continue to contribute to EULEX,[16] the EU-led civilian crisis management team, whose international strength currently stands at 1 200. Finland also contributes 20 military personnel to the currently 5 000-strong NATO-led military crisis management force in Kosovo (KFOR),

[16] Finnish Embassy in Prishtina website, http://www.finlandkosovo.org/public/default.aspx?nodeid=42597

down from around 250 in 2009.[17] According to the MFA, this engagement is intended to put into practice the concept of comprehensive security, as detailed in the *2009 Guidelines for Cooperation on Development and Security*.

The evaluators learned during field work that the MFA is now giving greater attention to the technical and political requirements of Kosovo's progress towards European integration. For example, the embassy is active in promoting Finnish contributions to EU twinning projects that provide TA to key ministries. These are a point of direct contact and influence with government and are considered of high value. Finland is also engaging with the EU and the Kosovo government in negotiations concerning the drafting of Kosovo's Stabilisation and Association Agreement in areas where Finland is active in its development interventions. Other donors and government ministries are appreciative of the value Finland brings to these processes, particularly in assisting the government establish priorities in, for example, the Ministries of Education and Trade and Industry.

Among donor organisations with a particular interest in promoting peace in Kosovo, Finland is viewed as having a valuable role as an "independent" donor that is able to contribute to a dialogue of conflict sensitivity by sharing good practice and lessons learned from its own interventions. Finland is an active member, along with Sweden, Switzerland, Austria, UK, Germany and UNDP of the informal donor forum the Conflict Practices Peer Group, that was set up in September 2012. Finland's projects in Sustainable Development in Dragash (UNDP) and Support to Minority Communities after Decentralisation (ECMI) were cited as examples of good practice in conflict sensitive programming.

At the regional level Finland is involved in political dialogue in support of regional stability and development, particularly with regard to influencing, along with all other 27 EU member states, European development cooperation administered by IPA.

5.1.4 Extent to which the mix of Finnish development cooperation aid instruments and modalities was appropriate to achieve objectives

The overall objectives of the MFA's Western Balkans Programme include the stabilisation of Kosovo and the whole region, and the sustainable development of Kosovo based on employment-generating growth. These objectives demand long-term international development commitments and will necessitate close coordination of all donors. They also require the full alignment, where possible, of donor policies, programmes and financial assistance with the development plans and the financial and budgetary systems of Kosovo and the other countries of the Western Balkans, formalised through the signing of a bilateral partnership agreement.

Finland's Programme is not based on long-term partnership agreements. With regard to the region, the cross-border nature of the majority of interventions funded, the highly limited financial assistance accruing to each Western Balkan country, and the lack of Finnish representation in many parts of the region, means that signing bilateral agreements is clearly not practicable. With regard to Kosovo, Finland's Development Policy Programme 2007 specifies that the country is not viewed as a long-term partner (MFA 2007, 32). This has apparently determined that Finland has not signed a framework agreement with the Kosovo government, but it is also the view of Finland's Embassy in Prishtina that the relatively small scale of Finland's aid to Kosovo renders the costs of negotiating and managing an agreement prohibitively large. This is despite the increase in national ownership and improved dialogue between Finland and the government of Kosovo that a framework agreement might afford. The lack of formal partnership is also at variance with the longer-term commitment made by larger bilateral donors to Kosovo such as USAID, Austria, Sweden and Switzerland, as well as many smaller donors, such as Slovenia, Turkey and Luxembourg, which have all signed framework agreements with the government of Kosovo for development cooperation (Republic of Kosovo website – International Agreements). Commenting in 2009 on the draft Western Balkans Programme, the embassy in Prishtina also pointed out that external support to assist Kosovo achieve both stability and development will be required for many years yet (Embassy of Finland, Prishtina 2009).

The decision to significantly reduce Finland's support to Kosovo from 2014 onwards to an annual total of only €1,5 million, including the FLC, is at variance with the long-term approach recommended in Finland's *Guidelines on Cooperation for Development and Security* (MFA 2009b) and the *Fragile States Principles* (OECD 2007a).

[17] Ibid.

The Programme's preferred modality is project-based interventions, comprising 24 of its 34 interventions in Kosovo and the region. For 19 of these 24 projects Finland has been the only donor. For the remaining five, Finland has contributed to a pooled fund of two or more donors, although in three cases Finland has contributed at least 75% of the total finance. Programme-based approaches have not been used, while budgetary support via the World Bank's SEDPP Trust Fund has been used in one instance (although Finland's contribution here represents a significant proportion of its total support to Kosovo). At the regional level, direct funding for a regional organisation or grant-giving multilateral fund has been given on five occasions.

The Prishtina Embassy reasonably justifies the project-oriented approach on the basis of the low level of Kosovo government absorptive capacity and the associated risks of inefficiency and corruption.[18] In our own interviews with the embassy, MFA staff made the observation, shared by a number of donors during the field trip, that the project approach enables Finland to concentrate on sectors or issues that are not of interest to other donors, thus giving Finland's assistance a higher profile and relatively added value.[19] Finland has used single-funding arrangements of projects in which they have sought to achieve more narrowly defined outcomes in specific sectors, subsectors or geographical areas, usually on the basis of the utilisation of Finnish technical expertise in fields in which Finland believes it has comparative advantage, and which are highlighted as priorities in the Development Policy Programme 2007. In Kosovo, this approach has been applied to special needs and inclusive education, support to decentralisation and planning for sustainable economic development, particularly for actions focusing at the municipal and/or community level. At the regional level it has been applied to core cross-border interventions in the environment sector, including forestry (MFA 2009a). Responses from Finland's partners during our field work also suggested that single-funding arrangements allow Finland to adopt a more flexible approach with partner organisations than would be possible through pooled funds.

It would appear that pooled funding, whether of single projects or for a broader range of activities, has been utilised in order to give more "muscle" to Finnish contributions and so increase the likely achievement of specific objectives, as well as to increase coordination with other donors, bilateral and multilateral. However, the embassy in Prishtina is aware that participation in pooled funds tends to lead to reduced leverage of the funding contribution and decreased influence over project design, management, monitoring and evaluation. A number of those interviewed, including project partners and civil society actors, expressed concern that UN agencies, regardless of how they were funded, were expensive owing to their significant bureaucracy and high salary scales.

The budget support provided by the MFA through the SEDPP contributes towards what is widely regarded as an example of donor coordination at its best. It has enabled the government of Kosovo to control a wide-ranging set of coordinated policy reforms whose combined effects are showing indications of achieving impact. Government-driven aid coordination is viewed as being too weak for further budget support. In particular, there was considerable agreement among those interviewed from government and donors that the system designed to link strategic planning in the prime minister's office to the activities of the Ministry of European Integration, responsible for aid coordination, and the Ministry of Finance does not function effectively.

Low government-driven coordination was also cited as a reason why the donor community in general continues to shy away from sector-wide approach (SWAp) and programme-based funding in Kosovo, preferring to continue with bilateral approaches.

5.1.5 Extent to which the sectors chosen by Finland were done so in recognition of the characteristics and priorities relating to the fragility of the country/region

Finland's regional interventions focus closely on the cross-cutting sector of the environment, including forestry. Documentary evidence and our interviews with MFA suggest that the environment was selected as an appropriate sector for promoting regional cooperation as:
Environmental issues cannot be approached successfully at the national level. This is particularly so in the Balkans where:

1 Macro-ecosystems, such as river basins, mountain ranges and freshwater lakes straddle state boundaries and create mutually owned natural resources across the region.

[18] Embassy of Finland, Prishtina 2009.
[19] Interviews, Finnish Embassy, February 2014.

2 Dialogue with regional partners of ENVSEC (including REC, OSCE and UNDP), which Finland had already funded outside the Balkans, had identified a variety of regional security risks arising out of particular environmental "hot spot" threats.
3 The Environment offers a non-political point of entry to building cross-border cooperation which is likely to be acceptable to both local communities and central governments. This had already been confirmed by the success of Finland's ongoing regional forestry research and education project (FOPER I) in bringing all the Western Balkan countries into close cooperation and dialogue over forestry policy and forest management.

Hitherto, there has been no obvious sector focus in Finland's Kosovo interventions relating to issues of fragility as recognised in, for instance, the OECD/DAC sector classification for Kosovo.[20] There is also no evidence that Finland undertook scenario planning or provided a contingency to change its strategy in response to changing events in Kosovo and the region.

We note, however, that the limited alterations to the schedule of interventions in Kosovo laid out in the programme document (and detailed in Section 4.2.1) suggest that Finland has sought to give increasing importance to economic development and employment generation. This is in response to an analysis that poverty, unemployment, especially youth unemployment, and social inequality have become greater immediate threats to stability in Kosovo over the Programme's duration as the process of political decentralisation and ethnic integration has progressed. This thinking was confirmed by interviews during the field trip during which the evaluators heard how Finland's aid in the period from 2014 onwards was being further streamlined around these key themes. This includes a third phase of Support to Minority Communities after Decentralisation (ECMI) focused solely on facilitating business development, a two-year extension of Diaspora Engagement in Economic Development (DEED), the project seeking to increase the investment power of remittances, a no-cost extension of Aid for Trade after its planned end early 2015, and the launching of a new active labour market project with UNDP targeting youth, women and the socially excluded.

5.1.6 Extent to which Finnish country strategy identified specific areas of intervention where its added value would be apparent and recognised by stakeholders

The Programme in Kosovo sought to apply Finnish specific expertise to special needs and inclusive education, support to decentralisation and planning for sustainable economic development, particularly for actions focused on the municipal and/or community level. In the region more generally, the Programme was applied to core cross-border interventions in the environment sector, including forestry.

Project documents clearly identify and analyse the capacity building needs and interests of intended beneficiaries, both institutional partners at either central or local government levels, or community-level participants. These documents reveal that it has been common practice in Finnish interventions to include a preparatory, or inception, period during which further beneficiary needs analysis is undertaken and participatory project design or refinement is conducted. This approach has been applied in particular for consulting with community-based beneficiaries, such as with Finland's Support to Minority Communities after Decentralisation (ECMI), or Sustainable Development in Dragash (UNDP). Individual project evaluations of Finland's regional projects, Education for Sustainable Development (ESD) and FOPER (in forest policy and economics), carried out as part of this Programme evaluation, confirmed how the value of Finnish expertise was introduced to beneficiaries in this participatory manner. During the inception period of ESD a Finnish model of the Sustainable School Concept was adapted to the reality of primary schooling and municipal planning in the Balkans, with the input of institutional and community stakeholders. During the first 18 months of FOPER, the whole project approach to introducing the teaching of and research into forest policy and economics was developed and negotiated between the seven Balkan partner faculties and research institutes.

Finland's interventions in inclusive education and special needs education, have built upon the legacy of Finnish involvement in Kosovo in this field since 2001. Interviews with disability actors, CSOs, teachers, civil servants and donor agencies, indicated that there is an impressively high recognition of and regard for Finland and its particular approach to inclusive education, special needs education, and disability more generally.

[20] OECD/DAC identified the sectors as: education; government and civil society; conflict prevention, resolution, peace and security; other social infrastructure and services; banking and financial services; forestry; trade policy; multi-sector and cross-cutting objectives (OECD/DAC 2011).

5.2 Policy coherence and resource allocation

This section examines the mechanisms used to integrate Finnish development policy priorities into interventions in the Western Balkans, as well as the extent to which development interventions on the ground have complied with the priorities and thematic focuses of the development policies and the 2009 guidelines.

Box 2 Summary of key findings for evaluation question 2.

- The Programme was developed in order to achieve 'comprehensive security'. It was designed to complement Finland's diplomatic efforts, particularly in Kosovo, and its support to international civilian and military crisis management missions in the region.
- The Programme has also attempted a holistic approach to peace and development by assembling a range of complementary and often overlapping interventions under the themes of *Stability and Security, Aid for Trade, Social Sustainability* and the *Environment*. Initially, this approach resulted in too many interventions in too many fields being funded, with a loss of clear focus.
- As the Programme has progressed in Kosovo, the MFA and the embassy have sought to rectify the lack of focus by prioritising interventions to promote economic growth and employment.
- At the country level in Kosovo, the Programme has been applied to a range of specific, discrete threats to security. Results have been largely positive, suggesting that careful targeting of localised action is an effective way of promoting increased security.
- At the regional level, Finland has sought to maintain security through developing cross-border cooperation in the field of the *Environment*.
- Finland has promoted economic development and employment through interventions to establish an enabling environment for employment-generating investment and business development, and through the provision of training, information, and financial incentives to individual beneficiaries in the community. Overall impact is low, but the limited information available regarding project results suggest that policy reform and the development of financial institutions and instruments are more likely in the longer run to stimulate sustainable growth and employment than community-based inputs to businesses and income generation projects.
- Projects to promote sustainable development and/or environmental protection are unlikely to contribute to economic development and employment in the short to medium term.
- The Programme has contributed to statebuilding and the strengthening of governance through support to the development of social and economic policy and community participation in planning and decision-making processes. At the impact level, Finland's support to decentralisation has contributed to the successful establishment of new Serb-majority municipalities and the extension of the legitimate authority of the Prishtina government within Kosovo.
- Early on in Kosovo, 2009–11, Finland did not fully exploit the potential of the FLC to contribute to strengthened governance by supporting CSOs to advocate, carry out watchdog activities, or engage in policy dialogue with government. In the last two years the FLC portfolio has been increasingly focused on these kinds of CSOs.
- The Programme has not been designed according to results-based management. There is no monitoring system in place. It is unclear, therefore, to what extent compliance and coherence with global policies has been monitored.

5.2.1 Extent to which the policy priorities stipulated by MFA (particularly in the 2009 Guidelines) were understood and incorporated into country-level interventions

The Development Policy Programme 2007 (MFA 2007) has been the key policy guiding both the design and the implementation of the Western Balkans Policy Framework Programme. This calls for a "comprehensive approach" to development that combines simultaneous and complementary actions towards economic development, environmental development and protection, and "social sustainability', based on democracy, rule of law, human rights and a strong civil society (MFA 2007, 5, 15). The Policy also emphasises the virtuous relationship between development on the one hand, and peace and security on the other. It establishes a link between security and stability, and social and economic development, including governance, as well as aspects of social sustainability, conceiving of the relationship as reflexive (MFA 2007, 7, 9, 12, 15).

The distribution of overlapping interventions in the Western Balkans Programme under the themes of *Stability and Security*, *Aid for Trade* (and economic development), *Environment* and *Social Sustainability*, point to an effort at the design stage to adopt the holistic approach to development laid out in the 2007 Policy and to incorporate the links between security, development and human rights in the Programme as a whole, and also within individual projects. The Programme document claims that the focus in Kosovo is at the local level and community projects (MFA 2009a, 10). While nearly all interventions include significant numbers of activities delivered at the community level, Finland's largest projects in terms of financial investment in Kosovo, have as their primary focus capacity development and policy development within central government administration (SEDPP, DEED, Aid for Trade, Support to the Forest Sector). Interviews in Kosovo confirmed the impression that the ambition of a holistic approach has resulted in the Programme covering too wide a range of sectors and specific fields of activity, spread unevenly and thinly over geographic space, combining action at the centre with activity at the community or grassroots level. In other words, the coherence necessary to achieve comprehensive security has been diminished in the effort to cover the broadest social and economic field possible. Interestingly, during the Programme implementation, the MFA and the embassy have clearly made efforts to achieve greater focus by developing new projects and undertaking forward planning for the period of 2014 onwards within the thematic area of *Aid for Trade.*

The 2007 Policy states that in fragile post-conflict states, a comprehensive approach to development includes partnership and coordination between military and civilian crisis management, and development cooperation and humanitarian assistance (MFA 2007, 31). Finland's Guidelines on Cooperation for Development and Security (MFA 2009b) re-emphasise the importance of this concept of "comprehensive security" which entails enjoyment of security, human rights and social sustainability, and economic development. The Guidelines also state that in the Western Balkans, Finland prioritises stability and security by supporting regional stability, as well as EU integration in a comprehensive way that complements development cooperation with foreign and security policy measures, including military and civilian crisis management (MFA 2009b, 18).

Finland's development interventions in Kosovo have clearly been developed in order to achieve "comprehensive security", as it is described in the 2009 Guidelines. The Programme was designed to complement Finland's diplomatic efforts in Kosovo and via the EU, as well as its existing support to international civilian and military crisis management missions. This intention is emphasised by conceiving of development cooperation as a means of supporting Kosovo's independence and the implementation of the Ahtisaari Plan (MFA 2009a, 10). Central to the Plan is decentralisation by means of a set of political, legal and administrative changes to the democratic structure of Kosovo, with the aim of guaranteeing human rights, especially the rights of ethnic minorities. Implementation of the plan was to be facilitated through the diplomatic and administrative agency of an international supervisory and coordination body, in conjunction with a newly established European crisis management and security mission (EULEX), while measures to strengthen Kosovo's emerging state institutions, especially with regard to financial and fiscal policy, were stipulated as necessary conditions for equitable economic development (UNSC 2007).

Finland's regional interventions in the Western Balkans, as specified in the 2009 Guidelines, all adopt a cross-border approach with the intention of contributing to regional stability. Regionally, the Programme adopts a selective approach to implementing comprehensive security and development by focusing its projects on the sustainable use of natural resources, one of five thematic priorities listed in the Guidelines, which is also given special emphasis in the Development Policy Programme 2007. Interventions to build community and sub-national capacities for improved natural resource management and environmental protection, with the overall aim of ecologically sustainable economic development, implicitly connect development and security outcomes by means of implementation through cross-border cooperation. Regional security issues are also addressed more directly by other projects that aim to mitigate environmental threats to the wider region, again through cross-border action.

5.2.2 Extent to which security and justice priorities are reflected in country interventions, and the results and learning obtained from these

In Kosovo, Finland has funded a variety of very different interventions of limited scope under the theme *Stability and Security*, targeting selected communities or specific groups. The overall focus of these interventions is hard to divine, but all of them (with the exception of a modest contribution to the running expenses of the

ICO) directly address specific key areas of insecurity and potential further instability or conflict. In addition, the expected outcome of improved interethnic relations of the project, Support to Minority Communities after Decentralisation Process in Kosovo led by ECMI under *Social Sustainability*, relates directly to improved security in some of Kosovo's potentially most volatile communities. On the ending of supervised independence and the closure of the ICO in September 2012, Finland also contributed with other bilateral donors to the so-called Appointees Project, which continues to facilitate the continued engagement over a 24-month period of key international experts providing support to Kosovo's Constitutional Court, the Kosovo Privatisation Agency, and the Office of the Auditor General.

From the limited monitoring and evaluation information available, it appears that Finnish interventions have been largely successful in achieving their direct objectives, including increasing cooperation and interaction between ethnic groups (CIMIC small projects), the reintegration of KPC members into civilian society (KPC Relocation), and contribution to the successful establishment of five new/extended Serb-majority municipalities.[21]

At the regional level, Finland has funded two projects related to the direct mitigation of risks to cross-border security as a result of environmental threats concerning pollution or natural resource exploitation. The final evaluation of the ENVSEC concluded that the project achieved its immediate objectives, having addressed real potential threats to stability in the region, established cross-boundary dialogue at local and national level, established mechanisms for transboundary environmental protection (national parks). With a high level of ownership by national governments, policymakers and CSOs, the project was assessed to create positive impacts to environmental issues and overall security in the region (Krilašević 2013).

A contribution to the Council of Europe's Human Rights Trust Fund, under the thematic area *Social Sustainability*, is intended to make technical assistance available to governments in the Western Balkans in order to strengthen internal judicial responses to rulings of the European Court of Human Rights (Human Rights Trust Fund website).

Finland has implemented five regional projects under the theme *Environment*, all of which take fostering cross-border cooperation between communities or educational and research institutions as the starting point for promoting sustainable development, natural resource management, and environmental protection. Implicit in all of these interventions is that the development of working relations across boundaries on the basis of shared resources and interests will contribute to regional security as a higher-level objective (impact). Project documentation and external evaluations (including end-of-project evaluations of FOPER and ESD carried out as part of this evaluation) point to significant results in promoting cross-border cooperation, based in all cases on processes of participatory planning around mutual interests and shared resources. By the inclusion of national ministries or agencies in project steering committees, higher-level institutional dialogue and exchange of information has been initiated, opening the door to potential interstate cooperation on environmental policy and projects. The learning from these projects is that the environment, as a shared resource and one in which everyone has a stake, is an appropriate vehicle for building bridges between hitherto antagonistic or distrustful communities. The process of establishing cooperation takes time and works best when facilitated by an external agency with a focus on shared planning and action.

5.2.3 Extent to which economic development and employment issues are reflected in country interventions, and the results and learning obtained from these

In the Kosovo programme, the overall aim of increasing economic activity and generating employment has been addressed principally through support to four major projects under the theme *Aid for Trade*, These have sought collectively to establish an enabling environment for employment-generating investment and business development, by means of developing relevant social and economic policy, and providing training, information, business services and financial incentives to existing and new businesses. Sequencing of Finland's interventions on the basis of ongoing analysis of the context has meant that the objective of economic development and employment generation has increased in importance in the final two years of the Programme.

[21] See Annex 6 for a summary of projects addressing security and justice priorities and their results.

In addition, local economic development objectives replaced those of political integration of minority communities during the second phase of the project to provide Support to Minority Communities after Decentralisation (ECMI 2013), after the successful establishment of new Serb-majority municipalities in the south. Here ECMI have concentrated on creating business networks, facilitating business planning, and putting small businesses in contact with investors and government-run funds and grant schemes.

Finland has also financed a number of other projects under other thematic areas which have specific objectives relating to increased economic activity and employment generation by means of a range of capacity development activities carried out at the community level with carefully targeted participants, including for example, Sustainable Development in Dragash (UNDP), CIMIC small projects, and Support to the Forestry Sector (United Nations Food and Agricultural Organisation – FAO).

Even though the macro impact of economic development initiatives in Kosovo in terms of reduced poverty rates, increased employment – particularly of youth – and reduced social inequality is not yet in evidence, results so far from the projects Finland has supported are encouraging. The Work Bank's own evaluation of SEDPP (World Bank 2012b) assesses that the project has not only achieved significant results in stimulating policy reform, but that the reform process is already achieving significant outcomes in terms of improved participatory forest management and budget planning and execution, an improved business investment climate, greater business activity throughout Kosovo, and movement towards shifting long-term unemployed off welfare and into work (World Bank 2012b, 18–35). There is no data available regarding results from UNDP's Aid for Trade, but the DEED project reported that its outcomes to date include: the initiation of the establishment of a private diaspora investment fund in Luxembourg to provide a means of both direct and indirect investment in local business in Kosovo; support for the establishment of economic zones in Kosovo as a business opportunity for the Kosovo diaspora; and the development of three private financing products to be introduced by banks in Kosovo, and more than 500 business start-ups, with financial investment from the diaspora. Training of agricultural advisors has produced results of more limited direct scope, which have the potential to be replicated and to contribute to the development of agricultural production and employment. These include the development by the University of Prishtina of the capacities necessary to introduce training of agricultural advisors in agricultural business development; the training of a first cohort of 27 agricultural advisors in this field; and the raising of production and businesses management standards in pilot agricultural businesses receiving advice through the project (TAGAK undated).

The more sparse data from community-level projects in Kosovo suggest little progress has been made in going beyond economic or business planning and the dissemination of information about markets in order to achieve growth in businesses, jobs or incomes.

Within the regional portfolio three approaches can be detected:

1 Modest investment in the EBRD-led Western Balkan Investment Framework (WBIF) (and its predecessor the Western Balkan Fund) has been made with the aim of leveraging investment loans for large-scale infrastructure projects that would have immediate impact in terms of generating jobs and economic activity, while also contributing to an environment conducive to long-term economic growth;
2 Projects financed under the theme of the *Environment* promote the concept of sustainable economic development and establish objectives, either at the impact or outcomes levels, that concern increased economic growth and employment either within a particular sector (forestry) or a set of ecologically related communities;
3 A third set of projects whose direct objectives relate to increased regional security (Regional Cooperation Council (RCC) and the Environment) explicitly identify contributions to regional economic development as a long-term project impact.

In addition, increasing employment opportunities is an overall objective of two projects that have been carried out in Kosovo in parallel with a second country: Technical assistance to 17 VET schools in Kosovo and Macedonia, and Finn Church Aid's women-focused reconstruction project with vulnerable communities in North Kosovo and south Serbia.

The WBIF annual report 2013 suggests that the framework is achieving its stated purpose which raises the prospect of it contributing significantly to economic development and job creation in the region. By the end of 2013, 144 projects in major energy, environmental and social infrastructure have been funded by the WBIF.

The IFIs have signed some €2,7 billion worth of loans for construction projects, and the total investment value of the pipeline of projects to be financed is €13 billion (WBIF 2014).

Results from Finnish regional environment projects suggest that communities may have achieved increased potential to enhance livelihoods in the fields of tourism and agricultural production through improved natural resource management, environmental awareness and greater understanding of business opportunities, but that the community-level approach of these projects is unlikely to impact positively on employment generation and wider poverty reduction within the next 5–10 years, as it is by nature a long-term process. Sustainable livelihoods are at risk from large-scale environmental degradation, which cannot be addressed without concerted institutional and political effort and financial investment (IUCN undated; Finnish Environmental Institute 2011; Pelkonen 2011). The FOPER project has successfully established a regional forestry policy research capability and a regional teaching facility for forest policy and economics, both of which are intended in the longer term to impact positively on environmentally sustainable economic growth. Potential impact on economic growth and employment cannot be ascertained from project outcomes.

An evaluation of Kosovo activities of the Finn Church Aid project identifies significant contributions to women's income, based on a variety of small-scale agricultural, craft and service activities, although the long-term sustainability (economic viability) of project outcomes is questioned (Mikkola 2011).

5.2.4 Extent to which statebuilding and governance priorities are reflected in country interventions, and the results and learning obtained from these

Support to essential components of statebuilding in a fragile, post-conflict context, such as institutional strengthening, internal reconciliation, democracy, the rule of law and respect for human rights, are implicit in the whole Kosovo country programme by reason of its orientation towards the Ahtisaari Plan and alignment with the EU SAP.

Institutional strengthening in support of governance priorities such as the development and implementation of responsive social policy and enhancing financial accountability are central activities to the three policy-oriented projects under *Aid for Trade* (SEDPP, DEED, Aid for Trade), as well as Finland's Support to the Forestry Sector and support to special needs and inclusive education. These last two are also oriented towards furthering the administrative decentralisation process in Kosovo, which, in tandem with political decentralisation to provide minorities greater powers of self-government, is intended to increase the legitimacy of the state and social cohesion by bringing government into a closer relationship with people. Finland's Support to Minority Communities after the Decentralisation Process in Kosovo (ECMI) has deployed a dialogue-based, participatory methodology in newly decentralised minority municipalities to support the effective implementation of the decentralisation process, to raise the participation of communities in local government processes and to strengthen newly created local level institutions. Finland's project in local sustainable development in Dragash municipality (UNDP) – and also to some extent CIMIC small projects – has used participatory approaches to strengthen local governance by raising community involvement in the public planning and decision-making processes.

The FLC, administered directly in-country by Finland's embassies, is a potential instrument for addressing statebuilding and governance priorities by funding CSOs to represent community interests, raise public participation in decision-making and policy dialogue and act as bridge between government and society. CSOs can also promote ethnic reconciliation, raise public awareness and advocate for human rights, especially those of the excluded, in support of responsive services and the rule of law, and act as a watchdog to ensure government probity and accountability – all of which may contribute to the quality of governance.

It appears that the FLC's thematic priorities in each country have been coordinated with the MFA's programme and that the FLC has been used selectively as a means of raising public participation and engagement with government. In Kosovo, over the full Programme period (2009–13) the greater part of FLC funds has been used to fund two NGOs providing services independently and partly in parallel to the state, to people with disability (Handikos) and women victims of trafficking (Centre to Protect Victims and Prevent Trafficking in Human Beings – PVPT). Earlier on (2009–12) smaller amounts have been left at the margins to fund NGOs promoting interethnic communication, the decentralisation process, or providing independent monitoring of

elections, as well as limited educational activities targeting socially excluded groups. An internal embassy evaluation in early 2012 noted that too much support had been provided to service provision, with the inevitable consequence also that large amounts of the FLC had been spent on NGO administration paying permanent salaries (Embassy of Finland, Prishtina 2012).

Subsequent FLC finance in 2012 and 2013 has been clearly realigned to provide project support to a wider range of NGOs active in, inter alia: advocacy for human rights and the implementation of the rule of law; awareness raising of gender rights and those of sexual minorities; interethnic dialogue and integration; and income generating activities covering a wide variety of target groups including, women, ethnic minorities, children and youth, and other marginalised and discriminated communities. While the guiding principle behind the FLC in Kosovo appears to be support for Finland's CCOs and the Kosovo programme's areas of focus (Embassy of Finland, Prishtina 2013), the portfolio of funded projects is now more reflective of Finland's statebuilding and governance priorities (see also Section 5.3.1).

In Kosovo, the combined results of Finland's support to statebuilding and governance include the following:

- Employment, welfare, and education policy have all been advanced (SEDPP);
- Public financial management has been strengthened (SEDPP);
- Functioning state mechanisms for coordinating the implementation of forestry policy and strategy have been established (Support to the Forestry Sector);
- Minority communities in newly decentralised municipalities have participated in the decentralisation process, including the democratic election of municipal governments under the authority of Prishtina (ECMI);
- Community participation in planning and decision-making processes has been established in Finland's community-level projects (Dragash – UNDP).

Inclusive planning for sustainable development in Finland's regional environmental projects has contributed to the strengthening of local level environmental governance.

At the impact level, Finland's support to decentralisation has contributed to the successful establishment of the four new southern Serb-majority municipalities, and the extended municipality of Novobërdë/Novo Brdo, advancing at the same time the legitimacy of Prishtina's authority throughout Kosovo, and the potential for greater social and economic reintegration of ethnic minority communities in Kosovo.

5.2.5 Extent to which results-based management is able to monitor and evaluate compliance and coherence with global policies

The Programme was not designed according to results-based management. This was inferred from the initial documentary review and later confirmed by consultations with the MFA who confirmed that guidelines for results-based management were not in use at the time of programme design. It is not clear, therefore, how compliance and coherence with global policies has been tracked, except in an ad hoc manner on the basis of individual project monitoring reports (also Section 5.1.2 on the absence of a programme monitoring system).

5.2.6 Extent to which the totality of resources made available and disbursed was equal to the ambitions set by programme objectives

Wherever Finland has contracted NGOs or independent consultancies to delivery projects, applicants have filled out full capacity statements indicating the extent of their technical, management and financial capacity. In cases where a UN agency has been contracted for project delivery, either bilaterally or by means of a pooled fund, similar statements of the UN agency's capacity at the local/regional level have been provided, although it is assumed that in these cases Finland has chosen the UN in the knowledge that its absorptive capacity is assured.

Monitoring reports show that underuse, or the delay in the use of funds has generally arisen over political, administrative, or capacity constraints affecting project associates or beneficiaries, in most cases central ministries and their departments and/or local authorities.

We can confirm that no systematised financial information exists showing disbursements against planned expenditures over time, even at the programme level.

5.3 Cross-cutting objectives

This section assesses how cross-cutting objectives (CCOs) have been integrated in Finland's development interventions in the Western Balkans, and how their integration/non-integration has affected identified and achieved results. It also identifies lessons learned and best practices in implementing CCOs.

Box 3 Summary of key findings for evaluation question 3.

- CCIs have not been mainstreamed consistently across the Programme. Greater attention has been paid to the treatment of gender balance and the rights of women than other groups likely to be excluded.
- Excluded groups, most notably ethnic minorities, have only been treated in a meaningful way in the Kosovo country programme; this CCI has been neglected in regional interventions.
- Finland has effectively targeted CCIs by FLC funds. In Kosovo, the FLC has also been used strategically to complement Finland's development priorities and ongoing projects.
- In cases where CCIs have been integrated into the design of interventions, results towards achieving their objectives are encouraging.
- Participatory, community-based approaches are an effective way of addressing social exclusion.
- Monitoring of CCIs has been partial. It has relied upon project monitoring of implementing partners, who in most cases are not reporting upon the CCIs. There is no system to collate and analyse data received on CCIs from Finland's interventions, including FLC projects.
- Finland has achieved real impact in the field of special needs and inclusive education, which by extension embraces impact in promoting the rights of all children, particularly those with disabilities, learning difficulties, and those from ethnic minority communities.

5.3.1 Extent to which cross-cutting objectives were taken into account in the analysis and design of Finnish interventions

As there is no documentary evidence of specific contextual analysis of the region having been undertaken by MFA at the time of Programme design (Section 5.1.1), it is not clear what sources of information were accessed to understand the status of the CCOs in the region, nor whether any baseline studies were undertaken. Country-level studies available at the time from sources such as the World Bank, UN agencies, the EU and a number of regional studies dealing with the prevalence and causal factors of social inequality (Groves 2006; Stubbs 2009) pointed to high levels of social exclusion and vulnerability across the whole region affecting women (particularly rural women), ethnic minorities, people with disabilities and, in Kosovo in particular, youth.

Almost all proposal and project documents recognise the need to include the above groups and to promote the rights of those easily excluded. There is considerable variation, however, in the treatment given by individual projects to CCOs and the specific groups identified as likely to be excluded.

Promotion of the rights and the status of women and girls, and the promotion of gender and social equality

Almost all projects express an intention to mainstream gender and promote the rights of women. Detailed gender analysis and/or relevant baseline studies have usually only been provided by projects undertaken by UN agencies in Kosovo. The aim of increasing gender equality or the empowerment of women is only fully integrated into the project design by means of inclusion in expected results in a very small number of projects (Sustainable Development in Dragash, UNDP; Aid for Trade, UNDP; Promotion of Women's Security, UNKT). The treatment given to this CCO by projects tends to focus on giving special attention to the inclusion of women in project activities and facilitating equal participation of men and women, though not nec-

essarily together. In general, project monitoring systems establish few if any indicators or targets for gender equality and women's empowerment, and gender has been rarely reported on.

Promotion of the rights of groups that are easily excluded, particularly children, persons with disabilities, indigenous peoples and ethnic minorities, and the promotion of equal opportunities for participation

Except in the few cases where projects focus specifically on the excluded (inclusive education; Youth Red Cross Work), recognition of other vulnerable or excluded groups deserving special attention, notably people with disabilities, youth and children are in general absent from the Programme's interventions in both Kosovo and the wider region. Ethnic minorities, on the other hand, are almost universally recognised, from the point of view that interethnic conflict between majority and larger minority groups remains one of the fault lines leading to continued instability in the region (e.g. Kosovo Albanians and Kosovo Serbs), and also from the point of view of exclusion of the region's many other minorities, such as the Roma, Ashkali and Egyptians (RAE). However, it is only in projects implemented in Kosovo, rather than the region, where project design specifies strategies and specific methods for promoting equal opportunities for the participation of ethnic minorities.

Combating HIV/AIDS

Measures to combat HIV/AIDS are included in the portfolio only in projects that deal specifically with youth or education.

Finland has further ensured that the CCOs are all addressed in some way in the Western Balkans Programme by supporting a small range of projects that promote the rights of specific excluded groups. In Kosovo, it has targeted women, children with disability, and youth in separate, relatively limited interventions, while very modest support (€100 000) to the regional Roma Education Fund has contributed in a small way to continuing European and national efforts to address Roma rights, principally under the Decade of Roma Inclusion (2005–15).

The UNKT-led project Promotion of Women's Security, concerning domestic violence, is the only Finnish intervention explicitly linked to the implementation of UNSCR 1325.

Finland has used the FLC as a means of targeting specific, locally led actions that relate to CCOs. In Serbia, the FLC is now the only bilateral tool for development cooperation available to the MFA. The embassy in Belgrade administers FLC funds within the framework provided by Finland's global Development Policy 2012. In this way it provides support to CSOs working to promote human rights, education and the environment, and is therefore also able to support all the revised CCOs in its interventions. Its preferred target groups are CSOs working with women, children, the Roma, and people with disability.

In Kosovo, the FLC priorities are aligned to the Western Balkans Programme through: (a) support to human development, covering gender equality, reconciliation, women's rights, the rights of a range of discriminated groups and environmental protection; (b) support to income generating activities; and (c) special initiatives supporting the decentralisation process (Embassy of Finland, Prishtina, 2013). CSOs receiving grants invariably represent a socially excluded group, or are promoting gender equality or human rights. There is a clear preference for funding CSOs that carry out activities that complement Finland's larger programme interventions in some way. Thus, for example, support in 2013 for the activities of the NGO, Women in Business, to promote female entrepreneurship clearly complement the women-focused objectives and activities of the Aid for Trade project. In 2012, support to NGO, Voice of the Roma, to promote greater inclusion of RAE children in education was closely aligned with Finland's Support to Inclusive Education. In 2013, the seven FLC-funded projects cover the following target groups and CCOs: women's rights (two projects); the empowerment of RAE women; the rights of sexual minorities; gender equality; youth; and ethnic minorities within the framework of decentralisation.

5.3.2 Extent to which cross-cutting objectives were taken into account in political and policy dialogue

The commencement in early 2014 of Finland's seventh twinning project in Kosovo that deals with the rights of sexual and gender minorities indicates that the embassy in Prishtina takes the CCOs into account when lobbying and negotiating for Finnish TA missions. Finnish expertise on air quality and climate (Finnish Mete-

orological Institute) is also included in a twinning mission with the Kosovo Environment Protection Agency, indicating treatment of climate change, one of the current set of CCOs established in Finland's Development Policy Programme 2012.

5.3.3 Extent to which Finnish development cooperation has contributed to the stated objectives and intended outcomes of its interventions

Monitoring of the treatment of the CCOs has been partial and it has been inconsistently applied across the Programme. This has been because monitoring here has relied upon the separate treatment and monitoring of CCOs by each implementing partner. The evidence available suggests that Finnish-funded interventions have achieved variable results in treating the CCOs.

Promotion of the rights and the status of women and girls, and the promotion of gender and social equality

Wherever participation has been targeted and monitored, with the exception of CIMIC small projects, Finnish cooperation has succeeded in gaining the active involvement of women in community-led planning and decision-making processes. Projects have largely taken place in isolated, rural and culturally conservative locations in Kosovo and cross-border areas in the region, where women's participation in public processes remains something of a novelty. Although the level of female participation is reported in project evaluations to be variable – lower than male participation and dependent on local cultural traditions – overall it is assessed as being high (Pelkonen 2011; Gashi, Salihu and Lenoci 2013), and women participants consulted during evaluation field visits in Kosovo, B&H and Serbia universally expressed satisfaction with their participation.

On the basis of limited information from the field only, there are indications that the UN-led Promotion of Women's Security project has achieved its objectives of establishing a functioning local system in three municipalities for the enforcement of the law on domestic violence and the support and protection of victims (comprising coordinated cooperation of the police, health institutions, local courts, the employment office and the municipality).

There is no evidence to suggest that significant progress has been made in promoting women's rights in areas such as economic empowerment, education, and ensuring greater control over, and flows of resources to women and girls. It should be pointed out though that in Kosovo Finland has a number of recently initiated projects in local economic development that have a specific focus on women's empowerment whose results are still to emerge. These include DEED, Aid for Trade, the third phase of ECMI's Support to Minority Communities after decentralisation, and FLC support to Women in Business.

Promotion of the rights of groups that are easily excluded, particularly children, persons with disabilities, indigenous peoples and ethnic minorities, and the promotion of equal opportunities for participation

Progress has been made, particularly at the local level, through projects which specifically target excluded groups. The rights of ethnic minorities included in the projects Support to Minority Communities after Decentralisation (ECMI) and Sustainable Development in Dragash (UNDP) have been strengthened. In the former, Serb communities have participated in the decentralisation process, and now enjoy greater access to a range of resources and services from the Republic of Kosovo. In the latter, members of the Gorani ethnicity enjoyed fuller participation at the community and municipal level in public planning processes than was hitherto the case. Community members of the community asserted that a result of the project has been greater communication with the municipality and increased potential access to municipal resources.

The rights of all children, particularly those with disabilities, learning difficulties and RAE children have benefitted from the project Support to Inclusive Education. The institutional assistance and teacher training in mainstream schools, as well as itinerant teachers specialising in special needs education, has assisted the uptake of inclusive education by project schools, with immediate results in the inclusion in mainstream classes of children with learning difficulties, but also RAE children, many of whom have previously been excluded.

The results of Support to Inclusive Education remain largely restricted to five pilot municipalities and their model schools on which inputs to inclusive education have been focused. However, this project must be placed

in the perspective of the continuous work Finland has been carrying out in special needs and inclusive education in Kosovo since 2001. It is in this field that Finland has achieved real impact. There was overwhelming consensus among interested donors, civil society actors, teachers and civil servants that Finland, through its expertise, finance and long-term commitment to special needs and inclusive education, has managed to transform and reform this area of education in Kosovo, including policy, legislation, capacity at the central level, teacher competencies, and now the capacities of schools and municipalities.

Combating HIV/AIDS
The scope for combating HIV/AIDS, owing to the overall profile of the Programme has been limited, but the multiplier effect of Finland's support to Red Cross/Crescent youth volunteers in HIV/AIDS awareness and education suggests that Finland has contributed significantly in this area in Kosovo. Support to Inclusive Education has also included HIV/AIDS awareness training for the teachers in the schools and resource centres it has worked with.

5.3.4 Extent to which lessons on implementing cross-cutting objectives have been recorded and disseminated

Finland has not established a monitoring system to take account of CCOs and to disaggregate data. Project monitoring is inconsistent, reflecting the varying treatment of CCOs in project design. In general though, project logframes show that disaggregated indicators have rarely been set, except for participation in project processes.

Dissemination of learning for scaling up of practice is incorporated into the design of support to inclusive education (for wider application of inclusive education decentralised to municipalities) and the promotion of women's security (application of the law on domestic violence in all municipalities). It is perhaps still too early for this to have taken place. Elsewhere in the Programme there is no evidence that such lessons have been recorded.

5.4 Aid effectiveness and development results

This section assesses how aid effectiveness commitments have been integrated into Finnish development interventions, and how their application has supported development results and the overall objective of peace and development.

Box 4 Summary of key findings for evaluation question 4.

- Finland has aligned its interventions closely with national development priorities and sector policies and strategies.
- The preference in the Programme for a project approach has diminished formal alignment, but this is a reasonably justified adaptation to low government capacity.
- The Programme is fully consistent with and complementary to the EU IPA and wider international development strategies.
- Finland's areas of specific expertise which provide added value to the interventions of other donors are, education, including specifically inclusive and special needs education, disability, the environment and forestry.
- Finland is perceived as the only donor in Kosovo with a specific interest in disability.
- There is close correspondence between aid modalities and Finland's contribution to the achievement of peacebuilding and/or statebuilding objectives.
- The project approach has proved instrumental for building intercommunity trust and confidence, as well as for strengthening local governance.
- The sustainability of results in statebuilding depends on continued capacity building, institutionally and financially, of government at both central and local levels.
- Positive results in bringing communities together across border and ethnic boundaries will probably not prove sustainable without further extended facilitation of dialogue and joint practice.

5.4.1 Extent to which Finland has applied and integrated its aid efficiency commitments in the country/region

In the Programme document, Finland explicitly commits to implementing the Paris Declaration and the Accra Agenda for Action (MFA 2009a, 10). By extension, owing to the Programme's focus on "crisis resolution and stabilising conditions" (MFA 2009a, 7), Finland also commits to applying the OECD Principles for Good International Engagement in Fragile States and Situations, and the New Deal for Engagement with Fragile States (agreed at the High Level Forum on Aid Effectiveness at Busan, 2011), both of which are themselves based upon, and complementary to, the Paris Declaration (OECD 2007a; 2007b; 2011).

Finland has broadly applied the Paris Principles in its Kosovo-focused interventions, but made important adjustments to take into account specific features of Kosovo's state fragility and also its desire to maximise the use of Finnish expertise.

Alignment
Finland has aligned its interventions closely with the government of Kosovo's key development policy priorities set out in the Mid-Term Expenditure Framework 2009–11. Finland has further ensured alignment through its coordination with, and involvement as an EU member state, in Kosovo's progress towards European integration within the SAP. In its European Partnership Action Plan, updated annually, the government of Kosovo sets out its key priorities and comprehensive set of activities in "its political agenda … its legislative agenda … employment needs, institutional building [in all sectors], personnel training and necessary investment" (Government of Kosovo 2012, 6).

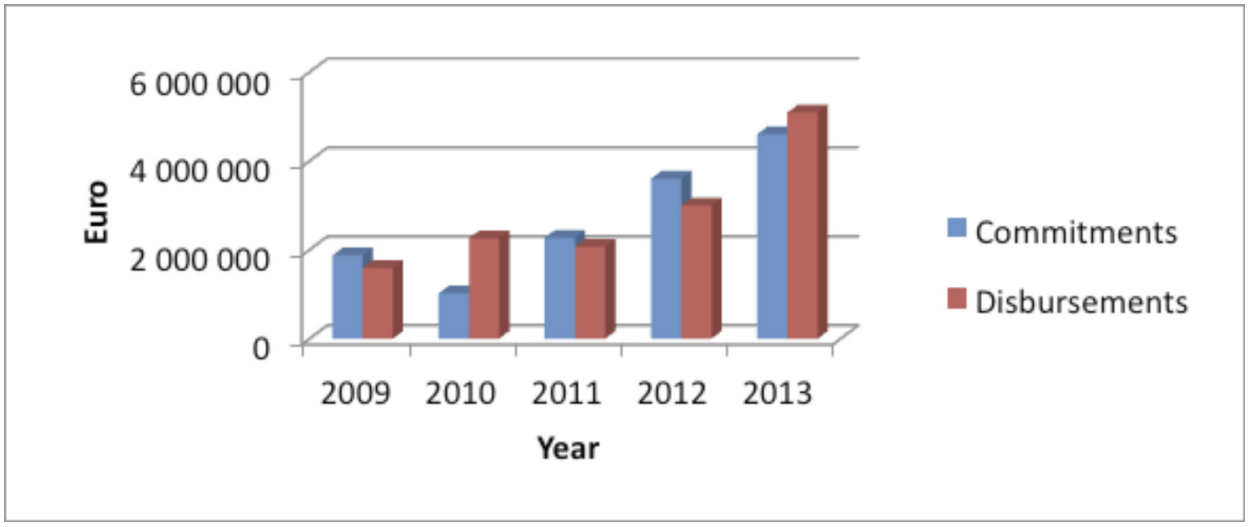
Finland's support however, is generally not channelled through and reported on in Kosovo's national budget and has therefore not been fully aligned behind Kosovo's strategies. Apart from its contribution to the SEDPP's budget support, the KPC reintegration project is the only one of Finland's interventions that has been included in the Kosovo MTEF budget (Government of Kosovo 2010; 2012). It is reported that an important reason for the Kosovo programme's project-based approach has been to avoid possible poor execution or corrupt utilisation of Finnish funds arising from low government capacities (Embassy of Finland, Prishtina 2009). This was a reasonable approach to take and in line with the Fragile States Principles, given the ongoing administrative transition taking place after Kosovo's Declaration of Independence and the well-documented inefficiency and low levels of accountability at the time of Kosovo's public financial management (ICG 2008; European Commission 2009; World Bank 2009). Even today, donors and international organisations maintain that low levels of institutional capacity within government is the single biggest factor behind the lack of progress towards effective implementation of legislation and development policy and strategies. The continued weakness of government in executing its budgetary funds was cited as a particular problem for financing government directly.

The project approach has two other advantages for Finland, both of which militate against closer alignment of its aid. First, working directly through Finnish international and local organisations reduces transaction costs associated with negotiating contracts with government (MFA 2008). It also allows Finland a means of directly contracting Finnish consultants to ensure the deployment of Finnish expertise. In fact, Finland has only done this in the cases of inclusive education and the training of agricultural advisors (TAGAK).

In keeping with the Fragile States Principles and the New Deal, Finland's Programme has focused on state-building by means of a balanced portfolio of actions to develop country systems and strengthen institutional capacities at both central and municipal levels.

Figures from Kosovo's Aid Management Platform (administered by the Ministry of European Integration, but relying on self-reporting by donors) for the support both committed and disbursed by Finland each year to Kosovo, suggest that Finland has performed adequately in providing a predictable flow of its development aid (Figure 2). The total recorded disbursements for the whole period 2009–14 of €14 015 080 is approximately 4,5 % in excess of Finland's total recorded commitment of €13 364 270.

Figure 2 Annual funds committed and disbursed by Finland to Kosovo 2009–13.



Source: AMP (May 2014), Ministry of European Integration.

Harmonisation

Finland has applied the principle of donor harmonisation by channelling finance to Kosovo through pooled funds of various kinds, including budget support via the World Bank's Trust Fund. We estimate that in total Finland has channelled a little over 32% of spent budget through pooled funds (Section 4.3). Programme-based approaches have not been entered into by Finland, therefore reducing its scope to harmonise more fully with other donors. SWAps were developed during the Programme's lifetime for both forestry and education. Although it was confirmed that Finland has coordinated very closely with both SWAps, we also heard that there were good reasons why Finland did not entertain the idea of joining them. Both SWAps were still being negotiated at the time when Finland committed its funds and initiated project activities. It was also reported that for education Finland adopted a project approach so that it could utilise Finnish expertise directly and that Finland's specific priorities regarding inclusive education were not lost within the more general approach a SWAp provides.

Mutual accountability

Finland has fulfilled its obligation to provide information to the Kosovo government on its bilateral contributions by means of the AMP. It has also included relevant ministries in steering committees of all projects concerned with institution capacity building, thus ensuring proper reporting to the government. As Finland has not signed a formal framework agreement with Kosovo and, as it has passed so little of its support through the Kosovo budget, it is difficult to see how Kosovo can be encouraged to respond further in kind to Finland in terms of reporting back and demonstrating its accountability.

Finland's regional activities have promoted ownership, alignment and harmonisation in parallel by means of funding:

1 Regionally based coordination and grant-making bodies, such as the RCC and the WBIF, which are supported by the region's governments, promote the process of European enlargement and integration towards which all the region's governments have oriented national development policy and strategy, and are supported by the donor community in general;
2 Cross-border environmental projects based in the mutual interests of participating countries according to the policy priorities of participating countries for the environment and administrative decentralisation, which also entail important reforms necessary for fulfilling the conditions of the SAP.

5.4.2 Extent to which national ownership and alignment with national policies is incorporated into interventions undertaken

This is commented on in general in the preceding section. In Kosovo, there is clearly a high correspondence between individual projects financed by Finland and relevant sector, thematic or subsector national policies and strategies. A list of Finland's main interventions in Kosovo and the national policies, strategies and laws with which they are aligned is set out in Annex 7.

Finland's interventions promote national ownership by including representatives from all relevant ministries on the project steering committees and wherever relevant or feasible, the project offices of Finland's interventions have been established in the partner ministry (Support to the Forest Sector, Support to Inclusive Education). But since most interventions are project-based and almost exclusively implemented by partners beyond the formal authority of the Kosovo's line ministries, national ownership in respect of co-financing or sustainability is not necessarily ensured. Finland participates in formal consultations with ministries, such as the Annual General Review for forestry in the Ministry of Agriculture, Forest and Rural Development, and also in a wide range of more irregular or informal meetings with partner ministries. Such consultations serve the purpose for fostering cooperation and discussing future project and funding proposals.

5.4.3 Extent to which Finnish development cooperation is coherent with and complementary to the development strategies and programmes of other major bilateral and multilateral donors, notably UN agencies, the EU and its member states, World Bank and the USA

European perspective
The EU frames regional and specific-country assistance in the Western Balkans with its SAP, the political process intended to assist each country in the region undertake the political, economic and institutional reforms required for their gaining eventual membership of the EU. The EU delivers development aid in the region through the IPA, which is principally applied in each country according to regularly updated context-specific strategies negotiated with each country. The IPA is also a regionally oriented tool and it contains country-specific provision for cross-border cooperation, as well as for broader regional projects.

The EU's Kosovo country development strategy for the period 2009–13 concentrates on supporting political and policy reform and strengthening of human and institutional capacity in the country (European Commission 2008b; 2010). The strategy is also coordinated with the political framework provided by the Ahtisaari Plan and its priorities of political and administrative decentralisation, in support of good governance and human rights, especially those of minority communities.

The whole donor community, USAID included, has supported both the Ahtisaari Plan and Kosovo's long-term ambition of EU membership. Accordingly, all donors in Kosovo have developed strategies that are broadly aligned to EU strategy, but are distinguished by their particular political interests and fields of development expertise. Finland's Kosovo interventions are clearly coherent with EU IPA and the wider international development strategy.

Finland's Kosovo interventions
Officially, routine donor coordination is undertaken by the Ministry of European Integration at an overall global and strategic level, but also within sectors by the organising of sector working groups. In addition the EU convenes "EU Plus" meetings, bringing together EU member states, other bilateral donor, including the USA, Norway and Switzerland, and major international organisations, including the World Bank and UN agencies. There is agreement on all sides that for a variety of reasons donor coordination functions weakly. We heard how, in the end, much internal donor coordination is carried out on a more-or-less ad hoc basis. As each donor is working to different timescales, with many already scaling down their engagement, coordination is often about short-term exigencies, rather than strategic priorities.

Donors consulted expressed considerable satisfaction with the coordination of their programmes with those of Finland. Interviews confirmed the impressions gained from project documentation that Finland has taken considerable care in areas such as forestry and education to focus on specific issues that have so far been neglected by other donors, but which nonetheless are complementary to and supportive of other initiatives in these fields. Finland is proactive in maintaining dialogue with other donors in all the areas that it works. This includes active coordination in the administration of FLC grants to CSOs.

Finland's project Sustainable Development in Dragash was identified as an area which had developed considerable synergies and follow-on actions owing to effective donor coordination at the project level. UNKT has delivered Finland's Promotion of Women's Security in parallel to the project, while Finland's Aid for Trade will continue with some of the project's income generation activities under the aegis of the Regional Development

Association in Prizren. Gesellschaft für Internationale Zusammenarbeit (GIZ) has been running a rural development project in the Sharr National Park that includes Dragash in its area. It has successfully coordinated with the Dragash project and included some of the project's village working groups in economic activities in the national park. The Austrian Development Agency (ADA), extending an approach already tested in neighbouring Suhareka, is due to start a rural development project which will, in effect, work on implementing the municipal development plan developed by the Dragash project. In addition, ADA will also work with UNDP in Dragash and three other municipalities on a project to promote energy efficiency, thus also building upon the results of Finland's project.

Finland has also ensured complementarity and coherence where it has contributed to pooled funding, such as for SEDPP and KPC resettlement (NATO Trust Fund). Implementation of Finnish projects by UN agencies, principally UNDP and FAO, has also aligned Finnish interventions with these agencies' own strategies and complemented other projects undertaken elsewhere by these agencies with the support of other donors. Interviews confirmed that both UNDP's Kosovo Program Action Plan 2011–15 and UNKT's Common Development Plan for Kosovo 2011–15 were aligned with Finland's current development priorities.

There was considerable agreement among donors that Finland brought added value to the fields of special needs and inclusive education, but also to both education and disability more generally, as well as forestry and the environment. It was also pointed out that Finland was probably the only donor with an interest in disability, and was now one of the few remaining donors with a commitment to the environment beyond the related fields of energy and water. A further interesting comment was that owing to its small size as a country, with a population between that of Croatia and Serbia, Finland was particularly suited to contributing to twinning missions in Kosovo.

Finland's regional interventions

Finland's primary regional interventions in *Environment*, in support of the RCC and the WBIF, are all focused on raising cross-border linkages and regional cooperation, in line with the SAP and IPA. The WBIF was set up explicitly as an instrument to advance EU enlargement in the region and pools IPA funds with those of international finance institutions and bilateral donors. The RCC is a regionally owned mechanism for regional cooperation in the Western Balkans and its key role is to generate and coordinate developmental projects, particularly with regard to the European perspective its member countries have adopted.

Finland's environmental projects are fully aligned with and complementary to the efforts the region's countries are all making to adjust environmental policy and practice to European standards and also to promote good community-based environmental governance within the framework of decentralised government. At the same time, these projects have been fully coherent and coordinated with UN's environment policy in the region over the programme period. By means of ENVSEC's Environment and Security Initiative, to which Finland has been an important contributor, and UNDP's International Decentralised Cooperation for Regional Local Development in the Western Balkans (ART GOLD), the UN has promoted regional cooperation and the pooling of sub-national international resources and expertise as a means to alleviate cross-border environment threats, and to promote decentralisation across the region in support of sustainable development

5.4.4 Extent to which the results of Finnish development cooperation have, through the choice of its aid modalities, contributed to peacebuilding and/or statebuilding objectives

The evaluation did not receive firm opinions from stakeholders regarding the extent to which Finland's choice of modalities contributed to peacebuilding or statebuilding objectives. However, reviewing the results outlined in Section 5.2.4, the following assessments can be made:

- Advances made under SEDPP in employment, welfare, and education policies, as well as public financial management contribute to more effective, accountable, and transparent public institutions. Owing to the distribution of these results across a range of government sectors, and the fact that leadership for the whole project remained with the Kosovo institutions, it is unlikely that these results could have been achieved by any other modality than budget support.
- Project Support to the Forestry Sector has established functioning state mechanisms for coordinating the implementation of forestry policy and strategy, as well as a mechanism for recording baseline data es-

sential for the implementation of forestry policy and strategy. This could conceivably have been achieved as easily by means of TA for the ministry, or as part of a SWAp. This opinion was expressed by a number of stakeholders who were concerned about the high costs involved in partnering with a UN agency (FAO) and the apparent distance of the project team from the ministry, despite its location in the ministry building.

- Support to Inclusive Education achieved results in strengthening public institutions by facilitating the as yet uncertain process of the decentralisation of inclusive education in Kosovo. As this project relied heavily on technical expertise not available to Kosovo, which was delivered at the local level in municipal structures, schools and resource structures, the project modality was probably the only feasible one available.
- Participation achieved by minority communities in the decentralisation process (ECMI), as well as in development planning in Dragash, represents an advance in democratic processes and has deepened state-society relations to some degree. A key factor in these results, for both projects, has been the facilitation of communication between communities and municipal authorities by external agents. This has been made possible only through the project approach.
- By the same token, the advances in local level environmental governance achieved through inclusive planning for sustainable development in Finland's environmental projects, have relied on a project approach. This is the only practicable means of reaching the community and also of working across borders.
- All Finland's cross-border projects in the environment achieved results in bringing communities together across borders, building trust and confidence between hitherto distrustful neighbours. In FOPER, this included creating an active network of professionals across five countries. These results were dependent on high levels of facilitation early on, provided by external agents which could only be delivered by a project approach.

5.4.5 *Extent to which the results and achievements to date are likely to endure in the longer term*

Policy development
World Bank evidence stating that changes in Kosovo's public financial management systems, and welfare, employment and education policies, stimulated by the SEDPP, are impacting positively on economic activity and generating pro-poor employment opportunities (World Bank 2012b), suggests the strong likelihood of sustainability.

Implementation of policy and strategy
Sustainability is uncertain in areas where Finland's interventions have achieved results in establishing mechanisms for promoting and implementing social and economic policy, most notably in Support to Inclusive Education, Support to Forestry in Kosovo and FOPER. Sustainability will depend upon strengthening institutional support, particularly financial support, for local or sub-national institutions charged with policy implementation. For both Kosovo projects this depends on effective decentralisation of authority, expertise, and finance to municipalities, in accordance with government administrative decentralisation. For inclusive education at least, although competences and budget have officially been decentralised, budget allocations from central government remain inadequate, and the understanding of municipalities of how to go about implementation falls far short of what is required.

With regard to FOPER, the project has been extremely successful in establishing organisational capacity within the participating forestry faculties and research institutes. Sustainability in terms of the institutes' ability to continue undertaking research and run degree courses will depend upon their receiving significant revenue from their respective central governments, something which at present does not appear to be forthcoming.

Removal of threats to security
The successful reintegration of KPC members into civilian life facilitated the effective establishment of a more lightly armed crisis resolution force, the Kosovo Security Force, free from the KPC's links with the antecedent nationalist Kosovo Liberation Army. In doing so, the project achieved the permanent removal of a potential focus for future violent conflict between Kosovo Albanians and Kosovo Serbs.

Interethnic cooperation and ethnic integration
Finland's contribution to improved and increased interaction and cooperation between Kosovo's ethnic communities has been achieved through external facilitation of specific local communities. In the absence of further hands-on mediation offered by project implementers, these results are unlikely to continue to a significant level in the future. However, facilitation of interethnic communication under Finland's Support to Minorities after Decentralisation has contributed to the successful establishment of decentralised self-government in the five southern Serb-majority municipalities, and now the new municipality of North Mitrovica. The participation of Serbs from all these municipalities in the recent municipal elections in November 2013 (ECMI 2013), with participation in the southern municipalities greatly increased from 2009/2010. This suggests that a lasting and workable solution to integrating Serb and other minority communities into state democratic and governance processes has been achieved.

Participatory planning for sustainable development
Sustainable results regarding community-focused sustainable development interventions in both Kosovo (Dragash) and at the regional level are reported to lie largely in increased environmental awareness and understanding of sustainable development. To translate local plans into sustainable improvements in natural resource management and environmental protection to provide the basis for sustainable economic development the following are identified in project monitoring reports:

- Further facilitation of economic actions and environmental protection in the community over a longer term of 5–10 years;
- Action to include local plans in municipal budgets. This must take place within the regional wide process of government decentralisation and will entail strengthening the revenue-raising powers and capacities of municipalities, as well as further increasing the authority of municipalities to control subventions from central government. With regard to Dragash, the sheer scope of technical plans that have been produced, covering a comprehensive municipal development plan, a water and wastewater plan and an energy plan require budget resources and planning and fundraising skills that are at present far in excess of those currently at the municipality's disposal;
- Higher-level action and finance to mitigate broader national and regional environment threats.

Cross-border cooperation for natural resource management and environmental protection
Project monitoring suggests that the cross-border cooperation facilitated by Finnish regional interventions has not yet been institutionalised. Specific forms of coordinated cross-border action established under each project require further facilitation over an extended period. Even at the community-level, cross-border cooperation will not achieve institutional permanence without greater political and financial support from the centre, endorsed by formal agreements.

5.5 Intervention logic revisited

In the desk phase of this study we developed an intervention logic (or theory of change) that captured the intentions and the underlying assumptions of Finnish development cooperation in the country (see Annex 9). In some respects this was speculative because the Western Balkans Development Policy Framework Programme 2009–13 was not explicit in defining the expected outcomes of Finnish assistance and their intended contribution to wider change, nor was it explicit in tracing the logic from interventions to final impacts. We have found also that the Programme – and many of its projects – did not contain a risk analysis that anticipated context-related setbacks or changes in the political landscape. Thus our intervention logic was "strategy planned" rather than "strategy realised'. In light of the above analysis we return to that original theory of change, asking to what extent it was (a) realistically assessed in terms of the underlying assumptions (b) measurable, in terms of the kind of data analysis that was in place, and (c) realised in terms of what actually occurred within the lifetime of the programmes. But this is more than just application of the DAC criteria on outcomes and impact. It asks not only "has X occurred" (because it may not yet have done so) but "are we confident that Finland's contribution has had a positive influence in moving towards the upper level goals of our theory of change'.

The Programme was designed on the premise that a broad-based and varied portfolio of complementary activities under the themes of *Stability and Security*, *Aid for Trade*, *Environment* and *Social Sustainability* are required to address the core challenges of continuing regional instability, state fragility and high rates of poverty, espe-

cially in Kosovo. The minor changes made to the portfolio of planned interventions did not affect this overall scope and focus. Environmental interventions were the chosen sector for regional interventions. Finland built on its previous experience in the Western Balkans, though the notion of intervening in areas less covered by other donors was not acted on consistently, especially in Kosovo.

Our theory of change identified a set of eight intermediary outcomes to which the planned Programme was intended to contribute:

- Cross-border linkages and regional cooperation established;
- Capacities for natural resource management, policy, and sustainable development enhanced;
- An enabling environment for business, production, and employment established – includes policy, infrastructure, investment, education and skills development (both in the region and Kosovo);
- Capacities for local environmentally sustainable economic activity (production and services) enhanced (Kosovo);
- Increased capacity of the state to provide inclusive education/education for special needs (Kosovo);
- Public financial management reformed and strengthened in Kosovo;
- Strengthened capacities of (newly instituted) decentralised municipalities in Kosovo;
- Civil society (NGOs) strengthened throughout the region.

All medium level outcomes have been achieved or are likely to emerge with the exceptions of capacities for local environmentally sustainable economic activity and a strengthened civil society. Clearly processes are qualitative and their measurement is challenging, but we have been able to establish probable causal contributory links between some Finnish interventions and outcomes at three junctures. First, the Ahtisaari Plan was the only solution for inclusive democratic governance in Kosovo, and Kosovo's minorities have ultimately engaged with the decentralisation process. Second, Finland's projects have been supported and "owned" by their participants, both at the community and government levels. Third, Finland's projects addressed relevant issues in both Kosovo and the region and have been complementary to broader development programmes and processes.

It is harder to establish the extent of Finland's contribution to the higher-level outcomes identified in the theory of change. These outcomes are, as yet, less in evidence. Nevertheless, there is increasing evidence of growing confidence and trust in the region between states and communities. Finnish projects have contributed to this at local levels in specific locations, but there has been no means of monitoring the wider influence, if any, of projects on social, economic and political change in the region. Increased economic activity and employment generation (in Kosovo) are not yet evident, so here the intervention logic cannot be verified. The quality of governance, nationally and locally, according to measures such as the Worldwide Indicators has not risen appreciably. Yet the assumptions that predetermined these higher-level outcomes have held true. These include the complementarity of Finland's interventions to a wide range of internationally supported activities and to broader national sector development policies, and the implementation of national strategy and action plans, as well as the increased absorptive capacity of the Kosovo government to make use of wider international development funding.

It would appear that economic variables, including unemployment and continuing ethnic intransigence are so far insurmountable obstacles to lasting change. There are, however, indications of impact in two of the three areas identified in our theory of change. Movement towards greater regional stability is taking place, in particular through the advances that most of the region's states have made towards European integration. This includes both Kosovo and Serbia whose recent progress within the SAP is linked directly to their formal accommodation over local government, policing and justice in northern Kosovo in the Brussels Agreement (April 2013). The assumption that the EU SAP and the "carrot" of European integration is the key driver of change in the region towards regional stability and interstate cooperation appears to be correct. In Kosovo, while formal sovereignty has not been established and its institutions remain fragile, internal political and institutional integration has been markedly advanced by the successful implementation of the Ahtisaari Plan and the further progress towards the integration of Serb communities in Kosovo's institutions made possible by the Brussels Agreement. In light of the complexities confronting the region since the wars of the 1990s, this is perhaps more than a "cup half full" and there is cause for some optimism.

6 CONCLUSIONS

6.1 Relevance of support to the drivers of peace and development

Effective programme management has not been possible, owing to the low evaluability of the programme, Managers in the MFA and the Embassy in Kosovo have not received the information necessary for them to track results and verify the efficiency and effectiveness of the whole effort and to make relevant adjustments to the programme with any confidence. Management of Finland's cooperation for peace and development would be strengthened by providing management units with greater human resources and specialist expertise and by establishing clearer lines of responsibility for planning, monitoring and reporting between the MFA in Helsinki and Finland's embassies.

Finland has achieved relevance by taking a complementary approach to other donors and aid agencies. In doing so, Finland has compensated for not having carried out its own detailed context analysis. Complementarity has been a tool, in effect, for aligning the Programme with the context analysis of other donors and aid agencies. In particular, the Programme has supported the goal of European integration for all the region's countries by harmonising its interventions with the EU's SAP. In Kosovo, it has also supported the implementation of the Ahtisaari Plan, along with all other main donors. At the same time, Finland has enhanced relevance by aligning its interventions with the policies and country strategies of the countries of the Western Balkans.

Results-oriented design would have enhanced the effectiveness, efficiency, and potential final impact of the Programme. This should have included the establishment of a manageable and realistic set of objectives, based on a rigorous process of prioritisation of areas to work in, and a set of practicable strategies setting out a testable theory of change.

The Programme's time horizon was too short to achieve sustainable outcomes and to contribute significantly to wider impact. The medium-term approach, and the decision to significantly reduce support to Kosovo from 2014 onwards, are both contrary to Fragile States Principles.

6.2 Policy coherence and resource allocation

Finland's "comprehensive approach" to development proved to be overambitious in Kosovo. Its programme comprised too many discrete interventions of often limited scope across four broad thematic areas. Finland would have achieved greater overall effectiveness and coherence if it had focused on a more limited number of sectors or specific issues and themes, and if it had chosen to work in areas neglected by other donors in which it has special expertise and comparative advantage, as it did successfully in its regional portfolio within the environment sector.

The environment is an appropriate entry point for peacebuilding activities, particularly at the local level in the fields of environmental governance, natural resource management, and conservation. Although competition over natural resources may be a cause of conflict, the environment is broadly understood in a politically and culturally neutral sense as a shared resource in which everyone has a stake. Facilitation of greater engagement in environmental protection and environmentally sustainable development is an appropriate way of building bridges between hitherto antagonistic or distrustful communities.

To support economic development, Finland has correctly prioritised the promotion of economic policy and a favourable investment climate in interventions at both the national and regional levels. In the absence of an enabling environment for economic development, including social stability and cohesion, the creation of sustainable jobs and increased employment is difficult to achieve.

Finland's sector-specific approach to regional programmes, is a good way of focusing effort and resources in order to achieve visible results.

In Kosovo, the Programme has been insufficiently oriented around Finland's recognised specific expertise. In particular, Finland has dedicated insufficient resources and attention to inclusive education and disability, areas where Finland's expertise is particularly valued by other donors and Kosovo stakeholders and in which Finland has established a tradition of support.

6.3 Cross-cutting objectives

The Western Balkans Programme has not been founded upon "respect for and promotion of human rights", as demanded by Finland's development policies. Finland's CCOs, particularly the promotion of the rights of those easily excluded, have not been mainstreamed consistently by the Programme's implementing partners. Programme management has not monitored the treatment of CCOs and has done insufficient to provide implementing partners with a coherent set of guidelines and conditions to assist them plan for, implement, monitor and report back on Finland's CCOs.

The FLC is an important instrument for delivering development aid. Although it has been used increasingly in Kosovo as a means of complementing and strengthening the activities and results of Finland's programme partners, its full potential for strengthening participatory democracy, good governance and the rule of law has perhaps not been fully understood by Finland's embassies. From 2014 onwards, after the recent reduction of Finland's aid to Kosovo, the FLC will be relatively more important to Finland for achieving its development objectives – as the FLC's annual allowance of €300 000 remains unchanged – and it will demand greater attention to CSO selection and fund management.

6.4 Aid effectiveness and development results

Finland has chosen appropriate aid modalities and programme partners to address state fragility and post-conflict recovery. By giving preference to the project modality over programme-based cooperation, Finland has not adhered strictly to the aid effectiveness agenda. However, the project approach, particularly when implemented by impartial external agents, is an effective means of accessing communities directly and facilitating increased communication and cooperation between segregated or antagonistic communities. Where communities are in conflict with, or excluded from the state, the project is also an effective means of their integration through the facilitation of participation in decision-making at the local level.

The success of the SEDPP in Kosovo in advancing national policy and strengthening institutional capacity, confirms the validity of applying the aid effectiveness principle of programme-based approaches (and budget support) to promote statebuilding objectives, as well as development objectives, wherever the preconditions of government absorptive capacity and good donor coordination are fulfilled.

It is still too early for Finland to exit from the region completely, as the results of cross-border cooperation in many cases continue to require external facilitation. In Kosovo, the sustainability of recently completed initiatives, as well as their reproduction throughout respective sectors would be enhanced by targeted further institutional support and technical assistance.

Continuity of development cooperation over the longer term is required to achieve impact. This is strongly suggested by the evidence of impact Finland has achieved in the field of inclusive and special needs education in Kosovo, which has been the result of the continuous application of Finland's technical expertise in this field since 2001.

7 RECOMMENDATIONS

7.1 Recommendations specific to the Western Balkans programme

- On the basis of the context analysis and advice of Finland's Embassy in Prishtina, reconsider the current assistance to Kosovo in order to provide greater continuity with the 2009–13 Programme and to establish a workable plan for a gradual phasing out of Finnish support in coordination with other donors. Annual support to provide further TA and institutional development for achieving the sustainability of the Programme's results should be increased in the short-term, before a phased reduction over three to five years.
- Develop a Programme plan or matrix for the planned continuation of the Programme in Kosovo covering the period of funding committed by the MFA. This should identify expected outcomes from the totality of Finland's support, including current and planned projects, the FLC, and any areas of intervention yet to be identified. It should take full account of relevant government policy and the initiatives of government and other donors, and should establish the strategic pathways, or intervention logic, by which outcomes are expected to be achieved. It should also identify the long-term impact to which Finland aims to contribute. The matrix should also include indicators of progress towards outcomes. The matrix should then be used as the basis for:
  - further planning within the limitations of the MFA allocation;
  - monitoring the Programme and tracking results;
  - monitoring the mainstreaming of CCOs in all interventions.
- Carry out an evaluation of Finland's Support to Inclusive Education in Kosovo as part of a wider review of inclusive and special needs education in Kosovo, including Finland's specific contribution to the subsector. The evaluation should focus on (a) developing learning from Finland's intervention in the field since 2001; and (b) identifying the further institutional needs in Kosovo for effective decentralisation of the both inclusive and special needs education, as well as possible mechanisms for ensuring the fuller uptake of and integration of inclusive education into Kosovo's schools. Building upon Finland's comparative advantage, specialist expertise, and legacy in inclusive education and disability, consider extending its Support to Inclusive Education in a project-based intervention concentrating on providing TA and facilitation to municipalities, in order to strengthen the decentralisation of inclusive education and its integration into the wider education system.
- In order to promote the sustainability of the positive results of the MFA's regional projects in cross-border cooperation in the field of the environment and education, finance or otherwise, facilitate follow-up actions to address the specific continuing capacity building needs identified in final evaluations and completion reports. In particular, address the specific recommendations concerning this in both the ESD and FOPER final evaluations. In future programmes designed to address instability, consider making the environment the focus of efforts to increase intercommunity trust and cooperation.
- In Kosovo, maintain the FLC's orientation towards Finland's CCOs and human rights, but ensure its primary aims are to fund the following:
  - CSOs whose main purpose is to engage with government in support of the rights of their constituencies, including representation of community interests, raising public participation in decision-making, advocacy, policy dialogue, and watchdog activities;
  - CSOs dedicated to interethnic dialogue or cooperation across ethnic boundaries, focusing especially on the integration of minorities into social, economic and political processes.
- Continue to focus on organisations working at the community and municipal levels. In order to extend the reach of the FLC to the grassroots – and go beyond CSOs routinely targeted by other donors – consider subcontracting the administration and monitoring (or similar means of overcoming capacity constraints in the Prishtina Embassy) of a larger portfolio of small grants to a national NGO. Work with implementing partners to ensure that Finland's CCOs are addressed in all Finland's interventions. In particular, ensure that ethnic minorities, people with disabilities, youth and other groups likely to be excluded are targeted in all community-level actions. Ensure that all CCOs are properly monitored and reported on by implementing partners. This will entail not only disaggregation of data according to gender and social group, but also qualitative monitoring of participation and outputs as they relate to targeted groups.

7.2 Recommendations specific to the Ministry for Foreign Affairs

- In future programming in fragile states, focus on a limited number of specific issues within a reduced number of themes, concentrating on areas of Finland's special expertise. Understand the "comprehensive approach" to development as the combined efforts of international donors to which Finland can contribute by means of filling gaps and providing added value.
- In the new *Fragile States Guidelines*, establish criteria for the selection of different modalities and partners, giving concrete examples, to guide MFA planning teams. When deciding on aid modalities and implementing partners for development cooperation in fragile states, continue to adapt the Paris Principles and the New Deal for Engagement with Fragile States to the opportunities and constraints of the context and the purpose of development cooperation, in line with the flexibility recommended in Finland's new *Fragile States Guidelines*.
- When carrying out results-based management of Finland's programmes in post-conflict and fragile states, establish a set of standard procedures and tools. This system and the tools should be outlined clearly in the new *Fragile States Guidelines*. They should include:
    - Documented context analysis, including a comprehensive conflict analysis and/ or fragility assessment, as agreed in the New Deal;
    - Results-oriented planning framing expected time-related country-level outcomes and intended impact. Country plans should identify the broad strategies to be deployed to address peace and development priorities, as well as the risks to the successful achievement of objectives;
    - Regular tracking of programme results and monitoring of progress towards expected outcomes;
    - Regular monitoring of the context providing periodic updates to original context. This should be used to assist in monitoring progress towards outcomes and for appraising wider impact;
    - End-of-project evaluations should be conducted as standard practice, the results of which should be used for creating learning and feeding into further planning.

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ANNEX 1 TERMS OF REFERENCE

1 BACKGROUND TO THE EVALUATION

The evaluation at hand is the first evaluation of the Finnish development cooperation focusing on the peace, security and development nexus. Finnish development cooperation has been evaluated in several partner countries considered as fragile states; however, a large thematic evaluation combining analysis from different countries has not yet been conducted.

This evaluation will assess peace, security and development in the Finnish development cooperation through country and regional case studies. Some Finnish country programmes and aid portfolios in fragile states are addressing directly conflict prevention or crisis management with specific targeted activities. However, majority of the cooperation in these countries is addressing a wide range of development challenges supporting conflict prevention and mitigation in a comprehensive manner and often indirectly. Usually, development cooperation is implemented in parallel with other activities through diplomacy, crisis management and humanitarian assistance.

The evaluation will include two components. First component contains evaluation of the Finnish development cooperation in the Western Balkans which showcases a region that has come out of war and is now in different stages of EU integration. The second component, in turn, includes three other case study countries and areas each experiencing a different situation of fragility. The evaluation of the two components is organised in such way that the cross-fertilisation between them can take place. The findings of the both components are going to be merged into synthesis evaluation report and as such the two components are closely interlinked. This will guide the organisation of the evaluation process and the work of the evaluation team.

2 CONTEXT

Peace, security and development as well as the particular needs of fragile states have gained increasing attention in the international development discourse during the past decade. The United Nations Millennium Declaration placed peace and security in the core of development together with poverty reduction, protection of the environment as well as human rights, democracy and good governance. The EU, in turn, in its key development policy document "The European Consensus on Development" of 2006 considered the needs of the fragile states as one of the five common principles defining EU's response to development. The importance of fragile states was reaffirmed in the EU Council Conclusions "Increasing the Impact of EU Development Policy: an Agenda for Change" of May 2012. In addition, OECD agreed on the Principles for Good International Engagement in Fragile States and Situations in 2007. They contain commitments to maximise the contribution of development partners in fragile states and their implementation was monitored also in connection to the Paris Declaration monitoring process.

A new approach to the development of fragile states called the "New Deal" was agreed at the Fourth High Level Forum on Aid Effectiveness which was held in Busan in 2011. New Deal commits fragile states and their development partners to "do things differently" by designing and implementing interventions with an even greater consideration for the specific characteristics of fragile states; and to focus on "different things" by structuring development interventions around peacebuilding and statebuilding goals.

There are nearly 50 states in the world that are classified as fragile states. More than 1.5 billion people live in countries that suffer from violent conflicts or constant political and criminal violence. At the same time development is curtailed. Very often violence erodes the base underpinning peace processes that have brought an end to political violence. Weak institutions suffering from a lack of legitimacy are unable to generate security, justice or economic development that supports employment. This can lead to crises also in countries that appear to be stable.

The nature of conflicts and fragile situations has changed during the last decades. Conflict and fragility does not necessarily result from one-off episode of war but from a repeated cycle of violence, weak governance,

instability, poverty and competition over environmental resources as well as environmental hazards. While the repetitive nature of conflicts increases in some countries and regions, their possibilities to achieve sustainable development are diminished. Some of the fragile states are on track in achieving part of the millennium development goals (MDGs); however, achieving the targets is particularly challenged in low-income fragile states. According to the OECD, official development assistance (ODA) is the biggest financial inflow in fragile states.

2.1 Peace and development in Finnish development policy

The role of development policy as part of conflict prevention and peace mediation is included in the Programme of the Finnish Government (2011). The Programme states that Finnish development cooperation funds can be increased towards supporting comprehensive security. This is also stated in the Government Report of 2012 on Finnish Security and Defence Policy. Also the previous Government Programme of 2007 emphasised the role of crisis prevention and support to peace processes in the Finnish development policy. In addition, both Government Programmes have emphasised women's role in crises and conflict prevention. Finland has a national action plan on the implementation of the UN Security Council Resolution 1325 on Women Peace and Security for the period of 2012–16.

Peace, security and development nexus has been one of the key elements of Finnish development policy during the past two decades. It is also a central element in the Finnish Development Policy Programmes of 2007 and 2012 which emphasise the interconnectedness between security and development. Key concept in Finnish development policies has been "comprehensive security" that encompasses human rights, development and security. In overall, comprehensive security can be supported through complementarity of different means: development cooperation, humanitarian assistance, diplomacy as well as military and civilian crisis management. Finland perceives development cooperation to have a particular role in conflict prevention and crisis recovery. In addition, Finnish development policies have emphasised the continuum between humanitarian aid and development cooperation in responding to the reconstruction and development needs of countries recovering from crises.

Finnish Development Policy Programme of 2012 emphasises long-term vision and commitment in supporting fragile states. These countries' ability to fulfil their basic functions and create economic growth is the key prerequisite for poverty reduction. Basic functions include security and justice as well as the ability to collect tax and customs revenues, which in turn can secure basic services and promote employment. Security and justice encompass human rights, democratic governance and a functioning civil society. Legitimacy and authority of the state are built through transparency and efficiency of governance as well as state's accountability to its citizens.

In 2009 the Ministry for Foreign Affairs published a document "Development and security in Finland's development policy - Guidelines on cooperation'. Being based on the development policy programme of 2007, the document outlines priorities for Finland's work in the peace, security and development in activities financed through development cooperation. The document takes as a starting point the multiplicity of factors affecting fragility and places the concept of comprehensive security into the core of development policy response. Guidelines showcase policy work and operational activities Finland is promoting globally as well as in different regions. It also stipulates the geographic and thematic priorities of Finnish development cooperation. While geographic focus is on selected fragile states and areas, the thematic focuses, in turn, are stipulated as: 1) ensuring security and justice, 2) creating enabling environment for economic development and employment and 3) strengthening the legitimacy of the state by supporting transparency, efficiency and accountability of the state and its governance structures towards citizens. The document also lists the methods and channels of development cooperation.

3 SCOPE

The evaluation focuses on Finland's country programmes and development cooperation portfolios, related policy dialogues and partnerships in selected fragile states and areas. While the focus of the evaluation is on country programmes and aid portfolios, the evaluation also looks into how development cooperation pro-

grammes interact with other Finnish ODA-financed activities supporting peace and development at the country level.

The evaluation concentrates particularly on the aspects of peace and development in the peace, security and development nexus. Security is only addressed when it is part of the country programme and development cooperation portfolio. Crisis management operations are not included in the evaluation.

The evaluation consists of two components:

Component 1 includes the evaluation of the Finnish development cooperation in the Western Balkans encompassing Albania, Bosnia and Herzegovina, Kosovo, Croatia, Macedonia, Montenegro and Serbia. While assessing the entirety of the Finnish development interventions in the region, the particular scope of Component 1 is the implementation of Finland's Development Policy Framework Programme in the Western Balkans for the years 2009–13. Component 1 also contains the final evaluation of two regional projects, namely (a) Education for Sustainable Development in the Western Balkans (ESD), and (b) Consolidation of the Human Capacities in the Forest Policy and Economics Education and Research in the South-East Europe Region (FOPER I and II). The evaluation of the two projects will contribute also to the evaluation of the entirety of the Finnish development interventions in the region.

Component 2 consists of case studies on Finnish development cooperation in Afghanistan, Palestinian Territories and Ethiopia. All of them are identified by the OECD/DAC as countries or areas in fragile situations.

When analysing the country programmes and development cooperation portfolios in the case study countries, the evaluation is not intended to examine each individual intervention meticulously but rather focus on how the entire country programme or cooperation portfolio and the related policy dialogue and partnerships support the drivers of peace and development in that particular context.

The evaluation covers bilateral instruments and bilateral contributions through multilateral channels (so-called multi-bi cooperation). In addition to sector support, programmes and projects, the bilateral cooperation instruments include FLC administered by the Finnish Embassies and projects under the Institutional Cooperation Instrument (ICI). Activities of the Finnish CSO in the case study countries are looked at as an entirety and as part of the overall Finnish contribution in a country. Similarly, while humanitarian aid and civilian crisis management operations are not included in the scope of this task, the evaluation looks at the interface between development cooperation and other ODA-financed activities at the country level in enhancing comprehensive approach to peace, security and development.

The scope of information sources include the development strategies of the case study governments, Finland's Development Policy Programmes, thematic and geographic guidance documents, previously conducted country programme or thematic evaluations, country analyses, reviews and reports, country-specific development cooperation plans, agreed minutes of the bilateral or other consultations, programme and project documents and similar documents. The evaluation team is also encouraged to use different local sources of information when available.

The temporal scope of the evaluation is 2007–12 covering the two Development Policy Programmes of 2007 and 2012. As an exception, the evaluation of Western Balkans (Component 1) covers the entire span of Finland's development interventions in the region.

4 PURPOSE OF THE EVALUATION

The purpose of the evaluation is to draw lessons on how Finnish development cooperation supports peace and development in fragile states. In addition, the purpose of Component 1 is to provide an assessment on the overall results and lessons learned of the Finnish development interventions in the Western Balkans region.

It is expected that the evaluation will bring forward issues, lessons learned and recommendations on Finland's contributions to peace and development in fragile states to support decision makers at different departments

of the ministry. The purpose of the evaluation is to benefit the overall development policymaking of the Ministry for Foreign Affairs and, in addition, to support the guidelines on fragile states which the MFA is in the process of drafting.

Evaluation serves as a tool for accountability and its purpose is to inform also the general public, parliamentarians, academia and the wider community of development professionals on the use and achievements of the development cooperation which is financed by public funds.

5 OBJECTIVE OF THE EVALUATION

The objective is to provide a comprehensive overall independent view on the achievements, contributions and weaknesses of Finnish development cooperation in supporting peace and development in fragile states. Evaluation will provide lessons learned from the past cooperation focusing on the priorities of the Finnish development policies. Finally, the evaluation will give recommendations on how to enhance the implementation of policy priorities in supporting peace and development through development cooperation.

The specific objective of the evaluation is to seek answers to the following main evaluation questions:

1 Has Finnish development cooperation provided relevant support to the drivers of peace and development in fragile states including poverty reduction? Have the choice and mix of sectors and instruments contributed to these targets?
2 What have been the mechanisms to integrate the Finnish development policy priorities also stipulated in the 2009 guidelines "Development and security in Finland's development policy" in the country-level interventions? Are development interventions on the ground complying with the priorities and thematic focuses of the development policies and the 2009 guidelines?
3 How have the cross-cutting objectives been integrated in Finland's development interventions in fragile states? How has their integration/non-integration affected identified and achieved results? What are the lessons learned and best practises in implementing cross-cutting objectives?
4 How have the aid effectiveness commitments been integrated in the Finnish development interventions? How has their application supported development results and the overall objective of peace and development? What have been the lessons learned and best practises?

The main evaluation questions will be studied through total of four case studies covering countries and areas in different situations of fragility.

6 ISSUES BY EVALUATION CRITERIA

The following **issues by evaluation criteria** will guide the evaluation in all of the case studies. Priority issues for each criterion are indicated below. The listed priority issues have also benefitted from the DAC guidelines on Evaluating Peacebuilding Activities in Settings of Conflict and Fragility (2012). It is expected that the evaluation team will develop more detailed evaluation questions based on the priorities set below and expand the set of questions where it deems this necessary.

Relevance

- Assesses the choice of development interventions and their stated objectives in the context of partner country's policies and development objectives as well as the particular situation of conflict and fragility of the country under examination.
- Analyses the extent to which the objectives of Finland's country programmes or cooperation portfolios are consistent with the objectives of the Finland's development policies also stipulated in the 2009 guidelines "Development and security in Finland's development policy'.
- Includes assessment of relevance through the perceptions of different beneficiary groups at different levels of interventions (national, regional, local) with the particular focus on the final users and groups, including those addressed through cross-cutting objectives.
- *For Component 1 only:* Analyses the extent to which the objectives of Finland's development cooperation in the Western Balkans are consistent with the objectives of Finland's Development Policy Framework Programme 2009–13 for the Western Balkans.

Effectiveness

- Considers how Finland has contributed to countries' capacities to produce basic services and reduce poverty taking into account the context of fragility. Assessment includes an analysis on how the trends of fragility have affected the achieved objectives, how risks have been managed and how the implementation of aid effectiveness commitments has contributed to the achieved results.
- *For Component 1 only:* Assesses to what extent Finnish development cooperation has achieved its objectives in the Western Balkans as stated in the consecutive regional strategies and development policy framework programme.

Impact

- Refers to the wider achievements of Finnish development cooperation in the country under examination in terms of contributions to security and justice, economic development and employment as well as strengthened the authority and legitimacy of the state.
- Focuses on how the impact is perceived by the different beneficiary groups with the particular focus on the final users and groups, including those addressed through cross-cutting objectives.
- For Component 1 only: Refers to the wider impact of Finnish development cooperation to Western Balkan's development towards multi-ethnic societies, rule of law and European democracy.

Sustainability

- In the context of fragile states, sustainability refers particularly to how different interventions support the sustainability of resilience towards trends of fragility and conflict. The analysis includes assessment if Finnish development cooperation has contributed to the long-term drivers of peace as a key element for sustainability.
- Assessment focuses on how leadership, ownership and capacity have been supported to strengthen sustainability of interventions. Analysis also considers how participation of men and women as well as different beneficiary groups have been organised.
- For Component 1 only: assesses if the exit from the overall regional framework programme has been managed in a way to support sustainability.

Coordination

- Looks into the costs and benefits of investing in division of labour and other coordination activities. The analysis examines if Finnish development cooperation activities are coordinated with other development partners and if this coordination has improved the relevance, effectiveness and impact of Finnish development cooperation.

Coherence

- Assesses the internal coherence of Finnish policies, policy dialogue and development cooperation including an assessment on how development cooperation has interacted with other Finnish ODA-financed activities at the country level.
- Assesses the coherence of Finnish policies and development cooperation with wider donor communities' policies and interventions.

Efficiency

- Focuses on the working modalities related to aid delivery and management. The assessment considers particularly if the chosen working modalities as well as the number and size of interventions have supported efficient aid delivery and reaching of the intended beneficiaries.

For the **final evaluation of the two regional projects (ESD and FOPER I & II) included in the Component 1** the priority issues for each criterion are indicated below. It is expected that the evaluation team will develop more detailed evaluation questions based on the priorities set below and expand the set of questions where it deems this necessary.

Relevance

- Focuses on the objectives and achievements of the project and their consistency with the policies of the partner countries and with the needs and priorities of the different stakeholders, including all final beneficiaries.

Effectiveness

- Focuses on the achievement of project's immediate objectives.
- Assesses to what extent the achievements of the project have supported human rights and cross-cutting objectives of gender equality, reduction of inequalities and promotion of climate sustainability.

Impact

- Assesses the progress towards achieving the overall objectives of the project taking also into account the aspects of strengthening regional integration.
- Analyses the overall impact of the project, intended and unintended, positive and negative.
- Focuses on how the impact is perceived by the different beneficiary groups with the particular focus on the final users and groups.

Sustainability

- Assesses if the benefits produced by the project will be maintained, including the achievements in human rights, gender equality, reduction of inequalities and promotion of climate sustainability.
- Examines if the phasing out/exit from the project has supported the sustainability of the benefits produced.

Efficiency

- Focuses on the project's working modalities. The assessment considers particularly if the chosen working modalities and the size of the project have supported efficient aid delivery and reaching of the intended beneficiaries.

7 STRUCTURE OF THE EVALUATION: COMPONENTS 1 AND 2

The evaluation consists of two components. It is organised in such a way that the two components can learn from each other. While their findings are presented separate reports, they are also merged into one synthesis report.

7.1 Component 1: Evaluation of the Finnish development cooperation in the Western Balkans

Component 1 of the evaluation contains the evaluation of Finnish development cooperation in the Western Balkans and the final evaluation of two regional projects, namely (a) Education for Sustainable Development in the Western Balkans (ESD) and (b) Consolidation of the Human Capacities in the Forest Policy and Economics Education and Research in the South-East Europe Region, (FOPER I & II). Out of the Western Balkan countries Kosovo and Bosnia-Herzegovina are considered as fragile states and they are also included into the geographic priorities of the 2009 guidelines.

Finnish development cooperation in the Western Balkans started in 1996. Cooperation has been guided by strategy papers of 1999, 2003 and 2009. The 1999 strategy paper identified livelihoods and support to civil society as priority areas for bilateral development cooperation. In the 2003 strategy, in turn, supporting human resources development, administrative capacities and civil society were identified as priority areas. Both strategies contained the use of different financing instruments (for example bilateral development cooperation, humanitarian aid and civil crisis management) in supporting stabilisation of the Western Balkans.

In 2009 the MFA published a Development Policy Framework Programme of the Western Balkans for the years 2009–13. The Policy Framework Programme has been implemented under Government Development Policy Programmes of 2007 and 2012. The thematic priorities of the Finnish development cooperation were identified as stability and security, aid for trade, environment and social sustainability. In addition to country-specific programmes, the Framework Programme identified regional programmes particularly in the environment sector. The strategy emphasises complementarity and coordination of Finnish development cooperation with other donors, placing particular attention to the complementarity of the Finnish cooperation to the IPA and other programmes of the European Commission. While the evaluation will assess the entirety of the

Finnish development interventions, the particular focus will be on the implementation of the Policy Framework Programme of 2009–13.

The current framework policy programme is ending in 2013. There is no new framework policy programme or regional development cooperation strategy expected after this. In practise this means that Finnish development cooperation is scaled down. The scaling down has already started during the implementation of the current Framework Policy Programme.

Comprehensive evaluations on the Finnish development cooperation in the Western Balkans have been conducted on Bosnia and Herzegovina in 2004 and on Kosovo in 2008. In Bosnia-Herzegovina Finnish development cooperation was considered generally relevant including the post-conflict perspective and that the set goals were reached. Development cooperation instruments were assessed to be well chosen and the management of projects effective and inclusive. According to the evaluation the main challenge was sustainability. The evaluation on Finland's development cooperation in Kosovo, in turn, found out that the cooperation had been innovative in terms of solutions and instruments. In addition, Finnish contributions were able to make a difference due to thematic concentration and the country programme had not suffered from deficient donor coordination. While Finnish support was found out to be successfully switched from emergency phase to development cooperation, the evaluation considered the planned cooperation in Kosovo too detached from the general goal of EU integration.

During the years Finland has supported the Western Balkans' regional stability and security and EU integration comprehensively by means of foreign and security policy measures, including military and civilian crisis management, economic and commercial activities, and development cooperation. In 2011, the Finnish ODA to the Western Balkan countries was €9,8 million.

7.2 Component 2: Other case studies on peace and development in Finnish development cooperation

Component 2 consists of further case studies on how Finland has contributed to the peace and development in fragile states. The selected case study countries and areas represent different situations of fragility. In addition, the content and the programming process of Finnish development cooperation vary among the case study countries.

Afghanistan
Finland's Development Policy Programmes of 2007 and 2012 as well as the 2009 guidelines refer to Afghanistan as fragile country where Finland is committed to long-term development cooperation. Large part of the Finnish development cooperation in Afghanistan is channelled through multilateral trust funds such as the Afghan Reconstruction Trust Fund (ARTF) by the World Bank and the Law and Order Trust Fund for Afghanistan (LOTFA) by the UNDP. Aid is also channelled, for example, through CSO. Humanitarian aid and civilian crisis management constitute of a considerable share of the ODA in Afghanistan. In year 2011, the Finnish ODA to Afghanistan was €22,3million.

Finnish development cooperation in Afghanistan was evaluated in 2007. According to the evaluation Finnish aid in Afghanistan has been coherent and relevant to the priorities of Afghanistan and many programmes have had a positive impact with high impact potential. The evaluation recommended more considerations on possible negative consequences as part of the aid may have adverse effects.

Palestinian Territories
Finland's Development Policy Programmes of 2007 and 2012 as well as the 2009 guidelines refer to Palestinian Territories as a fragile area where Finland is carrying out development cooperation. Finland's development cooperation portfolio can be described as a statebuilding programme with an aim to support the peace process and the capacities of the Palestinian institutions to take care of state functions. Finnish development cooperation concentrates on education, land registration and water sectors. In addition to the bilateral programme, support has been channelled through multilateral organisations and the EU. Finland is also providing humanitarian aid in the Palestinian Territories and participates in the civilian crisis management operation in the country. In 2011, the Finnish ODA to the Palestinian Territories was €11,6 million.

Ethiopia
Ethiopia is one of Finland's long-term partner countries and Finland has a comprehensive country programme to support drivers for peace and development. The guidelines of 2009 note that support to Ethiopia is justified from the perspective of fragility in addition to the overall development needs. In addition, Ethiopia is an important regional player and a centre of stability in the conflict prone and volatile Horn of Africa. The country programme concentrates on education, water and rural economic development. In addition to development cooperation through various instruments, humanitarian aid can constitute a large part of the ODA in Ethiopia. In 2011, the Finnish ODA to Ethiopia was €17,0 million.

Finnish country programme in Ethiopia has been evaluated in 2010. The evaluation found Finnish development cooperation tightly focused, relatively coherent and highly relevant. Development cooperation was also found reasonably effective and efficient. Its impact particularly on the water sector was considered significant. The overall sustainability and impact was found satisfactory. In addition to the country programme evaluation, Finnish cooperation in the Ethiopian water sector was evaluated part of a large thematic evaluation in 2010 (evaluation report 2010:3). This evaluation will also benefit from the results of the ongoing evaluation of the complementarity in the Finnish development policy and cooperation. The evaluation will assess the activities of the Finnish NGOs in Ethiopia among other countries. The results of the complementary evaluation will be available during second half of 2013.

Other evaluations
In addition to the case studies listed above, the evaluation will benefit from the findings on the evaluation that assessed Finnish support to the peace process in Nepal which is one of Finland's long-term partner countries and considered as a fragile state by the OECD/DAC. The evaluation was done as part of a joint evaluation led by Denmark including also Switzerland and Finland (report "Evaluation of the International Support to the Peace Process in Nepal 2006–12" is expected to be available during first half of 2013). Finland's contribution in the evaluation focused on the different peacebuilding activities at the level of individual people, in particular women and ethnic minorities in rural areas. The report of the Finnish sub-evaluation was published in 2012 ('Finland's contribution to Building Inclusive Peace and Nepal'. Evaluation report 2012:7). The findings of the evaluation can be used also in the context of Nepal's country programme evaluation report published in 2012.

8 GENERAL APPROACH AND METHODOLOGY

As mentioned earlier, the evaluation looks at the country programmes or development cooperation portfolios as a whole. In addition, evaluation looks into the related policy dialogue and established development partnerships in the partner countries. Finland's contributions are analysed in the light of partner countries' policies and actions as well as part of the wider donor community operating in the country.

The evaluation takes as its starting point context analysis of the situation of fragility done during the desk study phase in each case study country or area and assesses Finland's development cooperation within this context.

The evaluation will involve stakeholders in the ministry and Finnish Embassies as well as relevant institutions and stakeholder groups in the partner countries. Principles of participatory evaluation are applied and during the field work particular attention will be paid to ensure that women, marginalised and vulnerable groups are included.

Interview groups for the desk study and field visit phases are to be identified by the evaluation team in advance. EVA-11 will inform those concerned within the ministry and in the case study countries the evaluation team is introduced to the main governmental and administrative authorities by the Finnish Embassy. The actual logistics and arrangement of interviews is the task of the evaluation team. EVA-11 will provide also team with an introductory letter with the help of which the team can approach different stakeholders for interviews and document retrieval.

The field visits will be divided in a following way between the two phases:

Component 1: Western Balkans focusing on Kosovo and Bosnia-Herzegovina. During the Policy Framework Programme of 2009–13 bilateral programmes have focused on Kosovo while Bosnia-Herzegovina was former focus country in the region. In current Policy Framework Programme Bosnia-Herzegovina is a partner in the regional programmes and projects. Other shorter field visit countries in the region are Serbia, Montenegro and Croatia including also visits to the two regional projects.

Component 2: Afghanistan, Palestinian Territories and Ethiopia.

Particular attention is paid to the adequate length of the field visits to enable sufficient collection of data also from sources outside of the institutional stakeholders. Some of the case study countries pose particular practical issues related to the security of the evaluation team members. These issues are discussed more in detail in the beginning of the evaluation process and the evaluation team will conduct the field work taking the security instructions into account. The timing and organisation of the field visit to Afghanistan will be planned in close collaboration with the Finnish Embassy in Kabul and it will be conducted according to the security procedures of the Embassy.

The team is expected to use methods suitable to fragile contexts and take advantage of local sources of information including information collected from the final beneficiaries when possible. Evaluation team is expected to propose a detailed methodology in the evaluation matrix which will be presented in the inception report covering both Components 1 and 2. The methods used will be mixed multiple methods which enable triangulation in the drawing of results. Validation of results must be done through multiple sources. No single statements should be taken as a general outcome.

During the process particular attention is paid to a strong inter-team coordination and information sharing between the two components. In addition, the evaluation team is expected to show sensitivity to gender roles, ethnicity, beliefs, manners and customs of all stakeholders. The evaluators shall respect the rights and desire of the interviewees and stakeholders to provide information in confidence. Direct quotes from interviewees and stakeholders are not used in the reports.

The evaluation team is expected to raise issues which it deems important to the evaluation but are not mentioned in these ToR. Similarly, the team is expected to take up issues included in the ToR which it does not deem feasible.

9 EVALUATION PROCESS, TIMELINES AND DELIVERABLES

The evaluation consists of the following phases and will produce the respective deliverables. The process will move forward according to the phases described below and new phase is initiated when all the deliverables of the previous phase are approved by EVA-11.

I Start-up meeting

Deliverable: Start-up note and start-up meeting

1 The purpose of the start-up meeting is to discuss the entire evaluation process including practical issues related to the field visits, reporting and administrative matters. Star-up meeting can be organised also as a video conference or a webinar. The start-up meeting is expected to be organised during the month of July 2013.
2 In the start-up note the evaluation team presents how it intends to approach the entire evaluation task. The start-up note will look more in detail to the issues related to the both components as described in these ToR. The start-up note is presented four (4) weeks after the signing of the contract.

II Inception

Deliverable: Inception report

This phase includes the preparation of the inception report for both components and organisation of the inception meeting in Helsinki.

Production of the work plan and the evaluation matrix of the main evaluation questions presented in these ToR constitute the inception report. Evaluation questions are presented through more specific research questions, respective indicators and judgement criteria. Sources of verification are also indicated. Separate evaluation matrix is prepared for the two regional projects to be evaluated in the Western Balkans.

The methodology will be explained, including the methods and tools of analyses. The inception report will make special attention to the methodological needs of evaluating development cooperation in the context of fragility. It will also elaborate specific issues related to the fragility trends in the cases of Component 1 and 2 and how they affect the approach and methods.

The inception report will show the fine-tuning of the tasks between the team members involved in both components, present a list of stakeholder groups to be included into the interviews as well as an outline of the interview questions to be used for the interviews in Finland. The inception report will also suggest an outline of the final reports. The structure of reports will follow the established overall structure of the evaluation reports of the ministry.

Inception should be kept concise and should not exceed 20–25 pages, annexes included. The inception report will be submitted in September 2013.

III Desk study

Deliverable: Desk study report

Desk study phase consists of analysis of the written material. Desk study report will provide a concise analysis of the policies, guidelines, and other documents related to the evaluation subject. It will also present a plan for the field visits including the identification of local interviewee groups (government authorities, academia, research groups/institutes, civil society representatives, other donors etc.) and sources of information (studies, publications etc.) and an outline of the interview questions according to the interviewee groups in each of the field visit countries.

Draft desk study report will be submitted to EVA-11 prior to the interviews in Finland and is subject to approval by EVA-11 prior to the field visit. The report should be kept concise and clear. It should be submitted latest six (6) weeks after the inception meeting.

Interviews in Finland will be conducted based on the analysis of the written material. This will enable informed discussions with the interviewees. Interviews with the high policy level interviewees of the ministry will be organised as joint sessions including both components and all case studies of the evaluation.

IV Field visits to Western Balkans (Component 1) and to other case study countries (Component 2)

Deliverable: Presentation supported by power point on the preliminary results

The field visits of Components 1 and 2 are organised in such a way that the field visit to the Western Balkans is initiated first and is expected in January 2014. The field visit is going to focus on Kosovo and Bosnia-Herzegovina, however; it will also contain shorter visits to Croatia, Serbia and Montenegro including also visits related to the final evaluation of the two regional projects ESD and FOPER I & II.

Field visit to the three (3) other case study countries is expected to be conducted in January–February 2014.

The purpose of the field visits is to reflect and validate the results of the desk study phase and assess the situation on the ground in the light of policy and programming analysis. The purpose of the field visit is to make further assessments and fill any gaps in the information. The field visit will contain the collection of local sources of information as a key element of the evaluation.

The preliminary results of field visits will be presented, supported by a power point, to EVA-11 after the return from the field. Results are presented in a form of a webinar. The team is also expected to provide an oral presentation on the preliminary results at the end of the each field visit to the staff of the respective Finnish

Embassy or Representative Office. Webinars can also be used in the case of possible shared sessions between the embassies.

After the field visit further interviews and document study in Finland may still be needed to complement the information collected during the desk study phase and the field visits.

V Final reporting

Deliverable: Final reports (including semi-final draft reports, final draft reports and final reports) and public presentation supported by power point.

The final reporting contains the following deliverables:

- Evaluation report on Finnish development cooperation in the Western Balkans including the findings of the final evaluation of the projects Education for Sustainable Development in Western Balkans (ESD) and Forest Policy and Economics Education and Research (FOPER I & II) as annexes.
- Synthesis report on peace and development in Finnish development cooperation. In addition to the synthesis, the results of each three cases of Component 2 will be presented and reported either as part of the synthesis report or separately.

The timetable of the delivery of semi-final draft reports, final draft reports and final reports is as follows:

The semi-final draft reports are available six (6) weeks after the end of the field visits. The semi-final draft reports will be commented by EVA-11. It is possible that semi-final draft reports will be also shared with some key informants.

Final draft reports will be available within three (3) weeks after the comments to the semi-final draft reports.

Final draft reports will be subjected to a round of comments by the parties concerned. It should be noted that the comments are meant only to correct any misunderstandings or factual mistakes instead of rewriting the report.

The reports will be finalised based on the comments received and will be ready within three weeks after receipts of the comments. The final reports are expected no later than in June 2014.

A special effort should be made by the evaluation team to produce concise informative reports. Detailed instructions on writing the report are given in 8.1.

Presentation of the findings of the evaluation will be held in Helsinki no later than June 2014.

In addition to the presentations in Finland, a presentation of the findings of the evaluation will be organised through also through a webinar. Special attention is going to be made to include representatives of the partner countries in the webinar.

9.1 Writing of the reports

The evaluation team will ensure that the evaluation reports are concise and informative and can be easily understood also by those who are not specialists in development cooperation.

Final reports must follow the Instructions to Evaluation Report Authors which will be provided to the evaluation team in the beginning of the assignment. The team should agree on common formats (type of bullet points, format of tables etc.) and to ensure that all team members are following the overall instructions to the authors. The final reports shall be subjected to a language check and a thorough check of details before reports are submitted to EVA-11. The editorial and linguistic quality of the final report must be ready-to-print. The ministry will be responsible for the translation of the abstract and the summary into Finnish and Swedish.

In addition to the assessments of the quality assurance experts, evaluation reports will be subjected to a peer review of international experts. The views of the peer reviewers shall be available on the basis of anonymity to the evaluation team.

In overall, the evaluation teams should observe in its work the OECD/DAC and EU aid evaluation quality standards of the evaluation process and reports. A matrix combining the OECD/DAC and EU quality standards for evaluations is made available to the team in the beginning of the assignment.

Should it happen that the final evaluation reports do not comply with the requirements spelled herein, the instructions to authors and the quality standards of the OECD/DAC and EU, there will be penalties to the service provide as specified in the contract.

Finally, each deliverable is subjected to EVA-11's approval. The evaluation team is able to move to the next phase only after receiving a written statement of acceptance by EVA-11.

10 EXPERTISE REQUIRED

In overall, successful conduct of the evaluation requires a deep understanding of peace, security and development nexus. It also requires experience in and knowledge of the case study countries as an operating environment for development cooperation. Finally, the successful conduct of the evaluation requires experience on fragile states as a subject and environment for evaluations.

The evaluation team will include a mix of senior male and female experts. The team also includes experts from both developed and developing countries.

All experts shall have a minimum of MSc/MA university education and be fluent in oral and written English (level 6). One of the senior experts shall be a native speaker of Finnish language. Knowledge of local administrative languages of the case study countries among the experts will be an asset.

One of the senior experts of the team will be identified as the team leader. The team leader will lead the work of both components and will be ultimately responsible for the deliverables. The evaluation team will work under the leadership of the team leader who carries the final responsibility of completing the evaluation. The identified team leader will lead the work of both Component 1 and 2 of the evaluation to ensure the continuity of the process and feeding of the findings between the two components.

Detailed team requirements are included in the Instructions to the Tenderers (Annex A to the Invitation to the Tenderers).

10.1 Document retrieval and other assistance to the evaluation team

It is necessary that the evaluation team consists of one junior expert to support the team in document retrieval as well as logistical arrangements.

Part of the documentation, particularly concerning the Western Balkans, is already collected and is available to the team. However, document retrieval is still needed and should be initiated in the beginning of the evaluation process. Document retrieval should be done by the junior member of the team under a supervision of a senior team member. EVA-11 will provide support in the document retrieval to the extent possible. However, it is the responsibility of the evaluation team to ensure that all documentation necessary to a successful conduct of the evaluation has been collected.

The junior expert will be a native speaker of Finnish language. She/he will serve in the document retrieval, practical organisation, logistics, and similar tasks in Finland. She/he may be required to review and summarise some documentation that exists only in Finnish language. His/her residential location should enable him/her to be available on a short notice.

The junior expert is required to have a minimum academic qualification of MSc or MA, and a minimum of two years of working experience after the graduation. The junior expert will be fluent in oral and written English (level 6).

There is no opportunity to claim per diems, rental or residential expenses, or other travel than local public transport fees to the junior expert from the evaluation budget.

10.2 Quality assurance

Two quality assurance experts will be required. These two experts need to be highly experienced, their expertise and experience corresponding the level and qualifications of team leader position. They have provided quality assurance services at least for three (3) processes, and are familiar with the international frameworks of the OECD/DAC and the EU regarding the aid evaluation quality standards and of the evaluation reports.

The quality assurance experts will review all the deliverables and offer advice at each juncture of the evaluation process that includes submission of a deliverables. The reports of the quality assurance experts will also be submitted to EVA-11. At the end of the evaluation process the quality assurance experts will fill in the EU's quality grid for evaluation reports.

11 BUDGET

The total budget of the evaluation including both Component 1 and Component 2 is €600 000 (VAT excluded).

12 MANDATE

The evaluation team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organisations. However, it is not authorised to make any commitments on behalf of the Government of Finland. The evaluation team does not represent the MFA of Finland in any capacity.

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

Helsinki, 2 April 2013

Aira Päivöke
Director
Development Evaluation

ANNEX 2 PEOPLE INTERVIEWED

Name	Organisation	Position
Ismo Kolehmainen	MFA Helsinki	Former Deputy Head, Unit for EU Enlargement and Western Balkans
Anu Rämä	MFA Helsinki	1st Secretary, Unit for EU Enlargement and Western Balkans
Olli Ruohomäki	MFA Helsinki	former Senior Advisor on Conflict, Governance and Fragile States
Outi Isotalo	Embassy of Finland, Belgrade	1st Secretary/Deputy Head of Mission
Martti Eirola	MFA	former Deputy Head, Unit for EU Enlargement and Western Balkans
Svetlana Garić	Embassy of Finland, Belgrade	FLC Officer/Assistant to the Ambassador
Anne Meskanen	Embassy of Finland, Prishtina	Chargée d'Affaires
Vesa Kotilainen	Embassy of Finland, Prishtina	1st Secretary/Development Expert
Jehona Sejdiu	Embassy of Finland, Prishtina	FLC Coordinator
Florim Canolli	Ministry of European Integration, Prishtina	Director, Department of Development Assistance
Jeton Karaqica	Ministry of European Integration, Prishtina	Director, Department for Economic Criteria and Internal Markets
Miranda Krasneci	Ministry of Education, Sport and Technology	Deputy Director, Department of Pre-University Education
Kathrina Ramberg	Embassy of Norway, Prishtina	Deputy Head of Mission
Ilir Deda	KIPRED, Prishtina	Executive Director
Jan-Peter Olters	World Bank, Prishtina	Country Manager
Flora Kelmendi	World Bank, Prishtina	Senior Operations Officer
Halil Ibrahimi	UNDP Kosovo	Project Manager, Conservation of Biodiversity and Sustainable Land Use Management in Dragash
Steliana Nedera	UNDP Kosovo	Deputy Resident Representative
Valbona Bogujevci	UNDP Kosovo	Programme Coordinator, Inclusive Growth Team
Yllka Gëdovci	UNDP Kosovo	Programme Analyst
Ardian Spahiu	UNDP Kosovo	Project Manager, DEED
Teuta Purrini	UNDP Kosovo	Project Manager, Aid for Trade Project
Shkipe Deda-Gjurgiali	UNDP Kosovo	Portfolio Manager, Environment and Energy
Hjortur Sverrisson	OSCE Kosovo	Head of Human Rights Protection
Kanuko Terui	JICA Kosovo	ODA Advisor to the Ministry of European Integration
Ito Ryuichi	JICA Balkan Office	Assistant Resident Representative
Anton Kobakov	EBRD Kosovo	Head of Office
Chris Edwards	USAID Kosovo	Deputy Head of Mission
Aleksandar Nikolovski	FAO Kosovo	Chief Technical Advisor
Naser Krasniqi	FAO Kosovo	National Team Leader
Melvin Asin	EU Office in Kosovo	Deputy Head of Cooperation Section
Gaby Hagmëller	EU Office in Kosovo	Social Development Team Leader
Paul Partner	UNKT	UN Peace and Development Advisor
Ahmet Kryeziu	Save the Children Kosovo	Country Director
Rudina Ademi Shala	Save the Children Kosovo	Manager for Programme Development
Markus Baechler	Swiss Cooperation Office, Kosovo	Director
Maria Melbing	Embassy of Sweden, Prishtina	Head of Development Cooperation
Agim Krasniqi	Ministry of Finance, Kosovo	Director, Budget Department
Jeremie Zeytouin	ECMI, Prishtina	Project Manager
Gazmend Tahiri	Ministry of Education, Sport and Technology	Project National Team Leader, Special Education Unit

Qemajl Marmullkaj	Office of the Prime Minister, Strategic Planning Office	Head of Strategic Planning Office
Vedat Sogojeva	Office of the Prime Minister, Strategic Planning Office	Senior Officer
Ekrehem Gjokaj	Ministry of Agriculture, Forestry and Rural Development	Director, Department of Forestry
Tahir Ahmeti	Ministry of Agriculture, Forestry and Rural Development	Head of Forestry Policy
Afrim Maliqi	Handikos	Executive Director
Arton Osmani	EU Office in Kosovo	Agriculture Project Officer
Sophie Beaumont	EU Office in Kosovo	Social Development Task Manager
Muhamet Arifi	Balkan Sunflowers Kosovo	Executive Director
Angela Lasarte	Balkan Sunflowers Kosovo	Programme Assistant
Fatmir Curri	Kosovo Civil Society Foundation	Executive Director
Faidan Hallaaqi	Kosovo Civil Society Foundation	Programme Coordinator
Igballe Rugova	Kosovo Women's Network	Executive Director
Nicole Farnswork	Kosovo Women's Network	Programme Manager
Igballe Asllani Potera	Resource Centre "Perparimi', Fushe Kosove	Director
Ismet Gashi	Primary School "Mihail Grameno', Fushe Kosove	Head Teacher
Remzije Bogujevci	Model School "Selman Riza', Fushe Kosove	Head Teacher
Sahit Dragusha	Model School "Selman Riza', Fushe Kosove	Deputy Head Teacher
Ardita Metaj-Dika	TACSO Kosovo Office	Resident Advisor
Aferdita Spahiu	UNICEF Kosovo	Programme Manager
Ilir Morina	Ministry of Environment and Spatial Planning	Head, Kosovo Environment Protection Agency
Hazer Dana	Ministry of Environment and Spatial Planning	Director of Sharr National Park
Goran Svilanović	Regional Cooperation Centre, Sarajevo	Secretary-General
Kaltrina Salihu	UNDP Kosovo	Project Coordinator, Conservation of Biodiversity and Sustainable Land Use Management in Dragash
Shahadin Tershnjaku, Vice Mayor of Dragash Tafil Krasniqi, Director of Public Services Ramadan Jashari, Director of Main Family Medical Centre Lindita Kozmaqi-Pirall-Municipal Office for gender Equality Hasan Dashallari, Municipal Officer for Environment Avni Nebiu, Director of Administration Kamber Kamberi, Director of Culture, Youth, and Sport Uzair Hamza, Office for Communities	Dragash Municipal Working Group	Project participants: Conservation of Biodiversity and Sustainable Land Use Management in Dragash

Suad Tosuni, NGO representative Florim Krasniqi, Officer for Urban Planning		
Shasene Maliqi Hebip Osmani Aledin Sylejmani Gezim Selmani Rrustem Haliti Artan Sulejmani Fari Nafezi Xhemli Skenderi	Kuk Village Working Group	Project participants: Conservation of Biodiversity and Sustainable Land Use Management in Dragash
Kuclar Jasminka Kuclar Ajsa Hasan Kuclar Gazmen Tairovci Halim Kuclar Sadik Duseoki Mukadesa Tairovci Ismal Tairovci Adnan Redzeplar	Zlipotok Village Working Group	Project participants: Conservation of Biodiversity and Sustainable Land Use Management in Dragash

ANNEX 3 DOCUMENTS CONSULTED

ACT–LWF Kosovo 2002 *Interim Narrative and Statistical Report to FinnChurch Aid*, 31 January 2001 to 31 January 2002.

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ANNEX 4 EVENTS TIMELINE ANALYSIS

We present here a selective listing of three concurrent elements in the recent history of the Western Balkans: major political/military events (which are presented in the first column), events common to all donors (which are presented in the second column), and a selection of project interventions or initiatives undertaken by Finland (which are presented in the third column).

Major political/military avents	Events common to all donors	Selection of Finnish initiatives
2007		
January – Party for Democratic Prosperity, representing ethnic Albanians, start 4-month boycott of Parliament in Macedonia in protest at slow progress in implementing Ohrid agreement	February – The European Union has suggested the implementation of the power-sharing Ohrid agreement is a prerequisite for Macedonia's potential EU membership, and required to pursue the objectives of equitable representation of the ethnic communities in within the Macedonian public administration and public bodies. Ethnic Albanians make up 25 percent of Macedonia's population	Finland supported decentralisation in Macedonia with a three-year project for Local Governance for Sustainable Human and Economic Development, implemented by UNDP (2003–07). The aim of the project is to make local governance more efficient and to train local officials to offer services efficiently and to elaborate development plans
2008		
February – The Assembly of Kosovo declared Kosovo an independent and sovereign state. The new state pledged complete implementation of the Ahtisaari Plan, inviting the International Civilian Representative (ICR), EULEX and NATO (KFOR) to assume their responsibilities under the Plan. February – Regional Cooperation Council (RCC) is established as a regionally owned successor to the Stability Pact for SEE. July – Serbian authorities announced the arrest of former Bosnian Serb leader Radovan Karadžić. October – Serbia sponsored a draft-resolution at the General Assembly of the United Nations to request an advisory opinion from the ICJ on the legality of Kosovo's Declaration of Independence. The question on which the advisory opinion of the Court was requested was put forth in *Resolution 63/3* adopted by the General Assembly of the United Nations. December – Montenegro submitted its application for EU membership. December – Deployment of EULEX civilian mission in Kosovo under the European Security and Defence Policy (ESDP) with about 1 700 international experts	February – European Council acknowledges Kosovo's Declaration of Independence, underlines EU conviction that Kosovo is a *sui generis* case. 24 EU member states out of 28 have so far recognised Kosovo. As of 26 September 2013, the Republic of Kosovo has received 108 *diplomatic recognitions* as an independent state. March – EU Commission adopts Communication on the Western Balkans. This communication identifies benchmarks for next stage in accession process. July – post-status Donors' Conference for Kosovo was organised in Brussels. Representatives from 37 countries and 16 international organisations met in support of Kosovo's post-status socioeconomic development. Participants pledged a total of €1 236 million. December – after long delays, the EU Rule of Law Mission (EULEX) finally became operational, including, crucially, in the north. Although not all 27 EU states recognised Kosovo, all did support the deployment of EULEX. Several EU states and the US later took the lead in establishing an International Steering Committee to supervise independence, through ICO mission.	Finland supported the work of President Martti Ahtisaari as UN Special Representative during the Kosovo status negotiations, and was active in political dialogue and follow-up of the developments in Kosovo as well as of the international actors and organisations in the country (EU, KFOR, UN, OSCE). Finland recognised Kosovo on 7 March 2008 and upgraded its representation to an embassy on 1 February 2009. Finland has positively responded to the Kosovo priorities presented in the post-status Donors Conference with confirmed pledges for Kosovo in amount of €15 million, of which amount €4,5 million was committed to the World Bank Multi-donor Trust Fund for Sustainable Employment Development Policy. Finland's cooperation is directed in particular to the local level providing support to the implementation of Ahtisaari Plan which forms the foundation for the development plans of the government of Kosovo. The activities of EULEX are led from Brussels' crisis management structures. The Finns working in EULEX are mainly police officers, border control experts and experts of the judiciary, like judges and prosecutors. Finland

		has had a remarkable role in the mission. In 2009 there were more than 80 Finns working in EULEX, but today (2013) Finnish participation stands at 40–50 experts. The promotion of civilian-military cooperation has been an important part of Finland's action in Kosovo. After Kosovo's independence, KFOR troops have supported the establishment of the Kosovo Security Force (KSF). Regional Cooperation Council is supported by Finland with four-year programme support to economic development and EU integration in the region.
2009		
March – ethnic Albanians in southern Serbia boycott state institutions. **A**pril – Croatia and Albania become NATO members. May and August – parallel elections in Kosovo organised by Serbia. June – Kosovo Joins the IMF and World Bank – opening up potential access to credits and loan support for development. September – decentralisation process in Kosovo. The 2008 Law on Administrative Municipal Boundaries creates the framework for establishment of new municipalities accordingly with Ahtisaari Status Settlement. New municipalities are created in: Gracanica, Klokot, Novobrdo (extended), Ranillug (decision made on 15 September 2009), Parteš, and North Mitrovica (decision made in 2010). September – EULEX and Serbia signed a protocol on police cooperation. November- Kosovo Municipal Elections. November – Parallel elections in north of Kosovo – Leposavic, organised by Serbia. December – Citizens of FYR Macedonia, Montenegro and Serbia travel visa free to the Schengen area. December – Sejdić and Finci v. Bosnia and Herzegovina case: Grand Chamber of the European Court of Human Rights rules that constitution of Bosnia and	September – for Belgrade, EULEX is status-neutral, is not to implement Ahtisaari, and is deployed under UN auspices, on the basis of the UN Secretary-General's statement adopted by the UN Security Council on 26 November, including the six-point plan. Thus EULEX's mission is highly delicate, and it is treading very carefully, especially in the north	Finland supported the decentralisation process in Kosovo in the period 2009–13 with: 1. Support to Minority Communities after Decentralisation (ECMI): supported the creation of new municipalities and also the inclusion of ethnic minorities in municipal decision-making. 2. Sustainable Development in Dragash Municipality (UNDP): aimed to protect the diversity of the local nature while supporting economic activities, support employment and prevent migration out of Dragash. Finish long-term interventions in inclusive education contributes to Kosovo key priorities of education and human rights, and respectively builds on institutional capacities in governmental and local level municipalities. Finland has given budget support to World Bank programme for Sustainable Employment Development Policy (2009–12). This support is focused on the component for development of public financial management administration feeding into Kosovo's priority for governance which is a basis for economic development in Kosovo.

Herzegovina is in violation of the ECHR in reserving offices of state only for the country's "constituent" peoples, Bosnjaks, Bosnian Croats and Bosnian Serbs – excluding all those from the remaining 17 ethnic minorities. December – Serbia submits official application for EU membership		
2010		
May – Serb Elections in North Mitrovica, Kosovo. Serbia, which strongly opposes Kosovo's independence, sponsored a draft-resolution at the General Assembly of the United Nations to request an advisory opinion from the ICJ on the legality of Kosovo's Declaration of Independence. October – presidential and parliamentary elections in Bosnia and Herzegovina – Disputed legality of Federation government formed 6 months after elections, and no state government for 14 months leads to high tension between three ethnic communities in B&H, and state paralysis – see 2012. December – visa liberalisation for citizens of B&H and for citizens of Albania, travelling to the Schengen area has been in force. December – parliamentary election in Republic of Kosovo. K-Serbs were divided on Kosovo election day. December – Montenegro granted official candidate status to the EU	July – International Court of Justice (ICJ) issues advisory opinion for Kosovo's Declaration of Independence. The Court concluded that the declaration of independence of Kosovo adopted on 17 February 2008 did not violate general international law and the UN Security Council Resolution 1244 (1999). November – EC recommends that Montenegro be granted candidate status to EU. December – EU decision is taken for some four million Bosnian citizens to be allowed to travel using biometric passports to a total of 28 nations that are either inside Europe's borderless Schengen zone or aspire to join it. December – Belgrade had told Kosovo Serbs that conditions were not right for them to vote in the Pristina-run poll, but a high turnout was reported outside the Kosovo north, including the Serb enclaves of Gračanica and Štrpce	Finnish contingent in Kosovo military crisis management force KFOR discontinued – leaving 20 military personnel only in KFOR. CIMIC activities during 2009 and 2010 have supported equal development of Serbian and Albanian villages and peaceful co-existence
2011		
May – Serbia arrest former commander of Bosnian Serb forces, Ratko Mladić, wanted by the International Criminal Tribunal for former Yugoslavia (ICTY). July – tensions in Northern Kosovo Border. The government of Kosovo sends some of its special police to take control of the two border crossings in the north of the country (gates 1 and 31) to implement trade reciprocity measures. These measures were introduced after Serbia rejected to accept Kosovo custom stamps to enable trade with Kosovo. One police officer was killed by Serbs in the operation. August – state of emergency in north Kosovo. Serbian population	May – following the arrest of Ratko Mladić, EU formally grant Serbia candidate status. EU High Representative for Foreign Affairs and Security Policy, Lady Catherine Ashton, flew to Belgrade to discuss the conditions for Serbia's EU accession, including the Brussels facilitated Belgrade-Prishtina dialogue. July – NATO took control of the two border posts seized by Kosovo. July – the UN Security Council held an urgent meeting on tensions in northern Kosovo following a Russian-backed Serbian request following an outbreak of violence along the Kosovo-Serbia border. The KFOR commander	**2011–12** Finland supports the International Civilian Office that oversees the implementation of Ahtisaari Plan, have contributed to building peace and security in Kosovo

close shops and burn one of the two border points with arson attack on KFOR personnel. Serbia calls for an urgent session of the UN Security Council to discuss the situation in Kosovo. September – Kosovo and Serbia reach an agreement on Kosovo's custom stamps. The two sides have also agreed to start collecting customs duties and to set up a fund for the development of northern Kosovo.	met with leaders in northern Kosovo on 27 and 28 July in an attempt to ease tensions. On August 15, All roadblocks that were erected close to the two checkpoints have been dismantled. August – UN Security Council members call for restraint and urge the resumption of dialogue between Belgrade and Pristina. August – German Chancellor, Angela Merkel visits Belgrade. She persuades Serbia to resume the dialogue with Kosovo and to implement the reached agreements to allow EULEX to operate throughout Kosovo, and to disband parallel structures and not create new ones in northern Kosovo. Also, Chancellor Merkel explicitly told Serbian President, Boris Tadic to rule out partition of the north. Belgrade understood that unless it complies with Berlin's conditions, which had the backing of London and Washington, Serbia would not only be prevented from advancing towards the EU, but it would also worsen its important bilateral economic and political relations with Germany	
2012		
Sarajevo Declaration process. A framework programme was annexed to the Joint Declaration as a first step towards the establishment of a regional housing programme (RHP). This aims at ensuring voluntary return and reintegration, or local integration of refugees and displaced persons in the region. March – Serbia granted official candidate status to the EU. May – constitutional crisis in Bosnia and Hercegovina. After the October 2010 elections, the parties failed to form a Federation government for five months and a state government for 14 months. Republika Srpska threatens referendum on further cooperation with the state. Bosnian Croats had established an illegal Croat National Assembly in parallel to state and entity structures. Spring – interethnic tensions in FYR Macedonia. There were a number of incidents and killings in the country, which led to heightened tension between ethnic communities and public pro-	April – Sarajevo Donor Conference for funding of the RHP which is part of Sarajevo Declaration process. Regional cooperation is a key element of EU's SAP for the Western Balkans. On this occasion, the international community pledged €261 million in support of the RHP, of which €230 million were pledged by the Commission and €31 million by other donors. June – the EU made a renewed call for Bosnia and Herzegovina to make the constitutional changes required the ECtHR ruling on the Finci–Sejdic case. It also calls for essential changes to address public procurement and environmental protection By, January 2013 the targets had not been met and the previously agreed to census was postponed from April to October. May – ICO facilitated Kosovo government open an administrative office in North Mitrovica with conclusion that only Kosovo government could integrate north Serbian minorities. September – in following Serbian's	Finland contributes to the Western Balkan Investment Framework, 2010–13 which includes finance from IFIs, EU IPA, and bilateral donors to infrastructure projects in the region and all countries.

tests. Macedonia has failed to realise specific benchmarks set out in the Ohrid Framework Agreement (OFA). Gruevski sought to build a strong state identity based on Macedonia's ancient history, from which ethnic Albanians feel excluded. May – the Kosovo government opened an administrative office in northern Mitrovica, in attempt to reach local Serbs by offering funds and services through the office. May – parliamentary elections in Serbia. June – EU–B&H high level dialogue to facilitate the preparations for submitting EU application. June – Montenegro starts accession negotiations with EU. July – the adoption of the Kosovo law on budget allowing for the establishment of a development fund for the north, which is to be financed by levies to be collected at the two crossing points in north (gate 1 and gate 31). September – Kosovo declared ending of supervision by the ICO in Kosovo. October – Kosovo's candidacy for EU membership was given a perspective, following the European Commission's Feasibility Study. December – Kosovo and Serbia reach an agreement on the Integrated Border Management (IBM). December – Kosovo Membership to EBRD	parliamentary elections, the EU developed a concept to revive the Kosovo-Serbia discussions. With strong US support, Ashton invited senior Kosovo and Serbian leaders to talk. Serbia rejected the initial offer, which reportedly included accords drafted by Brussels for the parties to adopt. September – the ICO and international supervision ended, leaving the Pristina government with full responsibility for the young country. The early years of Kosovo's independence were supervised by International Civilian Office (ICO) created by the Ahtisaari Plan. October – EU Commission recommended that Albania be granted candidate status subject to the completion of key measures in the areas of judicial and public administration reform and revision of parliament's rules of procedure. (Albania presented its application for becoming a member of the EU in April 2009). October – feasibility Study on the Stabilisation and Association Agreement between the *EU* and Kosovo, through which Kosovo's candidacy for EU membership was given a perspective. October – high level dialogue between Kosovo and Serbia facilitated by EU/HRVP Ashton, resulting to Kosovo and Serbia reach an agreement on the IBM is reached in December 2012. December – EBRD is committed to working with international partners to support Kosovo's economy, facilitate transition and contribute to regional stability	
2013		
February – Kosovo became a participant in the RCC. The agreements reached in the context of the Belgrade/Pristina dialogue have boosted regional cooperation. April – first agreement of principles governing the normalisation of relations between Serbia and Kosovo. This agreement includes: the establishment of an Association/Community of Serb municipalities in Kosovo; the principle of a single police force in Kosovo and the integration of all police in northern Kosovo into the Kosovo	February – the RCC decided to amend its statute to allow Kosovo to become a participant in its own right. The formula for Kosovo's participation in the RCC is a good basis for Kosovo to increase and extend its participation in other regional fora. April – the High Representative of the European Union Catherine Ashton facilitates dialogue between Serbia and Kosovo, reaching an agreement of principles governing the normalisation of relations between Serbia and Kosovo.	

police service; the principle of integration and functioning of all judicial authorities within Kosovo's legal framework; and municipal elections to be held in the northern municipalities in November 2013. April – Serbia's President, Tomislav Nikolić, has apologised for all "crimes" committed by Serbs during the break-up of Yugoslavia including Srebrenica. But he refused to call the killing of thousands of Bosnian Muslims an act of genocide, as recognised by UN war crimes prosecutors. Bosnian Muslim leader Bakir Izetbegovic and Mothers of Srebrenica association urged Mr Nikolic to acknowledge Srebrenica as an act of genocide. May – the government of B&H has started the process of creating a state-level Transitional Justice Strategy, aiming to form a sustainable platform for establishing facts about the past, providing redress for injustice and war related trauma, protecting individual and collective memory, reforming and regaining trust in institutions. All together the goal is to develop a "never again" mentality and conflict prevention. July – Croatia EU Membership. July – Kosovo Assembly passed controversial amnesty law. October – reduction of EU IPA funds has been launched to Bosnia and Hercegovina. November/December – first nationwide municipal elections held under Kosovo authority in which all majority Serb municipalities participate.	June – following the April agreement between Serbia and Kosovo, the European Council approved Serbia to start accession negotiations (by end January 2014), and Kosovo to start negotiations for signing a Stabilisation and Association Agreement (by late autumn 2013). August – the High Representative of the European Union Catherine Ashton, met Serbian Prime Minister Dacic and Kosovo Prime Minister Thaqi, to discuss the number of the issues on the implementation of the April Agreement, in particular the way forward on the municipal elections scheduled for 3rd November. Discussions continued in October. July – Croatia has become the 28th country to join the EU. The other Balkan countries have been told they can join the EU one day, if they meet the criteria. These include democracy, the rule of law, a market economy and adherence to the EU's goals of political and economic union. July – under strong US and EU pressure Kosovo Assembly passed controversial amnesty law, needed to allow northern Serbs to participate in Kosovo political life without fear of prosecution for political crimes. October – the EU has continuously warned that if Sejdić-Finci issue is not resolved, it will block the country's path to the EU. As this contentious question is not yet solved, a procedure for reducing EU IPA funds by 54%, i.e. €47 million, has been launched recently to Bosnia and Hercegovina, as a penalty. Harmonisation with the Sejdić-Finci ruling is a crucial element for decision of EU Council on activation of the Stabilisation and Association Agreement with B&H.	
2014		
January – Serbia enters into formal accession negotiations with the EU. February – week-long violent protest in 32 towns in Bosnia and Herzegovina in both entities, against government, expressing a range of economic grievances.	EU holds its first Intergovernmental Conference with Serbia. There are immediate calls from international analysts for the international community and the EU in particular to drop the SAP as a means of supporting reform in favour of a tailored approach that avoids the current structuring of the country according to ethnic divisions.	

ANNEX 5 WORLDWIDE GOVERNANCE INDICATORS FOR WESTERN BALKAN COUNTRIES 2008 AND 2012

Table 10 Governance indicators for Western Balkan countries 2012.

	Albania	B&H	Croatia	Kosovo	Macedonia	Montenegro	Serbia
Rule of law	–0.57	–0.23	0.21	–0.56	–0.24	–0.01	–0.39
Regulatory quality	–0.17	–0.06	0.44	–0.04	–0.35	0.01	–0.08
Political stability	–0.16	–0.54	0.58	–1.15	–0.44	0.56	–0.22
Government effectiveness	–0.28	–0.47	0.7	–0.39	–0.07	0.13	–0.11
Control of corruption	–0.72	–0.3	0.04	–0.62	–0.02	0.10	–0.31
Voice and accountability	–0.01	–0.14	–0.48	–0.22	0	0.23	–0.17

Source: http://info.worldbank.org/governance/wgi/index.aspx#home.

NB Governance scores in the range – 2.5 to + 2.5.

Table 11 Governance indicators for Western Balkan countries 2008.

	Albania	B&H	Croatia	Kosovo	Macedonia	Montenegro	Serbia
Rule of law	– 0.64	– 0.4	0.08	– 0.6	– 0.37	– 0.07	– 0.53
Regulatory quality	0.15	– 0.16	0.49	– 0.01	0.22	– 0.12	– 0.29
Political stability	0.03	– 0.51	0.55	1.04	– 0.3	0.79	– 0.56
Government effectiveness	– 0.35	– 0.59	0.57	– 0.5	– 0.02	– 0.02	– 0.19
Control of corruption	– 0.55	– 0.36	– 0.04	– 0.59	– 0.17	– 0.19	– 0.3
Voice and accountability	0.16	– 0.03	0.43	– 0.32	0.18	0.25	0.25

Source: http://info.worldbank.org/governance/wgi/index.aspx#home.

NB Governance scores in the range – 2.5 to + 2.5.

ANNEX 6 FINLAND'S INTERVENTIONS ADDRESSING SECURITY AND JUSTICE PRIORITIES AND THEIR RESULTS

Table 12 Finnish interventions addressing security and justice priorities in Kosovo.

Intervention/results	How issue addressed
Stability and security	
CIMIC small projects €800 000/2 years	Assistance to small businesses run by members of different ethnic communities, men and women, and small infrastructure projects decided by community members in inclusive approach with the municipality. To ease ethnic tensions in the community. Scope: community and selected community members.
The project successfully targeted ethnic minorities and was reported to have advanced peace and security by increasing cooperation and interaction between ethnic groups and also including minorities in decision-making processes in their municipalities.	
Promotion of women's security (joint UNKT) €800 000/3 years	Preventing domestic violence against women through awareness raising and capacity building of police and local service providers, and policy dialogue at the municipal level between authorities and civil society for implementing existing laws. Scope: 3 municipalities – but project results to be used for scaling up to whole country.
No results reported	
KPC relocation (UNDP) €500 000 of €13 million NATO Trust Fund/3 years	Economic reintegration of KPC members into civilian society by means of temporary income support and training and seed grants for employment and business start-ups. Scope: 1 500 individuals.
Almost 100% participation by approx. 1 500 KPC members. High participant satisfaction with reintegration. Higher than typical job placement and income outcomes, and viability of new businesses than in traditional ALMPs (Assisted Labour Market Projects).	
Appointees project (IMG) €66 880 of €2,45 million pooled fund/2 years	Continued oversight and administrative support of international appointees, consultants, and their associated support staff in the Constitutional Court, Kosovo Privatisation Agency, and the Office of the Auditor Genera.
No results reported. Ongoing strengthening of national governance assumed	
Social sustainability	
Support to minority communities after the decentralisation process pts. & II	Support to political decentralisation, with overall aim of stabilising multi-ethnic relations in Serb-majority municipalities. Scope: 5 municipalities + North Mitrovica.
Monitoring reports suggest the project has contributed to successful establishment of five new/extended municipalities, particularly with regard to inclusion of all minorities in municipal decision-making and interethnic relations. In North Mitrovica, the political process has stalled, but the project has the raised engagement of communities in dialogue regarding decentralisation.	

Table 13 Finnish interventions addressing security and justice priorities in the Western Balkans region.

Intervention/results	How issue addressed
Stability and security	
Environment and security in the Western Balkans Research Project (University of Helsinki) €101 000/2 years	Set of policy-oriented research papers developed focusing on how to mitigate security risks arising out of environmental threats. Scope: regional
Set of policy suggestions for shifting away from environmental strategy development more towards implementation, emphasising the need to allocate sufficient resources to enable this at the local level. Capacity development of CSOs should be encouraged, particularly with regard to engaging both local authorities and the private sector in environmental protection. Specifically, FLC should support CSO organisational sustainability and environmental projects which support development objectives in other sectors. There is no indication how the research and its specific results have been used.	
Environment and security Initiative (ENVSEC – UNEP, UNDP, UNECE, OSCE, REC) €2,5 of €3 million/4 years	Transboundary cooperation to clear up environmental pollution hot spots, coordinate natural resource management and establish cross-border governance systems. Scope: regional
Reduction of specific transboundary risks from hazardous activities and "hotpots", including transboundary and regional cooperation to this end; the establishment of mechanisms for transboundary environmental protection; local level transboundary natural resource management established.	
Social sustainability	
Human Rights Trust Fund €200 000 of €9,1 million/2 years	To assist states meet their commitments under the ECtHR – capacity building of judicial and other human rights mechanisms
No information on results. Human Rights Task Force indicates three projects in which Western Balkan countries, with other Council of Europe members, have been involved regarding: establishing effective norms and procedures for a better enforcement of National Court decisions on human rights; training of magistrates and lawyers in Convention law and; commissioning translations of key case-law of the ECtHR into local languages.	

ANNEX 7 ALIGNMENT OF FINLAND'S INTERVENTIONS IN KOSOVO WITH NATIONAL POLICIES, STRATEGIES AND LAWS

Table 14 Alignment of Finnish interventions in Kosovo with national policies, strategies and laws.

Intervention aligned with …	… Policy/strategy/law
Aid for trade	National Trade Policy (2008)
SEDPP	Multi-year policy framework to strengthen fiscal management and create the foundations for generating sustainable employment
Supporting minority communities during and after the decentralisation process	Decentralisation (Comprehensive Proposal for the Kosovo Status Settlement, MTEF)
Diaspora engagement in economic development	National Strategy and Action Plan on Migration (2009) Law on Diaspora (2010)
Sustainable development in Dragash municipality	MAFRD – all agricultural and forest policy
Support to forest sector	Policy and Strategy Paper on Forestry Sector Development 2010 – Action Plan for Implementing Forestry Policies and Strategies Decentralisation (administrative – Ahtisaari Plan, MTEF)
Support to KPC resettlement	Comprehensive Proposal for the Kosovo Status Settlement and MTEF
Support to inclusive education	Kosovo Education Strategic Plan 2011–16 including Strategy Plan for Organising Inclusive Education for Children with Special Education Needs in Pre-University in Kosovo 2010–15
Promotion of women's security	Law on Protection against Domestic Violence (2010) National Action Plan and Strategy against Domestic Violence 2010–13

ANNEX 8 SCHEDULE OF INTERVENTIONS FUNDED BY FINLAND'S DEVELOPMENT POLICY FRAMEWORK PROGRAMME 2009–13

Table 15 Schedule of interventions funded by Finland's Development Policy Framework Programme 2009–13.

Country/ region	Project	Thematic priorities	Objectives/ project theme	Other Finnish policy priorities/objectives	pre-2009	2009	2010	2011	2012	2013	Total Finnish investment
Kosovo	Women's Safety and Security Initiative	Stability and Security	Trafficking – CSO policy dialogue	Social sustainability (human rights)	2007						
	Support to KPC Resettlement		Civilian employment and livelihoods		2008						€500 000
	CIMIC small projects		Small business support; small infrastructure								€800 000
	Promotion of Women's Security		Implementing strategy against domestic violence at local level	Sociality sustainability (governance, human rights)							€800 000
	Support to ICO		International civilian oversight of independence								€76 000
	Sustainable Employment Development Policy Project	Aid for Trade (Economic Development)	Reform of employment and welfare policy, PFM reform								€4.5m
	Aid for Trade and Sustainable Development		Pro-poor trade policies and developing delivery mechanisms. Capacity building of local actors								936 416 (€1.3 m 2012–14)
	Diaspora engagement in econ. development		Incentivising remittance receivers to save and invest and diaspora to remit via banks								€1.1 m
	Training of agricultural advisors		Developing extension service. Value chain development	Education – social sustainability							€353 000
	Sustainable Development in Dragash Municipality	Environment	Sustainable economic development; Natural resource management	Governance		Prep. study					€750 000 + €3 m
	Support to Forest Sector		Implementation of forestry policy and strategy; sustainable forest management and practice	Economic development; decentralisation							€3 m
	Support to Education Sector	Social sustainability	Developing structure for inclusive education in Kosovo – national, municipal	Decentralisation	2008	→	→				€371 000
	Support to Inclusive Education		Capacity building of national and local education institutions; teacher training	Decentralisation							€529 000
	Support to Minority Communities after Decentralisation Projects I & II		Strengthening decentralisation process, interethnic cooperation, minority participation	Governance; economic development	2008	Pt I		Pt II			€429 000 + €370 000
	Development of Youth Activities		Voluntarism through local Red Cross/Crescent – HIV/AIDS								€207 000
	Appointees Project		Support to international experts after the end of supervised independence								€66 880

Country/ region	Project	Thematic priorities	Objectives/ project theme	Other Finnish policy priorities/objectives	pre-2009	2009	2010	2011	2012	2013	Total Finnish investment
Kosovo & Serbia	Support for repatriation in the Balkans	**Aid for Trade (Economic Development)**	Stimulating local economic production	Stability and security social sustainability	2008						€1.2 m (inc. 2008)
Kosovo & MK	Skills training programme		Improving quality of skills training in VET schools	Social sustainability – education							€400 000
Albania	Support to UN ONE	**?**	Support to UN system	All							€300 000
B&H	Support to Disability Policy Development	**Social Sustainability**	Develop comprehensive disability policy and mainstream in national policies		2006						€183 000
Serbia	Support to Forestry		Policy framework for forestry reform and sustainable development		2006						€85 000
Regional	Support to RCC	**Stability and Security**	Economic, political, security cooperation in region promoting EU integration process	Regional economic development	2008						€250 000 (inc. 2008)
	Security and Development Research Cooperation		To mitigate regional security risks from environmental threats	Environment economic development							€101 000
	Environment and Security ENVSEC		To reduce environment and security risks and increase cooperation around these issues	Environment sustainable development							€2.5m
	EBRD Western Balkans Fund	**Aid for Trade (Economic Development)**	Development of investments and private sector		2006						
	Western Balkans Investment Framework		Development of investments and private sector								€1m. (2009–13)
	Forestry Teaching in SEE (FOPER II)	**Environment**	Develop forestry policy and build capacity of forestry teaching institutes	Economic development	FOPER I 2004						€2.96 m
	Education for Sustainable Development		Improved practices in schools and communities for sustainable development	Social sustainability; education; decentralisation							€4.31 m
	Sustainable Dev. in Protected Border Areas		Transboundary coop. on natural resource management/protection for sustainable dev.								€1.64 m
	Biodiversity and Eco-systems services		Planning for sustainable development and conservation	Decentralisation/ municipal cap. building							€1.36 m
	Local Biodiversity Action Planning for Sustainable Development		Planning for sustainable development and conservation	Decentralisation/. municipal capacity building							€855 150
	UN Habitat Regional Capacity Strengthening Programme	**Social sustainability**	Developing housing policies, finding solutions to illegal settlements		2007						
	Human Rights Trust Fund		Assist states meet commitments under ECHR (and ECtHR rulings)								€200 000
	Roma Education Fund		Support Roma inclusion in education								€100 000

Country/ region	Project	Thematic priorities	Objectives/ project theme	Other Finnish policy priorities/objectives	pre-2009	2009	2010	2011	2012	2013	Total Finnish investment
Kosovo	Embassy in Prishtina	**Local Cooperation Funds**	Services to excluded, human rights, decentralisation, environment-PwDs, ethnic minorities, Roma, women, GLBTs								€1.5m
Serbia	Embassy in Belgrade		Environment, governance/democracy, incl. education, child rights – children with. disabilities, Roma, youth, women								€950 000
B&H	Roving ambassador		Small CSO projects. human rights								€299 000 (2002–11)
Croatia	Embassy in Zagreb		Strengthen civil society. Women's rights, rule of law, minority rights, democracy, environment, dealing with past								€450 000
Macedonia	Roving ambassador		Strengthen civil society and independent media.								€165 000 (2008–11)
Montenegro			One NGO: Women and children of victims of violence								€110 000 (2008–11)

ANNEX 9 INTERVENTION LOGIC APPLIED TO MFA INTERVENTIONS

Context analysis and overall objectives

Finland's Western Balkans Development Policy Framework Programme 2009–13 (hereafter the Programme) is designed to address the continuing political instability in the region and low levels of economic development in all its countries in relation to other parts of Europe. All countries are assessed as being internally fragile, subject to incomplete processes of socio-political and economic reform and characterised by weak state structures and institutions, and low levels of governance. Kosovo is identified as the most unstable and fragile state in the region, owing to its disputed legal status, weak institutional capacity and governance, acute interethnic tensions, high levels of social exclusion, and the worst overall poverty rates in the region.

The Programme is based upon an understanding of the context that clearly links security and stability with social and economic development, including governance, or "social sustainability', conceiving the relationship as reflexive. This is made explicit in many places in Finland's Government Development Policy Programme of 2007(see particularly p.15), upon which the Western Balkans Policy Framework is based. "Social stability is a precondition for all development', while "[s]ustainable development depends upon stability and security'. In line with the Policy Programme of 2007 the Western Balkans Policy Framework "aims at eradicating poverty and promoting economically, socially, and ecologically sustainable development', while concentrating on "crisis resolution and stabilising conditions'. Expected outcomes of the Programme are not articulated in the document, but our interpretation of the impact Finland aims to contribute to through its Western Balkans Policy Framework can be expressed in three objectives defining mutually dependent advances in stability and security, and economic development:

1 Regional stability established, with all states progressing towards eventual EU membership and the integration of states increased through the agency of regional institutions for economic, political and social cooperation;
2 Sustainable development of the whole region, with progress towards poverty reduction;
3 State fragility reduced, including in particular the stabilisation of Kosovo, entailing internal social and political integration, strengthened state institutions and functioning public administrations.

Founding assumptions

The Programme is built upon four founding assumptions which express beliefs about how the overall objectives can be achieved:

1 The EU's SAP is the main driver of change towards regional stability and economic development in the Western Balkans. The "carrot" of eventual membership, bringing structural support and the benefits of market integration (as well as the recent example of Croatia's accession to the EU), is a powerful incentive for the region's states to embrace the political, social and institutional reforms demanded by the SAP. All states have demonstrated the political will to reform by signing up to the SAP and by bringing development policy and strategy in line with the SAP's demands. The Programme, therefore, is itself aligned with and complementary to the SAP.
2 Establishing long-term stability and economic development in Kosovo will impact positively on the stability of the whole region. The assumption would appear to be that the state's inability to integrate its ethnic communities within a single institutional and political system, allied to the continued disputes over its legitimacy as a state encourage divisive or isolationist political and social forces throughout the region, as well as threatening, however unlikely an event, a renewal of violent conflict within its own borders and possibly with Serbia. The Programme accordingly focuses on Kosovo, particularly within the area of stability and security.
3 Regional stability cannot be achieved, or at least Finland's contribution to achieving this end will not be effective, through support to Kosovo alone. Accordingly, the Programme also includes a variety of interventions of a regional scope that either concern cross-border/interstate cooperation, or take place within a number of countries through the agency of regional institutions.
4 The Environment is an accessible area in which to advance regional stability, as many of the region's environmental challenges are experienced by more than one country and demand cooperation at community and institutional levels in areas such as, natural resource management and ecological protection. In that environmental resources are also economic resources, it is assumed that cooperation in this sector can also contribute to economic growth and poverty reduction.

Planned programme portfolio

The Programme's portfolio of planned actions is divided between four interlinked thematic areas:

- *Stability and Security* includes support to regional institutions working in development and research co-operation, and small project support in Kosovo (mainly infrastructure) provided by CIMIC (Finnish KFOR troops) at the community level;
- *Aid for Trade* embraces a variety of initiatives whose ultimate aim is to boost productive capacities across the region, either through facilitating direct investment, or providing support to economic development projects in Kosovo;
- *Environment* consists of mainly regional projects to build institutional capacity (particularly education) and assist cross-border community-level ecological protection and sustainable development;
- *Social Sustainability*, which includes a range of areas necessary for the achievement of internal stability and security, as well as economic development, such as good governance, the rule of law, democracy, civil society, equality, human rights and minority rights, and combating corruption, is focused on institutional reform (education and local government) in Kosovo. In addition, support to civil society is provided on a country basis across the region by the Fund for Local Cooperation.

The planned interventions are diverse and wide in scope, but focus is to be given by clear sectoral foci: the environment, education, economic development and local government. This sectoral focus is intended as a starting point for the portfolio design, based upon making use of Finland's own historical experience and specific expertise, particularly in specific areas which other donors are less ready to fund. The rationale here is that not only can Finland make a visible difference, or provide "added value" using this approach, but also that the application of specialist expertise to carefully selected, delimited projects is the best way to achieve results. Effectiveness is also to be achieved by creating continuity with Finland's past assistance to the region, building upon already achieved results and ongoing processes by means of project extensions or the identification of complementary new initiatives.

Getting to results

The dividing of Programme activities neatly between four thematic areas belies the intention to achieve change in areas that cut across the boundaries of each theme. The planned activities are intended to achieve a more limited set of outcomes, to which in most cases more than one intervention or project contribute. The expected immediate outcomes, or changes, of the Programme in their respective sectors can be summarised as follows:

- Cross-border linkages and regional cooperation established;
- Capacities for natural resource management, policy, and sustainable development enhanced;
- An enabling environment for business, production, and employment established – includes policy, infrastructure, investment, education and skills development (both in the region and Kosovo);
- Capacities for local environmentally sustainable economic activity (production and services) enhanced (Kosovo);
- Increased capacity of the state to provide inclusive education/education for special needs (Kosovo);
- Public financial management reformed and strengthened in Kosovo;
- Strengthened capacities of (newly instituted) decentralised municipalities in Kosovo;
- Civil society (NGOs) strengthened throughout the region.

In addition to the principles and assumptions already identified, it is assumed that these outcomes will only come about if funded projects are owned by the partner countries; that is, if stakeholders at all levels, particularly direct participants, are involved in identifying actions and support project objectives and processes. Regarding Kosovo, whose independence Finland explicitly supports but has not been recognised by Kosovo Serbs and neighbouring Serbia, the Programme assumes that Kosovo's minority communities, in particular the Kosovo Serbs, will support and participate in institutional capacity building projects to be funded by Finland.

Achievement of the Programme's immediate outcomes is also premised on the understanding that the portfolio comprises a coherent whole, whose individual components are relevant to Kosovo and the region and are connected thematically and institutionally to broader development processes. In Kosovo in particular, many of the Programme activities are directed at the local level, or a particular institution, and there is a potential risk of these activities becoming disconnected from the broader institutional context.

The logic of the Programme suggests that the immediate outcomes will contribute significantly to three interdependent areas of higher order change that are expected to emerge in time, near or after the Programme's end. We identify these as:

1 Confidence and trust in the region between states and their communities strengthened;
2 Increased economic activity with concomitant employment generation (especially in Kosovo);
3 National and local governance in Kosovo strengthened, including more responsive government, improved service provision, accountability, participation by citizens in the decision-making process, and the establishment of the rule of law (and reduction of corruption).

These outcomes are considerably broader than what can be achieved directly through Finnish-funded projects and other interventions to which Finland is a contributor. It is assumed that the Programme's immediate outcomes will contribute to a full range of other development activities at local, national and regional levels, supported by the EU, IFIs, the UN and other bilateral donors. It is also assumed that the international community will maintain an appropriate level of funding to the region as a whole, and also that other countries other than Kosovo (most notably, Albania, Bosnia and Herzegovina, and Macedonia) continue to receive dedicated support for their own internal stability and economic development). The logic of the Programme also suggests that the outcomes of Finland's interventions in the Environment, along with other actions in this area, will contribute to both economic growth and regional stability.

Testing the theory of change in the field

Consultations in the field with a wide range of stakeholders, including MFA representatives, project implementing partners, project participants and institutional stakeholders, representatives of other donors and development agencies, as well as local (national) independent think tanks and CSOs, will be used to complement and cross-check results achieved from a preliminary desk study addressing the main evaluation questions. Reasonable probability will be arrived at via a process of deduction from the mass of qualitative data gathered from these field consultations.

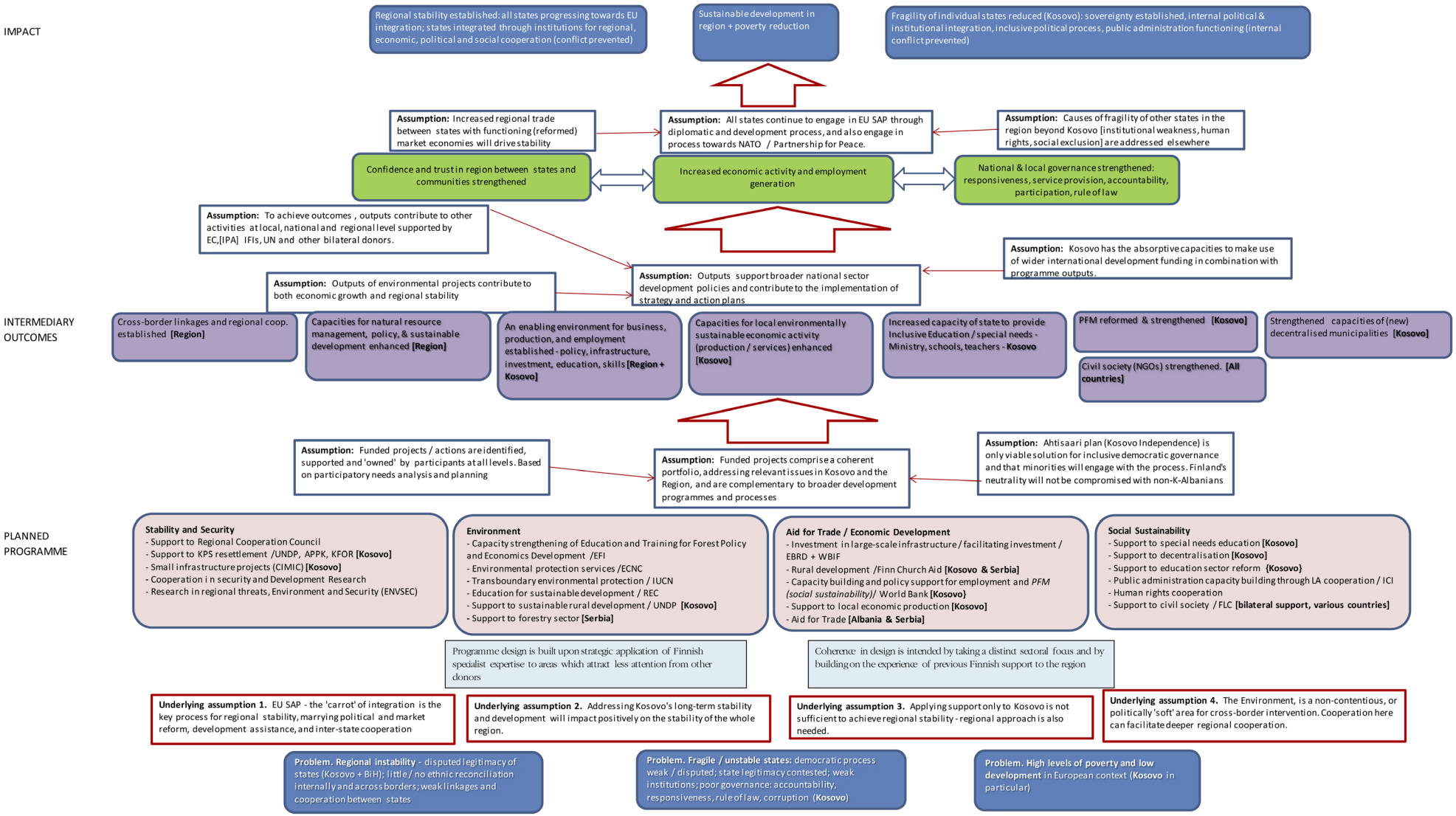
The underlying assumptions governing the overall relevance and logical underpinning the Programme will be tested by gathering opinion and analysis on the drivers of peace and security in the region, the importance of a stable and developing Kosovo to the whole region, and the presumed advantages of environmental intervention towards facilitating cross-border cooperation. With reference to documented political and socioeconomic events and ongoing processes in Kosovo and the region, consultations will seek to gain a wide range of assessments of the progress made towards longer-term outcomes and impact regarding regional stability and peace and development in Kosovo. Consultations will then seek to assess the links between the underlying assumptions and emerging outcomes and impact.

Assumptions relating to the more specific relevance and coherence of the Programme; that is, those that are linked directly to the intermediate outcomes expected to arise from the Programme, will be tested in consultation by a process of qualitative enquiry that:

1 Establishes the extent to which expected outcomes have been achieved, drawing on any available recorded data which may validate the testimony of those consulted;
2 Gathering opinion and any verifiable data as to how these outcomes have been achieved, and;
3 Assessing the contribution – the link to and the influence of – MFA contributions to the identified outcomes and the processes underlying them. A key question here regarding individual interventions and their contribution to immediate outcomes will be "what would have happened if MFA had not intervened?'

The hypothetical nature of this final stage of enquiry will enable field consultations to also test lines of enquiry, or possible alternative outcomes, developed from the initial desk study of the Programme.

Figure 3 Western Balkans intervention logic (2009–13).



Source: elaborated by Itad.

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