

# Evaluation

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

### A Case Study on Complementarity in the Institutional Co-operation Instrument



**Evaluation report 2014:1**

**MINISTRY FOR FOREIGN AFFAIRS OF FINLAND**

REPORT 2014:1	Complementarity in Finland's Development Policy and Co-operation A Case Study on Complementarity in the Institutional Co-operation Instrument ISBN: 978-952-281-209-4 (printed), ISBN: 978-952-281-208-7 (pdf), ISSN: 1235-7618
REPORT 2013:3	Complementarity in Finland's Development Policy and Co-operation A Case Study on Complementarity in the NGO Instruments ISBN: 978-952-281-207-0 (printed), ISBN: 978-952-281-206-3 (pdf), ISSN: 1235-7618
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Lucien Bäck  
Mette Visti  
Ziad Moussa

## Evaluation report 2014:1

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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

The report does not necessarily reflect the views of  
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This report can be accessed at <http://formin.finland.fi/developmentpolicy/evaluations>  
Hard copies can be requested from [EVA-11@formin.fi](mailto:EVA-11@formin.fi)

or

Development Evaluation (EVA-11)  
The Ministry for Foreign Affairs of Finland  
P.O. Box 451  
00023 GOVERNMENT  
Finland

ISBN 978-952-281-209-4 (print)

ISBN 978-952-281-208-7 (pdf)

ISSN 1235-7618

Cover photo: Matti Nummelin

Cover design: Anni Palotie

Layout: Taittopalvelu Yliveto Oy

Printing house: Kopijyvä Oy

Anyone reproducing the content or part of the content of the report should acknowledge the source. Proposed reference: Bäck L, Visti M & Moussa Z 2014 *Complementarity in Finland's development policy and co-operation: A Case Study on Complementarity in the Institutional Co-operation Instrument (IKI)*. Evaluation report 2014:1. Ministry for Foreign Affairs of Finland, Kopijyvä Oy, Jyväskylä, 138 p. ISBN 978-952-281-209-4 (print).

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## PREFACE

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

Besides assessing the extent to which the Institutional Co-operation instrument was complementary with the rest of the instruments in Finnish development co-operation, the instrument was evaluated for the first time since its creation in 2008. This evaluation involved, among the other activities, two stakeholder surveys and field project visits in 9 countries (Barbados, Ecuador, Ethiopia, Jamaica, Kenya, Lao PDR, Namibia, Peru and Trinidad & Tobago). A total number of 21 projects were visited.

According to this evaluation, the IKI instrument was successful in fulfilling its basic mandate of colleague-to-colleague co-operation between specialists in Finland and in partner countries. However, the results and effects at organisational and institutional levels were not well documented due to shortcomings in design, reporting, monitoring and evaluation.

The evaluation reminded that some realism is needed in regard to what impact can be expected from such a small interventions and after the short time-span of the instrument's existence. The evaluation emphasises the importance of improved project design, reporting and follow-up structures as well as better integration with Finland's country programmes.

Helsinki, 10.2.2014

Jyrki Pulkkinen  
Director  
Development Evaluation



## ACKNOWLEDGEMENTS

Research for this evaluation was conducted between January and December 2013 by a team of independent consultants contracted by Particip GmbH, which is based in Freiburg, Germany. The team was composed of: Lucien Bäck, team leader and member of the Policy and Practice and Institutional Co-operation Instrument (IKI) sub-teams; Ann Bartholomew, Policy and Practice sub-team; Gunnar Olesen and Yoseph Endeshaw, Non-Governmental Organisations (NGOs) sub-team; Mette Visti and Ziad Moussa, IKI sub-team. Sincere thanks are due to all members of the evaluation team for their considerable efforts to complete this challenging evaluation.

The team was supported by several Particip staff members and external experts. Regina Husáková (Evaluation Consultant) assumed the responsibility of overall evaluation management and co-ordination, with the support of Sarah Seus (Evaluation Consultant) and Meike Pollakowski (Evaluation Assistant). They all worked under the supervision of Georg Ladj (Head of the Evaluation Unit), who also provided Quality Assurance for this evaluation, together with external expert James Mackie (European Centre for Development Policy Management). In Finland, the team was supported by Anna Pursiainen (Junior Assistant). Language editing of all reports was ensured by David Clare (Editing Consultant, London).

Particip GmbH and the team wish to extend their special thanks notably 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): Aira Päivöke (Director), Kristiina Kuvaja-Xanthopoulos (Counsellor), Riikka Miettinen (Evaluation Officer), and Riitta Oksanen (Senior Adviser).

The team is also grateful to numerous staff members of Finland's Ministry for Foreign Affairs in Helsinki and several Embassies of Finland in partner countries that were visited for patiently responding to numerous questions and freely expressing their views. The team also wishes to express its appreciation of the helpful and dedicated attitude of the NGOs and IKI implementing agencies in Finland, which granted interviews to the respective sub-teams and responded to surveys. Kepa, the Service Centre for Development Co-operation, which is the umbrella organisation for Finnish development NGOs, kindly assisted the NGO sub-team with the logistics in Finland.

Last but not least, Particip GmbH and the team wish to express their gratitude to staff of governmental and non-governmental partner organisations in countries visited, who granted interviews to team members during field visits and/or responded to surveys. Their views and perspectives were particularly important for this evaluation.



## ACRONYMS AND ABBREVIATIONS

€	Euros
3 Cs	Co-ordination, Complementarity and Coherence
AAA	Accra Agenda for Action
ACS	Association of Caribbean States
ADC	Austrian Development Cooperation
ARC	Agricultural Research Center (Egypt)
BA	Busan Agreement
BS	Budget support
CARIC	Increasing Capacity of CIMH as a Regional Instrument Centre for CMO member states of the Caribbean
CBO	Community Based Organisations
CDEMA	Caribbean Disaster Emergency Management Agency
CIMH	Caribbean Institute for Meteorology and Hydrology
CMO	Caribbean Meteorological Organisation
CSA	Central Statistical Agency (Ethiopia)
CSDC	Country Strategies for Development Co-operation
CSO	Civil Society Organisations
CV	Curriculum Vitae
CWRPI	Vietnamese Centre for Water Resources Planning and Investigation
DANIDA	Danish International Development Agency
DEDECT	Department of Economic Development, Environment, Conservation and Tourism (North Western Province, South Africa)
DIREPRO	Directorate for Production Services (Regional Government of San Martin Peru)
DOL	Division of Labour
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EDCBA	Ethiopian Dairy Cattle Breeding Association
EEIT	Ethiopian Extractive Industries Transparency Initiative
EFARP	Egypt-Finland Agricultural Research Project
EGYMEN	Mental Health Programme of Egypt
EITI	Extractive Industries Transparency Initiative
EPA	Ahuashiyacy Fishery Station (Estación de Pesca)
EQ	Evaluation Question
ETSIP	Education and Training Sector Improvement Programme (Namibia)
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FC	Facilitation Consultant
FCA	Finn Church Aid
FCG	Finnish Consulting Group Oy

FISU	Promoting Adaptation to Climate Change by Reducing Weather and Climate Related Losses through Improved Services in Sudan
FMI	Finnish Meteorological Institute
FNEP	Finnish Nepalese Project for Improving Capability of Government of Nepal to respond to the increased risks related to weather related natural disasters caused by climate change
FORECAS	Forest Research Capacity Strengthening in Mozambique 2012-14 (Support to the National Forest Programme).
FRA	Forest Research Assessment in Nepal
GEF	Global Environment Facility
GNI	Gross National Income
GOJ	Government of Jamaica
GOREMAD	Regional Government of Madre De Dios, Peru
GORESAM	Regional Government of San Martin, Peru
GSE	Geological Survey of Finland
GSN	Geological Survey of Namibia
GTK	Geological Survey of Finland
HEI-ICI	Higher Education Institutions – Institutional Co-operation Instrument
HICE	Household Income Consumption and Expenditure Survey (Ethiopia)
IAEA	International Atomic Energy Agency
IAM	Agrarian Research Institute of Mozambique
IKI	Institutional Co-operation Instrument (Instituutioiden välisen kehitysyhteistyön instrumentti)
IL	Finnish Meteorological Institute
ILO	International Labour Organisation
IMHEN	Vietnam Institute of Meteorology, Hydrology and Environment
INAMHI	National Institute of Meteorology and Hydrology, Ecuador
INGO	International Non-Governmental Organisation
IPPR	Institute for Public Policy Research, Namibia
JC	Judgement Criteria
KEFRI	Kenya Forest Research Institute
KFS	Kenya Forest Services
LAOFIMIN	Lao-Finnish Minerals Sector Institutional Project
LCF	Local Co-operation Fund
M&E	Monitoring and Evaluation
MARINAM	Marine Research Capacity Development in Namibia
MDGs	Millennium Development Goals
MEJORORO	Capacity Building of the Regional Government of Madre de Dios, Peru (to handle and solve the problems of informal and small scale mining)
Metla	Finish Forest Research Institute
MFA	Ministry for Foreign Affairs (Finland)
MFMR	Ministry of Fisheries and Marine Resources, Namibia

MINEM	Ministry of Energy and Mines, Peru
MME, Ethiopia	Ministry of Mines and Energy, Ethiopia
MME, Namibia	Ministry of Mines and Energy, Namibia
MMMB	Miti Mingi Maisha Bora Programme, Kenya
MoAF	Ministry of Agriculture and Fisheries (Jamaica)
MoARD	Ministry of Agriculture and Rural Development; Ethiopia
MoE, Namibia	Ministry of Education Namibia
MoEM Lao PDR	Ministry of Energy and Mines, Lao PDR
MoHSS	Ministry of Health and Social Services, Namibia
MoME	Ministry of Mines and Energy, Ethiopia
MSJ	Meteorological Services of Jamaica
MTT	Agrifood Research Finland
NAIC	National Artificial Insemination Centre (Ethiopia)
NAMPOL	Namibian Police Force
NAO	National Audit Office (Finland)
NatMIRC	National Marine Information and Research Centre (Namibia)
NGO	Non-Governmental Organization
Norad	Norwegian Agency for Development Co-operation
NPC	National Planning Commission, Namibia
NUOL	National University of Laos
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OECD-DAC	OECD Development Assistance Committee
OKA-multiplier	Omakustannushinta (overhead factor that may be charged by implementing agencies)
OKM	Ministry for Education and Culture, Finland
PASDEP	Plan for Accelerated and Sustained Development to End Poverty, Ethiopia
PD	Paris Declaration
PDR	Lao People's Democratic Republic
PRSP	Poverty Reduction Strategy Plan
QAG	Quality Assurance Group
RADA	Rural Agricultural Development Authority, Jamaica
REDD	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
RIA	Research Institute for Aquaculture No 1, Vietnam
RKTL	Finnish Games & Fisheries Research Institute
ROACH	Results-Oriented Approach to Capacity Change
SAMK	Satakunta University of Applied Sciences, Finland
SENAMHI	National Meteorology and Hydrology Service, Peru (Servicio Nacional de Meteorología e Hidrología del Perú)
SHOCS	Strengthening Hydro-meteorological Operations and Services in the Caribbean Small Island States
Sida	Swedish International Development Co-operation Agency
SIDS	Small Island Developing States

SMA	Sudan Meteorological Authority
SNRIU	State Nuclear Regulatory Inspectorate of Ukraine
STIFIMO	Programme of co-operation in Science, Technology and Innovation between Finland and Mozambique
STUK	Radiation and Nuclear Safety Authority, Finland
SUNAPOP	Support to the National Forestry Programme in Mozambique
SWAPO	South West African People's Organisation
SYKE	Finnish Environment Institute
THL	National Institute for Health and Welfare, Finland
TK	Statistics Finland
ToC	Theory of Change
ToR	Terms of Reference
TTK	Finland's Futures Research Centre, Turku School of Economics
TTMS	Trinidad and Tobago Meteorological Services
UEM	Eduardo Mondlane University, Mozambique
UN	United Nations
UNALM	National Agrarian University, Peru (Universidad Nacional Agraria La Molina)
UNAM	University of Namibia
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UN-REDD	The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
US\$	United States Dollar
USAID	United States Agency for International Development
UWI	University of West Indies
VET	Vocational Education and Training
VTT	Technical Research Centre of Finland
WB	World Bank
WEI	Wider Europe Initiative
WMO	World Meteorological Organization
WMS	Welfare Monitoring Survey Ethiopia
WTO	World Trade Organisation

# **Evaluointi täydentävyydestä Suomen kehityspolitiikassa ja kehitysyhteistyössä**

## **Osaevaluointi instituutioiden välisen kehitysyhteistyön instrumentista (IKI)**

*Lucien Bäck, Mette Visti ja Ziad Moussa*

Ulkoasiainministeriön evaluointiraportti 2014:1

ISBN 978-952-281-209-4 (painettu); ISBN 978-952-281-208-7 (pdf);

ISSN 1235-7618

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

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### **TIIVISTELMÄ**

Osaevaluointi instituutioiden välisen kehitysyhteistyön rahoitusinstrumentista (IKI) on osa Suomen kehityspolitiikan ja kehitysyhteistyön täydentävyyden laajempaa evaluointia. Evaluointi sisälsi laajan asiakirjojen analyysin sekä survey-tutkimuksia ja haastatteluja Suomessa ja yhdeksässä kumppanimaassa.

IKI-hankkeiden avulla on onnistuttu vahvistamaan kehitysmaiden kapasiteettia jakamalla Suomen julkisten laitosten asiantuntemusta ja teknistä tietämystä kumppanimaiden vastaavien laitosten ja virastojen käyttöön. IKI-instrumentti ei vaadi suurta investointia, sillä sen avulla luodaan teknistä asiantuntemusta lyhyen aikavälin hankkeiden avulla. Instrumentin heikkouksia ovat olleet toiminnan liiallinen irrallisuus ja tukitoimien hajauttaminen useisiin eri maihin. Yhteistyömahdollisuuksia Suomen kehitysyhteistyön muiden instrumenttien ja toisaalta kumppanimaiden kanssa ei ole käytetty riittävästi. Näin ollen instrumentin koko potentiaalia ei tähän mennessä ole vielä hyödynnetty.

IKI-instrumentin evaluoinnin tuloksien perusteella suositellaan kehittämään tasapainoisempaa kumppanuutta Suomen julkisten laitosten ja kehitysmaiden organisaatioiden välillä, vahvistamaan kehittyvien maiden välisen ns. Etelä-Etelä-yhteistyön mahdollisuuksia ja keskittämään yhteistyötä enemmän nykyisiin sekä aiempiin pitkäaikaisiin kumppanimaihin. Lisäksi evaluoinnissa suositellaan instrumentin parempaa integrointia maa- ja alueellisiin ohjelmiin, hankesuunnittelun, raportoinnin ja viestinnän kehittämistä, IKI-nettisivun parantamista, seuranta- ja arviointimenetelmien rationalisointia ja hajauttamista sekä seurantakonsultin roolin vahvistamista hankkeissa.

*Avainsanat:* täydentävyys, instituutioiden välinen kehitysyhteistyöinstrumentti, kapasiteetin vahvistaminen, hanketuki

# Utvärdering av Komplementaritet i Finlands utvecklingspolitik och -samarbete

## Fallstudie av Institutionella samarbetsinstrumentet (IKI)

*Lucien Bäck, Mette Visti och Ziad Moussa*

Utrikesministeriets utvärderingsrapport 2014:1

ISBN 978-952-281-209-4 (tryckt); ISBN 978-952-281-208-7 (pdf);

ISSN 1235-7618

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

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## REFERAT

Fallstudien av Institutionella samarbetsinstrumentet (IKI, enligt den finska förkortningen) ingår i en större utvärdering av komplementariteten i Finlands utvecklingspolitik och -samarbete. I fallstudien gjordes en omfattande dokumentgranskning samt enkäter och intervjuer i Finland och nio partnerländer.

IKI lyckades stärka utvecklingsländernas kapacitet genom att göra de finländska offentliga institutionernas betydande tekniska kunskap och expertis tillgänglig för myndighetsorgan i partnerländerna. Instrumentet är en relativt liten investering och i princip välfokuserat genom att det bygger upp specifik teknisk expertis i partnerorganisationerna under korta insatser av projekttyp. Nackdelarna är att verksamheten har varit för isolerad och insatserna för tunt utspridda över för många länder. Samarbetsmöjligheter med andra instrument i Finlands utvecklingssamarbete, och inom ramen för partnerländerna, utnyttjades inte tillräckligt. Således har instrumentet inte uppnått sin fulla potential.

Rekommendationerna inkluderar ett mer välbalanserat partnerskap mellan de finländska organen och partnerorganisationerna, möjliga kopplingar till Syd-Syd-samarbetet, större fokus på nuvarande och tidigare långsiktiga partnerländer, bättre integration av landstrategier och regionala program, förbättrad projektplanering och -rapportering, förbättring av IKI-webbplatsen, strömlinjeformning och decentralisering av förfaranden för granskning och övervakning, inklusive en större roll för faciliteringskonsulten.

*Nyckelord:* komplementaritet, institutionella samarbetsinstrumentet, kapacitetsutveckling, projektbistånd

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

## A Case Study on the Institutional Co-operation Instrument (IKI)

*Lucien Bäck, Mette Visti and Ziad Moussa*

Evaluation report of the Ministry for Foreign Affairs of Finland 2014:1

ISBN 978-952-281-209-4 (print); ISBN 978-952-281-208-7 (pdf);

ISSN 1235-7618

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

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### ABSTRACT

The case study on the Institutional Co-operation Instrument (by the Finnish acronym, IKI) is part of a broader evaluation of complementarity in Finnish development policy and co-operation. The case study involved an extensive review of documents, surveys and interviews in Finland and in nine partner countries.

The IKI instrument successfully strengthened capacities in developing countries by making the considerable technical knowledge and expertise that exists in public institutions in Finland available to Government agencies in partner countries. The instrument represents a relatively small investment and is, in principle, well-targeted by building specific technical expertise in partner organisations through short-term project-type interventions. The drawbacks of the IKI instrument have been that it acted too much in isolation, and that interventions were spread too thinly over too many countries. Opportunities for co-operation with other instruments of Finnish development co-operation, and also within the context of partner countries, were not sufficiently used. The instrument has, therefore, so far failed to reach its full potential.

Recommendations include: a more balanced partnership between Finnish agencies and partner organisations; the possibility of links with South-South co-operation; greater focus on present and past long-term partner countries; a better integration of country strategies and regional programmes; improved project design and reporting; the improvement of the IKI website; streamlining and decentralisation of review and oversight procedures, including an enhanced role for the Facilitation Consultant.

*Keywords:* complementarity, institutional co-operation instrument, capacity development, project aid

## YHTEENVETO

Tämän osaevaluoinnin tarkoitus oli evaluoida instituutioiden välisen kehitysyhteistyön instrumenttia (IKI) sekä arvioida erityisesti sen täydentävyyttä Suomen kehitysyhteistyön muiden osien kanssa. Evaluointi perustui laajaan asiakirjojen analyysiin ja Suomessa sekä yhdeksässä kumppanimaassa tehtyihin haastatteluihin. Tämä raportti on osa Suomen kehityspolitiikan ja kehitysyhteistyön täydentävyyden laajempaa evaluointia.

### Ulkoinen täydentävyys

IKI-instrumentti onnistui perustehtävänantonsa täyttämässä eli mahdollisti yhteistyön asiantuntijoiden ja työryhmien välillä sekä Suomessa että kehitysmaissa. Vuodesta 2010 lähtien instrumentin käyttö on perustunut yhä enemmän kehitysmaiden kumppaniorganisaatioiden tarpeisiin ja prioriteetteihin.

Monissa IKI-hankkeissa ei kuitenkaan otettu riittävästi huomioon laajempaa organisaattorista ja poliittista kontekstia. Lisäksi kapasiteetin vahvistamiseen vaikuttavia tekijöitä ei määritelty tai huomioitu riittävästi.

Raportointi kehitysyhteistyön täydentävyydestä suomalaisten virastojen ja kumppaniorganisaatioiden välillä jakautui epätasaisesti. Hankkeen resursseista raportoititiin lähinnä Suomessa, kun taas hyödyistä raportoititiin ainoastaan kehitysmaiden organisaatioiden kohdalla.

IKI-instrumentin avulla luotiin hyviä valmiuksia monenkeskiseen yhteistyöhön, mutta kahdensivulinen tuki ja ns. Etelä-Etelä-yhteistyö (eli kehittyvien maiden välinen yhteistyö) oli vähäisempää.

### Sisäinen täydentävyys

IKI-instrumentti toimi suurimmaksi osaksi erillään Suomen kehitysyhteistyön muista muodoista. Vaikka ulkoasianministeriö oli vahvasti mukana IKI-hankkeiden suunnittelussa, se ei toiminut riittävästi sisäisen täydentävyyden varmistamiseksi. Tämä näkyi erityisen selvästi siinä, ettei IKI-yhteistyötä integroitu täysimääräisesti kehitysyhteistyön maaohjelmiin vuosille 2013–2016.

Niissä maissa, jotka eivät kuuluneet ns. pääkumppanimaihin, käytettiin IKI-instrumenttia usein opportunistisesti suhteiden luomiseen tai niiden ylläpitämiseen. Tämä johti IKI-hankkeiden laajaan maantieteelliseen hajontaan.

## Menettelytavat, ohjeistus ja raportointi

IKI-instrumentin ohjeistusta parannettiin vuosien 2008 ja 2012 välillä tarkentamalla kapasiteetin vahvistamisen käsitettä ja laatimalla mallit IKI-hankeasiakirjojen loogisille viitekehyksille. Ohjeet eivät silti olleet riittävän käytännöllisiä ja käyttäjäystävällisiä.

IKI-instrumentin erityis- ja teknisestä luonteesta johtuen Suomen kehitysyhteistyön läpileikkaavia tavoitteita toteutettiin lähinnä vain ympäristön ja ilmastokestävyyden osalta.

Ohjeistuksen kehittäminen paransi hankkeiden laatua vain osittain. Tämä johtui osaksi epätarkkuuksista ja epäjohtonmukaisuuksista instrumentin ohjekirjassa, ”Manual and Recommended Best Practices” (Ulkoasiainministeriö 2012b). Myös menetelmät, joita ehdotettiin käyttäviksi olemassa olevan kapasiteetin arvioimiseksi, olivat puutteellisia. Kapasiteetin arvioimisessa olisi pitänyt selvittää tekijöitä, jotka voisivat vaikuttaa asiantuntemuksen ja teknisen tietämyksen omaksumiseen. Näitä ovat mm. erilaiset yhteiskunnalliset tekijät ja laajempi poliittinen konteksti.

IKI-instrumenttiin liittyvien hankkeiden seurannassa ja evaluoinnissa oli paljon heikkouksia ja puutteita. Sekä sisäisiä että ulkoisia evaluointeja tehtiin erittäin vähän.

Kokonaisraportointi rajoittui ulkoasiainministeriön nimittämän seurantakonsultin laatimiin sisäisiin raportteihin. Raportit kattoivat joitakin hyödyllisiä tilastoja, joihin oli myös rekisteröity tietoja hankkeen kehittymisestä. Saavutettuja tuloksia, kokemuksia ja opittuja asioita ei kuitenkaan julkaistu missään.

IKI-instrumenttiin liittyvä tieto oli hajanaista. Sisäisten sidosryhmien ja laajemman yleisön oli vaikeaa saada tarvittavaa tietoa hankkeista. Instrumentilla oli vain suppeat verkkosivut eikä IKI-instrumentista tai -hankkeista julkaistu erillistä raporttia.

## Evaluointi OECD:n kehitysapukomitean DAC:n kriteerien perusteella

IKI-tukitoimet olivat tarkoituksenmukaisia (*relevant*), sillä ne vastasivat kumppaniorganisaatioiden tarpeisiin ja niitä toteutettiin aloilla, jotka oli määritelty kansallisiksi prioriteeteiksi avunsaajamaissa. Niiden rooli ja merkitys avunsaajamaissa oli siitä huolimatta melko vähäinen hankkeiden pienen koon, lyhyen keston ja suhteellisen teknisen luonteen takia.

IKI-hankkeita voidaan pitää tuloksellisina (*effective*), koska ne saavuttivat suunniteltuja ja odotettuja tuloksia. Niissä poikettiin vain vähän alun perin suunnitellusta aikataulusta ja dokumentoitiin asianmukaisesti budjetin ja aikataulujen muutokset. Tuloksia ei kuitenkaan dokumentoitu riittävästi ns. outcome-tason eli *organisaationaalisten* muutosten ja institutionaalisten vaikutusten osalta. Tämä johtui suunnittelun, raportoinnin, seurannan ja evaluoinnin puutteista.

IKI-hankkeet ovat kestäviä (*sustainable*) vain, jos ne integroidaan riittävästi kumppaniorganisaatioiden rakenteisiin ja hallintoon sekä otetaan huomioon poliittinen konteksti. Tätä ei oltu varmistettu riittävän järjestelmällisesti vanhempien IKI-hankkeiden suunnittelussa ja toteutuksessa. Kestävyyttä edistäviksi tekijöiksi todettiin kumppaniorganisaatioiden toimijoiden merkittävä osallistuminen hankkeisiin sekä pienet toiminta- ja ylläpitokustannukset, jotka johtuivat vähäisestä hankkeita varten tarvittavasta infrastruktuurista.

Evaluoinnissa todettiin, että on suhtauduttava realistisesti siihen, millaisia vaikutuksia (*impacts*) IKI-hankkeiden kaltaisilta pieniltä tukitoimilta voidaan odottaa. On myös otettava huomioon, että instrumentti on ollut käytössä vasta lyhyen aikaa. Lisäksi evaluoinnissa saatiin näyttöä siitä, että monet kehitysmaiden kumppaniorganisaatioista palvelivat hyödynsaajiaan hyvin ja saivat myös aikaan parannuksia heidän toimeentulossaan. Vähemmän selvää oli se, missä määrin tämän voitiin katsoa olevan IKI-hankkeiden ansiota.

IKI-hankkeiden tehokkuutta (*efficiency*) on hankalaa arvioida käytettävissä olevien tietojen perusteella, sillä niiden hyötyjä ei voi voida ilmaista pelkästään taloudellisilla määreillä. Ulkoasiainministeriön henkilöstö piti kustannuksia suurina. Muita tehokkuusnäkökohtia käsitellään hankkeiden hallinnointiin liittyvien kysymysten kohdalla seuraavassa kappaleessa.

## Hankkeiden hallinnointiin liittyvät kysymykset

IKI-hankkeiden valmistelun, arvioinnin ja hyväksymisen organisatorinen rakenne oli melko raskas, kun otetaan huomioon hankkeiden pieni koko. Useiden johtotasoon kuuluvien ulkoasiainministeriön työntekijöiden osallistuminen hankkeiden suunnitteluun ja arviointiin ei parantanut IKI-instrumentin sisäistä täydentävyyttä.

Kyseenalaista on, onko laaturyhmän välttämätöntä arvioida IKI-hankkeiden kaltaisia pieniä hanke-ehdotuksia ja tarvitaanko kaikkiin 200 000 - 500 000 euron ehdotuksiin kehitysministerin hyväksyntä.

Seurantakonsultti hoiti IKI-instrumentin hallintoon liittyviä tehtäviä melko pienin kustannuksin. Seurantakonsultille olisi voitu antaa enemmän IKI-hankkeiden suunnitteluun, hallintoon, seurantaan ja sisäiseen evaluointiin liittyviä tehtäviä.

Suomalaisten julkisten laitosten valintaprosessi oli useimmiten asianmukainen ja perusteellinen. Käytössä ei kuitenkaan ollut mekanismeja sen arvioimiseksi, missä tapauksissa vapauttaminen tarjouskilpailuista saattoi antaa valituille laitoksille ja virastoille asiattoman etuaseman verrattuna vastaavia palveluita tarjoaviin yksityisen sektorin organisaatioihin.

## SAMMANFATTNING

Målet med denna fallstudie var att utvärdera Institutionella samarbetsinstrumentet (IKI) och framförallt bedöma dess komplementaritet med andra aspekter av Finlands utvecklingssamarbete. Metoderna inkluderade en omfattande granskning av dokument samt intervjuer i Finland och nio partnerländer. Granskningen ingår i en större utvärdering av komplementariteten i Finlands utvecklingspolitik och -samarbete.

### Extern komplementaritet

IKI-instrumentet var framgångsrikt i att uppfylla dess grundläggande uppdrag och ändamål: att möjliggöra samarbete mellan kolleger och team med experter från Finland och utvecklingsländerna. Sedan 2010 har instrumentet blivit mindre utbudsdrivet och mer baserat på partnerorganisationernas behov och prioriteringar.

Många IKI-projekt beaktade dock inte det större organisatoriska och politiska sammanhanget i tillräcklig grad. Faktorer som gynnar respektive hämmar tillägnet av kapacitetsutvecklingsinsatserna identifierades eller övervägdes inte i tillräcklig grad.

Komplementariteten mellan de finländska organen och partnerorganisationerna var något obalanserad eftersom användningen av projektresurserna i huvudsak dokumenterades för den finländska sidan medan fördelarna bara rapporterades för organisationerna i utvecklingsländerna.

IKI-instrumentet hade goda länkar till det multilaterala samarbetet, men samarbetet med annat bilateralt bistånd och trepartssamarbetet, dvs. stödet för Syd-Syd-samarbetet, var mer begränsat.

### Intern komplementaritet

Instrumentet fungerade till stor del isolerat från andra former av finländskt utvecklingssamarbete. Utrikesministeriet (UM) var starkt involverat i planeringen av IKI-projekten, men gjorde inte tillräckliga ansträngningar för att säkerställa den interna komplementariteten. Detta var särskilt uppenbart i att man inte fullt ut lyckades integrera IKI-samarbetet i Landstrategierna för utvecklingssamarbetet (CSDC) 2013–2016.

I länder som inte var huvudpartner användes instrumentet ofta opportunistiskt för att etablera eller upprätthålla förbindelser. Detta har lett till stor geografisk spridning av IKI-projekten.

## Riktlinjer, anvisningar och rapportering

IKI-styrningen förbättrades mellan 2008 och 2012 genom en större medvetenhet om kapacitetsutveckling samt modeller för logiskt ramverk för IKI-projektdokument. Styrningen är dock fortfarande inte tillräckligt praktisk och användarvänlig.

I och med IKI-insatsernas mycket tekniska och specialiserade karaktär beaktades de genomgående målen för Finlands utvecklingssamarbete främst inom två sektorer: miljö och klimathållbarhet.

Den förbättrade styrningen ledde bara gradvis till bättre projektkvalitet. Delvis berodde detta på att IKI-manualen och rekommenderad bästa praxis (UM 2012b) inte var tillräckligt rigorös och konsekvent. Brister fanns kvar i de föreslagna metoderna för bedömning av befintlig kapacitet i partnerorganisationerna, dvs. identifiering av kontextuella faktorer, inklusive det större politiska sammanhanget, som påverkar tillägnet av överförd kunskap och expertis.

Det fanns bara en begränsad ansvarighet för instrumentet gentemot UM på grund av svagheter i rapportering, övervakning och utvärdering av projekt. Det fanns mycket få självutvärderingar eller externa utvärderingar.

Samlingsrapporterna var begränsade till interna rapporter från den faciliteringskonsult (FC) som UM hade utsett. Rapporterna innefattar en del vital statistik och dokumenterar förbättringar. Det finns dock inte någon offentlig redovisning av de uppnådda resultaten och lärdomarna.

Informationen relaterad till IKI-instrumentet är fragmenterad och svåråtkomlig både för interna parter och allmänheten. Det finns bara en begränsad webbplats och ingen heltäckande rapport om IKI-instrumentet och -projekten har publicerats.

## Utvärdering enligt biståndskommitténs (Development Assistance Committee, DAC) kriterier

IKI-insatserna var relevanta eftersom de mötte behoven hos partnerorganisationerna och skedde inom nationellt prioriterade sektorer i mottagarländerna. Deras roll och bidrag i mottagarländerna var trots allt begränsad eftersom projekten hade en liten storlek, kort varaktighet och relativt teknisk karaktär.

IKI-projekten var effektiva i fråga om förväntade utfall med små avvikelser från den ursprungliga tidsplanen och väldokumenterade ändringar av budget och tidsplaner. Resultaten på utfallsnivå – dvs. organisatoriska förändringar och effekter på institutionell nivå – var inte väldokumenterade på grund av brister i planering, rapportering, övervakning och utvärdering.

IKI-projekten blir hållbara bara om de är ändamålsenligt förankrade i den organisatoriska strukturen och ledningen för partnerorganisationerna och med beaktande av det politiska sammanhanget. Detta säkerställdes inte tillräckligt systematiskt vid planeringen och genomförandet av de äldre IKI-projekten. Utvärderingen fann att gynnsamma faktorer för hållbarhet var motparternas betydelsefulla bidrag genom partnerorganisationerna och de begränsade insats- och underhållskostnaderna i och med att projekten inte hade någon stor fysisk infrastruktur.

Utvärderingen fann att det behövs ett visst mått av realism i fråga om förväntningarna på dessa insatsers effekt med tanke på deras begränsade storlek och att instrumentet bara funnits en kortare tid. Fakta pekar på att många IKI-partnerorganisationer betjänat allmänheten väl och även åstadkommit förbättringar i förmånstagarnas försörjningsmöjligheter. Hur stor del IKI-projekten har haft i detta är inte lika uppenbart.

Det saknas ändamålsenliga uppgifter för fastställande av om IKI-instrumentet och projekten varit effektiva i och med att fördelarna inte kan beskrivas i ekonomiska termer. UM-personal uppfattade kostnaderna som höga. Ytterligare effektivitetsaspekter beaktas under förvaltningsfrågorna.

## **Förvaltningsfrågor**

Den organisatoriska strukturen för beredning, granskning och godkännande av IKI-projekten var relativt omfattande med tanke på projektens storlek. Involvering av så många UM-tjänstemän på högre nivå förbättrade inte instrumentets interna komplementaritet.

Det kan ifrågasättas om små projektförslag som IKI behöver granskas av kvalitetssäkeringsgruppen och om alla förslag över 200 000 euro men under 500 000 euro behöver godkännas av ministern.

Faciteringskonsulten tog ett värdefullt och mycket uppskattat ansvar för administration av instrumentet till en relativt låg kostnad. FC skulle ha kunnat få ett större ansvar för planering, förvaltning, övervakning och (själv)utvärdering av IKI-projekten.

Urvalsprocessen för de finländska organen var till största delen ändamålsenlig och noggrann. Som Statens revisionsverk påpekat fanns det dock inga mekanismer för att bedöma i vilka fall undantag från konkurrensutsättning eventuellt gav de utvalda organen en otillbörlig fördel jämfört med organisationer i den privata sektorn som tillhandahåller liknande tjänster.

## SUMMARY

The objective of this case study was to evaluate the Institutional Co-operation Instrument (IKI), and specifically to assess its complementarity with other aspects of Finland's development co-operation. Methods used included an extensive review of documents, as well as interviews conducted in Finland and in nine partner countries. This review forms part of the output of the broader Evaluation of Complementarity in Finland's Development Policy and Co-operation.

### External complementarity

The IKI instrument was successful in fulfilling its basic mandate and purpose of allowing for colleague-to-colleague and team co-operation between specialists in Finland and in developing countries. As from 2010, the instrument became less supply-driven and more based on the needs and priorities of partner organisations.

However, many IKI projects did not sufficiently take into consideration the broader organisational and political context. Factors that would either favour or hinder the uptake of the capacity development efforts were not sufficiently identified and considered.

Demonstration of complementarity between the Finnish agencies and partner organisations was also somewhat unbalanced, as resources mobilised for the projects were mainly documented for the Finnish side, while benefits were only reported for the organisations in developing countries.

The IKI instrument established good links with multilateral co-operation, but co-operation with other bilateral assistance and triangular co-operation, that is support to South-South co-operation, was more limited.

### Internal complementarity

The IKI instrument acted largely in isolation from other forms of Finnish development co-operation. Finland's Ministry for Foreign Affairs (MFA), although strongly involved in the design of IKI projects, did not make sufficient efforts to ensure internal complementarity. This was particularly manifest in the failure to fully integrate IKI co-operation in the Country Strategies for Development Co-operation (CSDC) 2013-2016.

In countries that were not principal partners, the IKI instrument was often used opportunistically to establish or maintain relations. This has led to a wide geographical spread of IKI projects.

## **Policies, guidelines and reporting**

IKI guidance was improved between 2008 and 2012, with more sophisticated notions of capacity development and with templates for logical frameworks for IKI project documents. However, guidance is still not sufficiently practical and user-friendly.

Given the highly technical and specialised nature of IKI interventions, cross-cutting objectives of Finnish development co-operation were mainly addressed in two sectors: the environment, and climate sustainability.

The improved guidance resulted only gradually in a better quality of projects. This was partly due to the lack of rigour and consistency of the IKI Manual and Recommended Best Practices (MFA 2012b). Shortcomings continued to exist in methods proposed to undertake assessments of existing capacities in partner organisations – that is, the identification of contextual factors, including the broader political context, that would influence the uptake of transferred knowledge and expertise.

The accountability of the instrument to the MFA was limited due to weaknesses in substantive reporting and monitoring and evaluation of projects. There were very few self-evaluations or external evaluations.

Aggregated reporting is limited to internal reports of the Facilitation Consultant (FC) appointed by the MFA. The reports cover some vital statistics, and record improvements. However, there is no public account of results achieved and lessons learned.

Information related to the IKI instrument is fragmented and difficult to access, both for internal stakeholders and for the public at large. There is only a limited website, and no comprehensive published report concerning the IKI instrument and IKI projects.

## **Evaluation against criteria of the Development Assistance Committee (DAC)**

IKI interventions were relevant, as they responded to needs of partner organisations and occurred in sectors that were national priorities in the recipient countries. Their role and contribution in recipient countries were nevertheless limited due to the small size, short duration and relatively technical nature of the projects.

IKI projects were effective in terms of expected outputs, with little deviation from their initially intended timeline and with well-documented budget and timeline amendments. Results at the outcome level – that is, in terms of organisational changes and effects on the institutional level – were not well documented, due to shortcomings in design, reporting, monitoring and evaluation.

IKI projects will be sustainable only if they are adequately embedded in the organisational set-up and management of partner organisations, with due consideration given to the political context. This was not ascertained systematically enough in the design and implementation of older IKI projects. Factors favourable to sustainability were found to be the significant counterpart contributions provided by partner organisations, and the limited operation and maintenance costs because of the small size of physical infrastructure components of the projects.

The evaluation found that a certain level of realism needs to prevail with regard to what impact can be expected from such small interventions and after the short time-span of the instrument's existence. There was evidence that many IKI partner organisations served the public well, and also achieved improvements in the livelihoods of target beneficiaries. It was less obvious to what extent this could be attributed to the IKI projects.

There are no good data to determine whether the IKI instrument and projects were efficient, as benefits cannot be expressed in economic terms. MFA staff perceived costs to be high. Further aspects of efficiency are addressed under managerial issues.

## **Managerial issues**

The organisational set-up for the preparation, review and approval of IKI projects was relatively elaborate, given the small size of the projects. The involvement of so many senior level MFA staff did not enhance internal complementarity of the instrument.

It may be questioned whether small project proposals such as the IKI ones need to be reviewed by the Quality Assurance Group, and whether all proposals exceeding €200.000 but remaining under €500.000 require approval by the Minister.

The Facilitation Consultant assumed useful and much appreciated responsibilities for the administration of the instrument at a relatively low cost. The FC could have been given more substantive responsibilities related to the design, management, monitoring and (self-) evaluation of IKI projects.

The selection process of Finnish agencies was mostly appropriate and thorough. However, as observed by the National Audit Office (NAO), no mechanisms were in place to assess in which cases the exemption from competitive bidding might give selected agencies an undue advantage over private sector organisations offering similar services.

## Summary of main findings, conclusions and recommendations

Findings	Conclusions	Recommendations
<b>External complementarity</b>		
Complementarity between Finnish agencies and partner organisations was found to feature prominently in the design of the IKI instrument. While IKI projects were meant to be “colleague-to-colleague” types of co-operation – thus suggesting equality between partners – organisations in developing countries appeared in the project documentation mainly as recipients of aid. Reports provided insufficient information on existing capacities of partner organisations, and on factors that favoured or hindered the uptake of capacity development provided by Finland.	The IKI instrument was successful in fulfilling its basic mandate and purpose of allowing for colleague-to-colleague co-operation between specialists in Finland and in developing countries. Demonstration of complementarity between the Finnish agencies and partner organisations was somewhat unbalanced, as resources mobilised for the projects were mainly documented for the Finnish side, while benefits were only reported for the organisations in developing countries. Contextual factors in developing countries were not given sufficient attention.	1. The relationship between Finnish agencies and partner organisations should become more balanced. Costs incurred by partner organisations and benefits for Finnish agencies should be documented. The relationship should also better reflect the organisational and political context in developing countries, as this is essential for successful capacity development.
The evaluation found few examples of complementarity that might have existed with external assistance provided by organisations in other developing countries and by non-traditional development partners (e.g. China, India, Brazil or South Africa).	The IKI instrument was confined to traditional North-South technical assistance, without consideration of opportunities for triangular co-operation and links to South-South co-operation.	2. While maintaining its basic purpose of making Finnish knowledge and expertise available to partners in developing countries, with a view to capacity development, the IKI instrument should also increasingly allow for triangular co-operation, involving specialised institutions in third countries in the developing world.

Internal complementarity		
<p>The provision in the Best Practices Manual (MFA 2012b) that priority should be given to present and past long-term partner countries was not well implemented. By 2012, IKI projects were spread over 30 countries. IKI co-operation was often initiated during high-level visits either by foreign Ministers to Finland or by Finnish Ministers to other countries. If the countries concerned were not already long-term partner countries, IKI projects were conveniently small and non-political forms of co-operation that could be offered to counterparts, but which would not involve more in-depth negotiations and engagements.</p>	<p>The IKI instrument was often used opportunistically as a tool to establish relations with developing countries that were not principal partners. The process was partly driven by technical agencies in Finland seeking broad international co-operation. This use of the instrument can be justifiable in non-long-term partner countries, where Finland either wanted to phase out its involvement in mainstream development co-operation (as happened, for example, in Egypt and Namibia) or wished to become involved without making extensive commitments at the outset (e.g. in Myanmar).</p>	<p>3. IKI interventions should, in the main, be limited to present and past long-term partner countries and to regional co-operation programmes of Finnish development co-operation.</p>
<p>Most documents relating to Country Strategies for Development Co-operation (CSDC) 2013- 2016 refer only briefly to the IKI instrument, mentioning that this is an additional type of co-operation aimed at capacity development. There is no attempt in any of these documents to elaborate on past, ongoing or planned IKI projects, or to explore possible complementarity with the country strategy.</p>	<p>The IKI instrument acted largely in isolation from other forms of Finnish development co-operation. In long-term partner countries, there were limited synergies between IKI projects and mainstream country programming and other instruments (e.g. NGO co-operation). The fact that IKI co-operation was not made part of CSDC 2013-2016 was a missed opportunity.</p>	<p>4. IKI projects should, to the greatest possible extent, be systematically integrated in CSDC 2013-2016 in long-term partner countries. Guidelines for the preparation of future strategies should be adjusted accordingly.</p>

Policies, guidelines and implementation		
<p>The Administrative Order HEL 5753-6/2008 was last amended in 2010. The Best Practices Manual (MFA 2012b) was revised seven times between 2008 and 2012. It is strong on content, as the discussion of context and capacity development approaches is of a high standard. The Manual is weak on presentation and user-friendliness as a guidance tool. A weakness of the Manual is the insufficient guidance on the logical framework or design of intervention logic. It also falls short as a tool to promote internal complementarity. IKI interventions were relevant to the extent that they responded to needs partner organisations and in sectors that were national priorities in the recipient countries. IKI projects were effective in terms of expected outputs, with little deviation from their initially intended timeline and with well-documented budget and timeline amendments. Results at the outcome level were not well documented. Conditions that would make results sustainable were not ascertained systematically enough in the design and implementa-</p>	<p>The 2008/2010 Administrative Order does not reflect the 2012 Development Policy of Finland and has insufficient provisions for external and internal complementarity. IKI guidance was considerably improved between 2008 and 2012, with the introduction of more sophisticated notions of capacity development and improved templates for logical frameworks. However, guidance is still not sufficiently comprehensive, practical and user-friendly. The role and contribution of IKI projects in recipient countries were limited, due to the small size, short duration and relatively technical nature of the projects. Results of IKI projects in terms of organisational changes and effects at the institutional level are not well documented, due to shortcomings in design, reporting, monitoring and evaluation. IKI projects will be sustainable only if they are adequately embedded in the organisational set-up and management of partner organisations, with due consideration</p>	<p>5. An additional amendment to Administrative Order HEL 5753-6/2008 and a revised Best Practices Manual will be required, reflecting measures and mechanisms required to make the IKI instrument more relevant and effective, increase the potential to achieve sustainability of results and increase impact, and to enhance external and internal complementarity.</p>

<p>tion of older IKI projects. Factors favourable to sustainability were found to be the significant counterpart contributions provided by partner organisations and the limited operation and maintenance costs because of the small size of physical infrastructure components of the projects.</p> <p>On potential for impact, it was found that most IKI partner organisations served the public well, and also achieved improvements in the livelihoods of target beneficiaries. It was less obvious to what extent this could be attributed to the IKI projects.</p>	<p>given to the political context.</p> <p>The evaluation found that a certain level of realism needs to prevail with regard to what impact can be expected from such small interventions and after the short time-span of the instrument's existence.</p>	
<p>Cross-cutting themes and objectives that were addressed related mainly to the environment and climate sustainability. Other cross-cutting themes and objectives (e.g. gender equality, good governance, human rights, and the rights of vulnerable minorities) did not receive enough attention.</p>	<p>Given the highly technical and specialised nature of IKI interventions, cross-cutting themes and objectives of Finnish development co-operation were mainly addressed in two sectors: the environment, and climate sustainability. Gender equality, good governance, human rights and the rights of vulnerable minorities were considered important, but partner organisations were hesitant to take them on in situations where they lacked political support, resources and/or the necessary expertise.</p>	<p>6. IKI projects should better reflect the human rights-based approach and all cross-cutting objectives (gender equality, reduction of social inequality and climate sustainability) outlined in the 2012 Development Policy Programme of Finland.</p>

Managerial issues		
<p>Finnish agencies and partner organisations produced regular progress reports, and project completion reports at the end of interventions. Reporting was remarkably detailed on financial and administrative matters, but largely fell short in terms of addressing substantive issues (e.g. results achieved, challenges met, and lessons learned). There were also very few self-evaluations or external evaluations.</p>	<p>The accountability of the instrument was limited due to weaknesses in substantive reporting and the monitoring and evaluation of projects.</p>	<p>7. Finnish agencies and partner organisations should continue to submit regular interim progress reports with administrative and financial details, but detailed substantive reports on project outcomes and impact should also be prepared at mid-point and upon completion of IKI projects. At least half of all completed projects should be self-evaluated by implementing organisations, against criteria to be included in the Best Practices Manual. Both measures should enhance overall accountability of the IKI instrument.</p>
<p>Monitoring and reporting systems in place largely fell short in terms of providing information on the IKI instrument at the aggregate level. Information related to the IKI instrument is highly fragmented and difficult to access both for internal stakeholders and for the public at large. There is only a limited website and no comprehensive published report concerning the IKI instrument.</p>	<p>The absence of aggregated reporting along with more external evaluation practices limited chances to share valuable insights on what could be learned from the IKI projects. It was also a lost opportunity to enhance complementarity between the IKI instrument and other forms of Finnish development co-operation.</p>	<p>8. Information management related to the IKI instrument needs to be considerably strengthened through the improvement of the IKI website and the publication of annual reports.</p>
<p>The preparation, review and approval of individual IKI projects involved MFA staff in the Embassies, the Regional Departments and the Develop-</p>	<p>The organisational set-up for the preparation, review and approval of IKI projects was relatively elaborate, given the small size of the</p>	<p>9. Procedures for the review and oversight of IKI projects in the MFA, including the involvement of Embassies, need to be streamlined and decen-</p>

<p>ment Policy Department. Each proposal was reviewed by the Quality Assurance Group, and projects with budgets exceeding € 200.000 had to be approved by the Minister. Embassies (notably in long-term partner countries) and Regional Departments did not play an active role in the process to ensure that the IKI instrument was fully integrated in the newly-approved country strategies 2013-2016 and, as appropriate, in strategies for co-operation in other countries and at regional level. The appointment of a Facilitation Consultant (FC) reduced MFA staff time required for the administration of the IKI instrument. The company subcontracted for this task, FCG International, provided much appreciated services in this regard, in accordance with its ToR.</p>	<p>projects. The involvement of so many senior level MFA staff did not enhance internal complementarity of the instrument. The FC was cost-effective, and this support eased the burden on MFA staff. The FC was, however, largely underutilised, as his ToR were too limited.</p>	<p>tralised. The FC should be given a greater role in designing and monitoring IKI projects, as well as in defining standards against which projects can be self-evaluated by the implementing organisations. The FC should co-operate closely with relevant Embassies and Regional Departments to accomplish these tasks.</p>
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<p>In accordance with restrictions for the use of the instrument, the MFA made sure that only public agencies were eligible to be granted IKI projects. However, the MFA failed to implement recommendations made by the National Audit Office (NAO) in 2009 to institute a mechanism for the acquisition of services that would ensure that a waiver from competitive bidding would be granted only to public agencies that offered expertise and services that were not available in the private sector.</p>	<p>The selection process of Finnish agencies was mostly appropriate and thorough. However, as observed by the NAO, no mechanisms were in place to assess in which cases exemption from competitive bidding might give selected agencies an undue advantage over private sector organisations offering similar services.</p>	<p>10. The MFA should implement the recommendations of the NAO contained in its report 180/2009 on the “Procurement of expert and research services in the Ministry for Foreign Affairs of Finland”. It should also institute a mechanism that restricts exemption from competitive bidding only to public organisations that offer expertise and services that are not available in the private sector.</p>
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# 1 INTRODUCTION

The present case study concerning the **Institutional Co-operation Instrument (commonly referred to by its Finnish acronym, IKI)** is part of the overall evaluation of complementarity in Finland's development policy and co-operation between 2004 and 2012. The case study was conducted in parallel with another case study on Non-Governmental Organisation (NGO) co-operation and with desk reviews of the Mozambique and Zambia country programmes. The case studies will feed into a final synthesis report on complementarity in Finland's development policy and co-operation.

The evaluation's **definition of complementarity**, developed on the basis of relevant Organisation for Economic Co-operation and Development (OECD), European Union (EU) and Finnish policy documents, is: *Complementarity is achieved when two or more actors in development co-operation work to a common goal to achieve shared overall development outcomes, recognising that they will achieve more through a strategic division of labour and joint governance accountability, by combining their capacities, skills and resources in an optimum manner based on their institutional strengths and constraints.*

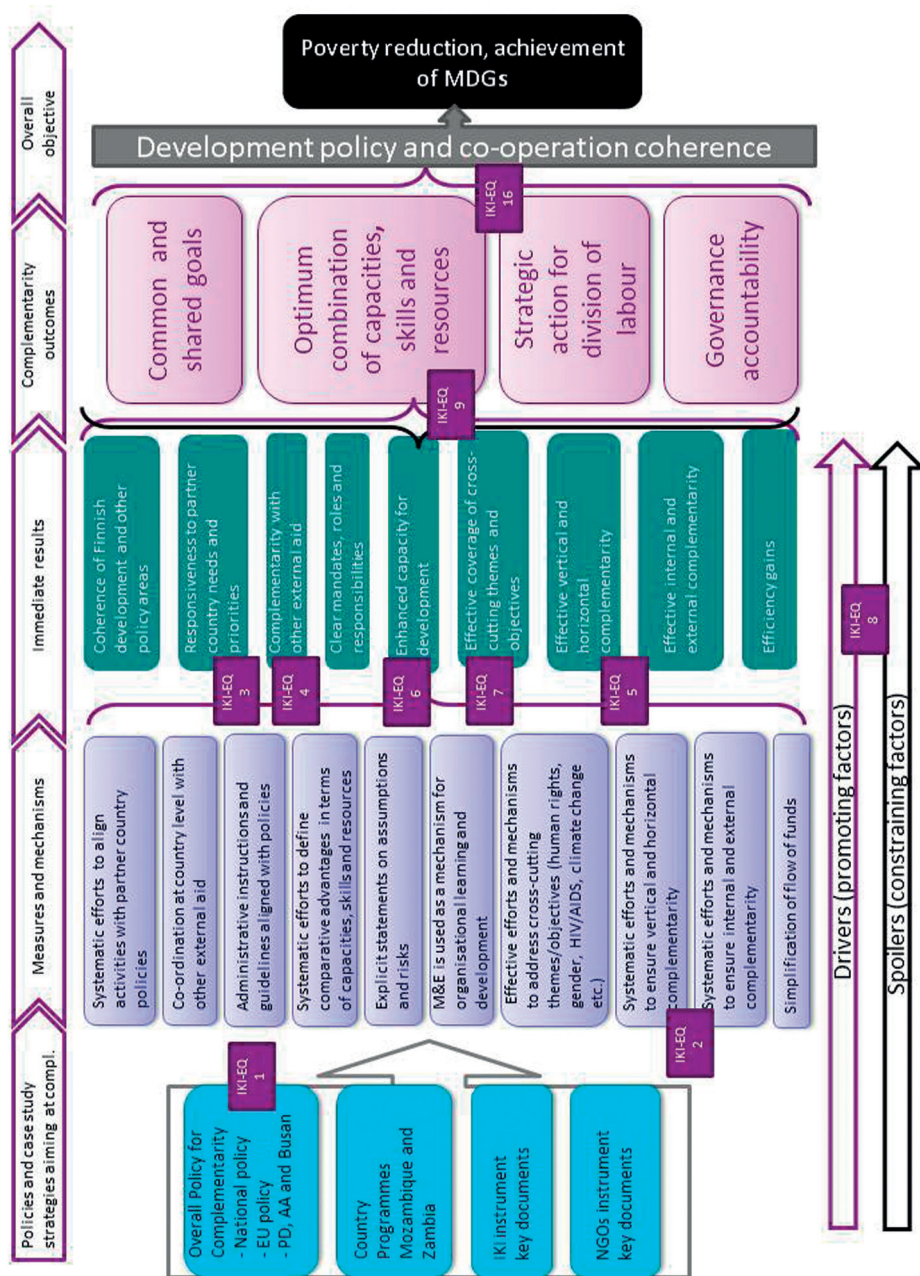
The definition contains **four levels of complementarity** that are applied in this Report: shared goals; strategic action; division of labour; joint accountability.

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

On the basis of detailed Terms of Reference (ToR) for this evaluation, a Theory of Change (ToC) model was developed as the key methodology for the evaluation (Figure 1). It depicts causal paths leading to the complementarity at all levels that is assumed to support the **overall objective of development policy and co-operation coherence**. This objective is understood as defining Finland's contribution to global goals – such as poverty reduction, achievement of Millennium Development Goals (MDGs), and other internationally-agreed development goals.

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

Figure 1 Theory of change.



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

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

However, the full application of the ToC model is possible only in the final Synthesis Report, which is based on the inputs from the case study reports – including this IKI case study report.

The elements linking the various levels of complementarity are expressed in **Evaluation Questions** (EQs) that reflect the evaluation questions in the ToR. These EQs were adapted to the requirements of the different case studies specified in the ToR. It should be noted that EQs related to the evaluation against DAC-criteria are not included in Figure 1. For the entire evaluation, complementarity is regarded as being in four dimensions:

- *Internal complementarity* considers relations inside Finnish development co-operation, including the Ministry for Foreign Affairs (MFA) and partners and stakeholders such as other Ministries in Finland, technical agencies and Finnish NGOs.
- *External complementarity* considers relations with bilateral, private and multilateral donors abroad, as well as long-term partner countries and other countries benefiting from Finnish co-operation.
- *Vertical complementarity* considers all the levels from international discourse to field operations.
- *Horizontal complementarity* refers to actors' interactions at the same level.

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

The Desk Review reports were completed by interviews with the MFA and other stakeholders in Finland, as well as by surveys for the NGO and IKI case studies. The case studies also involved field visits between June and August 2013 to countries in Africa, Asia, Latin America and the Caribbean.

## 2 APPROACH AND METHODOLOGY

### 2.1 The IKI instrument

The **IKI instrument** was established in 2008 to provide **capacity development** to public agencies in developing countries, making use of the expertise that existed in Finnish public agencies. The MFA Finland supports such twinning initiatives with small project grants, the value of which usually does not exceed € 500.000.

According to the regulatory document, an Administrative Order of 2008 amended in 2010 (MFA 2010a), priority was to be given to countries in which Finland had an Embassy or which had been long-term partner countries. Moreover, IKI projects could support Finnish strategies aimed at regional thematic co-operation between neighbouring countries.

The Administrative Order defined the IKI as an instrument that was supplementary to other forms of development co-operation – such as bilateral co-operation, sector and budget support. Its particular feature was that it could *be used in a limited number of situations where colleague-to-colleague level co-operation can lead to distinct well defined results* (MFA 2010a, 1).

An IKI project could support ongoing development co-operation, but was to have its independent aims, means and resources, as well as a Logical Framework or similar tool to demonstrate intervention logic and aimed at results. According to the Administrative Order, *the IKI endeavours to create an easy and uncomplicated instrument to engage Finnish agencies and experts in co-operation in the developing countries* (MFA 2010a, 2).

Between the formal start in 2009 and December 2012, a total of 83 IKI interventions were initiated; 18 of these were completed, and 14 were moved to the Higher Education Institutions - Institutional Co-operation Instrument (HEI-ICI) established in 2010. The total funding allocated to IKI interventions during the period under review was € 30,1 million, or approximately 0,74% of the funding for Finnish development assistance in that period. The IKI projects covered 30 countries in Asia, Africa and Latin America, and 53% of the funding was allocated to current and former long-term partner countries for development co-operation. (FCG 2012b, 5-11)

## 2.2 The double scope of the evaluation of the IKI instrument: DAC criteria and complementarity

According to the ToR, the IKI study differs from the other case studies by having a **dual objective**: *i) to evaluate the instrument overall for lessons and past experience; ii) to study the materialisation of the complementarity dimension of this instrument, which is in-built in the concept of IKI-co-operation.*

The ToR requires an assessment of the IKI as a complementary instrument – *Thus the IKI-component (evaluation) will be a thorough review of the instrument per se, and in particular its in-built policy objective of complementarity.*

The evaluation has addressed this dual requirement by adding six general EQs to the 10 questions on complementarity presented in the Introduction. They cover the five DAC evaluation criteria: relevance; effectiveness; impact; sustainability; and cost efficiency. The IKI-specific EQs are presented in Box 1.

**Box 1** The Evaluation Questions for IKI evaluation.

IKI-EQ1:	To what extent and how has complementarity, as expressed in Finnish and international development policies, been reflected in the design of the IKI instrument?
IKI-EQ2:	How has complementarity been operationalised across the different milestones of the IKI project cycle (e.g. guidance, review, approval, reporting, feedback loops)?
IKI-EQ3:	To what extent and how has complementarity led to IKI projects that are demand-driven and “owned” by national agencies in developing countries?
IKI-EQ4:	Has there been complementarity between IKI and other forms of Finnish development co-operation and across the IKI projects?
IKI-EQ5:	To what extent and how has complementarity been articulated between IKI interventions and the activities of other development partners?
IKI-EQ6:	Has complementarity between IKI projects led to capacity development at the system level in partner countries?
IKI-EQ7:	To what extent and how has the IKI instrument addressed cross-cutting objectives (human rights, gender equality, social equality, HIV/AIDS, environment, climate sustainability, and good governance) benefiting from a complementarity perspective?
IKI- EQ8:	What have been the drivers (favourable factors) and spoilers (unfavourable factors) for the achievement of increased complementarity in the IKI instrument?
IKI-EQ9:	To what extent and how has the IKI instrument contributed to overall complementarity of development co-operation?

- IKI- EQ10: Relevance: To what extent and in what ways do the IKI projects fill a particular gap in the development plans and implementation modalities of the partner institutions in developing countries and in the development co-operation between Finland and the developing countries?
- IKI-EQ11: Efficiency: To what extent and how is the IKI instrument perceived to have achieved efficiency gains through complementarity?
- IKI-EQ12: Effectiveness: To what extent and in what ways are IKI support and projects effective and result in capacity development and institutional strengthening?
- IKI-EQ13: Sustainability: To what extent and in what ways are benefits resulting from IKI projects sustainable – that is, supported by the partner institutions in developing countries after completion of the projects?
- IKI-EQ14: Impact: To what extent and in what ways have IKI projects resulted in impacts on ultimate target beneficiaries of Finnish aid?
- IKI-EQ15: Impact: To what extent and in what ways has the IKI instrument had a longer-term impact – positive or negative, direct or indirect, concrete or at the conceptual level – on long-term co-operation between the partner institutions?
- IKI-EQ16: Based on the evidence of this evaluation, which innovations could be recommended to enhance complementarity of the IKI instrument with other instruments of Finnish development co-operation, and thus make this instrument and co-operation as a whole more coherent, effective and efficient?

Particular care has been taken to ensure that all specific questions in the ToR, including those requiring a special consideration of IKI interventions related to climate change, have been answered. It should also be mentioned that the HEI-ICI was not to be covered by this evaluation.

The ToR state that the potential users of the evaluation will be policy-makers, decision-makers and aid administrators at various levels in Finland, in the partner countries, and notably in the stakeholder communities involved in IKI and NGO-co-operation. The results are to be used in the policy-level discussions within bilateral, multi-lateral and EU contexts, providing information on how complementarity can be operationalised.

During interviews in Finland and partner countries, stakeholders expressed a deep interest in the evaluation and in what can be learned from this type of co-operation. The evaluation should feed into actionable recommendations on how to improve the design and the delivery of the IKI instrument in the context of overall development policy and co-operation.

## 2.3 Methodology

The methodology for the IKI case study was designed to obtain and analyse evidence, to respond to the evaluation questions in the ToR, to draw conclusions, and to make recommendations.

### **Documentation, interviews, field visits and surveys**

In the first place, the evaluation was based on a review of all relevant **documentation**. This comprised policy documents and guidelines from the MFA, as well as reports provided by the FC. The evaluation also reviewed documentation on the decision processes with regard to IKI interventions in the MFA.

The evaluation reviewed the documentation of an illustrative sample of 39 IKI interventions. This comprised project documents, plans, budgets, ToR for missions, progress and completion reports, as well as minutes of meetings and, in some cases, decision documents from the MFA. This documentation was provided by the FC. Some supplementary files were also provided by the MFA. Additional documentation, such as sector strategies and plans, were obtained during the field visits. Principal project-related documents are listed in Annex 4.

In addition, the evaluation consulted relevant evaluations, as well as guidelines and literature on capacity development and twinning internationally, to establish a stronger basis for assessing the IKI instrument and interventions. The list of References is included at the end of the report, and Documents Consulted are found in Annex 3.

**Interviews** were carried out in Helsinki and by phone with relevant staff in the MFA, with the FC, and with representatives of 10 Finnish IKI implementing agencies. Two organisations that had been rejected as IKI implementing agencies were also interviewed. The list of people interviewed is included as Annex 2.

The countries to be visited for **field visits** to assess IKI interventions were pre-selected in the ToR, and the choice was largely adhered to, with only minor variations:

- In Africa, the team visited Ethiopia, Kenya and Namibia (Kenya replacing Egypt due to the security situation in Egypt).
- In Latin America, Ecuador and the Caribbean had been preselected in the ToR. This led to visits to Barbados, Ecuador, Jamaica, as well as Trinidad and Tobago. Moreover, the evaluation was allowed to include Peru to enable visits to a wider range of IKI interventions.
- In Asia, the Lao PDR was visited, although the country has relatively few IKI projects.

In Kenya, Namibia and Peru, the Finnish embassies were visited. In addition to the implementing agencies, the IKI evaluation sought to visit external stakeholders with interest in and knowledge of relevant IKI interventions. The IKI projects that could be visited are listed in Annex 5. They represent a broad range of sectors and types of IKI interventions.

The purpose of two web-based questionnaire **surveys** was to obtain quantitative and qualitative data and perceptions from a wider range of Finnish IKI implementing agencies and partner organisations in developing countries.

The surveys included agencies and organisations that were outside the sample for interviews and field visits. The surveys were addressed to: i) managers and specialists from implementing agencies in Finland; ii) managers and specialists from partner organisations in developing countries.

The response rate was satisfactory, as replies were received from 11 of the 14 Finnish agencies and from 44 of the total of 60 partner organisations that have been involved in IKIs over time. In some cases, where several individuals responded from the same agencies and organisations, the data was aggregated by the evaluation to reflect the response of the organisation. A presentation of the full quantitative survey and the methodology used for analysis is included as Annex 6.

Respondents were invited to give feedback on complementarity, relevance, effectiveness and efficiency of the IKI instrument as a whole, and specifically on the projects that they were or had been involved with. The respondents were asked to give graded and qualitative replies, and were also given the opportunity to provide open-ended explanations to their replies. The surveys were designed to enable comparison of perceptions of the Finnish agencies and developing country partner organisations on specific issues.

**In conclusion,** the methodology used to address each of the EQs and issues triangulated information from the various sources of information, including documents, interviews and surveys. To the greatest possible extent, contextual factors were taken into account, where appropriate.

## 2.4 Approach to the assessment of capacity development

As capacity development in public sector organisations in partner countries is the central focus of the IKI instrument, the evaluation makes use of common definitions and of monitoring and evaluation approaches in this area. Capacity development is usually thought to comprise the following elements (Uphoff 1986), and several guidebooks use this distinction – for example, Management Development Foundation in the Netherlands (MDF Sine Datum, 2-6):

- **Competence:** skills, knowledge, attitudes and behaviour of individuals.
- **Capacity:** the overall ability of an organisation or system to create value, influence and/or perform services for others.
- **Organisations:** complex of people and/or groups that, according to commonly agreed rules and procedures, strive to realise pre-set objectives.

- **Institutions:** complex of norms and behaviours that persist over time, serving collectively valued objectives (concrete “actors”, such as government or the market; abstract “factors”, such as law, market or marriage).

Despite the importance attached to capacity development, there is no standardised approach to measure the outcomes of capacity development or organisational strengthening. Recognised methods on capacity development do agree on the importance of the **nexus** between the individual, the organisation and the wider institutional and political context.

While it is not easy to measure the results of competency development in individuals, it is even more difficult to assess outcomes related to capacity development in organisations, because at that level complex relations between several individuals need to be considered.

Capacity development experts generally agree that outcomes can best be measured by an assessment of the possible improvement of performance of the organisation in question, in terms of stronger influence, improved services or deliverables to intended target groups and stakeholders.

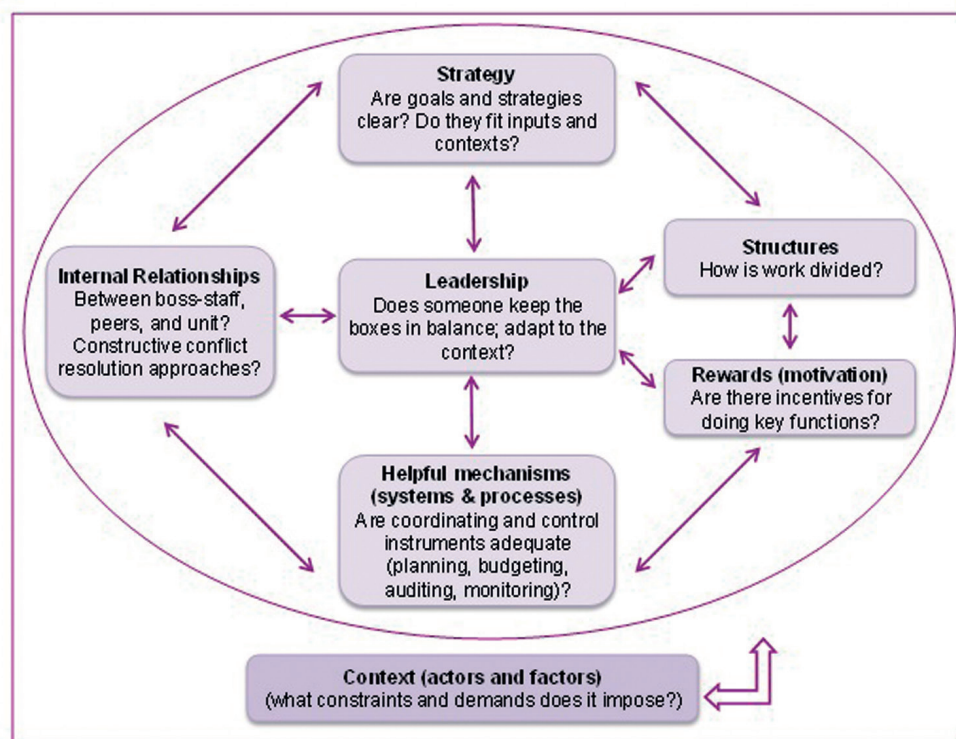
There is also wide consensus on many of the parameters that are decisive for organisational performance. Important parameters are presented in Figure 2. The model was originally presented in 1999 (Harrison & Shirom 1999) and further developed by Danida in 2005 as part of the elaboration of the Results-Oriented Approach to Capacity Change (ROACH) model (Boesen & Therkildsen 2005, 10).

Success and outcomes of capacity development depend largely on the degree of **ownership**, which is defined as individuals and organisations taking responsibility, being committed to and feeling accountable for a given intervention or process (see, for example, Development Researchers’ Network 2012, 19-27).

Capacity development often requires individuals and organisations to move out of **comfort zones** and to change traditional behaviour and processes. Driving forces in organisations are described as: i) functional/rational, or: ii) based on quests for political power, which are often considered to determine the dynamics in organisations and their role in the broader institutional context. Research underlines that organisations, in which **political dynamics** play a key role, are more difficult to analyse because processes tend to be less transparent.

**In conclusion**, this evaluation assesses the dynamics between individuals, organisations and the broader institutional context involved in capacity development processes. Whenever possible, the evaluation assesses results beyond the immediate output and outcome levels, and considers the broader institutional and political context.

**Figure 2** Elements of Capacity Development.



Source: Adapted from Harrison & Shirom (1999).

## 2.5 Evaluations of similar instruments in other countries

Several other donors have used institutional co-operation and twinning instruments for capacity development similar to those used by Finland. Those of **Norway** and **Denmark** operate in much the same way as the Finnish IKI. Furthermore, the **World Bank (WB)**, **United Nations (UN)** and the **European Union (EU)** have substantial funding for twinning projects. Multilateral funding is not tied to a particular country – as, for example, the EU twinning tool is available to all government agencies in all EU Member States.

Evaluations of these instruments used by other countries point to issues that need to be taken into account in the evaluation of the Finnish IKI instrument. In summary, the issues are:

- Human resources in the partner organisations in developing countries are often scarce, and staff who are most relevant for the institutional co-operation may not be available.
- Planning of institutional co-operation tends to underestimate the time required for dialogue to develop and for new solutions to be applied.

- Despite their professional competence, advisers from partners in developed countries need time to understand the context in the partner countries.
- The implementing organisations in the partner countries are not always geared to technical co-operation, and diverging objectives and practices need to be reconciled.
- Staff having acquired attractive competences may be headhunted for other jobs, making it necessary to focus on organisations and systems rather than individuals.
- To be sustainable, new approaches, systems and technologies need to match the realities and resources of the partner countries.

Overall, the evaluations point to twinning as an effective development co-operation instrument, although it requires careful planning, management and monitoring (Ouchi 2004; Hansen & Laugerud 2008).

In 2009, the MFA launched a review of the institutional co-operation instruments of **Sweden**, **Norway** and **Denmark**. The introductory memo launching the review mentioned in particular the need to consider the administrative cost related to the IKI instrument in view of the limited disbursement (MFA 2010c).

The review examined the Institutional Co-operation Instrument of the Norwegian Agency for Development Co-operation (Norad), which, like the Finnish IKI, aimed at strengthening the institutional capacity of partner organizations. The review noted that the Norwegian Institutional Co-operation explicitly focused on promotion of good governance, democracy, public participation, and a greater role for civil society through strengthening the public sector institutions in the partner countries (FCG 2010a).

The review examined fee rates between Finland, Denmark and Norway, and concluded that the mechanisms for calculating overheads were very similar. Norway allowed for a higher percentage for administration. The review also compared fee rates for Finnish consultancy assignments subject to competition with those applying to the IKI projects. The review noted that Finland's IKI instrument had a policy of using junior consultants and that a comparison of the full average fee rates for IKI projects with the commercial rate would therefore not be fair. In order to make a correct comparison between the IKI fee rates and commercial rates, the review used the highest one-third of the IKI fee rates. The review found that the average rate for specialists on IKI projects – including only the one-third of IKI with the highest fee level – was € 657 per day, whereas the average on projects won by business consulting companies through competitive tendering was € 663 per day (FCG 2010a).

The review report, drawing on a Swedish study of how the use of Public Sector Agencies in development co-operation affects competition, outlined that in **Sweden** there had been criticism that the institutional co-operation tool was costly, as the lack of competition led to high fee rates. According to the review, the Swedish Interna-

tional Development Co-operation Agency (Sida) allocated around € 1,3-1,4 billion on government-to-government co-operation in 2008 and 2009. The size of the interventions funded varied, but were typically much larger than the Finnish IKI interventions – ranging from € 4 million to € 109 million. The review noted that Sida's accounting system did not enable comparison of fee rates charged by government agencies with those paid on assignments subject to competition. However, according to the review, fee rates on government-to-government co-operation projects were typically 25% higher. The review report concluded that services that were also offered by the private sector were to be subject to tendering and competition. According to the review, Sida intended to continue to use the public sector co-operation as a bridge to create opportunities for private enterprises. (FCG 2010a, 2-3; Affärs Concept 2008, 3-5)

In 2009, the Swedish Government proposed a law that, among other issues, addressed services provided by one government agency to another. The rationale behind the law was the stated aim of providing more effective public services as a condition for democracy. The need to comply with EU directives was underlined. The law stated that the basis for deciding that a government agency would provide a service was that the knowledge of the government agency in question could serve the “common good”. It was emphasised that government knowledge was not to be operationalised in a way that could impair the conditions of a third party. (Government of Sweden 2009, 1-12)

**Denmark** had an instrument that was regulated by guidelines very similar to the Finnish IKI instructions (Danida 2004). The Danish MFA uses institutional co-operation less systematically, as the instrument is applied in situations where it may strengthen dynamics related to Danish political and economic interests. Of particular interest is the practice whereby one part of an assignment is granted to a public sector institution with a unique type of expertise (e.g. the National Bureau of Statistics), while the other part is allocated through tendering among private companies. This model combines the use of exclusive public sector knowhow with services to be procured under competition.

**In conclusion,** experience of other donors with similar arrangements shows that twinning and institutional co-operation between government agencies is appreciated as an effective tool to develop government capacity. The studies of instruments similar to the IKI make it clear that it is necessary to fully consider realities prevailing in recipient organisations in partner countries. Experiences in Nordic countries point to the need to secure full transparency and strict cost management for this type of co-operation, which should also not undercut the competitiveness of the private sector.

## 2.6 Challenges and limitations

The dual scope of the evaluation of the IKI instrument presented challenges in terms of **time management**, as no extra time was available for the fully-fledged evaluation of the instrument against DAC criteria. Another handicap was that aggregated reporting was largely absent. The review of the extensive documentation, based on a sample of individual projects, was time-consuming. Moreover, important documents – such as relevant internal memos from the MFA and reports of the NAO – needed to be translated from Finnish into English.

Countries to be visited were **pre-selected** without a clear explanation in the ToR of criteria used. Although this could have led to a selection bias, it is felt that the projects visited and reviewed in detail do demonstrate a considerable variety of experiences, covering long-term partner countries of Finnish development co-operation as well as other countries.

The majority of stakeholders interviewed or surveyed for this evaluation were managers and professionals directly responsible for, or involved in, IKI projects. As these stakeholders had vested interests in the instrument, there is an obvious **positive selection bias** in the sample. However, by triangulating information obtained from these sources with what could be gleaned from documents and from direct observation and interviews, the evaluation has sought to ensure a critical and impartial approach.

## 3 THE IKI INSTRUMENT: BACKGROUND AND OVERVIEW

### 3.1 Origin and nature of the instrument

The IKI instrument was **created** in 2008 by Administrative Order HEL 5753-6/2008, with an amendment in 2010 by Administrative Order HELM 178-3/2010 (MFA 2010a). The mechanism was introduced to allow the MFA to request other government agencies in Finland to provide services to organisations in partner countries, in accordance with the relevant legislation of Finland, Law 28.4.1989/382 (Government of Finland 1989). This type of government-to-government co-operation apparently had already existed since the late 1990s.

The 2010 Administrative Order outlined the **purpose** of the instrument, which was to enable specialised Finnish Government agencies to co-operate with partner organisations in developing countries, with the aim of developing capacity. Funding would be granted subject to a clear and documented need in the partner country. Moreover, the partner country had to declare its interest and ability to mobilise the necessary resources. The interventions under the IKI instrument had to be in line with Finnish

development co-operation policies. The IKI intervention was to have its own independent intervention logic and adequate means to achieve results.

The **value of an IKI project** was in principle not to exceed € 500.000. This budget could only be exceeded if Finland saw a special political and strategic interest in the project, or if the project was regional in scope or covered several countries.

## 3.2 The volume of the IKI instrument

From the formal start in 2009 up to December 2012, **83 IKI projects were initiated** and **18 were completed** (FCG 2012b). In December 2012, nine projects were in the pipeline, at a value of approximately € 4,8 million. They were expected to be approved towards the end of 2013 or in 2014.

Fourteen projects initiated in the period 2009-2012 were eventually not implemented as IKI projects. Three projects were transferred to a special IKI mechanism on higher education, the HEI-ICI, which was also established with the Act of 2010 and which was not covered by this evaluation. Of the remaining 11 projects, some were transferred to funding through different mechanisms, while others were rejected because they did not adequately fulfil the criteria to become IKI projects. Two projects were rejected because the proposing Finnish agencies were not found to be eligible as IKI partners (FCG 2012b; 2012c).

**Total funding** granted to the IKI instrument between 2008 and 2012 amounted to € 30,1 million, corresponding to 0,74% of the Finnish development assistance funding over that period. The number of projects approved and the funding allocated each year grew steadily, as is illustrated in Table 1. There is evidence that most of the allocations have been disbursed.

**Table 1** IKI projects and funding by year 2008-2012.

Year	Number of new projects	Funding Allocated to IKI projects, cumulative (€ million)
2008	13	
2009	27	6,3
2010	18	13,2
2011	17	20,5
2012	7	30,1
Total	82	30,1

Source: FCG 2012b.

### 3.3 Distribution of IKI funding by implementing agencies and sectors

Table 2 summarises the number and budget of approved projects between 2008 and 2012 by each of the IKI implementing agencies.

**Table 2** Implementing agencies and budget for IKI projects 2008-2012.

IKI Implementing Institute	No of Projects	IKI budget (€)	% of total
Geological Survey of Finland (GTK)	13	8.209.614	27,3%
Finnish Meteorological Institute (IL)	13	4.591.236	15,3%
Finnish Forest Research Institute (Metla)	4	3.491.852	11,6%
Finnish Environment Institute (SYKE)	6	3.275.128	11,0%
Technical Research Centre of Finland (VTI)	5	2.407.752	8,0%
MTT Agrifood Research Finland	4	2.280.868	7,6%
Crisis Management Centre Finland (CMC)	3	1.574.476	5,2%
National Institute for Health and Welfare (THL)	2	995.302	3,3%
Finnish Game and Fisheries Research Institute (RKTL)	2	796.762	2,7%
Statistics Finland (TK)	2	705.274	2,3%
Finland Futures Research Centre (ITK)	2	559.901	1,9%
Police Administration (Police)	1	487.566	1,6%
Ministry of Education and Culture (OKM)	1	438.824	1,5%
Finnish Radiation and Nuclear Safety Authority (STUK)	1	208.089	0,7%
<b>TOTAL</b>	<b>59</b>	<b>30.022.644</b>	<b>100%</b>

Source: FCG 2012b; 2012c.

The **list of projects** indicates that government agencies in the field of natural resources in the broadest sense (that is geology, climate, forests, environment, and sustainable development) had by far the largest share of the IKI projects. The budgets demonstrate that the four institutes, GTK, IL, Metla and SYKE, together were implementing IKI projects at a value of € 19.567.830, corresponding to 65% of the budget for ongoing IKI projects. One GTK project in Peru started only in 2012 and had not begun invoicing when the overview was prepared. It is notable that more than 80% of the funding for IKIs was allocated to the environmental sector, with GTK as an absolute leader in terms of funding allocated, managing more than 25% of all the IKI funding – notably under the Wider Europe Initiative (WEI).

The education and social sectors, where Finland is also recognised as having special capacities, were only represented in three IKI projects. One project was implemented by the Ministry of Education and Culture, and two by the National Institute for Health and Welfare under the Finnish Ministry for Social Affairs and Health. An important part of GTK's large share of IKI-funding came from the Central Asian projects that were part of WEI. Phase 2 of the project had a budget of € 2.523.952.

### 3.4 IKI funding by countries

The IKI Instrument does not have a predetermined budget allocation in the Development Co-operation Budget of Finland. Allocations for IKI projects are made on a case-by-case basis, taking into account the priorities and the budgets available for regions and countries. Table 3 provides an **overview of IKI funding** allocated by country and region during the period under review, based on information provided by the IKI Facilitation Consultant (FC). Most of these allocations were also disbursed. The table illustrates the very wide range of countries receiving assistance from the IKI instrument, with a total of 29 countries covered. Africa was given the highest priority. Between 2008 and 2012, Africa received € 13.574.285, or 45% of total IKI funding.

**Table 3** Budget for IKI projects 2008-12 by partner country and region.

Region/country	Number of projects	Finnish government agency	Project budgets €
<b>Eastern Europe</b>			
Georgia	1	SYKE	500.000
Ukraine	2	GTK, STUK	665.289
<b>Sub-total Eastern Europe</b>	<b>3</b>		<b>1.165.289</b>
<b>Asia</b>			
<b>Central Asia</b>			
Kyrgyzstan	2	TK, SYKE	883.370
Uzbekistan	1	IL	526.225
Regional	2	GTK	3.272.102
<b>Sub-total (Central Asia)</b>	<b>5</b>		<b>4.681.697</b>
<b>(Southeast) Asia</b>			
Afghanistan	2	CMC	780.000
India	1	VTT	499.627
Cambodia	1	TTK	264.514
Lao PDR	2	TTK, GTK	795.161
Mongolia	2	GTK	990.250
Nepal	1	IL	499.950

Vietnam	3	GTK, IL, RKTL	1.489.077
Nepal & Vietnam	1	Metla	499.731
<b>Sub-total (SE Asia)</b>	<b>13</b>		<b>5.818.310</b>
<b>Total Asia</b>	<b>18</b>		<b>10.500.000</b>
<b>Africa</b>			
Egypt	4	CMC, SYKE, THL, VTT	2.283.952
South Africa	1	SYKE	415.000
Ethiopia	3	GTK, MTT, TK	1.381.661
Kenya	2	Metla, MTT	2.105.121
Mozambique	2	Metla, VTT	1.414.622
Namibia	6	GTK, OKM, Po- lice Administration, SYKE, THL, VTT	2.924.294
Zambia	3	GTK, MTT, SYKE	2.055.460
Sudan	1	IL	494.175
Tanzania	1	GTK	500.000
<b>Total Africa</b>	<b>23</b>		<b>13.574.285</b>
<b>Latin America</b>			
Bolivia	1	GTK	496.646
Chile	1	VTT	472.121
Colombia	1	IL	250.000
Ecuador	1	IL	250.000
Jamaica	1	IL	69.842
Caribbean	2	IL	546.554
Peru	4	IL, MTT, RKTL, GTK	1.298.248
Trinidad & Tobago	1	IL	70.360
Uruguay	1	IL	397.980
Central America	1	Metla	499.000
<b>Total Latin America</b>	<b>14</b>		<b>4.350.751</b>
<b>Pacific Region</b>	<b>1</b>	<b>IL</b>	<b>494.830</b>
<b>GRAND TOTAL</b>	<b>59</b>		<b>30.085.162</b>

Source: FCG 2012b.

The IKI policy required that priority be given to **present and former long-term partner countries**. Table 4 shows that 11 countries received 53% of the total IKI funding. Large IKI projects played a major role in some countries. For example, Kenya and Mozambique were recipients of relatively large IKI projects – a forestry sector programme in Kenya, and support to the agricultural sector in Mozambique.

**Table 4** IKI funding and projects in former and present long-term partner countries 2008-2012.

Country	Number of projects	Total funding	%
Namibia	6	2.924.294	
Egypt	4	2.283.952	
Zambia	3	2.055.460	
Kenya	2	2.105.121	
Vietnam	3	1.489.077	
Mozambique	2	1.414.622	
Ethiopia	3	1.381.661	
Peru	4	1.298.248	
Tanzania	1	500.000	
Nicaragua	1	499.000	
<b>Total long-term partner countries</b>	<b>29</b>	<b>15.951.435</b>	<b>53%</b>
<b>TOTAL IKI projects</b>	<b>59</b>	<b>30.022.644</b>	<b>100%</b>

Source: FCG 2012b.

Table 4 includes countries that ceased to be long-term partner countries: Namibia, Egypt and Peru. However, these countries continued to be relatively large recipients of IKI funding. This demonstrates that the IKI instrument, in some cases, fulfilled the role of supporting continued co-operation, when Finland was withdrawing mainstream development co-operation from a country or a sector. Examples are continuation of education sector support in Namibia, and social sector support to Egypt.

A relatively high share of IKI allocations also went to **non-long-term partner countries**. Eastern Europe and Central Asia received together € 5,8 million in IKI grants, corresponding to almost 20% of the budget. This may have been the result of Finland pursuing specific political interests in that region. Almost half of that budget was assigned to IKI projects under the Wider Europe Initiative (WEI), a programme supporting security, trade and development, information systems, energy and the environment, and social sustainability, under which IKI projects to the value of € 2,5 million were implemented by SYKE, GTK, FMI, STUK and Statistics Finland.

**In conclusion**, during the period under review, the IKI instrument was a relatively small part of overall Finnish development co-operation, accounting for only € 30,0 million, which corresponds to 0,74% of overall funding between 2008 and 2012. Only 14 Finnish agencies provided services to partner organisations in developing countries. Most of them were specialised in natural resources in the broadest sense. Although priority was to be given to long-term partner countries of Finland, the geographical spread was considerable, as the instrument was also used as part of exit strategies from countries where regular bilateral co-operation was to cease, or where there were geo-political reasons for exiting.

## 4 FINDINGS

### 4.1 Policies and practice of the IKI instrument

#### 4.1.1 Policies guiding the IKI instrument

In the documents creating the IKI instrument, capacity development – the central **purpose** of the instrument – was described as: improvement of the partner agencies' services, research and development; organisational development; reform of operational processes; increased staff know-how; internationalisation; and networking. The IKI project was intended to match the needs identified in the developing country government agency with the expertise available in the Finnish agency.

The Finnish Embassies were to have a key role in assessing the needs and commitment in the partner country. Priority was to be given to countries where Finland had an Embassy, or which were or had been long-term partner countries.

The **budget ceiling of € 500.000** per project could be exceeded in cases, where the IKI instrument supported co-operation in one of the key priority sectors in the country strategies or promoted "*Finnish regional co-operation strategy through thematic co-operation between neighbouring countries*" (MFA 2010a, 3).

The Administrative Order stated that the MFA had several instruments at its disposal – such as bilateral co-operation, and sector and budget support – and that the IKI was to be a supplementary instrument. IKI projects could support ongoing development co-operation, but they were to have independent aims, means and resources, as well as a logical framework or a similar tool to demonstrate intervention logic and results orientation.

It was emphasised that a key element of the IKI was the **sector expertise in Finland**, as the IKI "*endeavours to create an easy and uncomplicated instrument to engage Finnish*

*agencies and experts in co-operation in the developing countries*” (MFA 2010a, 2). The MFA envisaged that a longer-term co-operation might be the continuation of the IKI.

The Administrative Order underlined that the IKI projects were not subject to tendering under the Public Procurement Act because the MFA and the Finnish agencies assigned to implement IKI projects were part of the Finnish Government.

The Administrative Order also addressed co-operation modalities and emphasised that, in the early phase, resources were to be allocated to “*establish good mutual relations and for confidence building*” (MFA 2010a, 2). It advised that co-operation should be limited to technical and non-political issues.

It is interesting to note that the Development Policies published in 2007 and 2012 did not mention the IKI instrument specifically, although the importance of good governance and strengthening of the public sector in developing countries was emphasised. Interviews confirmed the importance of IKI interventions being aligned with **sectoral policies**, in particular the policies and guidelines for the Water, Environment and Forestry Sectors. The guidelines shared the emphasis on international initiatives – such as the UN Collaborative Programme Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD), the Global Environment Facility (GEF), and the UN Environment Programme (UNEP) – but emphasised the need to involve Finnish expertise in these sectors globally.

**In conclusion**, the IKI instrument was intended to be a light and straightforward mechanism aimed at complementing other instruments of Finnish development co-operation. The instrument was specifically designed to make Finnish sectoral expertise available to partner organisations in developing countries.

#### **4.1.2 Management of the instrument**

The Administrative Orders of 2008 and 2010, as well as a guidance document entitled “Institutional Co-operation Instrument (IKI) Manual and Recommended Best Practices” – the 7th version of which was published in June 2012 (MFA 2012b) – defined roles and responsibilities of key stakeholders involved in the management and implementation of the IKI projects. They are set out in Table 5.

**Table 5** Roles and responsibilities of organisational units involved in the IKI instrument.

Organisation	Organisational unit / stakeholders	Responsibility
MFA	Regional Departments	<ul style="list-style-type: none"> <li>• The Regional Departments are responsible for the preparation of IKI project proposals. Project proposals below € 200.000 may be approved by the Head of the Department for Development Policy. Project Proposals above € 200.000 (the case for most IKI projects) must be presented by the Regional Department to the Quality Assurance Group (QAG) that is tasked with providing advice and recommending, or not, the proposal to the Minister for approval.</li> <li>• Day-to-day administrative and financial management of IKI interventions, based on input from the Facilitation Consultant.</li> </ul>
	Department for Development Policy	<ul style="list-style-type: none"> <li>• Preparation of policies and guidelines for the Instrument.</li> <li>• Technical and policy advice on proposed IKIs.</li> <li>• Managing the contract with the FC.</li> <li>• Organising training and communication on the IKI instrument.</li> </ul>
	Quality Assurance Group	<ul style="list-style-type: none"> <li>• Checking policy coherence and relevance of IKI projects proposed.</li> <li>• Making decisions on proposed source of financing.</li> <li>• Possible rejection or recommendation of IKI projects for approval.</li> </ul>
	Embassies of Finland	<ul style="list-style-type: none"> <li>• Support to the match-making between the partners.</li> <li>• Country feedback on proposals during the preparation phase.</li> <li>• No formal responsibility for overseeing IKI projects. However, the majority of embassies take an interest in the projects.</li> </ul>

Organisation	Organisational unit / stakeholders	Responsibility
<b>Facilitation Consultant</b>	Contracted through tendering by the Department for Development Policy	<ul style="list-style-type: none"> <li>• Support to the Finnish partner organisations in preparing and implementing the IKI projects.</li> <li>• n behalf of the MFA – based on documentation only – monitoring of the IKI projects and compilation of quarterly, semi-annual and annual reports.</li> <li>• Approval of progress reports prepared by Implementing Partners as precondition for payment.</li> </ul>
<b>Finnish Partner Agency</b>	The Finnish Partner Agencies eligible – as defined by Parliament – are government organisations considered to have a special expertise or capacity in their field internationally. By 2012, 14 Finnish agencies were involved as implementing agencies.	<ul style="list-style-type: none"> <li>• Preparation of project proposals with partners.</li> <li>• Legal, contractual and professional responsibility for the IKI interventions.</li> <li>• Signing Memorandum of Understanding (MoU) with the Partner Organisation.</li> <li>• Making staff available for missions and, with partner, organising capacity development.</li> <li>• Procurement as relevant as part of the intervention.</li> <li>• Reports to FC at least semi-annually.</li> </ul>
<b>Partner Organisation in developing country</b>	Approved by MFA on the basis of Embassy approval. The Partner Organisations in developing countries are government agencies. These can be Ministries or specialised agencies working under the Ministry.	<ul style="list-style-type: none"> <li>• Contributions to preparation of proposal.</li> <li>• Signing of MoU.</li> <li>• Making staff and facilities available for the IKI interventions.</li> <li>• Preparation of Mission ToR and capacity development processes with partner.</li> <li>• Procurement as relevant as part of the assignment;</li> <li>• Monitoring and reporting, in collaboration with the Finnish partner agency.</li> </ul>

Organisation	Organisational unit / stakeholders	Responsibility
<b>Project Boards</b>	Project Board members typically represent the senior level leadership of the organisations involved in IKI projects, and are at a high political level (permanent secretary or director level). Embassies, in some cases, act as representatives of the MFA on the Boards.	<ul style="list-style-type: none"> <li>• Oversight of project implementation.</li> <li>• Dealing mainly with administrative issues</li> <li>• Important forums for open discussions of critical issues and for building relations.</li> </ul>

The various organisational units in the **MFA** and the Finnish Embassies overseas were mostly involved in the preparatory phase of the projects, while the **Finnish partner agencies** and the **partner organisations** in the field were in charge of project implementation. Support was provided by the **Facilitation Consultant** during preparation and implementation phases. The lesser involvement of the MFA and the Embassies was an important factor in the determination by this evaluation as to what extent complementarity with other forms of Finnish development co-operation was ensured in practice.

**Project preparation and approval** were, in principle, to be managed according to the same standards and procedures across the MFA. However, during the period under review for this evaluation, it was found that the practices varied across the departments, and from one project to another.

The **Regional Departments** had the key decision power as they had the overview of how a proposed project matched the strategy for the region, country or sector. Moreover, the decision depended on the availability of funding in the budget for the region or country in question. Budgets were prepared on a rolling basis three years in advance. The initial budget allocation to an IKI would normally be done early, as part of the budgeting process. However, funding could in some cases also be proposed by the Quality Assurance Group (QAG) from unallocated funding. According to interviews, some Regional Departments carried out more systematic examinations of project proposals than others. Due to staff shortages at the senior level, major responsibilities were sometimes assumed by relatively junior staff.

There was considerable variation in the involvement of **Embassies**. While some Embassies played a key role in identifying partners and commenting on proposals, others reported that they had little knowledge of IKI interventions implemented in their

countries. This may also have been due to high levels of staff turnover in the Embassies.

The **Development Policy Department** had a key role in issuing and updating policies and guidelines and in advising on individual project proposals. Its Deputy Director chaired the **Quality Assurance Group**, which advised the Minister whether or not to approve a project proposal. In some cases, the Group asked for additional information or further improvement of project documents, but in most cases proposals were recommended for approval without much discussion. In a few cases, proposals were returned to the authors with advice for improvement. In practice, no proposals were completely rejected.

Ministry staff and the FC explained that, in principle, there was to be a fairly thorough scrutiny of the first draft concept note, whereby the alignment with partner country, Finnish and international policies had to be documented. (MFA 2011a; 2011b; 2013a; 2013b; 2013c; 2013d; 2013e; 2013f).

However, interviews suggest that the Quality Assurance Group focused less on strategic issues – such as, how the IKIs related to the overall development co-operation – than on immediate project outputs and outcomes. Some staff complained that guidelines and strategies for the IKI instrument were not well communicated, and that reporting requirements differed from other forms of bilateral co-operation.

**In conclusion**, the MFA designed an elaborate process for the review and approval of projects. The project preparation procedure seems to have been relatively intensive and demanding on staff time, which is in contradiction to the stated objective that the IKI instrument should be light and straightforward. Project implementation was largely left to Finnish technical agencies and partner organisations in developing countries. There was less involvement of the MFA during project implementation.

### **4.1.3 The role of the Facilitation Consultant**

To minimise the administrative burden, the MFA contracted a Facilitation Consultant (FC), whose responsibility was to monitor the implementation of the IKI instrument and to provide advice to Finnish agencies on the preparation and management of IKIs. The contract was won by the Finnish Consulting Group (FCG) after tendering in 2008 and again in late 2012. Box 2 sets out roles and responsibilities of the FC.

**Box 2** Roles and responsibilities of the IKI Facilitation Consultant.

The FC employs three experts serving as a project team, each covering a specific technical area. The contract with the MFA allows the team to use pre-determined hours for each IKI project approved by the Ministry (hours need to be documented with timesheets):

- 30 hours of advice on project preparation before the project is approved. This may be used for guidance to the partners on project design and an initial meeting between the Ministry and the two partners (the consultant may use the hours even if the project is rejected by the Ministry).
- 25 hours of advice after approval during the start-up of the project until the first progress reporting.
- 20 hours for follow-up during implementation. The hours should be used for approval of mission ToR, mission reports, semi-annual and completion reports for the Finnish implementing agencies, and for meetings and giving advice to the partners during implementation.
- 60 hours in total for the team to produce quarterly and annual reporting, and for meetings with the MFA as required.

Additional services are carried out subject to a special agreement with the MFA. This has included two or three training seminars for staff of the Finnish Implementing Agencies, and these were held each year up to 2013. The work of the FC is based on documentation only (the FC does not visit the projects). According to the ToR, the FC is not responsible for overseeing performance relating to technical issues on the IKI projects. This is the responsibility of the Finnish implementing agencies.

Source: MFA 2012d, 1-9; FCG 2009a; 2009b; 2010b; 2011a; 2011b; 2012a.

In practice, the FC acted in accordance with the ToR of the MFA. The role of FCG was mainly administrative, with a focus on project management aspects. During the **project preparation phase**, FCG provided advice to the MFA on the design of projects, ensuring that the projects were in line with Finnish development co-operation policies. The aim was to create a strong analytical and planning basis for the projects so that they could be implemented relatively independently. There was also focus on support to preparation of realistic and coherent logical frameworks.

During **project implementation**, the FC made sure that projects were being implemented according to the guidelines and approved project document. Moreover, the FC supported the Finnish implementing agencies on capacity development aspects, and provided guidance on working in a development context. The advice of the FC was the basis for payment of invoices of the Finnish implementing agencies by the MFA. The FC played a lesser role for the partners in the developing countries. Some partners were not even aware of the existence of the FC function.

The **performance** of FCG in the role of FC was much appreciated, as expressed in interviews with stakeholders. The project preparation process improved over time. The FC reported that he had been involved too late in the project proposal review process in the early years, but that he was more actively involved more recently in providing advice to the Finnish agencies. Project reports do not seem to have been subject to much discussion, although some had to be redone. The main emphasis appears to have been on short factual reporting from the projects.

The quarterly and annual reports from the FC to the MFA demonstrate how the FC advised the MFA to strengthen the requirements for IKI projects. According to this advice, Finnish implementing agencies were to work more closely with the partner organisations and take a more holistic approach to capacity development. The reports show that the implementing agencies gradually became more proficient in implementing IKI projects. The reports also discussed the logical framework approach and the need for results-based management. In 2010 and 2011, the FC conducted several training sessions for staff from the MFA and the implementing agencies to strengthen the capacity to design and implement IKI projects (FCG 2009a; 2009b; 2010b; 2011a; 2011b; 2012a).

It should be noted, however, that the aggregated reports from the FC were in Finnish, and that they were therefore largely inaccessible to partner organisations. The FC also was not mandated to interact directly with partner organisations or monitor project performance in the field.

On a day-to-day basis, a large part of the FC's work was with the Finnish IKI implementing agencies, which were responsible for the technical content. These agencies particularly appreciated the FC's support in the preparation of project documents, and valued the consultant's flexibility in resolving issues by acting as a liaison with the MFA. The MFA and the Embassies also expressed satisfaction with the contribution of the FC. However, it should be noted that, despite support from the FC, the workload was still considerable for MFA staff. This was partly due to more stringent requirements for the project documentation in the preparatory phase.

**In conclusion,** the FC provided useful support to the administration and management of the IKI instrument, acting as a liaison between the MFA and especially Finnish implementing agencies. There was overall satisfaction with the contribution and performance of the FCG in this role. The ToR did not include tasks related to substantive project performance monitoring.

#### 4.1.4 Project design, reporting, monitoring and evaluation

##### Best Practices Manual

The Administrative Order directly referred to the IKI Manual and Recommended Best Practices (the Best Practices Manual) to guide the IKI project preparation and implementation process.

The Manual provides the overall guidelines for the design and implementation of IKI projects. It outlines the stages of preparation and implementation and requirements for: project documents; the logical framework; work and time planning; budget; Curriculum Vitae (CV); the memorandum of understanding; the project board role and composition; mission ToR; format for progress and completions reports. The Manual explains which services can be obtained from the FC. It also provides guidance on which organisations would be eligible, and includes guidance relating to the overheads factor that may be charged by implementing agencies – referred to in Finnish as OKA (“omakustannushinta”).

During the period evaluated, the Manual was revised several times, in close collaboration between the MFA and the FC. By 2012, its seventh version was in use. The frequent additions included in appendixes, plus the absence of an overall table of contents, meant that the Manual had an unclear structure, thus limiting its user-friendliness as a guidance tool. This was compounded by an unsatisfactory layout of the document.

The Manual sets out three **basic principles** guiding the IKI instrument: the importance of ownership and commitment of the partner organisation; alignment with partner government policies, strategies and needs; and complementarity with other parts of Finnish development policies and co-operation. With regard to complementarity, the Manual states: *The IKI project may support and complement existing co-operation between the partner organisation and Finland and any other donor* (MFA 2012b, 7). It is interesting to note, however, that there are no direct requirements, in the project documents, for the IKI partners to state specifically how complementarity is or will be addressed during implementation.

The Manual requires the **project documents**, including the MoU, to analyse the policy and strategy framework and to describe the rationale for the project in that context. Implementing partners are urged focus on the intended results to be achieved by the project. The partners are requested to use the logical framework approach for planning and monitoring implementation, as well as the consideration of contextual and cross-cutting issues to be addressed during design and implementation. However, a standardised logical framework was not introduced until May 2010.

The Manual includes an **internet link to a logical framework manual** (MFA 2012b, 13), but this link did not work when it was checked in 2013 for this evaluation. The evaluation assessed, on the MFA website, the project management guide entitled

“Guidelines for Programme Design, Monitoring and Evaluation” (MFA Sine datum). This may also serve as a guide on the logical framework approach and on project design. It is a comprehensive publication, but is not very useful as a tool to support discussion and agreement on an intervention logic between a Finnish and partner organisation.

**Reports** from IKI interventions have to be submitted quarterly or semi-annually. They generally followed a pre-set format and provided information on: main results achieved against indicators; main activities in relation to work plans; how cross-cutting issues had been addressed; completed expert days – supported by time sheets; problems encountered and measures taken, or proposed to be necessary; the possible need for consultation with the Ministry.

On **capacity development**, the Manual underlines that, although individual relations may be a valid basis for starting IKI co-operation, this is not sufficient to secure long-term sustainability of results. To assess feasibility of proposals, it says that concrete objectives should be established, and that focus should be on one unit in the partner organisation. The Manual refers to several international methods for capacity development and institutional strengthening. IKI partners are encouraged to consider leadership and the role of the project board. A very pragmatic approach is proposed: *The leadership structures should be high enough to guarantee the access to personnel resources, but low enough to guarantee the grasp of the project idea* (MFA 2012b, 93). A Social Analysis is proposed to take account of the social and cultural values affecting the developing partner organisation, and it is underlined that local specialists are the best experts on organisational change in their own countries (MFA 2012b, 94).

The Manual includes an **IKI checklist** to guide implementing agencies and to enable task managers and the FC to quickly check IKI project proposals (MFA 2012b). The checklist includes very relevant issues, such as rationale, ownership, and links to Finnish and other development partner co-operation.

The **IKI evaluation** concludes that the Best Practices Manual is strong on content (the discussion of context and capacity development approaches are of a high standard), but weak on presentation and user-friendliness as a guidance tool. A main weakness of the Manual is the insufficient guidance on the logical framework or design of intervention logic.

### **How the guidance was implemented**

The evaluation reviewed 39 **project documents**, which were found to differ in style and quality. Some included an in-depth sector analysis, while others focused more on the needs at operational level. Interviews conducted in Finland and with partner organisations demonstrated that the parties considered the project document to be very important in terms of expressing what was agreed between the parties, and as a guideline for the implementation of the project.

The quality of project documents was better when there was solid preparatory work prior to the initiation of the IKI projects. As from 2010, it was standard procedure to use a € 25.000 **grant for project preparation**. The grant allowed partners to visit each other, plan the project together, and make sure that they had matching expectations. In some cases, use was also made of travel budgets for conferences or official visits.

The use of **logical frameworks** was found to have been uneven. Some of the early project documents included both a results framework and a logical framework in different chapters, making it difficult to have an overview of the coherence of the logic behind the project. In one-third of the projects, the documents, indicators and sources of verification in the logical frameworks were too general and insufficient to describe expected results. In many cases, there were vague objectives and indicators, such as “increased capacity”, “improved planning” and “more efficient delivery”. There was a lack of clear determination of what capacity was to be improved, how this improvement could be measured, and how it would ultimately affect the end-users. The same applies to the use of the phrase “improved planning”, where a clear articulation of the planning and policy areas to be (positively) affected is necessary. This would make it possible to translate project outputs and outcomes into actionable decisions at the policy and/or sector-wide levels.

Most of the **project progress reports** were found to be rather short, focusing on tangible issues and activities and achievements, in accordance with guidance from the MFA. However, the reports tended to mix activities, outputs and results. In general, they failed to provide in-depth analysis or lessons learned on capacity development, institutional strengthening or technical advances. The reporting to the MFA did not include summaries of evaluations of training or other capacity development events. According to interviews, the MFA wanted lean reports, in order to limit administrative work. From 2010, the IKI started using the standardised logical framework as a reference point, and the reports became more strategic.

The progress reports were accompanied by invoices and accounts for time spent and expenses made. The IKI evaluation notes the remarkable effort to document meticulously the number of working days of Finnish experts and of all procurement and human resources mobilisation efforts, which seemed to be the main area of accountability vis-à-vis the MFA.

The evaluation concluded that if technical reporting had been carried with the same rigor and attention to detail as the administrative reporting, the IKI instrument would have been in a very privileged position to demonstrate effectiveness and to claim impact. A more elaborate monitoring could also have fed into learning to ensure that the good practices were passed on to new agencies and projects.

The **project completion reports** provided a better overview, and comprised analysis of the performance of the full project. However, some reports tended to discuss

training and capacity development events at the level of the individual organisation, and refrained from discussing possible impact at a more generic institutional, social and political level. This could have provided important insights on best practices in capacity development and insights on relevance to Finnish development co-operation.

It should be noted that, in May 2010, a new format was introduced, requesting partners to submit with the completion report a review of achievements against the original logframes. Completion reports in the latter part of the period evaluated thus provided substantial insights on performance towards results. They also covered relevant issues with regard to reaching poor and vulnerable groups, as well as sections on cross-cutting issues.

The Finnish implementing agencies usually took the lead in preparing the reports, whereby partner organisations only checked the contents and made limited contributions. In some cases, partner organisations had a more active role in preparing the reports. However, several partner organisations explained in interviews that they saw their main reporting obligation to be with their own Government that provided a significant financial contribution to the IKI projects. This reporting by partner organisations did not feed into the reporting to Finland. However, national reporting – for example, on climate sustainability and poverty monitoring – did feed into international databases and reporting systems.

Of the 39 projects reviewed for this evaluation, only two – both in Ethiopia – went through a documented **self-evaluation process**. They were the “Improving GIS, remote sensing and information management at the Geological Survey of Ethiopia and Development” project and the “Improving poverty monitoring and evaluation systems in Ethiopia” (Silfverberg 2012). The self-evaluations were both largely positive with regard to the delivery of the projects’ planned results – especially when demonstrating their usability, such as applying the new statistical methods for two nationwide surveys during project lifetime. The self-evaluations also highlighted the importance of mainstreaming the newly-acquired technical knowledge into existing structures in order to ensure sustainability.

### **Involvement of partner organisations**

As part of the questionnaire survey, partner organisations were asked about their involvement in the project management. Table 6 reflects responses received from 45 organisations to the question: In which of the steps of the project cycle is or has your organisation been involved during the design and implementation of the IKI project(s)? (Multiple answers possible)

**Table 6** Involvement of partners in the project cycle.

	Number of organisations (n=45)	Share of organisations
Project conceptualisation	27	60%
Project identification	26	58%
Proposal development	29	64%
Preparation of the project document	33	73%
Implementation	41	91%
Monitoring and evaluation	26	58%
Reporting	30	67%
Sharing results and lessons learned	28	62%

Source: Survey to IKI organisations.

The answers demonstrate a high involvement of partner organisations at all stages of the project cycle. Not surprisingly, implementation received the highest number of replies, reflecting the fact that the outputs were delivered in the partner countries. Monitoring, evaluation and reporting received a lower score, which is probably due to the fact that this is a responsibility mainly assumed by the Finnish partners.

### External evaluations

The evaluation could identify only a small number of external evaluations. Of the portfolio of 83 IKI interventions initiated, only three were subject to external evaluations, and two of these were actually part of the evaluation of broader programmes.

A Final Review was conducted of the **“Finnish Nepalese Project for Improving Capability of Government of Nepal to respond to the increased risks related to weather-related natural disasters caused by climate change”** (FNEP) (Gautam, Mikkola & Pokhrel 2012). The evaluation observed that the overall objective of FNEP was too ambitious, given the short project duration and small budget. The training of staff had been effective, but impact might be limited – due to staff turnover. The evaluation recommended putting beneficiaries in the “driver’s seat” by making the project less driven by the Finnish experts.

The added value of this evaluation was that it provided a neutral, external and objective view of the design and the performance of an IKI project, independently from the complex decision-making chain involved in its management.

Another IKI evaluation also took place in Nepal and concerned the project **“Improving Research Capacity of Forest Resource Information Technology in Nepal 2010-2012 (IRCFRIT)”**. This evaluation was carried out in parallel to the mid-term evaluation of Forest Resource Assessment in Nepal (FRA) 2009-2014. The two projects were evaluated together because IRCFRIT directly supported FRA in building

national capacities on forest inventory methodologies. (Seppänen, Thurland, Kanta & Majjala 2012)

The IRCFRIT evaluation concluded that the absence of verifiable indicators made it difficult to estimate effectiveness, and pointed to a need for stronger overall and local-level management.

The evaluation confirmed the positive perception of IKI by local counterparts and the high value of the training offered, but observed that the training did not seem to be sufficiently related to the daily working routines and operation, and that there were limitations to the sustainability of project results (see also 4.1.3).

The mid-term evaluation of the **Wider Europe Initiative (WEI)** in September 2012 was the third IKI evaluation. (MFA 2012c). WEI was a bilateral development co-operation programme in Eastern Europe, the South Caucasus and Central Asia, launched by Finland in 2008. It gave priority to strengthening stability and security through a regional and thematic approach around five central themes: security; trade and development; information society development; energy and the environment; and social sustainability. IKI was one of the intervention mechanisms used alongside a multitude of other mechanisms (framework programmes, international NGOs, and multi-lateral organisations), each targeting one or two countries. WEI covered the water sector, geological surveys and data, as well as nuclear safety. Finnish implementing agencies included, SYKE, GTK, FMI, STUK and Statistics Finland.

The evaluation concluded that WEI was making a very significant contribution as a donor in the countries covered by the initiative, and highlighted the regional “development entrepreneur” model of Finland. The report was largely positive and advocated a second phase of WEI. The seven IKI projects were not evaluated individually or as a delivery mechanism. A recommendation of the evaluation was to evaluate the relative performance of the separate types of intervention, to identify the most appropriate modalities for future programming, in the context of the 2012 Development Policy.

The WEI evaluation emphasised the links to Finland and the demand-driven nature of IKI projects, as well as their specialised technical focus. The evaluation also highlighted the need to institutionalise IKI interventions beyond the immediate beneficiaries.

It must be noted that the WEI evaluation was carried by FCG, which acted at the same time as the FC for the IKI instrument. Therefore, the evaluation may not entirely meet all the criteria required to be regarded as an “external” evaluation.

**In conclusion,** the evaluation observed that project design, reporting, monitoring and evaluation of the IKI instrument by and large present a mixed picture. Guidance was adequate on broad principles and content related to capacity development approaches, but insufficient in terms of practical orientation and user-friendliness. Systematic results-based management approaches were introduced only as from 2010. Project documents in the early years of the period evaluated were found to be of uneven quality. Progress and project completion reports focused more on administrative aspects than on substantive results achieved. Very few self-evaluations and external evaluations were conducted, thus reducing programmatic accountability and also learning from experience. The situation has improved since 2010, when requirements became stricter and implementing agencies were learning from experience.

#### **4.1.5 Aggregated reporting**

The aggregated reporting was limited to **quarterly and annual reports** from the FC to the MFA. The reports were divided into two main parts: i) dealing with the management of the IKI instrument; ii) summarising progress and challenges encountered on specific projects (FCG 2009a; 2009b; 2010b; 2011a; 2011b; 2012a).

The general part raised issues about co-operation between the MFA and the FC. The second and more specific part insisted that the MFA should standardise procedures and adhere to agreed approaches. For example, the reports drew attention to cases where the MFA had communicated directly with an implementing agency – leading the agency to expect to receive IKI funding – without involvement of the FC. Other issues raised were discrepancies between contracts of implementing agencies. In a few cases, the reports also discussed technical issues related to capacity development, and proposed how approaches might be improved.

Part two of the reports included a short status report of about half a page for each ongoing project. As the reporting was provided quarterly, very limited development might have taken place, and there was a risk that the same information was provided more than once. The reports also contained good overviews of the status of the entire IKI portfolio.

The reporting focused mainly on management and administrative issues, while some reports also discussed capacity development in general terms. It is probable that absence of more substantive reporting was influenced by the wish in the MFA to receive only “light reports”. Nevertheless, the FC did draw attention to the need for more involvement of the partner organisations in management. There was also a discussion on the approach to capacity development. The FC emphasised the need to analyse the context and take a more elaborate approach. The reports reflect that the FC had a good overview of the Finnish side of IKI implementation, but less direct insight into actual implementation in the partner countries. The reports also provide limited

information on the technical advances made in the various sectors – for example, climate, forestry or education. Finally, it should be emphasised that the reports are written in Finnish and therefore cannot easily be accessed by partner organisations and external stakeholders.

The IKI evaluation did not find any aggregated overall reports or a comprehensive website on the IKI instrument. There is only one more **general report**: the Final Report of FCG at the end of its first contract period, 2008-2012, as the FC (FCG 2012b). The report provided an overview of IKI funding allocations geographically, by implementing agencies, and by sector. The report also described improvements that had occurred during the contractual period – for example, increasing involvement of partner organisations; more elaborate results-based management tools; and better guidelines for reporting. The report also underlined that the reporting formats were not geared to account for results of capacity development. A number of recommendations were made, inter alia, on the need for a comprehensive evaluation of the IKI instrument.

The absence of systematic **aggregated reporting** or a **comprehensive website on the IKI instrument** seriously weakened **information management** – not only within the MFA and among the implementing agencies and partner organisations, but also for external stakeholders, such as the Finnish Parliament and the public at large.

**In conclusion**, it would be expected that an instrument of this size and importance would have more elaborate and complex monitoring and reporting systems in place. Reporting on programme results and impact at an aggregate level was limited. The absence of such aggregated reporting, along with more external evaluation practices, prevented the MFA from gaining valuable insights into what could be learned from the IKI projects, in order to improve their design and implementation. Information management was also limited, representing a missed opportunity to enhance complementarity between the IKI instrument and other forms of Finnish development co-operation.

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

Addressing cross-cutting themes was a requirement of the IKI Manual. However, this requirement was not presented in a systematic manner. It was not mentioned in the introduction, but only in the template for reporting (MFA 2012b, 51) and in an appendix on socially inclusive planning and the human-rights based approach to development (MFA 2012b, 93-97).

The completion report presented by the FC at the end of the 2008-2012 contract period mentioned that cross-cutting themes and the human rights based approach had been given higher priority as from 2011. The report observed, however, that it was difficult to define cross-cutting objectives for the technically-oriented projects. It was

also noted that it was difficult to change values in partner organisations, due to the fact that the short duration and technical nature of the projects made it difficult to change values in the partner organisations (FCG 2012b, 17-18).

Analysis of 39 IKI project documents showed that cross-cutting themes were generally well addressed, albeit with strong emphasis on the environment and climate sustainability, and with variations in terms of depth. None included a socio-cultural analysis, as proposed by the Manual. As project documents improved over time, cross-cutting themes and objectives were given more attention in the more recent project documents. The evaluation did not find evidence that the use of the IKI instrument as a tool to promote sustainable environment and as a special sector of Finnish capacity had been subject to more systematic discussion and strategy development.

Recent IKI applications to the QAG included a section considering how the project matched Finnish policies on cross-cutting objectives. The thrust of the presentations was to underline how the projects – through **poverty alleviation** – would contribute to greater **social equality**, and how **climate sustainability** would be addressed. Reporting on cross-cutting objectives was limited, but the situation improved in recent years. Some projects reported on results achieved in terms of **poverty alleviation**. For example, agricultural projects reported on the creation of new opportunities for farmers to generate more income. Meteorological projects reported on economic effects attributed to improved disaster warning systems.

The evaluation included specific questions concerning cross-cutting objectives in the surveys. As can be inferred from Table 7, perceptions differed with regard to the degree to which specific cross-cutting issues had been addressed. The perceptions expressed in the surveys can be interpreted in the light of information gained from reports, interviews and field visits.

There is strong coherence in the perception that **environment** and **climate change** were addressed as key cross-cutting themes. This reflects the fact that many IKI interventions were implemented in these sectors. Partner organisations explained during interviews that Finland was one of the few donors giving key priority to environment and climate sustainability. Finnish contributions thus fulfilled the useful role of “gap filling”. For example, GTK (implementing 13 IKI projects) is one of the leading geological research organisations in Europe, especially in the minerals sector. IKI projects supplemented other forms of international co-operation – for example, making human resources (adjunct professors, senior scientists and other highly trained professionals) available to development projects.

90 % of the Finnish organisations believed that **mainstreaming of gender equality** had been addressed, whereas only 41% of the partner organisations held this view. This is surprising, as reports suggested that gender equality was the cross-cutting theme that had been addressed most systematically by the IKI projects through balanced recruitment and training of women and men. Gender balance was normally

**Table 7** Which particular cross-cutting issues did you address in your IKI project?

	Finnish organisations		Partner organisations	
	Number of organisations (n=10)	Share of organisations	Number of organisations (n=44)	Share of organisations
Environment	8	80%	33	75%
Climate change (including adaptation, mitigation, energy, and water)	7	70%	31	70%
Gender equality and mainstreaming	9	90%	18	41%
Social equality	7	70%	11	25%
Good governance	9	90%	16	36%
Human rights	5	50%	5	11%
HIV/AIDS	5	50%	8	18%
Minority groups	5	50%	6	14%
Physical and/or mental disabilities	1	10%	3	7%
Other	2	20%	5	11%

secured in the membership of project boards and in the selection of candidates for training and study tours.

The evaluation found during field visits that IKI partners were serious about addressing gender equality as a cross-cutting theme. A good example is the high representation of women (40%) in the Police Force in Namibia, which is largely due to the Finnish co-operation on police management. Another good example is mentioned in the self-evaluation report from the geological project in Ethiopia, which proposes the recruitment of more female scientists to secure sustainability of capacity development, since women are seemingly less prone to frequent career changes than their male counterparts.

Interviews with women in Africa and Latin America suggest that gender equality was still seen as controversial, and required time and effort. However, several younger female civil servants interviewed were very confident about their access to influence. At the same time, a couple of male informants stated that Finland was too adamant on the issue of equal gender rights.

Table 7 also shows that there is a marked difference between the perceptions held by Finnish and partner country organisations with regard to the degree to which all the other cross-cutting themes were addressed: **social equality, good governance, hu-**

**man rights, HIV/AIDS, minority groups and physical and mental disabilities.** While Finnish agencies believed that good governance and social equality was largely addressed, partner organisations did not agree. Views on the accomplishment of results in terms of human rights and groups that are easily excluded are even more moderate. Despite the relatively negative responses regarding these cross-cutting objectives, interviews with partner organisations suggest that Finland gives more attention to social issues than other donors. During field visits, several examples were found of how IKI projects addressed good governance and human rights – for example, in Kenya (institutionalising community participation in management of forest resources) and in Namibia (securing better protection of human rights by the police in Namibia). Evidence from field visits to Latin America suggests that this requires elaborate planning and strategic approaches. Significant results were achieved in the area of climate sustainability in the Caribbean, and with co-operation with regional governments in Peru.

Many interviewees in developing countries pointed to the fact that the resources of the organisations were stretched and that they simply could not manage to take on additional tasks. The organisations were particularly hesitant to engage in areas in which they had no expertise. In some cases, they also lacked political support – for example, on human rights and good governance.

**In conclusion,** the evaluation finds that primarily the objectives related to the environment and climate sustainability were addressed in a satisfactory manner. Gender equality, good governance, human rights and the rights of vulnerable minorities were considered important, but partner organisations were hesitant to take them on in situations where they lacked political support, resources and/or the necessary expertise.

## 4.2 Evaluation against DAC criteria

### 4.2.1 *Relevance*

Both the Administrative Order and the Best Practices Manual strongly emphasised that IKI interventions should be based on the identification of clear and documented **needs of partner organisations and immediate beneficiaries** (see 3.1 and 4.1.1). The design of IKI projects was usually undertaken in close co-operation between the Finnish agencies and partner organisations. From 2010, a small grant facility of up to € 25.000 was available as a standard measure to support this process. The elaborate and participatory project preparation process ensured that IKI interventions were mostly relevant to the needs and priorities of partner organisations. When appropriate, reference was made to benefits accruing to ultimate beneficiaries – for example, to farmer communities or schoolchildren.

The project documentation suggests that adequate efforts were made to align interventions with **international norms and standards**, as well as with **national policies of partner country governments**. Review of project documentation shows that many IKI projects were particularly geared to address capacity gaps in this regard and to respond to them. Two projects in Namibia represent good practice examples: support provided to the police in Namibia, which took a rights-based approach and the School Health Programme, which aimed at better education for vulnerable and disadvantaged children.

IKI projects were mostly placed in sectors and positions that were important and strategic in the national context of partner countries. At the same time, IKI projects were generally of a **short duration** (2-3 years) and rather **technical in nature**. Some caution needs to be expressed as to what can be achieved through such small projects, with budgets usually not exceeding € 500.000.

A significant number of IKI projects were situated at the **operational level**, or conducted research aimed at practical solutions. For example, several of the meteorological projects co-operated directly with the national meteorological services and assisted them to provide weather forecasts to the farmers or the aviation industry. Another example was the dairy project in Ethiopia, where farmers were able to increase productivity and supply milk of higher quality at more affordable prices as a result of the project.

Some IKI projects operated at more **strategic or policy-oriented levels**. In these cases, IKI partner organisations undertook research and provided support documentation intended to lead to policy changes. For example, several mining sector projects carried out research that was used to change mining regulation and licences. Another example was the support to meteorological services. In Jamaica, this contributed to the issue of climate being addressed as part of the portfolio of the former Ministry of Environment. The co-operation with the Caribbean Disaster Emergency Management Agency (CDEMA) assisted the agency in preparing systems to address disaster preparedness in a region affected by hazardous weather and climate conditions.

The question arises as to whether, in these cases, IKI projects represented genuine **added value** in terms of broader capacity development beyond training and skills-upgrading of individuals and organisational development. Partner organisations may already have operated at strategic and political levels by themselves – that is, independently from the Finnish support. The documentation provides little evidence in this regard.

**In conclusion**, IKI interventions were relevant, as they responded to the needs of partner organisations and were in sectors that were national priorities in the recipient countries. The role and contribution that could be expected from IKI projects in recipient countries were nevertheless specific and limited, due to the small size, short duration and relatively technical nature of the projects.

### 4.2.2 Effectiveness

In interviews and surveys, partner organisations stated that intended objectives were achieved. However, due to shortcomings in reporting, monitoring and evaluation (see 4.1.4), especially during the early years of IKI implementation, there was little **solid evidence** base to determine to what extent projects produced intended, and possibly also unintended, results. A careful examination of the progress and project completion reports does not give enough empirical elements to judge the attainment of the stated development objectives.

These reports meticulously describe activities, as well as inputs and outputs, with an emphasis on administrative and budgetary aspects. They are much less articulate on substantive results achieved in terms of capacity development. Substantive information is confined to effects on the primary circle of project beneficiaries (e.g. trainees and close working partners), but is relatively limited concerning organisational or institutional changes that could be attributed to the projects. From 2010, an improved reporting format was introduced, which provided an analysis of achievements in comparison to the project logframe. However, the use of the logframe remained largely confined to the planning stage, without subsequent reporting related to its broader goal and objectives. Recent completion reports more extensively referred to logframes.

One of the root causes of this shortfall might be attributed to the initial weak analysis of the institutional setup in the project documents. The focus was on the skills and expertise to be transmitted by the Finnish counterparts. Mostly lacking were a clear and realistic assessment of the **existing institutional capacity** and an indication of how the newly-acquired skills (and equipment) were likely to be imbedded in the existing institutional setup, and ultimately improve performance. Projects were mostly limited to matching technical teams from Finland and the partner country, with emphasis on building relations and networks for key individuals in order to strengthen their professional development.

In the absence of solid reporting, monitoring and evaluation, the evidence for this evaluation relied, to a large extent, on direct observations during field visits and perceptions of stakeholders expressed during interviews and in survey responses.

Of the 23 projects that were visited for this evaluation, 21 appeared to be progressing well towards achieving their objectives, while two experienced problems. It should be noted that four projects visited had been started only within the six months preceding the visits, and thus offered limited possibilities for gauging results.

Implementing partners expressed **general satisfaction** with the Finnish co-operation and believed project objectives had been or would be achieved. A challenge for four projects was that the project intervention logic failed to demonstrate how the outputs or results would lead to the objectives. In a mining project in Lao PDR, it was unclear how the digital mapping might be used to regulate the mining sector.

The general picture is that IKI projects were strong in terms of **strengthening technical capacities and research systems**, but less convincing on how broader capacity development was to be achieved. Relatively important problems were noted at two of the IKI projects visited: the Education Project and the Mining Sector project on mining policy and regulation, both in Namibia. In both cases, these problems were due to incomplete analysis at the start-up, leading to a mismatch of expectations between the partners. Moreover, staff changes on the Finnish side had contributed to problems.

As illustrated in Table 8, the questionnaire surveys confirmed that both groups of respondents were optimistic about the IKI projects achieving, or being on their way to achieving, the intended results and objectives. Around 80% of respondents were of the opinion that results had been/will be achieved fully or to a large extent.

**Table 8** To what extent do you think that the IKI project(s) you are or have been involved with have been able to, or are on their way to, achieving the intended objectives and results?

	Finnish agencies		Partner organisations	
	Number of agencies (n=10)	Share of agencies	Number of organisations (n=45)	Share of organisations
Fully	2	20%	11	24%
To a large extent	6	60%	27	60%
To some extent	2	20%	5	11%
To a limited extent	0	0%	2	4%
Not at all	0	0%	0	0%

Source: Survey of IKI organisations.

Narrative responses added to these responses emphasised notably the relative ease of working through IKI projects, due to their **flexibility**, but also pointed to challenges due to the **limited absorption capacity** of partner organisations. Most partner respondents underlined how the IKI interventions contributed to increasing the technical and scientific capacities of the organisation. Several respondents in the meteorological, mining and environmental projects stated that they were confident that the stronger capacity of the organisation would feed into more substantial changes in policies and governance practices.

Of particular interest was evidence concerning support to the **private sector**. Fourteen out of 22 projects visited had as an overall objective the strengthening of the respective sectors and the national economy – for example, attracting foreign investments through improving regulatory frameworks and conditions. Some examples of such projects are mentioned in Box 3, based on a review of the project documentation.

**Box 3** IKI support to the private sector.

- The **fisheries project** in San Martin (Peru) sought to strengthen aquaculture farming by making new technologies and supply chain support available.
- The **dairy farming projects** in Ethiopia and Kenya sought to improve productivity of dairy farming by providing support for breeding and for health issues crucial for product quality.
- The **geological projects** generally supported the Ministry of Mines in establishing overview of mining resources, thereby creating a better basis for attracting foreign investors and licensing. In Lao PDR, the digital repository generated through the IKI was sold as hardcopy to potential investors, and hence generated income to sustain the GIS unit established within the Department of Geology through the project.
- Two projects focused on energy regulation to support the Government in greater economic management of the sector.
- The meteorological projects provided services necessary for the aviation industry and agriculture. In Sudan, they were linked to the acquisition of new meteorology equipment from a leading Finnish company in the sector.
- The **forest projects** supported participatory forest management that sought to make forestry more sustainable. In Kenya, all stakeholders acknowledged the Finnish contribution in shifting the management of forestry resources from a commodity-based approach to a participatory communal approach focused on decentralised decision making.
- The **fisheries project** in Namibia helped to strengthen the management of the resource base for the fisheries sector.

**In conclusion,** the evaluation finds that the documentation did not provide sufficient evidence that IKI projects had effects at the overall institutional and policy level. This was due to shortcomings in reporting, monitoring and evaluation. However, IKI projects progressed well in terms of activities and expected outputs, as well as by achieving results that were under the control of projects. This was largely due to good project preparation and the fact that the IKI interventions were short-term and, in the main, well-focused. The most common approach was to match two technically specialised teams from Finland and the partner country with the aim of strengthening capacities of the organisations through the professional development of the individuals.

### **4.2.3 Sustainability**

At the time of the evaluation, only 18 of the 83 IKI projects had been completed. The initial project completion reports often failed to provide analysis of results achieved in terms of institutional strengthening (see 4.1.4). The evidence on sustainability that can be inferred from this source of information is therefore limited.

Among the projects visited for this evaluation, five were completed or close to completion, but it was still relatively early to be able to gauge sustainability of results. In Ethiopia, the dairy farming project co-operated with the Association of Dairy Farmers to introduce breeding methods that matched the resources of the farmers and had potential to increase productivity. The projects in the farming sector in Kenya focused on combining improved livelihoods for people in forest communities, in parallel with improving sustainable forest management. In Peru, the research done on Andean agricultural products was aimed specifically at strengthening the capacity to grow and market crops that can be cultivated by the poor farmers in the Andean region. Challenges related to the scaling-up of methods, and feeding into policy and institutional change.

There was also a question on sustainability in the surveys conducted for this evaluation. Finnish agencies and partner organisations differed in their **perceptions** of the extent to which IKI project results would be sustainable. As is shown in Table 9, only 67% of partner organisations thought results would be sustainable, compared with 90% of Finnish agencies.

**Table 9** To what extent do you think that the IKI project(s), in which you are or have been involved, have achieved results that are or will be sustainable beyond the time of completion of the project(s)?

	Finnish organisations		Partner organisations	
	Number of organisations (n=10)	Share of organisations	Number of organisations (n=45)	Share of organisations
Fully	1	10%	9	20%
To a large extent	8	80%	21	47%
To some extent	1	10%	13	29%
To a limited extent	0	0%	1	2%
Not at all	0	0%	1	2%

Source: Survey to IKI organisations.

In their narrative comments to the survey response, three partner organisations linked sustainability to the expectation that co-operation with the Finnish agency would continue after completion of the project. This reflects a reality that IKI projects frequently are within a tradition of long-term co-operation between Finland and the partner countries. Several projects also continue into a second phase.

**During field visits**, a favourable factor for sustainability was found to be the fact that partner organisations usually had to provide their own human and financial resources, as most of the MFA resources were earmarked for use by the Finnish agencies. Physical infrastructure provided by Finland was also limited. Partner organisations therefore did not have to deal with major operational and maintenance costs resulting from the interventions.

Another favourable factor was the relative staff stability in partner organisations, as job opportunities for highly technical staff were limited. In some cases, however, staff who had undergone training were head-hunted by external agencies. Exceptionally, measures were also taken to ensure staff stability – for example, in Namibia, where police officers to be trained had to sign a commitment to remain in service. A good practice observed in some of the cases (Ethiopia, Nepal, Kenya and Sudan) was to involve female scientists and staff, as they were perceived to have more stable job career paths. This also improved gender equity within projects.

**Challenges** to sustainability were found especially in situations where the broader organisational and political context had not sufficiently been taken into consideration in the design of the projects. Sustainability very much depends on the extent to which the capacity developed by the project becomes an integral part of the institutional structure of the partner organisation. For example, several IKI projects in the mining industry sought to convince partner organisations that their countries should become members of the Extractive Industries Transparency Initiative (EITI), which promotes international standards for the mining industry. Partners in Ethiopia and Namibia did not endorse this aim and these countries are hence not members of the EITI.

**Good practice** examples were found in the Caribbean, where projects established a link to policies aimed at disaster preparedness and climate sustainability. Good practice was also observed in Namibia, where co-operation with the National Marine Information and Research Centre, under the Ministry of Fisheries and Marine Resources, contributed to better fishery policies.

Two of the three **external evaluations** of IKI projects (see 4.1.4.) also drew attention to insufficient sustainability. The evaluation of the “Finnish Nepalese Project for Improving Capability of Government of Nepal to respond to the increased risks related to weather-related natural disasters caused by climate change” (FNPEP) drew attention to high staff turnover as a factor undermining sustainability (Gautam *et al* 2012). A similar critical comment was made in the evaluation of the project in Nepal, “Improving Research Capacity of Forest Resource Information Technology in Nepal 2010-2012” (IRCFRIT). The observation was that sustainability would be ensured only if more staff had been trained during a longer period, and if co-ordination and steering in the partner organisation had been stronger (Seppänen *et al* 2012).

**In conclusion,** sustainability is more likely to be achieved in situations where IKI projects are adequately embedded in the organisational set-up and management of partner organisations, with due consideration given to the political context. This was not ascertained systematically enough in the design and implementation of older IKI projects. Not enough attention was given to this dimension in project completion reports. Factors favourable to sustainability were found to be the significant counterpart contributions provided by partner organisations, and the limited operational and maintenance costs because of the small size of physical infrastructure components of the projects.

#### 4.2.4 Impact

Impact is referred to in the ToR of this evaluation in two ways: i) impact of IKI projects on partner organisations; ii) impact on final target beneficiaries of Finnish aid, which were defined in the 2007 Development Policy of Finland as groups that are easily excluded – particularly children, people with disabilities, and indigenous people.

Criteria for the approval of IKI projects included the dimension of longer-term impact, as interventions were aimed at capacity development. Guidance mentioned that impact would be strengthened by the requirement that IKI interventions should be linked to relevant Finnish and partner development initiatives.

Limitations that were mentioned with regard to assessing sustainability of results apply to an even greater extent to the appreciation of the longer-term impact of interventions on **partner organisations**. Project documents and progress and completion reports mostly focus on immediate results, with insufficient consideration given to the dimension of impact. Some improvement could be observed, however, in project documents conceptualised since 2010.

The situation was found to be better with regard to references to **ultimate target beneficiaries of Finnish development co-operation**. About half of the project documents reviewed for this evaluation specifically considered target groups or beneficiaries. Some of them even contained a degree of detail in this regard – especially project documents conceptualised after 2010. Examples were found in the Caribbean. For example, the ultimate target groups of improved weather service and disaster preparedness were farmers, who could, as a consequence, better plan their harvests. Early warnings about storm and flooding would also enable communities to save life and property.

Due to weaknesses observed in substantive project reporting (see 4.1.4), the evaluation has mostly had to rely on what can be inferred from surveys and field visits. The respective question in the surveys conducted as part of this evaluation the notion of impact to effects in terms of **poverty alleviation, climate sustainability and public service** levels.

As shown in Table 10, while Finnish agencies mostly considered that impact would be achieved only “to some extent”, partner organisations were slightly more optimistic in this regard, with 42% of respondents judging this likely to happen “to some extent” and 36% saying “to a large extent”.

**Table 10** To what extent do you think that the IKI project(s) you are or have been involved with have had an impact beyond the immediate objective – e.g. affecting poverty alleviation, climate sustainability or public service levels?

	Finnish agencies		Partner organisations	
	Number of organisations (n=10)	Share of organisations	Number of organisations (n=45)	Share of organisations
Fully	0	0%	2	4%
To a large extent	2	20%	16	36%
To some extent	7	70%	19	42%
To a limited extent	1	10%	4	9%
Not at all	0	0%	3	7%
I don't know	0	0%	1	2%

Source: Survey to IKI organisations.

Narrative comments from partner organisations provide some examples of impact:

- A representative from the aquaculture farming project in Vietnam explained how the project contributed to boosting the economy and employment, as the project had promoted the initiation of a new small business sector in the region. Cold water aquaculture was practised by 12 farmers in four provinces in 2009; after the project, 105 farmers had started such operations in 22 provinces.
- Another example was provided by a respondent in the Field Crops Research Institute, Agricultural Research Centre, Egypt, who believed that the project contributed to poverty alleviation by targeting improved varieties of crops for food and livestock feed.

Responses to the survey from partner organisations may reflect a positive bias towards Finland and the respective IKI projects, as it is not clear to what extent the reported changes could mainly be **attributed to the IKI projects** or whether they would have happened anyway as a result of other factors that were not referred to. Examples of impact may, in some cases, simply reflect that the projects were strategically placed in well-organised and successful partner organisations.

This may also apply to some examples of impact identified during field visits, which are presented in Box 4. Even if impact cannot clearly be attributed to IKI projects in all cases, it is clear that they significantly **contributed to the impact achieved**. The box also contains some informative examples of **impact on ultimate target beneficiaries of Finnish development co-operation**.

**Box 4** Examples of long-term organisational changes and impact identified during the field visits.

**Dairy project in Ethiopia:** the intervention strengthened the capacity of the National Artificial Insemination Centre (NAIC), which improved productivity for large groups of farmers, resulting in an increase of milk production, as reported by NAIC and the Ministry of Agriculture.

**Geological projects in Ethiopia, Namibia and Lao PDR:**

- In Ethiopia, the geological services created a better basis for strengthening licensing, although the uptake at political level was slow.
- In Namibia, the uranium database created by the IKI project put the Government in a better position to negotiate new contracts.
- In Lao PDR, the main achievement was to move all scattered information on the mining sector into more functional databases at the disposal of investors.

**Meteorological services in Jamaica:** IKI projects contributed to the establishment of a Climate Department in the Ministry of Water, Land, Environment and Climate Change. Services were also instrumental in instigating a constructive dialogue with the Ministry, resulting in more attention being paid to climate sustainability.

**Police project in Namibia:** This project triggered institutional changes that, according to the Police Commissioner, resulted in more respect for human rights and a higher number of cases solved.

**Central Statistical Agency of Ethiopia:** The institutional strengthening by the IKI project contributed to improved poverty data monitoring and reporting.

**National Agrarian University, Peru:** Managers and researchers said that the capacity of the department for Andean food research was strengthened, providing a more nutritious crop to farmers.

**In conclusion,** the evaluation found that a certain level of realism needs to prevail with regard to what impact can be expected from such small interventions and considering the short time-span of the instrument's existence. There is evidence that many IKI partner organisations served the public well, and also achieved improvements in the livelihoods of ultimate target beneficiaries. It is less obvious to what extent this could be attributed to the IKI projects. Project design has improved since 2010, increasing the potential for more substantive reporting on outcomes and impact.

## **4.2.5 Efficiency**

Efficiency of public sector interventions is usually hard to assess, especially in cases where investments and operational costs are covered by several budget sources, and where the value of services and benefits are not measured in economic terms. The questions in the ToR for this evaluation can therefore only be answered by approximation, and mostly in qualitative terms. The presentation is structured under five headings: i) estimating the Finnish cost of the projects; ii) estimating the cost of the instrument; iii) the selection of Finnish agencies; iv) the exemption from tendering requirements; v) a tentative estimate of costs and benefits.

### **Estimating the Finnish cost of the projects**

As shown in sections 3.2-3.4, the total funding of the IKI projects amounted to just over € 30 million during the period 2008-2012.

For each project, 70% of funding could be allocated to cover fees of Finnish staff, allowances for travel accommodation and possible sub-contracting. Therefore, a very large share of project funding remained in Finland. This type of co-operation had all the hallmarks of tied aid, and was thus in contradiction to norms and standards agreed under OECD-DAC.

A minimum of 25% of the budget went to the partner country organisation. This could be used for travel, allowances, subcontracting, equipment to remain in the country, contingency, and administration. The projects were allowed to allocate 10% as a contingency. Any reallocation between budget lines of more than 5% of the budget required the endorsement by the FC and the MFA.

Benefits for partner organisations were granted in the form of technical assistance, which in most cases was provided exclusively by the Finnish agencies. In a few cases, the projects used other international or local expertise, and the cost of this was allocated from the 70% of the budget. This was, for example, the case for the SHOCS I project. In other cases, such as the education sector project in Namibia, a local consultant was hired, but was funded from the 25% allocation to the partner organisation. The field visits showed that partner organisations were dissatisfied by the limited opportunities to have access to funding to engage local consultants or to strengthen South-South co-operation.

Finnish agencies charged the MFA for its technical assistance services at a fee rate per working day, comparable to rates for international consultancies in the private sector. Some agencies tried to compensate for cuts in public spending from other sources. Table 11 presents average per unit staff costs charged by different agencies for services in various countries (including administrative overhead costs – referred to in Finnish as OKA).

**Table 11** Average per unit staff cost charged by Finnish agencies for services in different countries.

Implementing Agency	Country	Average Per Unit Staff Cost including OKA in €
GTK	Ethiopia	616,83
GTK	Lao PDR	608,83
GTK	Namibia	609,25
GTK	Peru	638
MTT	Ethiopia	583,33
MTT	Peru	467
OKM	Namibia	411,43
TK	Ethiopia	602,78
VTT	Namibia	671,02
<b>Average</b>		<b>578,72</b>

Source: Project Documents from GTK IKI projects in Ethiopia, Namibia, Peru and Lao PDR, from MTT IKI projects in Ethiopia and Peru, from the TK project in Ethiopia, and from the VTT project in Namibia.

The data that is presented in Table 11 raised two of questions. First, why were there variations in staff costs in different agencies? Second, why did the same agencies (GTK and MTT) charge different fee rates in specific developing countries? According to GTK, IKI funding was to cover the actual and verifiable costs of individual participants, on the basis of the cost-recovery principle. Therefore, the costs per working day were dependent on the actual salaries of each person working for the project. The OKA-multiplier included the indirect employee cost rate and the overhead cost rate calculated annually from the final financial statement figures for the previous year.

### Estimating the cost of the instrument

The main Finnish cost with regard to the administration of the IKI instrument was MFA staff time (including staff time in Embassies) and the cost of the FC, whose services were contracted in order to ease the burden on MFA staff.

In interviews, many MFA staff expressed the view that the IKI instrument was relatively time-consuming, despite the fact that there was an FC supporting the design and administration of the projects. In fact, staff time spent on the IKI instrument in different Regional Departments and sections in the Department for Development Policy varied. This was because there were often other priorities for staff, and also because there were to, varying degrees, staff shortages. The involvement of staff from the Embassies varied, as they were not actively involved in all Embassies – for example, through participation in IKI project boards.

It is, however, remarkable that the MFA conducted a fairly elaborate review and approval process for each IKI project, and that approval from the Minister for Development Co-operation was needed for each project of more than € 200.000.

It is unclear why more senior levels in the MFA – notably, represented in the QAG – did not focus mainly on issuing policies and guidelines, and leave the administration of projects as small as IKI interventions to the FCG consultant and/or lower levels in the Ministry – ideally, with the close involvement of the Embassies.

The cost of the FC during the period 2008-2012 is presented in Table 12. The total cost of € 529.393 represents only 1,7% of the total project budget of the IKI instrument. This is very limited indeed.

**Table 12** Cost of the Facilitation Consultant (2008-2012 – in hours of services provided, with cost in €).

	2008	2009	2010	2011	2012	Total
Project Preparation Consultations	195	645	540	495	375	<b>2.250</b>
Consultations on start up	0	13	9,5	15,5	0	<b>38</b>
Reporting and Monitoring	0	150	360	690	800	<b>2.000</b>
Trainings	0	8	52	63	20	<b>143</b>
General Tasks re. the development of IKI	240	3	62	0	0	<b>305</b>
Reporting to the MFA	25	100	100	100	100	<b>425</b>
Total, h	<b>460</b>	<b>919</b>	<b>1.123,5</b>	<b>1.363,5</b>	<b>1.295</b>	<b>5.161</b>
Price/h	100	100	100	105	105	
<b>Total €</b>	<b>46.000</b>	<b>91.900</b>	<b>112.350</b>	<b>143.168</b>	<b>135.975</b>	<b>529.393</b>

Source: Information provided to the evaluation by FCG International in October 2013.

As stated in section 4.1.3, the feedback was positive on the efficiency of the role of the FC, and notably the performance of FCG. Outputs were prepared in a timely and precise fashion. However, the evaluation found that the FC had, to a certain extent, been under-utilised, as his function was largely focused on administrative procedures, while the MFA retained most of the review and approval responsibilities for individual projects.

FCG appeared to have substantial knowledge of the strengths and weaknesses of the IKI instrument and of all the interventions. However, FCG dialogue with the MFA seems to have focused mainly on administration, and less on broader issues of capac-

ity development methods, strategic impact and complementarity with Finnish development co-operation.

### **The selection of Finnish agencies**

To be eligible for IKI projects, Finnish agencies were required to be part of Government – in the sense that they report to a Ministry and provide public services that are not provided in the private sector. The lawyers of the MFA explained that 90% of the funding of these organisations had to be from state budgets, and that the agencies had to be recognised in the list of public agencies issued by the Treasury (State Treasury 2011).

The legal basis for this is that one part of the state can acquire services from another part of the state because the state is one legal body. According to the Legal Office in the Development Policy Department of the MFA, this is in line with EU procurement legislation.

The evaluation reviewed the cases of two Finnish organisations whose applications for IKI projects were rejected. The Metsähallitus and Tapio agencies both operate in the forestry sector. In interviews, representatives from both organisations questioned the grounds for the rejection.

Metsähallitus is the organisation responsible for management of state-owned land and water in Finland. The agency is under the general tutelage of the Ministry of Agriculture and Forestry (MoAF), and under the Ministry of the Environment on issues related to protection of nature. Metsähallitus has a commercial wing, but claimed that this operated very independently from the public part and constituted only a marginal aspect of the organisation. When questioned about the eligibility of this organisation, the Legal Department of the Development Policy Department in the MFA stated that Metsähallitus might actually be entitled to become an IKI agency, if it applied again.

Tapio, which is also under the auspices of the Ministry of Agriculture and Forestry (MoAF), explained that the organisation was a statutory body under the Government, tasked with managing the state-owned forests of Finland. However, Tapio had increasingly become involved in commercial activities, which may possibly have been the reason for the rejection. The lawyers interviewed in the Ministry did not have information on the specific grounds for the rejection of Tapio.

The limited and rather static number of IKI agencies gave rise to the observation by some stakeholders that the IKI implementing agencies were becoming a “closed club”. According to the MFA, there was no such danger, as the funding facility was still open to new organisations. Each funding decision was processed in its own right, and without any favouritism, on the basis of objective selection criteria.

## **Exemption from tendering requirements**

The Administrative Order for the IKI instrument clearly stipulates in section 2 that “... *The MFA can procure services without a competitive bidding process from certain other public sector organisations as in-house undertakings. These organisations are defined in the Public Procurement Act and by legal praxis...*” (MFA 2010a, Article 2: Exception to the ICI in-house undertaking).

In 2009, the National Audit Office carried out an audit on the “*Procurement of expert and research services in the Ministry for Foreign Affairs of Finland*” (NAO 2009). In 2013, the MFA received a follow-up report (NAO 2013).

The 2009 report observed that government agencies and institutions could participate in development co-operation activities without an obligation to tender. Such co-operation between the MFA and the agency or institution in question could be considered as official work within the government. However, reference was made to the EU’s non-discrimination principle, and also to Finnish procurement policies. These policies state that acquisition of services without a tendering process should be limited to those services in which the Government had an exclusive right as per legislation, or in which no competition existed between the Government’s own service and the private sector. In addition, the Ministry of Finance was to become the general supervisor with the responsibility of monitoring in which cases procurement could be done without tenders and when it was necessary to open up the process for private sector competition.

The follow-up report of 2013 observed that neither the MFA nor the Ministry of Finance had followed up on these recommendations. In particular, the MFA was supposed to: i) institute a mechanism for the organisation of the acquisition; ii) monitor the instructions of acquisition; iii) limit and define services procured from Government offices in development co-operation without the competitive tendering process.

As mentioned in section 2.5, Sweden and Denmark developed similar requirements for their twinning programmes. In Finland, the implementation of the audit recommendations would institute a revision of mechanisms and procedures in the selection of Finnish technical agencies. In practical terms, however, there would not be a major change in the range of IKI agencies, as most of them probably offer services that are not available on the market.

## **Costs and benefits**

To the costs incurred in Finland need to be added the costs incurred for IKI projects by partner organisations. However, it should be noted that these costs have not been documented at all in progress and project completion reports.

These costs comprise staff time of national counterparts, as well as, on a pro-rata basis, other overhead costs incurred by partner organisations. If the same methodology were applied in using commercial fee rates as an indicator of contributions, IKI projects could actually turn out to be quite expensive ventures.

Efficiency cannot be measured objectively, because project benefits are not measured in economic terms. However, a possible proxy in such cases are perceptions held by stakeholders. The surveys conducted by the evaluation contained a question on the extent to which stakeholders considered IKI projects to be a cost-efficient way of achieving development results. Responses are presented in Table 13.

**Table 13** To what extent do you think that the IKI instrument and IKI projects are a cost-efficient way of achieving development results?

	Finnish organisations		Partner organisations	
	Number of organisations (n=10)	Share of organisations	Number of organisations (n=45)	Share of organisations
Fully	1	10%	8	18%
To a large extent	9	90%	25	56%
To some extent	0	0%	9	20%
To a limited extent	0	0%	2	4%
Not at all	0	0%	1	2%

Source: Survey to IKI organisations.

The Finnish organisations considered the IKI instrument cost-efficient “fully” or “to a large degree”. Partner organisations were slightly less satisfied with the cost-efficiency of IKI. This was probably due to a certain degree of dissatisfaction that a large share of the funds remained in Finland. The situation was summed up by one stakeholder: *“This is a twinning project, where partners pay for their own: we pay ours and the Finns pay theirs – except when we are invited to Finland – they pay”*. Narrative comments from partner organisations also expressed a widely held desire that the equipment component of IKI projects be increased.

**In conclusion,** there is no empirical data to determine the efficiency of the IKI instrument and the respective projects. Benefits cannot be expressed in economic terms. MFA staff perceived costs to be high, despite the useful role and contribution assumed by the FC. It was noted, however, that the MFA review and approval processes were rather top-heavy and time-consuming, and that the FC could have assumed more substantive responsibilities. The NAO observed that the MFA had no mechanisms in place to determine whether the exemption from tendering requirements were justified in all cases.

### 4.3 Special consideration: meteorology and disaster preparedness

In 2009, the MFA launched an evaluation of Finnish aid to natural disaster preparedness and early warning since the year 2000, with particular focus on the use of meteorology and hydrology to reduce the vulnerability of poor people to natural hazards (Srinivasan, Lehtonen, Munive & Subbiah 2009).

Since many IKI projects are in the area of meteorology, the ToR of the present evaluation includes specific questions related to follow-up to the 2009 evaluation: i) How do IKI interventions in meteorology define the final beneficiaries? ii) Do they define the modality on how the ultimate beneficiaries are reached? iii) Is the end-to-end disaster preparedness concept in any way integrated in the planning?

The questions are related to a key conclusion of the 2009 evaluation – that weather information should be tailored in such a way that it is better matched to user requirements. The evaluation also underlined that there should be a better link between meteorology and organisations dealing with disaster preparedness. The ToR oriented the evaluation to countries in the Caribbean, where these issues are of particular importance. The former evaluation had specifically referred to projects in Small Island Developing States (SIDS) in the Caribbean. It concluded: *“The SIDS projects – Phase I and II contributed to critical improvements in capabilities of the Caribbean to generate weather warnings of extreme events. However, institutional linkages to translate weather warnings for disaster preparedness remain weak, resulting in a low degree of effectiveness in terms of community level risk avoidance”* (Srinivasan *et al* 2009, 53).

The IKI evaluation found that the IKI projects in the Caribbean had been strongly influenced by the 2009 evaluation. This transpired during interviews with the FMI in Finland and project visits to four IKI projects that were implemented in the Caribbean:

- In 2001-2004, Finland was engaged in the Small Island Development States (SIDS) Project to install weather stations in the Caribbean, in close co-operation with the World Meteorological Organisation (WMO). The weather stations collected data on weather phenomena at particularly sensitive and exposed locations, and this data was compiled and processed by the meteorological and climate services as a basis for weather forecasts. The FMI was partner in the SIDS project and assisted in the supervision of installation of the weather stations, and in training staff in data management.
- When the SIDS project was completed, it was decided to allocate € 140.000 to two small IKI projects in Jamaica and Trinidad & Tobago, which were implemented in 2010-11. As part of these projects, Jamaica and Trinidad & Tobago were supplied with Smart-Met, a system that helps the weather forecaster to translate numerical reports from weather stations, satellites and radars into weather forecasts and maps. These are then made accessible to the public via the internet, TV, mobile phones,

radio and newspapers. Some stakeholders questioned whether Smart-Met was the most relevant system. However, all organisations involved in weather forecasting using Smart-Met thought it was the right equipment for the tasks addressed.

- In parallel with the IKI projects in Jamaica and in Trinidad & Tobago, another IKI project was implemented in co-operation with the Caribbean Institute for Meteorology and Hydrology (CIMH). The focus of this intervention was to develop the capacity of CIMH –an accredited institute for training and education in meteorology – to become licensed to train meteorologists in the region to fulfil roles and responsibilities that are required by the WMO and the International Aviation Association (IASA). The funding was € 65.000.
- In 2010, funding was provided for a fourth meteorological project in the Caribbean: Strengthening Hydro-meteorological Operations and Services in the Caribbean (SHOCS). The budget was € 490.000. A new phase of SHOCS was approved by the MFA.

The project documents for the projects in Trinidad & Tobago and in Jamaica included a clear focus on benefits to the ultimate beneficiaries – the public, politicians, and disaster management agencies. The project document for the support to CIMH was even more specific, mentioning as beneficiaries stakeholders in various sectors of society – such as transport, agriculture, shipping, and energy production. Communication with these end-beneficiaries was to be enhanced.

The SHOCS project document defined as beneficiaries the 35 meteorological services and agencies involved in the co-ordination of meteorology and disaster management. The stated objective was that *“the Caribbean societies are better prepared for the adverse effects of natural disasters and harmful impacts of climate change”*. The results of the project were defined as setting up better warning systems and providing effective disaster risk reduction systems.

**In conclusion,** meteorological IKI projects in the Caribbean were strongly influenced by the 2009 evaluation on disaster preparedness and early warning. They aimed at good communication of weather information to the public – in particular, to groups having an interest in being well prepared for disasters. Co-operation between meteorological institutes and disaster preparedness organisations was strengthened. They were hence more able to protect more effectively groups and communities at risk.

## 4.4 Complementarity

Both the Administrative Order and the Best Practices Manual make reference to complementarity as a guiding objective and principle for the IKI instrument. The Administrative Order defines IKI as a supplementary instrument that is useful in situations, where colleague-to-colleague co-operation can produce results (MFA 2010a).

The Manual clearly stipulates that IKI projects “... may support and complement existing co-operation between the partner organisation and Finland or any other donor. In these cases, the linkages between the proposed project and other co-operation need to be clearly presented” (MFA 2012 b, 7). The guidelines also emphasise the demand-driven nature of IKI project by partner organisations, as well as the local ownership of both the process and the outcomes. Activities should be “... clearly based on a partner organisation’s demand with evidence of strong ownership of the project...”, and that “... the partner agency must play a decisive role in defining the specific objectives of the co-operation and the indicators with which progress of co-operation is measured...” (MFA 2012b, 7).

Complementarity also appears as one of the four criteria on which IKI projects are selected for funding, namely: i) evidence of active involvement of the partner organisation in the preparation of the project; ii) local need and anticipated added value; iii) availability of financial resources within MFA; iv) “... complementarity of other co-operation between Finland and the partner country and support for Finnish development co-operation in the partner country...” (MFA 2012b, 12).

This evaluation sought to determine to what extent these policies and guidelines were reflected in the design and implementation of IKI projects. The Theory of Change, based on relevant EU and Finnish development policies (see section 1), defines four complementarity outcomes to be examined: shared goals; strategic action; division of labour; joint accountability.

This section examines the attainment of these outcomes from a dual perspective: i) *external* complementarity – between Finnish partner agencies and partner organisations, as well as complementarity with other forms of external assistance; ii) *internal* complementarity – with other instruments of Finnish development co-operation, in long-term and other partner countries. Other instruments include NGO co-operation and private sector development. In all cases, due attention is given to vertical and horizontal dimensions.

#### **4.4.1 External complementarity**

##### **Complementarity between Finnish agencies and partner organisations**

IKI projects were often **rooted in a long tradition** of relationships between Finland and the respective developing countries. Table 14 presents some examples of projects that were situated in such broader bilateral traditions and relationships.

**Table 14** IKI projects situated in broader relationships between Finland and developing countries.

Country	Name and duration of the IKI	Builds on
Egypt	Enhancing development of water use, efficient crops and production methods in dry and saline conditions (2012-2015)	Previous collaboration on Egypt-Finland Agricultural Research Project – EFARP (1998-2004)
	Strengthening of mental health services in Egypt (2010-2011, extended 2013)	Previous collaboration on the Mental Health Programme (EGYMEN) supported by Finland 2002-2007
South Africa	Support to Magaliesberg Biosphere Initiative (2010-2012)	Partners worked together during “Support to Environment and Sustainable Development in North West 2002-2008.
Mozambique	Forest Research Capacity Strengthening in Mozambique – FORECAS (2012-2014)	Bilateral Forest Support Programme - SUNAFOP (2009-2014) SUNAFOP was cancelled, but FORECAS is still ongoing.
	Science, Technology and Innovation for Development in Mozambique – InnoEUM (2011-2012)	Follow-up to Swedish funding on innovation (2005), and more recently the bilateral programme on co-operation in Science, Technology and Innovation – STIFIMO (2010-2014)
Sudan	Promoting Adaptation to Climate Change by Reducing Weather and Climate-Related Losses through Improved Meteorological Services in Sudan (2011-2013)	Finnish partner was present as early as 1989-1993 and helped to establish the Sudan Meteorological Authority.

Sources: Project documentation.

In some instances, the direct precursor to the IKI project was an explicit demand formulated by high-level policy-makers from partner countries. For example, the Education Sector and the Mining Project in Namibia, the Meteorology Project in Sudan and the Forestry Project in Kenya were all initiated during visits by high-level partner country officials to Finland or by Finnish officials to other countries. An environment-related IKI in Mexico related to joint advocacy with regard to climate change negotiations, upon the explicit demand of the two concerned ministers.

The FC noted in his report on the period 2008-2012 that the IKI instrument had become less supply-driven and that more attention was given to the needs and priori-

ties of the partner organisations (FCG 2012b, 12-18). This was also facilitated by the fact that the use of the project preparation grant was made mandatory as from 2010.

While this all suggests that IKI projects are well rooted and embedded in partner countries, it is important to note that Finnish agencies and partner organisations hold different views as to how complementarity between them was implemented through the IKI co-operation. Table 15 reflects stakeholder **perceptions** expressed in the surveys for this evaluation.

**Table 15** If the project addressed complementarity, how was this done? (Multiple answers were possible).

	Finnish organisations		Partner organisations	
	Number of organisations (n=10)	Share of organisations (x)	Number of organisations (n=45)	Share of organisations (y)
Through filling a gap that was not covered by other interventions.	10	100%	32	71%
Through seeking to develop technical capacity that is important internationally.	8	80%	39	87%
Through co-ordination with other internationally-funded support and/or interventions.	9	90%	14	31%
Through co-ordination with (in the partner country) nationally-funded initiatives or projects.	7	70%	20	44%
Through co-ordination and alignment with national, regional, sectoral or other policies and strategies.	9	90%	24	53%
Through co-ordination and alignment with international sectoral policies or strategies.	5	50%	13	29%

Source: Survey to IKI organisations.

It is interesting to note that partner organisations are significantly more reserved about the issue of complementarity than their Finnish counterparts. This may reflect the fact that complementarity was more a concern for Finland than for partner countries.

In project documents and partnerships agreements, few extensive references were found to partner country policies and mechanisms relating to aid co-ordination and, for example, Paris Declaration principles with regard to the use of national financial and administrative systems. However, as a standard feature, project documents were required to include a reference to the national planning framework, within which the IKI project was to evolve.

There were good examples of compliance with this requirement. For example, the Dairy Project in Ethiopia was found to relate to the Agricultural Development Plan 2010-2015 and to the Ethiopian Plan for Accelerated and Sustained Development to End Poverty. Another example was the geological project in Namibia, which aimed to contribute to the implementation of the Plans and Mission statements of MME Namibia.

Table 16 represents the distribution of tasks between Finnish agencies and partner organisations with regard to implementation, monitoring and reporting, as described in the IKI Manual. The table shows that the Finnish implementing agency had the main responsibility for administrative and financial management of the IKI intervention. The FC only supported the Finnish agency and did not assist the partner country agency. Likewise, the monitoring and reporting was the responsibility of the Finnish agency, with emphasis on administrative issues.

A closer look at the documentation of IKI projects reveals that complementarity was somewhat unbalanced and top-down. Although needs and priorities of partner organisations were taken into consideration to the greatest possible extent, essential tasks and activities, and most of the decision-making, were performed in Finland. This was also related to the fact that the larger share of project funding (70%) remained in Finland.

Finland therefore had the upper hand in IKI-co-operation and was very much in the “driver’s seat”. Information on the considerable resources mobilised for project implementation by partner organisations (e.g. staffing and local operational costs) remained hidden, as there was little reference to these elements in reporting. Partner organisations appeared as recipients of external technical assistance. Their active role in the implementation of the projects was not adequately reflected. It should, however, be mentioned that Finland, unlike some other developed countries, was not driven by commercial interests in their dealings with sectors such as natural resources – for example, with regard to mining activities.

**Table 16** Distribution of tasks for implementation, monitoring and reporting.

Finnish agency	Partner country agency
<ul style="list-style-type: none"> <li>• Assumes responsibility for the implementation of the project.</li> <li>• In co-operation with the partner agency, prepares project planning documents (annual plans or ToR for expert missions).</li> <li>• In co-operation with the partner agency, prepares progress and financial reports in accordance with the Assignment Contract.</li> <li>• Sends the reports to the FC for review.</li> <li>• Provides additional information if requested.</li> <li>• Ensures functioning of the project's decision-making arrangements.</li> <li>• Invoices MFA regional department.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports and often leads project implementation in accordance with the responsibilities and tasks defined in the Project Document and MoU.</li> <li>• In co-operation with the Finnish agency, prepares relevant planning documents.</li> <li>• In co-operation with the Finnish agency, prepares progress and financial reports.</li> </ul>

Source: MFA 2012b, 10.

IKI reporting did not highlight possible opportunities for Finnish agencies to learn from partner organisations. However, several Finnish agencies – for example, FMI, MIT, RKTL and SYKE – emphasised during interviews that they had learned from the IKI projects.

Based on the extensive review of the documentation and on observations during field visits, a more refined assessment can be made of the accomplishment of the **four dimensions of complementarity** in the relationship between Finnish agencies and partner organisations:

- **Shared goals:** Project documents and agreements were conceptualised in close co-operation between the Finnish agencies and partner organisations overseas. Their quality improved with the introduction of a project preparation grant as from 2010. The documents made reference to shared goals and specific agreed objectives for the projects, as well as, more broadly, to international, Finnish and partner country policies. The need to fill capacity gaps in partner organisations featured prominently in the design of the initiatives. However, there were no references in the documents as to how Finnish agencies would benefit from the projects – for example, through a transfer of knowledge or skills from the partner organisations to the Finnish agencies.
- **Strategic action:** Although project documents mostly had some strategic focus, implementation concentrated more on immediate outputs and results than on how

the projects would fit into the specific organisational or political context of the partner organisation. From these documents, it was difficult to understand the factors that would support or hinder the achievement of the complementarity objective in these organisations. Reports, and also minutes from project board meetings, focused more on administrative and management issues than on substantive matters. There was relatively little evidence demonstrating how the strategic focus of interventions was maintained or challenges met in this regard. The evaluation found that there were insufficient mechanisms to ensure and maintain the strategic complementarity focus of interventions during implementation.

- **Division of labour:** The available project documentation mostly highlighted the needs of partner organisations, and the inputs and activities of the Finnish partners. In reports, staff in partner organisations appeared mainly as “trainees” and as implementers of agreed activities. The most common approach of working together was to establish a joint team to solve a functional task while learning. This arrangement appeared to have worked well. However, the reporting did not reflect that counterparts fund their own staffing and organisational costs, and bear the brunt of responsibility in achieving organisational objectives. Project documentation did not reflect that Finnish technical assistance was only a small contribution to the partner organisations.
- **Joint accountability:** In typical technical assistance tradition, the main accountability was to the source of funding. In practical terms, this meant for the IKI instrument that the use of resources and the achievement of objectives needed to be reported to the MFA in Finland. The fact that most of the IKI documentation was in English suggested that Finland was seeking to be transparent to partners in developing countries. Reporting by partner organisations to their own Governments was not visible. Existing mechanisms fell short of serving full mutual accountability, including on the use of counterpart resources, both to Finnish and partner country authorities.

“Colleague-to-colleague” co-operation was said to be at the very heart of the IKI instrument in policies and guidelines. This would suggest a **horizontal relationship** between equal partners, each acting with their own resources, providing the same level of contributions, and with similar benefits for both parties. In fact, IKI co-operation also had many features that suggested a more **vertical relationship**, based on an unequal balance of power. Accountability was mostly to the source of funding, which is in Finland. The IKI co-operation can therefore be characterised as a fairly traditional form of technical assistance.

### Complementarity with other external assistance

IKI guidelines specifically mentioned the possibility of projects being complemented by the interventions of other donors (see 4.4.1). However, in the project documentation, reference to this dimension of complementarity was found not to have been systematic – notably, as far as other **bilateral donors** were concerned.

A good example that illustrates this point is the IKI project, “Production of Disease-free Material of Root and Tuber Species in Zambia”. In the project document, there was only limited reference to assistance provided to the Zambia Agricultural Research Institute (ZARI) by the Japan International Co-operation Agency (JICA; 2006-2011) entitled “Food Crop Diversification Project (FoDIS)”. The Japanese project dealt with improved varieties of cassava and sweet potatoes, and started equipping a bio-technology laboratory. As the IKI project intervened in a related field and pursued similar objectives, the evaluation would have expected that the project would document achievements and challenges of the JICA project, and that these elements would have been taken into account more explicitly in the design of the IKI project.

There was more attention on complementarity with **multilateral initiatives**. A few examples, which are recorded in the project documentation, illustrate this point:

- In Ethiopia, the Poverty Monitoring Project was based on a request from the United Nations Development Programme (UNDP) leading the poverty monitoring work related to the Millennium Development Goals and the Human Development Report for Ethiopia. The request was made on behalf of the joint donor group working in the area.
- In Nepal, an IKI project sought to increase capacities and evidence-based decision-making for the management of the forest sector. It was closely linked to the UN-REDD programme (“Reducing Emissions from Deforestation and Forest Degradation in Developing Countries”) (Seppänen *et al* 2012).
- In the Ukraine, Finland’s Radiation and Nuclear Safety Authority (STUK) supported the “Nuclear Safety and Security Capacity Building” project, which aimed to meet the objectives of programmes of the International Atomic Energy Agency (IAEA) and the EC, including the establishment of Country Action Plans. The project complemented the Global Partnership Ukraine Action Plan, implemented by such countries as Sweden, Germany, France, USA and UK. It also allowed Finland and Ukraine to meet obligations stipulated in the UN Security Council Resolution 1540.
- The Wider Europe Initiative reflected a long-term commitment to water and geological sectors in 11 countries of Eastern Europe, Southern Caucasus and Central Asia. Finnish agencies SYKE, GTK and STUK were responsible for components relating to water, the geo-sector, and nuclear safety. The projects co-operated with a wide range of international donors and multilateral agencies in the region – for example, the Water Fund of the European Bank for Reconstruction and Development (EBRD), the UNDP Aid for Trade, and the FAO support to Aquaculture and Fishery Management.

The evaluation found few examples of complementarity with external assistance provided by **non-traditional development partners**, such as China, India and Brazil. This assistance from the non-traditional partners became more and more important in most developing countries during the period evaluated. While IKI assistance tended to involve mainly Finnish agencies, there were some examples of support to ex-

changes of technical expertise within the developing world. Examples were the regional projects in the Caribbean and in the Andes region, and the Marine Project in Namibia co-operating with South Africa. These are interesting examples of **triangular co-operation** – that is, support to **South-South co-operation**.

**In conclusion**, complementarity between Finnish agencies and partner organisations was found to feature prominently in the design of the IKI instrument. Many IKI projects originated from broader bilateral contacts between Finland and the partner countries. The IKI projects were meant to be “colleague-to-colleague” types of co-operation, which was reflected in the communication between the Finnish and overseas organisations. However, in its administrative set up, the IKI instrument was found to be somewhat unbalanced, as partner organisations appeared in the project documentation mainly as recipients of aid. Complementarity with other forms of external assistance existed for multilateral co-operation, but was limited with other bilateral and South-South co-operation.

#### **4.4.2 Internal complementarity**

##### **Internal complementarity in long-term partner countries of Finnish development co-operation**

Complementarity with other forms of Finnish development co-operation should mainly be expected in long-term partner countries for official bilateral aid of Finland. Ethiopia, Kenya, Mozambique, Nepal, Tanzania, Vietnam and Zambia had this status throughout the period evaluated. A direct bilateral relationship was phased out with Egypt, Namibia, Nicaragua and Peru. By 2012, Latin America and the Caribbean were mainly supported through regional co-operation.

The **Best Practices Manual** stipulated that priority was to be given to former and present long-term partner countries. As was mentioned in section 3.3 (see Table 4), 53% of total IKI funding between 2008 and 2012 went to these countries. If only continuous bilateral co-operation countries are considered (Ethiopia, Kenya, Mozambique, Nepal, Tanzania and Zambia), the allocations represented only around 25% of the total funding. With such low shares of IKI funding given to long-term partner countries, it must be noted that the guidance of the Manual was not reflected in the **allocation of funding** of the IKI instrument.

The **selection criteria** guiding the MFA assessment of project proposals, mentioned in the Manual (section 1.2), do not include any reference to complementarity with bilateral development co-operation.

As a consequence, complementarity with bilateral aid was, in practice, not systematically checked during the project preparation and review process of IKI proposals. This was only occasionally done by the Regional Departments and the Development Policy Department in the MFA, as well as of the Embassies.

This does not mean that the evaluation could not identify good examples of synergies between IKI projects and bilateral co-operation. However, these were more the result of **ad-hoc initiatives** by individual staff than the outcome of a **systemic or institutionalised practice**. In interviews, staff of Regional Departments and certain Embassies mentioned that they were sometimes involved in IKI project preparation and reviews only at a fairly late stage of project preparation, without the possibility to contribute substantially to or influence project design. There was even less involvement at the implementation stage, although some Embassies were represented on project boards. The dynamics of IKI co-operation was different from that of regular bilateral assistance.

This was also confirmed by a review of **Country Strategies for Development Co-operation 2013-2016**. Most of these documents refer briefly to the IKI instrument, mentioning that this is an additional type of co-operation aimed at capacity development. There was, however, no effort in any of these documents to elaborate on past, ongoing or planned IKI projects, or to explore possible complementarity with the country strategy.

Given this lack of interest in complementarity at the systemic and institutional level, it is somewhat surprising that there were, nevertheless, some **good practice examples** that illustrate links and synergies between IKI projects and official bilateral co-operation.

- In Kenya, the Safe Food, Safe Dairy Project provided assistance to the Department of Public Health Pharmacology and Toxicology (DPHPT), training staff on mycotoxin testing and providing equipment to the laboratory of the department. Good synergies were observed with FoodAfrica, a regional programme funded by Finland and implemented by the Consultative Group on International Agricultural Research (CGIAR). There was also evidence of good synergies with the Programme for Agriculture and Livelihood in Western Communities in Kenya (PALWECO).
- In Kenya, the Embassy of Finland regularly arranged joint rural development and natural resources seminars for all Finnish-funded programmes (including bilateral, NGO, LFC, regional and IKI projects) to share experiences and lessons learned. These seminars resulted in increased co-operation between IKI and other Finnish-funded programmes. The aim was to establish synergies between the different programmes.
- In Ethiopia, the Geological Mapping Project co-operated with Finnish-supported NGOs to encourage membership of the Extractive Industries Transparency Initiative (EITI).
- In Lao PDR, the Lao-Finnish Mineral Sector Institutional Project (LAOFIMIN) aimed to support geo-information and data management, training in geological mapping with geographical information systems, and production of a Mine Closure mini-handbook and a handbook on the environmental and social monitoring of mines. The project co-operated closely with the bilaterally-funded project Strengthening National Geographic Services in Lao PDR and the Environmental Management Support Project, both funded by Finland.

- The climate change adaptation project in Vietnam led by GTK contributed to the Vietnamese national climate change adaptation strategy. This issue was crucial because more than 90 million inhabitants of Vietnam live in one of the areas of the world most vulnerable to extreme weather events.

It was not clear how such good practice examples of complementarity came into being. In some cases, national partners may indeed have initiated co-operation between different projects funded by Finland. In other cases, individual staff members of the Regional Departments or Embassies of Finland may have been at the forefront in this regard. Good practice was more driven by the personal initiatives of individuals than by adherence to policies and guidelines. What is also clear from the evaluation is that such complementarity did not emanate from **systematic planning or budgeting** by the MFA of Finland or the Embassies. In the light of these findings, complementarity scores low on all its four dimensions:

- **Shared goals:** To the extent that IKI projects complied with 2007 and 2012 development policies of Finland, they shared overall goals, in the broadest sense, with bilateral co-operation – climate sustainability, gender and social equality, the human-rights based approach to development, and cross-cutting objectives. However, project documentation contained few references on how complementarity with official development co-operation would enhance meeting these goals and objectives. The cursory treatment of IKI co-operation in the new Country Strategy documents represented a lost opportunity in this regard.
- **Strategic action and division of labour:** Best practice examples seem not to have been the result of strategic action, but rather of ad-hoc initiatives within projects. There was also no systematic assessment of comparative advantages of IKI-type capacity development with regards to other forms of development co-operation.
- **Joint accountability:** Only in some cases, Embassy staff sat on project boards. The practice was by no means systematic. IKI partner organisations basically reported to Finnish agencies and to the FC, and these in turn were accountable to the MFA. IKI projects were never considered to be part of country strategies with joint accountability both to Finland and the partner country. There was no evidence that IKI projects were captured by donor co-ordination mechanisms or Paris Declaration arrangements for mutual accountability in partner countries.

IKI co-operation can in many ways be described as having been implemented in a silo – albeit, **a silo with some windows**, making limited and ad-hoc complementarity with other forms of Finnish development co-operation possible. This can partly be explained by the very technical orientation of the Finnish and overseas partner organisations, but also by the absence of adequate guidance in this regard, as well as of institutional arrangements in the MFA that would have translated the principle of internal complementarity into practice.

## **Internal complementarity outside long-term partner countries of Finnish development co-operation**

One of the salient features of the IKI instrument was found to be the considerable **geographical spread** of IKI projects, which were implemented in 30 countries. In many cases, opportunities for internal complementarity existed at best with **regional programmes** supported by Finland – for example, in Latin America and the Caribbean. In other cases, synergies might have been possible with **NGO co-operation**. However, the IKI Best Practices Manual did not contain specific guidance for any of these situations. Nor were best practice examples in this regard found to be well documented in reports.

A factor that may have affected the wide geographical spread could be the very diverse international relations of Finnish partner agencies. From their side, there was no obvious geographical limitation or preference – with the exception of the FMI, which showed specific interest in small island states in the Caribbean and the Pacific.

In certain cases, IKI co-operation was initiated during high-level visits either by foreign Ministers to Finland or by Finnish Ministers to other countries. If the countries concerned were not already long-term partner countries, IKI projects were conveniently small and non-political forms of co-operation that could be offered to counterparts, but which would not involve more in-depth negotiations and engagements. IKI co-operation in countries such as Mexico and Mongolia seems to have been initiated in this way. The Embassy of Finland in Bangkok actively promoted IKI-co-operation with Myanmar, thus establishing co-operation – albeit, limited by the fact that Myanmar country had only just engaged in a process of democratisation and opening up to foreign investments.

Internal complementarity practised was, therefore, **geo-politically opportunistic**, useful in establishing relations with countries not necessarily meeting criteria for more extensive bilateral co-operation. According to some stakeholders, some project proposals may also have been inspired by Finland's application (eventually unsuccessful) for a seat on the Security Council in the 2012 election.

In some cases, projects also served to firm up strategic alliances in international forums. For example, in Mexico, the project was related to an agreement for joint advocacy during international climate negotiations. In a general way, climate sustainability appears to be a sector in which complementarity links existed at both the technical co-operation and political levels. In the Andean region, Finland also supported a co-ordinated effort on meteorology and climate sustainability, which was associated with international negotiations on climate change and the reduction of CO<sub>2</sub> emissions.

At times, the initiative to introduce IKI projects came from the highest political level. For example, the Education Sector and the Mining Projects in Namibia were initiated during ministerial visits. The Ministers of both countries identified the areas of co-operation and need for capacity development. The process to prepare project proposals was allegedly initiated shortly after the visits.

Another example of IKI co-operation inspired by geo-political considerations was reported in the evaluation of the Transition Partnership with Egypt (MFA 2010b). Finland had decided unilaterally to phase out grant-based development projects. The Finnish aim was to shift from a traditional form of assistance to a more diversified partnership, through the introduction of new instruments – including IKI projects and higher-education institutional co-operation (HEI-ICI).

**In conclusion**, the opportunistic use of the IKI instrument in countries where there was limited bilateral or regional development co-operation was difficult to capture in terms of shared goals, strategic action, division of labour, and joint accountability. Under these circumstances, IKI projects were complementary mainly to political interests of Finland.

## 5 CONCLUSIONS

### 5.1 The place of the IKI instrument in Finnish development co-operation

#### 5.1.1 *The special value of the IKI instrument*

**1. Within Finnish development co-operation, the IKI instrument is a unique modality of strengthening capacities in developing countries. It specialises in making the considerable technical knowledge and expertise that exists in public institutions in Finland available to Government agencies in partner countries.**

Special features of the instrument are that it represents a small investment, and that it is, in principle, well-targeted at building specific technical expertise in partner organisations through short-term project-type interventions.

However, expectations as to what can be achieved with this instrument need to be tempered in view of the limited resources available for individual projects.

**2. The drawbacks of the IKI instrument were that it acted too much in isolation and that interventions were spread too thinly over too many countries.**

Opportunities for co-operation with other instruments of Finnish development co-operation, and also within the context of partner countries, were not sufficiently used. Therefore, the instrument has so far failed to reach its full potential.

### **5.1.2 External complementarity**

#### **3. The IKI instrument was successful in fulfilling its basic mandate and purpose of allowing for colleague-to-colleague co-operation between specialists in Finland and in developing countries.**

As from 2010, the instrument became less supply-driven and more based on the needs and priorities of partner organisations. However, the assessment of existing capacities in those organisations often did not sufficiently take into consideration the broader organisational and political context. Factors that would either favour or hinder the uptake of the capacity development efforts of the IKI projects were not sufficiently identified and considered.

Complementarity between the Finnish agencies and partner organisations was also somewhat unbalanced, as resources mobilised for the projects were mainly documented for the Finnish side, while benefits were only reported for the organisations in developing countries. The IKI instrument is thereby situated in a rather traditional technical assistance approach.

#### **4. The IKI instrument established good links with multilateral co-operation, but co-operation with other bilateral assistance and triangular co-operation – that is, support to South-South co-operation – remained limited.**

Finland actively stimulated projects to be linked with relevant multilateral initiatives – notably, in the UN context. There was less attention given to complementarity with other bilateral assistance to partner organisations.

The use of knowledge and expertise in other developing countries or from non-traditional development partners (e.g. China, India, Brazil) remained relatively marginal.

### **5.1.3 Internal complementarity**

#### **5. The IKI instrument acted largely in isolation from other forms of Finnish development co-operation. In long-term partner countries, only limited synergies were achieved between IKI projects and mainstream country programming and other instruments – for example, NGO co-operation.**

The relative isolation of the IKI instrument can partly be explained by the fact that technical agencies in Finland tasked with the implementation of IKI projects have a sectoral focus and no obvious interface with mainstream development co-operation.

Another factor was that the MFA, strongly involved in the design of IKI projects, did not make enough efforts to ensure internal complementarity. This was particularly manifest in the failure to fully integrate IKI co-operation in the Country Strategies for Development Co-operation 2013-2016.

**6. In countries that were not principal partners, the IKI instrument was often used opportunistically to establish or maintain relations.**

The IKI instrument was often used as a tool to establish relations with developing countries that were not principal partners. This has led to a considerable geographical spread of IKI projects. The process was partly driven by technical agencies in Finland seeking broad international co-operation.

In part, the IKI instrument was also used as a convenient political tool for Finland to establish limited relations with certain developing countries. This can be justifiable in cases where Finland either wanted to phase out their involvement in mainstream development co-operation (as happened, for example, in Egypt and Namibia) or wished to become involved without making extensive commitments at the outset (e.g. in Myanmar).

## **5.2 Policies, guidelines and implementation**

### **5.2.1 *The design of IKI interventions***

**7. IKI guidance was considerably improved between 2008 and 2012 with the introduction of more sophisticated notions of capacity development and templates for logical frameworks. However, guidance is still not sufficiently practical and user-friendly.**

The IKI instrument stands within a tradition of technical assistance as part of Finnish development co-operation that dates back to the 1990s. The creation of IKI in 2008 broadly followed development policies laid down in 2007. It was meant to be a light and relatively straightforward tool – a feature that it largely maintained between 2008 and 2012.

Subsequent revisions of the Best Practices Manual progressively included more sophisticated elements of parameters to be considered for interventions aimed at capacity development. However, the discussion remained relatively academic and not practical enough to serve as user-friendly guidance. As from 2010, the Manual also included templates for logical frameworks for IKI project documents, reflecting the MFA's overall effort to improve its results-based management.

**8. There is limited evidence demonstrating that the improved guidance resulted in a significantly better quality of projects in terms of relevance, effectiveness, sustainability of results and potential impact.**

Improvements in the guidance resulted only gradually in a better quality of project documents. This was partly due to the lack of rigour and consistency of the Manual, but also to insufficient mastery of the proposed tools that existed in Finnish agencies

and in the MFA. The FC employed by the MFA to support the design and implementation of IKI projects played a significant and positive role in this process.

At the end of the period evaluated, shortcomings in the design of IKI interventions continued to exist. Methods proposed to undertake assessments of existing capacities in partner organisations – that is, the identification of factors that would influence the uptake of transferred knowledge and expertise, as well as the broader political context – were still inadequate. This seriously limited the demonstration of relevance.

Although project documents and completion reports improved towards the end of the period evaluated, results were still not specific, measurable, achievable, relevant and time-bound (“smart”), and therefore were not sufficiently concrete and realistic. This limited the possibility of demonstrating evidence of effectiveness, sustainability of results and potential impact.

**9. Given the highly technical and specialised nature of IKI interventions, cross-cutting objectives of Finnish development co-operation were mainly addressed in two sectors: the environment, and climate sustainability. The link between IKI projects and national and international advocacy on these themes was not obvious, due to insufficient attention being given to the political context of these interventions.**

Cross-cutting objectives – such as gender equality, good governance, human rights, and the rights of vulnerable minorities – were not necessarily priorities for partner organisations in the same way that they were for Finland, due to lack of political support by the respective Governments.

On the environment and climate sustainability, IKI projects could have been more strategic, establishing clearer links to national and international advocacy – that is, by spelling out how they contributed to achieving these broad objectives.

## **5.2.2 Accountability, reporting, monitoring and evaluation**

**10. Information related to the IKI instrument is highly fragmented and difficult to access both for internal stakeholders and for the public at large. There is only a very limited website and no comprehensive published report concerning the IKI instrument. The absence of aggregated reporting, along with more external evaluation practices, limited the chances of sharing valuable insights on what could be learned from the IKI projects. It was also a lost opportunity to enhance complementarity between the IKI instrument and other forms of Finnish development co-operation.**

Aggregated reporting was limited to quarterly and annual internal reports prepared by the FC. These reports did not cover technical subject areas. In addition, the FC prepared an internal report covering activities between 2008 and 2012. This document

contained some vital statistics and recording of improvements operated to the instrument during this period. However, it cannot be considered to be a fully-fledged account of results achieved and lessons learned.

#### **11. The accountability of the instrument has remained limited due to weaknesses in substantive reporting and monitoring and evaluation of projects.**

Finnish agencies and partner organisations produced regular progress reports, and also project completion reports at the end of the interventions. Reporting is remarkably detailed on financial and administrative matters, but largely fell short in terms of addressing substantive issues – such as, results achieved, challenges met, and lessons learned. There were also very few self-evaluations or external evaluations.

These shortcomings were related to the fact the IKI interventions were largely implemented in isolation from other forms of Finnish development co-operation, and by technical agencies that tended to have limited affinity with mainstream development co-operation. The MFA failed to make the instrument more transparent.

### **5.3 Managerial issues**

#### **5.3.1 Organisational set-up and management**

#### **12. The organisational set-up for the preparation, review and approval of IKI projects was relatively elaborate, given the small size of the projects. The involvement of so many senior level MFA staff, including in Embassies, did not enhance internal complementarity of the instrument.**

The preparation, review and approval of individual IKI projects involved MFA staff in the Embassies, the Regional Departments and the Development Policy Department. Each proposal was reviewed by the Quality Assurance Group, and projects with budgets exceeding € 200.000 had to be approved by the Minister.

This elaborate process, requiring much staff time, did not enhance internal complementarity of the instrument with mainstream development co-operation. Instead of assessing individual projects for their intrinsic merits, MFA staff could have given more attention to systemic issues – that is, what contributions IKI projects could make to strategic country or regional programming or on sectoral issues.

It may even be questioned whether small project proposals such the IKI ones need to be reviewed by the Quality Assurance Group at all. The role of such a Board would normally be to define overall policies and guidelines, and possibly discuss particularly sensitive issues in Finnish development policy and co-operation. It may also be questioned whether all proposals exceeding € 200.000 should require approval by the Minister.

Embassies – notably in long-term partner countries – and Regional Departments could have played a more active role in the process. They should have ensured that the IKI instrument was fully integrated in the newly-approved country strategies 2013-2016 and, as appropriate, in strategies for co-operation in other countries and at the regional level. This would also have enhanced their involvement in the implementation of IKI projects.

**13. The FC was cost-effective and eased the burden that MFA staff would have had to bear without this support. The FC was, however, largely under-utilised, as his Terms of Reference were too limited.**

The appointment of an FC was a cost-effective way to reduce MFA staff time required for the administration of the IKI instrument. The company sub-contracted for this task, FCG International, provided much-appreciated services in this regard, in accordance with its ToR.

The FC could, however, have been given more substantive responsibilities related to the design, management, monitoring and (self-)evaluation of IKI projects. An expansion of his ToR would have allowed him to interact not only with the MFA and the Finnish agencies, but also with partner organisations, thus contributing more actively to the capacity development efforts.

The cost of the FC was only a small portion of the overall administrative costs related to the IKI instrument. More resources – including, for example, a travel budget – would have been required, if the ToR had been broader.

### **5.3.1 Selection of Finnish agencies**

**14. The selection process of Finnish agencies was mostly appropriate and thorough. However, as observed by the State National Office, no mechanisms were in place to assess in which cases the exemption from competitive bidding might give selected agencies an undue advantage over private sector organisations offering similar services.**

In accordance with restrictions for the use of the IKI instrument, the MFA ensured that only public agencies were eligible to be granted IKI projects. This was done rigorously. However, the MFA failed to implement recommendations made by the National Audit Office in 2009 to institute a mechanism for the acquisition of services whereby a waiver from competitive bidding would be granted only to public agencies that offered expertise and services that were not available in the private sector.

### **5.3.2 Costs and benefits**

**15. Costs were mostly documented for Finland, and benefits for the partners in developing countries. Despite certain shortcomings in terms of full transparency on both accounts, and lacking elements required to confirm efficiency, the IKI instrument represents value for money.**

The larger share of Finnish project budgets was allocated to the technical assistance services provided by Finnish agencies. The agencies charged their services to the MFA at the level of commercial consultancy fees. In some organisations, IKI funding was used to supplement the budgets of these organisations that had been affected by budget cuts that needed to be administered by the Government of Finland.

The smaller portion of Finnish funding was for training, travel and equipment in partner organisations. Costs for counterpart staffing and operation and management in partner organisations were not documented.

Benefits are documented for partner organisations – albeit not in economic terms, but through reporting on results in terms of accrued capacity development. What Finnish agencies learned from partner organisations was not documented.

Despite these shortcomings, and although key elements required to confirm efficiency were lacking, the IKI instrument represented a relatively low-cost investment, with intangible benefits for Finland and for the partner countries in terms of capacity development and opportunities for good international relations based on goodwill and mutual respect.

## **6 RECOMMENDATIONS**

The following recommendations emerge from the conclusions. The recommendations are presented in four clusters, namely:

- External complementarity (recommendations 1 and 2)
- Internal complementarity (recommendations 3 and 4)
- Policies, guidelines and implementation (recommendations 5 and 6)
- Managerial issues (recommendations 7-10)

## 6.1 External complementarity

### Recommendation 1:

<b>The relationship between Finnish agencies and partner organisations should become more balanced. Costs incurred by partner organisations and benefits for Finnish agencies should be documented. The relationship should better reflect the organisational and political context in developing countries that is essential for successful capacity development.</b>			
Based on conclusions: <b>1, 3 and 15</b>	Priority:  <b>General</b>	Time frame for implementation:  <b>Medium and long term</b>	Main implementation responsibility:  <b>MFA, Finnish agencies and partner organisations</b>
Balancing the relationship between Finnish agencies and partner organisations would involve recognition that the Finnish side incurs costs related to IKI projects and that benefits accrue not only to partner organisations. Recognition of these basic facts in the project documentation would embody the spirit of “colleague-to-colleague” co-operation. Furthermore, there is a need for more extensive assessments of existing capacities in partner organisations, and a clear identification of factors that either favour or hinder the uptake of Finnish technical assistance. Human and financial resources mobilised by partner organisations should be fully recognised in project documentation. Finnish agencies should also document what they have learned from partner organisations.			
Operationalisation: <ul style="list-style-type: none"> <li>• Capacity assessments and organisational and political analysis to be included systematically in project documents.</li> <li>• Documentation of human and financial resources mobilised by partner organisations.</li> <li>• Attention to be given in project documents and reporting to contextual factors affecting project implementation.</li> <li>• Documentation of benefits accruing to Finnish agencies.</li> <li>• Revision of IKI guidelines to reflect above-mentioned requirements.</li> </ul>			

### Recommendation 2:

<b>While maintaining its basic purpose of making Finnish knowledge and expertise available to partners in developing countries, with a view to capacity development, the IKI instrument should also increasingly allow for triangular co-operation, involving specialised institutions in third countries in the developing world.</b>			
Based on conclusion: <b>4</b>	Priority:  <b>General</b>	Time frame for implementation:  <b>Medium and long term</b>	Main implementation responsibility:  <b>MFA</b>
While the excellence of Finnish knowledge and expertise is fully recognised, there are specialised institutions in the developing world that may offer similarly qualified – and, in some cases, better adapted – services at a lower cost. The IKI instrument should allow for involvement of such institutions in third countries, and thereby support triangular arrangements linked to South-South co-operation.			

Operationalisation:

- Revision of IKI policies and guidelines to reflect the need for support to South-South co-operation.
- Finnish agencies and partner organisations should be encouraged to identify relevant specialised institutions in the developing world.
- Triangular arrangements linked to South-South co-operation may require a longer timeframe than the current limitation of 2-3 years.

## 6.2 Internal complementarity

### Recommendation 3:

**IKI interventions should, in the main, be limited to present and past long-term partner countries and to regional co-operation programmes of Finnish development co-operation.**

Based on conclusion: <b>6</b>	Priority:  General	Time frame for implementation:  <b>Medium and long term</b>	Main implementation responsibility:  <b>MFA</b>
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The very wide geographical spread of the IKI instrument needs to be reduced. It is recognised that IKI projects could be maintained for some time in countries from which Finland is phasing out its support. However, most resources should be focused on present long-term partner countries and current regional programmes, thus enhancing chances for synergies with other parts of Finnish development co-operation and also for greater visibility. Under exceptional circumstances, IKI projects could also be part of a phasing-in strategy in countries with which Finland is considering establishing a development co-operation relationship.

Operationalisation:

- Revision of IKI policies and guidelines to reflect need for geographical focus on long-term partner countries.
- Implementation of this recommendation for new projects.
- Irrespective of the adoption of the recommendations of this evaluation, all currently active projects should be completed.

### Recommendation 4:

**IKI projects should, to the greatest possible extent, be systematically integrated in Country Strategies for Development Co-operation 2013-2016 in long-term partner countries. Guidelines for the preparation of future strategies should be adjusted accordingly.**

Based on conclusion: <b>5</b>	Priority:  High	Time frame for implementation:  <b>Short-term</b>	Main implementation responsibility:  <b>MFA</b>
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In long-term partner countries, the introduction of Country Strategies for Development Co-operation 2013-2016 presents an opportunity to articulate the complementarity between different instruments of Finnish aid. As these strategies are still in the first year of implementation, it is not too late to systematically assess actual and potential complementarity between ongoing and newly-proposed IKI projects and other forms of development co-operation – including mainstream projects and programmes, NGO co-operation, and private sector promotion and development.

#### Operationalisation:

- Embassies and Country Desks in Regional Departments should prepare an addendum to each Country Strategy Document 2013-2016, systematically assessing actual and potential complementarity between IKI projects and other forms of development co-operation.
- The addendum should also make recommendations on how such complementarity can be enhanced in the short term.
- Guidance to the preparation of future Country Strategy Documents should include provisions on how to systematically integrate IKI projects in country strategies.
- Embassies should be encouraged to organise, on a regular basis, joint seminars for national partners benefiting from various forms of co-operation (such as, bilateral or regional programmes, IKI co-operation, NGO co-operation).

## 6.3 Policies, guidelines and implementation

### Recommendation 5:

**An additional amendment to Administrative Order HEL 5753-6/2008 and a revised Best Practices Manual will be required, reflecting measures and mechanisms to make the IKI instrument more relevant and effective, increase the potential to achieve sustainability of results and increase impact, and to enhance external and internal complementarity.**

Based on conclusions:  
**1-4 and 6-10**

Priority:  
High

Time frame for implementation:  
**Short-term**

Main implementation responsibility:  
**MFA, in consultation with Finnish agencies and partner organisations**

The implementation of recommendations of this evaluation needs to be prepared with an additional amendment to the 2008/2010 Administrative Order, reflecting: a) the new complementarity between Finnish agencies and partner organisations (recommendation 1); b) the possibility for triangular co-operation (recommendation 2); c) the geographical focus (recommendation 3); d) the integration of IKI projects in Country Strategies and regional programmes (recommendation 4); e) the consideration of cross-cutting objectives in the IKI instrument (recommendation 6); f) improvements to the management of the IKI instrument (recommendations 7-10). The Best Practices Manual needs to reflect these changes and be organised in a more practical and user-friendly way.

#### Operationalisation:

- A drafting committee should be set up – composed of MFA staff from the Development Policy Department and relevant Regional Departments – with adequate consultation mechanisms to consider the views of Finnish agencies and partner organisations, and to obtain relevant information from the FC.
- The Quality Assurance Group in the MFA should review the draft amendment and make a recommendation for its approval.
- Changes should be reflected in a revised version of the Best Practices Manual, which should also be re-organised as a practical and user-friendly guidance tool.

## Recommendation 6:

<b>IKI project documents and reporting should better reflect the human rights-based approach and all cross-cutting objectives (gender equality, reduction of social inequality, and climate sustainability) outlined in the 2012 Development Policy Programme of Finland.</b>			
Based on conclusion: <b>9</b>	Priority: High	Time frame for implementation: <b>Medium-term</b>	Main implementation responsibility: <b>MFA, Finnish agencies and partner organisations</b>
<p>As most IKI projects intervene in sectors related to natural resources, the environment and climate sustainability, they should strengthen their link to national and international advocacy on these themes. They can also reflect to a greater extent a human rights-based approach, and incorporate cross-cutting objectives such as gender equality and reduction of social inequality. This can be done by explicitly including in project proposals specifications of what ways and by what means the projects will benefit both men and women, as well as ultimate target groups – including vulnerable groups that are easily excluded from development. Consideration should also be given to addressing good governance more systematically.</p>			
<p><b>Operationalisation:</b></p> <ul style="list-style-type: none"> <li>• IKI guidance should emphasise cross-cutting objectives, as defined in the 2012 Development Policy.</li> <li>• IKI guidance should consider a more strategic approach on climate sustainability and the environment – that is, how to link up with national and international advocacy on these themes.</li> <li>• Finnish agencies and partner organisations should systematically consider benefits to ultimate target beneficiaries in reporting, and ways and means to reach such groups – for example, through co-operation with NGOs. Moreover, they should contribute to systematic knowledge sharing and learning in their respective sectors and fields.</li> </ul>			

## 6.4 Managerial issues

### Recommendation 7:

<b>Finnish agencies and partner organisations should continue to submit regular interim progress reports with administrative and financial details, but detailed substantive reports on project outcomes and impact should also be prepared at mid-point and upon completion of IKI projects. At least half of all completed projects should be self-evaluated by implementing organisations, against criteria to be included in the Best Practices Manual. Both measures should enhance overall accountability of the IKI instrument.</b>			
Based on conclusions: <b>8, 10 and 11</b>	Priority: High	Time frame for implementation: <b>Short-term</b>	Main implementation responsibility: <b>MFA, Finnish agencies and partner organisations</b>
<p>Mid-term and project completion reports should address outputs, outcomes and (potential) impact of interventions. They should duly reflect contextual factors in partner organisations that favour or hinder the uptake of Finnish contributions, including national policy frameworks, domestic resource mobilisation, and other external assistance.</p> <p>IKI project budgets should contain a provision at least for self-evaluations upon project completion. In certain cases, IKI projects may be evaluated as part of broader sectoral or thematic evaluations in the countries concerned.</p>			

**Operationalisation:**

- The revised Best Practices Manual should contain a new template for mid-term and project completion reports.
- Budgets of new IKI projects should contain a provision for self-evaluations.
- The Best Practices Manual should contain criteria for self-evaluations by implementing Finnish agencies and partner organisations, which should be proposed by the FC.
- For existing projects, opportunities should be identified on how they could be evaluated as part of broader sectoral or thematic evaluations.

**Recommendation 8:**

**Information management related to the IKI instrument needs to be considerably strengthened through an improvement of the IKI website and the publication of annual reports.**

Based on conclusion: <b>10</b>	Priority: High	Time frame for implementation: <b>Short-term</b>	Main implementation responsibility: <b>MFA with support from the FC</b>
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The improvement of the IKI website would considerably increase visibility and transparency of the instrument, both for internal and external stakeholders. The website should be regularly updated with most recent statistics and illustrative examples of results achieved in terms of capacity development. In addition, the publication of aggregated annual reports could be considered.

- Improvement of the IKI page on the MFA website, possibly with hyperlinks to websites of implementing Finnish agencies and partner organisations.
- Publication of an IKI Annual Report for 2013, and in future years.

**Recommendation 9:**

**Procedures for the review and oversight of IKI projects in the MFA, including the involvement of Embassies, need to be streamlined and decentralised. The Facilitation Consultant should be given a greater role in designing and monitoring IKI projects, as well as in defining standards against which projects can be self-evaluated by implementing organisations. The FC should co-operate closely with relevant Embassies and Regional Departments to accomplish these tasks.**

Based on conclusions: <b>12 and 13</b>	Priority: Medium	Time frame for implementation: <b>Medium-term</b>	Main implementation responsibility: <b>MFA</b>
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The Quality Assurance Group in the MFA should focus on policies and guidelines. It should not have to review individual IKI project proposals, except when they are part of broader country, regional and regional strategies that warrant senior MFA staff attention. Approval of IKI projects should not require approval by the Minister, but should be handled at Director level.

The FC should be given a greater role in the substantive review and oversight of IKI projects, in accordance with policies and guidance and under the overall supervision of the MFA. Mechanisms should be instituted for ex-post accountability of the FC.

The FC should interact closely and frequently – especially with Embassies in long-term partner countries and with the Regional Departments – to ensure internal complementarity. It should also have the necessary travel budget to interact with partner organisations in developing countries, and thus make a contribution to capacity development.

To accomplish these enhanced tasks, the FC should be given additional resources, including to recruit more staff, as appropriate.

Operationalisation:

- The proposed amendment to the 2008/2010 Administrative Order needs to include provisions streamlining review and oversight procedures in the MFA (including Embassies) concerning the IKI instrument.
- The ToR of the FC need to be adjusted to include these additional tasks and responsibilities.
- The MFA needs to increase the budget available for the hiring of the FC.
- Upon change of the IKI guidance and manual, and at the earliest possible convenience, the contract of the FC needs to be tendered under competitive bidding.
- Finnish Embassies should systematically be represented on IKI Project Boards and should more generally assume responsibilities related to field monitoring.
- Progress, project completion and evaluation reports should systematically be shared with the Embassies and be made accessible on the website.
- There should be regular communications between the FC and the Embassies.

## Recommendation 10:

**The MFA should implement the recommendations of the National Audit Office contained in its report 180/2009 on the “Procurement of expert and research services in the Ministry for Foreign Affairs of Finland”. It should also institute a mechanism that restricts exemption from competitive bidding only to public organisations that offer expertise and services that are not available in the private sector.**

Based on conclusion: <b>14</b>	Priority: High	Time frame for implementation: <b>Short-term</b>	Main implementation responsibility: <b>MFA</b>
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Although it is not likely that the expertise and services offered by Finnish public agencies to partner organisations through IKI projects are available also in the private sector, this should be assessed on a case-by-cases basis. A mechanism is required to systematically assess and monitor the implementation of this provision.

Operationalisation:

- The MFA should establish a mechanism that assesses whether the expertise and services offered by Finnish public agencies to partner organisations through IKI projects are available also in the private sector.
- The provision should be included in the amendment to the 2008 Administrative Order.

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## THE EVALUATION TEAM

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

**Ms. Mette Visti (Leader of the IKI sub-team)** is a Danish consultant with more than 25 years of international experience with institutional development, organizational change, evaluation and socio-economic studies. She led the building of the International Department on Institutional and Human Resource Development in the Ramboll Group A/S. Ms. Visti also served as an adviser to the Evaluation Secretariat in the Ministry of Foreign Affairs of Denmark, Danida and led and participated in a wide array of evaluations and reviews ranging from the Danish assistance to Kosovo to joint donor democracy support in Tanzania. Ms. Visti is an expert in new methods for evaluation of capacity development including the Results Oriented Approach for Capacity Change. She has in depth experience with rights based approaches in education, labour market, media, the environment, energy and governance - working with partners and clients in NGOs, the public sector and private enterprises.

**Mr. Ziad Moussa (Senior Expert in the IKI sub-team)**, a national of Lebanon, is a Senior Research Associate at the American University of Beirut. Over the past 10 years, he has managed multi-country evaluations across the Arab world and the global South with the European Union (EU), the International Development Research Centre (IDRC), the International Labour Organisation (ILO) and the United Nations Development Programme (UNDP), among others. He is also credited for the Arabization of the reference book “*Outcome Mapping: Building Reflection and Learning into Development Programs*”. He is currently an elected Board Member of the International Development Evaluation Association (IDEAS), member of the Advisory Group of the EvalPartners initiative and the chairperson of the MENA Evaluators Network (EvalMENA).

## ANNEX 1 TERMS OF REFERENCE

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

#### SETTING THE SCENE

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

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

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

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

# 1 BACKGROUND

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

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

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

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

## 1.1 Global context

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

ternational relations in the 21<sup>st</sup> century. Similarly, the different dimensions of working in a complementary way appear in the Paris Declaration (PD) of 2005, in the 2008 Accra Agenda for Action (AAA), and in the Busan Partnership for Effective Development Cooperation final document (Busan) of 2011. The PD, AAA, and more recently the Busan, all emphasized the necessity for the donors and the developing country partners to work together and complement each other. The 2011 monitoring of progress in the implementation of PD and AAA, however, showed that there was marked variation in compliance with this requirement among both donors and partner countries. This was observed also by the comprehensive phase II evaluation of PD, completed in 2011. Within the context of the EU, the three Cs (3-Cs: coherence, cooperation, and complementarity) have their roots in the Maastricht Treaty. A comprehensive evaluation by EC's evaluation department, was concluded in 2005 on the implementation of the 3-Cs.

## 1.2 Description of the subject of the evaluation

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

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

### 1.2.1 Finland's development policies

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

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

The 1996 decision-in-principle of the government on development cooperation reiterated the concept of *mutual interdependence* but also the *mutual benefits*. Accordingly,

the Finnish cooperation was a *coherent whole* in compliance with the EU *policy coherence* requirement. Complementarity was required with a *common aid programme* drawn up by the partner country itself. All donors (multi- and bilaterals) would contribute to the common programme to complement the partners' efforts. The policy required that the Finnish cooperation instruments be used selectively and be mutually complementary.

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

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

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

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

The current, 2012, Development Policy Action Programme states that the development goals of Finland are furthered both through *financial instruments and through policy influence*. The working modalities include bilateral modalities, regional and multilateral instruments, as well as NGO-cooperation and the EU dimension. These instruments

offer also *geographical complementarity*. The wise use of Finland's cooperation instruments and channels enabled Finland to reach out widely.

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

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

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

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

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

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

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

ties where there are violations of human rights, and shortcomings in rule of law and democracy.

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

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

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

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

### **1.2.3 Other policy guidelines**

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

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

### **1.2.4 Institutional Cooperation Instrument**

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

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

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

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

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

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

### **1.3 Some earlier evaluations**

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

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

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

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

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

## 2 SCOPE

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

The special case-evaluations are:

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

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

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

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

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

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

The major stakeholder groups involved will be civil servants of the Ministry (Ministries) in Helsinki and in the embassies of the countries to be visited and their gov-

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

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

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

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

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

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

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

The current (2012) development policy of Finland has clear commitment for policy coherence for development and complementarity of operations. Subsequently, the

cooperation modalities employed by Finland are required to be complementary to each other. At this juncture, lessons from the past experience, may contribute towards materialisation of these goals.

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

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

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

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

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

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

## 3.2 Objectives

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

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

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

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

### Specific Objectives

The specific objectives include the achievement of

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

## 4 APPROACH

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

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

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

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

The evaluation process is sequenced:

### **Initiation:**

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

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

### **Inception:**

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

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

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

### **Field study:**

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

### **Final analysis and synthesis of results:**

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

### **Dissemination of results:**

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

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

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

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

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

## 5 EVALUATION ISSUES AND QUESTIONS

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

### Cross-cutting objectives (CCOs)

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

Some guiding questions:

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

## CASE I

### 5.1 Analysis of policies and practices

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

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

Internal complementarity:

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

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

Policy influence for external complementarity:

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

## CASE II

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

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

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

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

- i) What is the basis for the country programmes – how do the components of it come about? What are the mechanisms for ensuring complementarity with other donors and with the host government's own policy priorities?
- j) What is the role of the bilateral discussions and the donor coordination at country and at headquarter levels? How are the multilateral actors involved at the country level? What are the mechanisms used in the NGO programmes?

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

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

## **CASE III**

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

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

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

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

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

Some guiding questions:

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

## CASE III A

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

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

Some guiding questions:

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

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

Questions by evaluation criteria:

### **Relevance**

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

### **Efficiency**

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

### **Effectiveness**

- IKI-interventions are usually short and focused: does this approach bring in some comparative advantages in terms of rapid capacity development and institutional development gains, professional networking or any other development outcomes? How could these components be characterized –plusses and minuses?
- To what degree were the objectives achieved overall? Did the document study or the field trip bring to the fore any concrete achievements against the set objectives?
- Currently many of the IKI-interventions are of short duration and with high Finnish technical input. How would you compare a situation in terms of capacity development of individuals and the institutions, if more emphasis be put on the use of local expertise? What would be the major gains and major obstacles or losses?
- Characterize the quality of planning documents and the project documents? Are they conducive to results-oriented work, monitoring and reporting? Major nega-

tive / positive features of the quality of the IKI-intervention documents, considering here also the international frameworks (f.ex. ownership, leadership, mutual benefits etc.) and cross-cutting objectives listed in the beginning of section 5.2.

- Is there an adequate aggregated reporting system by objectives and results, based on evidence of the monitoring reports? What is the quality of the reporting?

### **Sustainability**

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

### **Impact**

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

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

To lessen the administrative burden of managing a high number of IKI -interventions, the Ministry has, through competitive bidding, hired an external consultancy resource to assist in this task. The external consultant also assists the Finnish institutions in the compilation of the project documents and pre-screens their quality. The consultant compiles regular progress reports on performance of the interventions. Decisions are, however, done in the Ministry.

Some guiding questions:

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

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

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

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

## **CASE III B**

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

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

A particular context frame in this case-evaluation are the current development policy, the policy guidelines for NGO cooperation, and the country programmes of Finland. A major current issue, depicted in the 2012 development policy of Finland, is the question of finding innovative ways of using NGO-actors to complement development activities within the country programmes of Finland so as to achieve better reach-out and impact *in vertical and in horizontal sense*. Similarly, the issue of comple-

mentarity of the NGO-programmes in respect of **other** actors in development, including the multilateral, the host government, and business sector, is of interest and constitutes an important contextual sphere in this examination. These questions and context considerations arise from “*the holistic*” planning process that would use the different development instruments in a complementary way. This is a central message of the 2012 development policy of Finland.

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

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

### **Evaluation tasks and questions**

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

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

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

template in cases where there is no bilateral country programme or other project-based cooperation?

- 5) assessment of the complementarity of the NGO-interventions with the partner country's development plans, and with the development objectives of the local CSOs, or their umbrella organisations? What sort of mutually reinforcing planning mechanisms are there in place?
- 6) assess the complementarity of the NGO-programmes with other development actors, multilateral programmes, business and trade interventions, programmes of other donors? what are the used mechanisms of informing each other?
- 7) should complementarity between the INGO-, NGO- and LCF-- instruments be pursued? What would be the losses and the gains in financial terms and in development results, with a tight complementarity requirement being imposed? The NGO-programmes operating in countries other than the principal partner countries of Finland, what is the significance of these programmes in terms of overall development results reporting by Finland in these countries?
- 8) Are there any examples of good practices in the division of labour within the NGO-sector? What are the success factors?

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

Here the evaluation will

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

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

The whole issue of NGO-cooperation should be looked at from a new angle – should the “traditional” NGO-cooperation, that is planned by the NGOs themselves, continue as it is – and to what extent? Or, should part of the NGO-support be tied to the vertical or horizontal complementarity with regard of the country programmes? Should part of the NGO-funding be directed towards cooperation between NGOs and multilateral actors, or with local business community, or towards direct cooperation with partner governments? These questions would need a completely different mind-set and planning mode for the NGO-programmes and also to the country programmes. Yet, the value added of such new ways may enhance vertical flow of benefits to the most disadvantaged groups. Thinking should go from bottom-up and from to-down – critically identifying the current gaps – where does the chain break – and who could best serve in mending it?

The following questions may help in this thinking:

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

## IV SYNTHESIS

### 5.4 Synthesis evaluation

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

The synthesis analyses will

- 1) assess the significance of the results of the individual case-evaluations and analyses carried out in the wider context of drawing lessons and concrete examples, as well as emerging ideas of potential effectiveness and impact gains through the complementarity factor that is written out in the current development policy programme of Finland (2012) and featured so clearly also in earlier policies: What is the actual status of complementarity at the moment? And what could it be in the future?
- 2) address the complementarity through the *vertical and the horizontal angles of development* and development partners in these angles;

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

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

## 6 METHODS

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

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

## 7 EXPERTISE REQUIRED

### *The evaluators*

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

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

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

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

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

Each of the other senior experts will have

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

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

- a) 5 years or more experience in NGO-sector cooperation, including INGO-cooperation;
- b) experience in the multilateral organisations at the field operations level, with good understanding of their programming operations;
- c) 4 years or more experience in the development planning processes at the partner country level;
- d) hands-on practical experience in institutional change processes and capacity building at different levels of development;

- e) 4 years or more experience in management of aid; results-based planning, monitoring, reporting and evaluation;
- f) through working experience gained understanding of policy coherence, complementarity, cooperation and experience in their implementation in practice;
- g) 5 years or more experience in development work on the mainstreaming and advocacy of the cross cutting objectives at the operational level;
- h) special working experience in the field visit countries would be an asset.

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

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

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

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

### **Quality assurance**

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

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

## 8 DELIVERABLES

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

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

The following deliverables will be prepared:

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

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

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

3. Draft desk reports on the 1) IKI-, 2) NGO- instruments, 3) country case-evaluation of Mozambique and on country-case evaluation of Zambia; 4) the policy analyses. These are based on document study.
4. Interview plans: These plans will observe the requirement of organizing group interviews and interviews (in particular at the top level of administrations) as mixed teams between the different sections of this evaluation, whenever feasible and possible.

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

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

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

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

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

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

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

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

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

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

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

## **9 BUDGET**

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

## **10 TIMETABLE**

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

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

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

## **11 MANDATE**

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

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

## **12 AUTHORIZATION**

Helsinki, 15 October 2012

Aira Päivöke  
Director  
Development Evaluation

## ANNEX 2 PEOPLE INTERVIEWED

### Finland

#### Ministry for Foreign Affairs in Finland

##### Unit responsible for Development Evaluation (EVA-11)

Aira Päivöke, Director

Kristiina Kuvaja-Xanthopoulos, Counsellor

Riikka Miettinen, Evaluation Officer

Riitta Oksanen, Senior Adviser

#### Department for Development Policy

Ulla Järvelä-Seppinen, Senior Adviser, Unit of General Development Policy and Planning

Taru Kuosmanen, Legal Counsellor, Unit for Sectoral Policy

Anu Hassinen, Energy Adviser

Janne Sykkö, Environmental Adviser

Satu Elo, Senior Adviser

Mari Tarro Achamyelehe, Junior Legal Adviser, Unit for Sectoral Policy

#### Department for Africa and the Middle East

Kari Alanko, Ambassador, Development Policy Advisor

Marjut Partanen, Programme Officer, Unit for Southern Africa

Anu Saxén, Senior Management Adviser

Tiina Kajakoski, Desk Officer

Minna Hares, Desk Officer

#### Department for the Americas and Asia

Mikko Pyhälä, Ambassador-at-large to the Caribbean

Katariina Hautamäki-Huuki, Programme Officer

Pekka Seppälä, Senior Adviser

#### Department for Russia, Eastern Europe and Central Asia

Johanna Ketola, Programme Officer

#### Finnish Organisations

##### Finnish Environment Institute (SYKE)

Tea Törnroos, Head of Unit, International Affairs Unit

Pekka Salminen, Project Manager International Affairs Unit

Pasi Laihonon, Marine Research Centre, Head of Unit

Karri Eloheimo, Project Manager

**Finnish Meteorological Institute (FMI)**

Harri Pietarila, Head of Unit, Consulting Services

Jaakko Nuottokari, Head of Group, Research Scientist, International Projects

Irma Ylikangas, Project Manager, Consulting Services, International Projects

Martti Heikinheimo, Development Director

**Ministry for Education and Culture (OKM)**

Helena Lalu-Tovio, Public Relations Coordinator, International Relations

Jaana Palojarvi, Director for International Relations

**Metla, Finnish Forest Research Institute**

Jari Parviainen, Vice President, Eastern Finland Regional Unit

Kalle Eerikainen, Associate Professor, Senior Researcher

Helena Mäkelä, Senior Researcher

**Finnish National Police Board**

Mika Pasanen, Superintendent, Project Director

**Agrifood Research Finland (MTT)**

Hannu J. Korhonen, Professor Biotechnology and Food Research

Enyew Negussie, Senior Research Scientist

**Metsähallitus**

Sanna-Kaisa Juvonen, Senior Advisor, International Co-operation

**National Institute for Health and Welfare (THL)**

Jutta Immanen-Pöyry, Director, International affairs

Paula Tanhuanpää, Project Manager

Marja Anttila, Senior Expert

Simo Mannilla, Senior Expert

Anne-Marie Grouev, Project Manager

**Geological Survey of Finland (GTK)**

Jukka Multala, Project Manager

Kristian Lindqvist, Senior Scientist, Research Laboratory

**Technical Research Centre of Finland (VTT)**

Maria Holopainen, Specialist Business Development

Miika Rämä, Research Scientist, Project Manager

**Statistics Finland**

Ari Tyrkkö, Head of Development

Ulla-Maarit Saarinen, Planning Officer

**Tapio**

Klaus Yrjönen, Director, International Affairs

### **Finnish Consulting Group (FCG)**

Riikka Otsamo, Project Director

Jorma Peltonen, Project Director

Jouni Immonen, Project Director

## **Barbados**

### **Caribbean Institute for Meteorology and Hydrology (CIMH)**

David Farrell, Principal

Damien Prescod, Technical Officer I

Marvin Forde, Technical Officer I

### **Caribbean Disaster Emergency Management Agency (CDEMA)**

Elizabeth Riley, Deputy Executive Director

Elvis Nurse, Director, Resource Management and Administration Division

Andria Grosvenor, Alliance and Co-operation Services Manager

### **Barbados Meteorological Services**

Hampden Lowell, Director

Clairmonte Williams, Senior Meteorologist

## **Ecuador**

### **National Institute of Hydrology and Meteorology, Instituto Nacional de Meteorología e Hidrología (INAMHI)**

Ramon Chango, Executive Director, Permanent Representative of Ecuador in the WMO

Carlos Naranjo J, Director, Permanent Representative of Ecuador in the WMO

Francisco Cruz, Director Hydrology

Fernando Garcia, Hydrologist

Marcello Ayabaca, Project Director

Gilma Carvajal, Meteorological Services Specialist

Jacqueline De la Cruz, Meteorological Research Specialist

Javier Velasquez, Systems Engineer

Diego Hinojosa, Systems Engineer

Carlos Chavez, Systems Engineer

Elsa Roldán M., Systems Engineer

Marco Almeida P, Systems Engineer

## **Ethiopia**

### **Embassy of Finland Addis Ababa**

Janne Oksanen, First Secretary, Head of Co-operation

Meseret Mengistu, Local Co-operation Fund Programme Coordinator  
Martha Solomon, Water and Agricultural Growth Adviser  
Marianne Kujala-Garcia, Counsellor, Education

**National Artificial Insemination Centre, Ministry of Agriculture and Rural Development (MoARD), Ethiopia**

Esayas Tessema, Manager of National Artificial Insemination Centre  
Besufekad Iufar, Technical Expert National Artificial Insemination Centre  
Demere Fikremoriam, Breeding Expert National Artificial Insemination Centre

**Association of Dairy Farmers, Ethiopia**

Daniel Elemu, Owner and Manager of Tegyad PLC Dairy Farm  
Serkalem Samuel, Owner of Kality Dairy Farm  
Aynalem Mamo, Manager at Kality Dairy Farm  
Berkane Kassa, Dairy Farmer  
Daniel Alemu, Dairy Farmer

**Ministry of Energy and Mines (MME), Ethiopia, Geoscience Data Centre**

Befekadu Olumo, Head of Geoscience Data Centre  
Bekanan Mutala, Geophysicist  
Kabede Woldi, GIS Expert  
Tschaye Bogole, Senior Cartographer  
S. Semaya, Cartographer

**Ministry of Energy and Mines (MME), Ethiopia, Secretariat for Ethiopian Extractive Industries Initiative (EEIT)**

Merga Kenea, Head of EEIT Secretariat,  
Kifle Tekle Tsadik, Senior Expert

**Ministry of Energy and Mines (MME), Ethiopia, Planning, Monitoring and Evaluation Directorate**

Betru Haile, Director, MME, Namibia

**Ministry of Energy and Mines (MME), Ethiopia, Legal Department**

Abel Kebede, Junior Legal Adviser

**Central Statistics Agency (CSA)**

Biratu Yigezu, Deputy Director General, Statistical Surveys and Censuses  
Alemaehu Teferi, Directorate Director, Households Surveys and Price Statistics  
Kassu Gebeyehu, Statistics Expert  
Said Jemal Samar, Senior Expert

**Famine and Early Warning Systems Network, Ethiopia**

Yakob Mudesir Seid, National Technical Manager (former Director in Central Statistical Agency)

## **Jamaica**

### **Meteorological Services Jamaica**

Jeffery Spooner, Director  
Evan Thompson, Head of Weather Branch  
Glenroy Brown, Meteorologist  
Michelle Atkinson-Thompson, System Administrator  
Ronald Moody, Senior Meteorologist  
Viola Jones, Meteorologist  
Marville Harrison, Meteorological Technician

### **Disaster Preparedness and Emergency Operations Division Jamaica**

Michelle Edwards, Senior Director  
Michael Dunn, Systems Support Technician

### **Rural Agricultural Development Authority (RADA)**

Marina Young, Manager  
Cavell Francis-Rhiney, Senior Director; Production, Marketing and Special Projects  
Peter Thompson, Zonal Director

## **Kenya**

### **Embassy of Finland Nairobi**

Tiia Haapaniemi, Programme Officer, Trade and Political Affairs  
Marjaana Pekkola, Counselor for Rural Development  
Heini Vihemäki, Counselor for Natural Resources  
Georginah Gichohi, Assistant Programme Officer, NGO-fund

### **European Union Delegation**

Julien Bouzon, Counselor, Head of Section Macro-Economics, Governance and Private Sector  
Erik Habers, Minister Counselor, Head of Co-operation

### **UN Resident Coordinator's Office / UNDP**

Maria-Threse Keatng, RC a.i and UNDP Country Director  
Carlin Averbeck, Team Leader Inclusive Growth & Social Development Unit  
Julius K. Chokerah, National Economist

### **UN-Women**

Idil Absiye, Programme Officer  
Ursula Sore-Bahati, Programme Manager

### **Kenya Forestry Service (KFS)**

Zipporah Toroitich, Miti Mingi Maisha Bora (MMMB) Programme manager

Mbae Muchiri, National Programme Coordinator  
Peter N. Nduati, Project Manager

**Department of Public Health Pharmacology and Toxicology (DPHPT),  
University of Nairobi:**

Prof. Erastus Kangethe, Project Manager  
Prof Sheila Okuttu, Toxicologist  
Amina Sirma PhD Student  
Vincent Ayugi, PhD Student

## **Lao PDR**

**Embassy of Finland accredited to Lao PDR Bangkok**

Antti Niemelä, First Secretary and Deputy Head of Mission  
Bhuripan Kalnaovkul, Programme Officer, Development Co-operation  
Lotta Kivinen, Political and Commercial Team

**Department of Geology and Minerals**

Khampha Phommakeysone, Deputy Director General and Project Manager  
Chanthala Keohavong, Director of the Geo-information Lab  
Vannapha Phommachanh, GIS Expert  
Kuangnuvong Telpvongsa, GIS Expert

**National University of Laos (NUOL), Faculty of Engineering Mechanical  
Engineering Department**

Khamphone Nanthavong, Professor

## **Namibia**

**Embassy of Finland Windhoek**

Marika Matengu, Programme Coordinator  
Antti Piispanen, Counsellor, Private Sector Development

**EU Delegation Namibia**

Jean-Paul Heerschapp, Head of Rural Development Section

**National Planning Commission Namibia Department for M&E and  
Development Partner Coordination**

Ned Sibeya, Deputy Chief National Development Advisor,  
Habani Munyngano, National Development Advisor

**Ministry of Health and Social Services (MoHSS)**

Selma H. D. Auala, Deputy Director, Family Health Division

Desderius Haufiku, Chief Health Program Administrator, Community Based Health Care and School Health  
Hilde Nashandi, Senior Health Programme Administrator, Food and Nutrition Sub-Division,  
Bertha Katjivena, Director, Policy, Planning and Human Resources Development  
Aletta Noabes, Senior Health Programme Administrator

### **Ministry of Education (MoE)**

Maggie Nghatanga, Director, Primary Health Care  
Ayesha Wentworth, Clinical Psychologist & Senior School Councillor

### **National Institute for Education and Development, MoE**

Herta Pomuti, Director

### **Namibian Business School, University of Namibia (UNAM)**

Laurence Mutjavikua, Manager of Business Education and Training

### **Namibian Police Force**

Commissioner D. I. Shilunga, Chief Commissioner, Head of Training & Development Directorate

Joseph Schwartz, Chief Inspector, Staff and Curriculum Development Division

T. Shikongo, Commandant, Head of the Patrick Iyambo Police Training College

R. Shimbu, Chief Inspector, Head of External Courses, Staff and Curriculum Development

H Amakali, Warrant Officer, Staff and Curriculum Development Division

### **Ministry of Mines and Energy (MME Namibia)**

#### **Mining Division, MME**

Erasmus Shivolo, Mining Commissioner,

Aune Andreas, Mineral Economist, Ministry of Mines and Energy

#### **Energy Division, MME**

Selma-Penna Utonih, Director of Energy

Noddy Hipangelwa, Deputy Director Renewable Energy

Viloy Kuutonokwa, Renewable Energy Expert

Eino T. Kaitungwa, Electrical Engineer

Maggy Shikongo, Petroleum Geologist

Namulo Andreas, Chief Engineer, Electricity

### **Ministry of Fisheries and Marine Resources (MFMR)**

Graca Bauleth D'Almeida, Director of Resource Management

National Marine Information and Research Centre (MFMR)

Chris Bartholomae, Deputy Director

Steffen Oesterle, Chief Research Technician, Environment Division

Hannes Holßhausen, Chief Engineer, Biologist

## **MFMR, Namibia, Walvis Bay, Division of Technical Services**

### **Research Vessel MV Mirabilis**

Vilho Hango, Captain of Research Vessel Mirabilis,

Paulus Tashiya, Chief Engineer

Hubertus Garoeb, Second Engineer

Petrus Manuel; First Engineer

## **Peru**

### **Embassy of Finland Lima**

Gustavo Benza, Local Co-operation and Cultural Affairs Co-ordinator

Sanna Alaluusua, Andean Countries Adviser

### **Regional Government of San Martin (GORESAM),**

#### **Regional Directorate for Production Services (DIREPRO)**

Cesar Rengifo, Advisor to the President of GORESAM and Representative on Project Board

Vanessa Sánchez, Director for Production Services, Co manager for the cooperation with RKTL

Melisa Areévalo, Manager of Planning

### **Ahuashiyacy Fishery Station (EPA), DIREPRO**

Juan Olascuaga, Director for Aquaculture Monitoring, Control and Surveillance

Jhony Borbor, Director of Environmental Affairs in Aquaculture, Fishing and Industry

Luis Vera, Manager

Gilmer Montejo, Project Manager for the cooperation with RKTL

Migual Leon, Project Coordinator for the cooperation with RKTL

Fredy Reynaldo, Manager of Feeding

Estela Esquivel, Head of Laboratory for Food Science

Hernán Galvez, Native Species Production Manager

César Bartra, Manager of Fishery Research and Development

### **Aqua Culture Farm Managers, members of the Network supported by EPA**

Paco Raul Vargas, Aquaculture Farm Manager

Israel Rodriguez Valles, Aquaculture Farm Manager

### **Regional Government of Madre De Dios (GOREMAD)**

Roy Santos Mendoza, Director and Member of the Regional Council

### **Regional Directorate for Energy, Mining and Hydrocarbon (DREMH)**

Rosalio Huaybar Atausupa, Director

Milner Oyola Valencia, Geologist and Regional Director, Small Scale Mining Capacity Support

Alejandro Bernilla Roque, Mining Biologist

### **Puerto Maldonado, Mining Community Health Service Clinic**

Wisly Jorge Valencia Flores, Nurse

### **National Agrarian University, La Molina Peru (Universidad Nacional Agraria La Molina)**

#### **Faculty of Nutrition**

Ritva Repo-Carrasco, Director

Fanny Emma Ludeña Urquiza, Dean

Liz Gutierrez Quequzana, Professor, Researcher

Walter Fransusco Salas Valerio, Professor

Elisabeth Silvestre, Profesor

### **National Meteorological and Hydrological Services, Peru, Servicio Nacional de Meteorología e Hidrología del Perú, (SENAMHI)**

Amelia Isabel Diaz, Director, Representative of Peru in WMO

Jorge D. Chira La Rosa, Meteorological Engineer

Waldo Lavado, Meteorological Data Expert

Enver Carilo Osorio, Meteorological Data Specialist

Esequiel Villegas Paredes, Director Sciences

## **Trinidad & Tobago**

### **Caribbean Metrological Organization CMO**

Tyrone W. Sutherland, Coordinating Director

Glendell De Souza, Science and Technology Officer

### **Association of Caribbean States ACS**

George Nicholson, Director of Transport and Disaster Risk Reduction

Mathieu Fontanaud, Transport and Disaster Risk Reduction Adviser

### **Trinidad and Tobago Meteorological Services**

Bryan Thomas, Meteorologist, Head of IT Division

Arlene Aaron-Morrison, Meteorologist

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Agapitova N, Behrens J & Otoo S 2009 *The Capacity Development Results Framework*. World Bank Institute, 94 p. [http://siteresources.worldbank.org/EXTCDRC/Resources/CDRF\\_Paper.pdf?resourceurlname=CDRF\\_Paper.pdf](http://siteresources.worldbank.org/EXTCDRC/Resources/CDRF_Paper.pdf?resourceurlname=CDRF_Paper.pdf) (Consulted 18.12.2013).

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GORESAM 2013 *Avances Programa de Desarrollo Acuicola - Finlandia, July 2013.* Gobierno Regional, San Martin (GORESAM), Dirección Regional de Producción.

GORESAM & RKTL Sine datum *Logical Framework for Capacity Building for the Development of Arapaima Farming in the san Martin Region – Special Focus on Breeding Strategy and Feed Development.* Gobierno Regional, San Martin (GORESAM) & Finnish Game and Fisheries Research Institute (RKTL).

GORESAM & RKTL 2010 *Project document, Capacity Building for The Development of Arapaíma Farming in The San Martín Region - Special Focus on Breeding Strategy and Feed Development, May 2010*. Gobierno Regional, San Martín (GORESAM) & The Finnish Game and Fisheries Research Institute (RKTL).

La Molina & MTT 2010 *Project document, Improving Nutrition of Andean and Amazonian Population: Health-Promoting Bioactive Compounds in Andean and Amazonian Food Materials and Diets, 8.6.2010*. Universidad Nacional Agraria La Molina (La Molina) & Agrifood Research Finland (MTT).

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MTT 2010 *Progress Report and Financial Report for the Period 1 September – 31 December 2010, Improving nutrition of Andean and Amazonian Population: Health-promoting Bioactive Compounds in Andean and Amazonian Food Materials and Diets*. Agrifood Research Finland (MTT).

MTT 2011 *Progress Report for the Period 1 January – 30 June 2011, Improving nutrition of Andean and Amazonian Population: Health-promoting Bioactive Compounds in Andean and Amazonian Food Materials and Diets*. Agrifood Research Finland (MTT).

SENAMHI & FMI 2009 *Finnish-Peruvian Project for Increased Capacity of SENAMHI to provide Climatological and Meteorological Services, 3.4.2009*. Servicio Nacional de Meteorología e Hidrología del Perú (SENAMHI) & Finnish Meteorological Institute (FMI).

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## **South Africa**

DEDECT & SYKE 2012 *Support to Magaliesberg Biosphere Initiative, Annual Work Plan 2012*. North West Department of Economic Development Environment Conservation and Tourism (DEDECT) & Finnish Environment Institute (SYKE).

DEDECT & SYKE 2012 *Terms of Reference for Professional Visit to South Africa under the Support Magaliesberg Biosphere Initiative ICI Project, 22. May 2012*. North West Department of Economic Development Environment Conservation and Tourism (DEDECT) & Finnish Environment Institute (SYKE).

DEDECT & SYKE 2012 *Completion Report, Support Magaliesberg Biosphere Initiative ICI Project, 1. May 2010 – 31 December 2012*. 14 December 2012. North West Department of Economic Development Environment Conservation and Tourism (DEDECT) & Finnish Environment Institute (SYKE).

## **Sudan**

SMA & FMI 2011 *ICI Project Document, Promoting Adaptation to Climate Change by Reducing Weather and Climate Related Losses through Improved Services in Sudan (FISU)*, 6 June 2011. Sudan Meteorological Authority (SMA) and Finnish Meteorological Institute (FMI).

SMA & FMI 2011 *FISU Promoting Adaptation to Climate Change by Reducing Weather and Climate Related Losses through Improved Services in Sudan, 03.-05 2011*. Sudan Meteorological Authority (SMA) and Finnish Meteorological Institute (FMI).

SMA & FMI 2012 *FISU Financial Report January – May 2012*. Sudan Meteorological Authority (SMA) and Finnish Meteorological Institute (FMI).

## **Trinidad & Tobago**

ACS & FMI 2010 *Project Document for Institutional Cooperation Instrument of the Ministry for Foreign Affairs of Finland, Strengthening Hydro-meteorological Operations and Services in the Caribbean SIDS, SHOCS*, 22. June 2010. Association of Caribbean States (ACS) & Finnish Meteorological Institute (FMI).

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CMO 2013 *Caribbean Meteorological Organization, Summary Information Sheet, May 2013*. Caribbean Meteorological Organisation (CMO).

TTMS & FMI 2010 *Project Document for an Institutional Cooperation Instrument of the Ministry for Foreign Affairs of Finland, Increasing Capacity of Trinidad and Tobago Meteorological Service to Supply Weather Services*, 22 June 2010. Trinidad & Tobago Meteorological Service (TTMS) & Finnish Meteorological Institute (FMI).

TTMS & FMI 2011 *Increasing Capacity of Meteorological Service of Trinidad and Tobago to Supply Weather Services, Annual Work Plan 2011, 02.07.2013*. Trinidad & Tobago Meteorological Service (TTMS) & Finnish Meteorological Institute (FMI).

TTMS & FMI 2011 *Increasing Capacity of Meteorological Service of Trinidad and Tobago to Supply Weather Services, Expert Mission Report for Mission on Hands on training on the use of SmartMet as a forecaster every day tool and developing new weather products on Web Pages, 11<sup>th</sup> to*

17<sup>th</sup> March 2011. Trinidad & Tobago Meteorological Service (TTMS) & Finnish Meteorological Institute (FMI).

TTMS & FMI 2011 *Completion Report on ICI- Project, Increasing Capacity of Meteorological Service of Trinidad and Tobago to Supply Weather Services, 1.9.2010 – 31.12.2011*. Version 1.2 4.5.2012. Trinidad & Tobago Meteorological Service (TTMS) & Finnish Meteorological Institute (FMI).

## **Ukraine**

SNRIU & STUK 2011 *Nuclear Safety and Security Capacity Building Project, Memorandum of Understanding, April 2011*. State Nuclear Radiation Inspection of Ukraine (SNRIU) & Finnish Radiation and Nuclear Safety Authority (STUK).

SNRIU & STUK 2011 *Logical Framework for Nuclear Safety and Security Capacity Building Project, Memorandum of Understanding, April 2011*. State Nuclear Radiation Inspection of Ukraine (SNRIU) & Finnish Radiation and Nuclear Safety Authority (STUK).

## **Vietnam and Nepal**

GTK 2012 *Development and implementation of climate change adaptation measures in coastal areas of Vietnam (VIETADAPT), Third progress and financial report, 1<sup>st</sup> of June 2012 – 30<sup>th</sup> November 2012*. Geological Survey of Finland (GTK).

IMHEN, CWRPI, GTK & SYKE 2011 *Project Document, Development and Implementation of climate change adaptation measures in coastal areas in Vietnam (VIETADAPT), 14<sup>th</sup> April 2011*. Vietnam Institute of Meteorology, Hydrology and Environment (IMHEN), Vietnamese Centre for Water Resources Planning and Investigation (CWRPI), Geological Survey of Finland (GTK) & Finnish Environment Institute (SYKE).

IMHEN, CWRPI, GTK & SYKE 2012 *Development and Implementation of climate change adaptation measures in coastal areas in Vietnam (VIETADAPT), Report of Vietnamese Colleagues visiting Finland, 12.01.2012 – 19.01.2012*. Vietnam Institute of Meteorology, Hydrology and Environment (IMHEN), Vietnamese Centre for Water Resources Planning and Investigation (CWRPI), Geological Survey of Finland (GTK) & Finnish Environment Institute (SYKE).

Metla & Department of Forest Research and Survey 2009 *Project Document, Improving Research Capacity of Forest Resource Information Technology in Vietnam and Nepal*, September 22, 2009. Finnish Forest Research Institute (Metla) & Department of Forest Research and Survey Nepal.

RIA & RKTL 2010 *Project Document, Capacity Building for the Development of Cold Water Fish Farming in Vietnam, 28.05.2010*. Research Institute for Aquaculture No 1 (RIA) & Finnish Games and Fisheries Research Institute (RKTL).

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RIA & RKTL 2012 *Annual Work Plan, Capacity Building for the Development of Cold Water Fish Farming in Vietnam, 1.1. -31.12.2012*. Research Institute for Aquaculture No 1 (RIA) & Finnish Games and Fisheries Research Institute (RKTL).

### **Zambia**

ZARI & MTT 2012 *Production of Disease-free Planting Material of Root and Tuber Species (Cassava, Irish Potato and Sweet Potato), 3 February 2012*. Zambia Agricultural Research Institute (ZARI) & Agrifood Research Finland (MTT).

ZARI & MTT 2012 *Production of Disease-free Planting Material of Root and Tuber Species (Cassava, Irish Potato and Sweet Potato) Semi Annual Progress and Financial Report 7 December 2012*. Zambia Agricultural Research Institute (ZARI) & Agrifood Research Finland (MTT).

## ANNEX 5 PROJECTS VISITED

**Long List of IKI Projects selected for visit and in depth assessment as part of the evaluation of Complementarity in Finland's Development Policy and Co-operation**

Implementing Agency	Short Project Title	Budget €	Status
<b>Lao PDR</b>			
Finland's Future Research Centre, Turku School of Economics (ITK) & National University of Laos	Partnership for sustainable energy	295.387	Compl
Geological Survey of Finland (GTK) & Department of Mines at the Ministry of Mines and Energy, (MoEM)	Strengthening Mineral Sector information systems	499.774	Appl. phase 2
<b>Ethiopia</b>			
Geological Survey of Finland (GTK) & Geological Survey of Ethiopia (GSE)	Capacity development geological mapping	498.000	Under compl.
Agrifood Research Finland (MTT) & National Artificial Insemination Centre (NAIC)	Capacity building on breeding to strengthen dairy development	499.696	ongoing
Statistics Finland (TK), National Institute for Health and Welfare (THL) & Central Statistical Agency (CSA)	Poverty Reduction Monitoring	384.422	Compl
Finnish Forest Research Institute (Metla), University of Nairobi (UoN) Department of Public Health, Pharmacology and Toxicology (PHPT)	Improving Capacity in Forest Resources Assessment	1.518.121	ongoing
<b>Namibia</b>			
Ministry of Education and Culture (OKM) & Ministry of Education (MoE)	Strengthening the Capacity of MoE	499.568	ongoing
Geological Survey of Finland (GTK) & Ministry of Mines and Energy MME	Uranium Mining Policy, Legislation, Regulation and Database	499.568	ongoing
National Police Board & Namibian Police Force (NAMPOL)	Project on Police Senior Officers Management	487.566	ongoing
Finnish Environmental Institute (SYKE) & Ministry of Fisheries & National Marine and Information Research Centre (NATMIRC)	Capacity for Marine Research Vessel	501.954	ongoing

National Institute for Health & Welfare (THL) & Ministry of Health and Social Services	School Health Programme	499.984	ongoing
Technical Research Centre of Finland (VTT) & Ministry of Mines and Energy (MME)	Strengthening Energy Regulatory Framework in Namibia	496.382	ongoing
<b>Ecuador</b>			
Finnish Meteorological Institute (FMI) & National Institute of Meteorology and Hydrology (INAMHI)	Capacity Development Meteorological Institute	250.000	ongoing
<b>Jamaica</b>			
Finnish Meteorological Institute (FMI) & Jamaica Meteorological Services (JMS)	Strengthening Meteorological services	70.000	Compl
<b>Trinidad &amp; Tobago</b>			
Finnish Meteorological Institute (FMI) and Meteorological Services of Trinidad and Tobago (TTMS)	Improved Meteorological Services – Weather Services	490.000	Fin. Rep. under approval
<b>Barbados</b>			
Finnish Meteorological Institute (FMI), Association of Caribbean States (ACS), Caribbean Disaster Management Agency (CDEMA) & Caribbean Weather Services generally	Strengthening Hydrometeorological regional operations and services in the Caribbean (SHOCS)	70.000	Compl
Finnish Meteorological Institute (FMI) & support to Caribbean Institute for Meteorology and Hydrology (CIMH)	Capacity Building at Caribbean Institute for Meteorology and Hydrology	65.000	Compl
<b>Peru</b>			
Finnish Meteorological Institute (FMI) & National Services of Meteorology and Hydrology in Peru ( SENAMHI)	Monitoring climate change, early warning and disaster preparedness	499.126	Compl
Agrifood Research Finland (MTT) & Regional Government of San Martin(GORESAM)	Improving Nutrition of Andean Population	499.360	ongoing
Geological Survey of Finland (GTK) & National University of Agriculture, La Molina (UNAM)	Drafting Mining Regulation	399.950	ongoing
Finnish Games & Fisheries Research Institute (RKTL) & Regional Government of Madre de Dios (GOREMAD)	Capacity Building of Pai-che Farming	299 762	ongoing

## ANNEX 6 SURVEYS

### Methodological note

As a part of the IKI case evaluation, two web-based surveys were carried out to gather quantitative and qualitative information from organisations that are primarily responsible for managing and implementing IKI projects. The surveys were addressed to i) project managers and experts responsible for IKI projects in Finnish institutions; and 2) managers and staff of partner institutions involved in IKI projects in partner countries.

The surveys were designed so as to allow the comparison of perceptions held by these two groups on specific issues, while also containing group-specific questions. The surveys represent one source of data collected and analysed for the purpose of the evaluation. These data was further triangulated and analysed with information from other sources.

The survey was addressed to 65 employees of Finnish agencies and 171 persons working at IKI partner organisations. In total, there were 37 responses from Finland and 54 from partner countries. In total 11 Finnish agencies and 45 partner organisations responded representing a wide range of institutions in each sub-group.

The quantitative analysis of the survey was carried out at the organisational level. Due to the fact that different number of persons responded from each organisation, organisation-specific averages had to be calculated for the purpose of quantitative analysis. For multiple-answers type of questions, all answers selected by at least one respondent of the organisation were counted and included in the organisation's reply. It should also be noted that the number of projects that were implemented by each organisation varied. This has not been taken into account for the quantitative analyses.

The following table provides an overview of the responding persons and organisations.

**Table A. 1:** Survey responses overview

	Number of persons contacted	Number of individual answers received	Number of organisations contacted	Number of organisations covered	Response rate (organisations)
Survey 1 (Finnish organisations)	65	37	14	10	71%
Survey 2 (Partner organisations)	171	54	64	45	70%

## Partners' involvement in IKI projects project cycle management

Table A.2 presents the partner institutions answers regarding their involvement in the PCM of the IKI projects. The table shows a high degree of involvement at all stages of the project cycle. The lowest participation of the partner organisation can be noted for project identification and monitoring and evaluation (both 58% of organisations).

**Table A. 2:** In which of the steps of the project cycle is or has your organisation been involved during the design and implementation of the IKI project(s)? (Multiple answers possible)

	Nr. of organisations (n=45)	Share of organisations
Project conceptualisation	27	60%
Project identification	26	58%
Proposal development	29	64%
Preparation of the project document	33	73%
Implementation	41	91%
Monitoring and evaluation	26	58%
Reporting	30	67%
Sharing results and lessons learned	28	62%

## Complementarity

The views on the consideration for complementarity in IKI projects are similar for both the Finnish and partner organisations – around 80% of them view complementarity reflected fully or to a large extent.

Explaining specific ways in which complementarity considerations were incorporated, a high proportions of both Finnish and partner organisation consider that the IKI projects work on niches not covered by other interventions, and develop specific technical capacity as important. On the other hand, there is some difference in perceptions on other aspects of complementarity in IKI projects, notably e.g. coordination with other internationally funded interventions (Finnish organisations 90%, partner organisations 31%). (Table A. 3 and Table A. 4)

**Table A. 3:** To which extent do you think that the issue of complementarity was or is reflected in the IKI project(s) that you are or have been involved in?

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=44)	Share of organisations
Fully	1	10%	13	30%
To a large extent	7	70%	23	52%
To some extent	2	20%	7	16%
To a limited extent	0	0%	0	0%
Not at all	0	0%	1	2%

**Table A. 4:** If the project did address complementarity in practice, how was this done? (Multiple answers possible)

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Through filling a gap which was not covered by other interventions	10	100%	32	71%
Through seeking to develop technical capacity which is important internationally	8	80%	39	87%
Through coordination with other internationally funded support and/or interventions	9	90%	14	31%

Through coordination with nationally (in the partner country) funded initiatives or projects	7	70%	20	44%
Through coordination and alignment with national, regional, sectoral or other policies and strategies	9	90%	24	53%
Through coordination and alignment with international sectoral policies or strategies	5	50%	13	29%
Through other mechanisms	2	20%	2	4%

According to the Finnish organisations, there is high consideration for complementarity throughout all stages of the project cycle management, especially in the initial stages of project design (conceptualisation, identification, preparation of proposal and project document) and through implementation. It is not surprising then, that the Finnish organisations qualified the IKI projects' complementarity with Finnish development policies and with other development partners as mostly highly as well. (Table A. 5, Table A. 6, Table A. 7)

**Table A. 5:** Was complementarity a concern in the following project management steps for the design and implementation of the IKI project? (Multiple answers possible)

	Finnish organisations	
	Nr. of organisations (n=10)	Share of organisations
Project conceptualisation	10	100%
Project identification	9	90%
Proposal development	9	90%
Preparation of the project document	9	90%
Implementation	8	80%
Monitoring and evaluation	5	50%
Reporting	7	70%
Sharing results and lessons learned	7	70%
Other:	4	40%

**Table A. 6:** To which extent do you think that the IKI project(s) is/are complementary with overall Finnish development co-operation policies and practices?

	Finnish organisations	
	Nr. of organisations (n=10)	Share of organisations
Fully	2	20%
To a large extent	7	70%
To some extent	1	10%
To a limited extent	0	0%
Not at all	0	0%

**Table A. 7:** To which extent do you think that the IKI project(s) that you have been or are involved with are complementary to the development co-operation of other development partners for example EU, UN, WB or other development agencies, this may include sector agencies in line with for example the Global Environment Facility?

	Finnish organisations	
	Nr. of organisations (n=10)	Share of organisations
Fully	1	10%
To a large extent	6	60%
To some extent	1	10%
To a limited extent	1	10%
Not at all	0	0%
I don't know	1	10%

## Cross-cutting objectives

A majority of both Finnish and partner organisations consider cross-cutting objectives (gender equality, social equity, human rights, HIV/AIDS, good governance, the environment and climate sustainability) to be taken into account in the IKI project at least to some extent. Specifically, the environment and climate sustainability ranked high for both groups.

This might however be caused by the fact that many IKI projects have environment/ climate sustainability as their main area of action, and are therefore not considered “cross-cutting” themes.

A notable difference in perceptions between the two groups is present in the area of “good governance”. While 90% of Finnish organisations consider the IKI projects to be addressing this theme, only 31% of partner organisations have the same view. It is

possible that capacity building of state institutions in partner countries is considered in Finland as inherently contributing to governance strengthening, even if the project document does not explicitly discuss it as such. (Table A. 8 and Table A. 9)

**Table A. 8:** To which extent do you think that the IKI project(s) that you have been or are involved with have taken into account cross-cutting issues?

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Fully	0	0%	13	29%
To a large extent	6	60%	17	38%
To some extent	4	40%	14	31%
To a limited extent	0	0%	1	2%
Not at all	0	0%	0	0%

**Table A. 9:** Which particular cross-cutting issues did you address in your IKI project? (Multiple answers possible)

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=44)	Share of organisations
Environment	8	80%	33	75%
Climate change (incl. adaptation, mitigation, energy and water)	7	70%	31	70%
Gender equity and mainstreaming	9	90%	18	41%
Social equity	7	70%	11	25%
Good Governance	9	90%	16	36%
Human rights	5	50%	5	11%
HIV/AIDS	5	50%	8	18%
Minority groups	5	50%	6	14%
Physical and/or mental disabilities	1	10%	3	7%
Other	2	20%	5	11%

## Effectiveness

With respect to planned results, both groups of respondents are generally optimistic about the IKI projects achieving or being on their way to achieve their results – around 80% think results have been/will be achieved fully or to a large extent. Very positive perceptions on both sides prevail also regarding the effect of the project on

building individual and organisational capacity (considered achieved fully or to a large extent in 90% and 82% respectively). (Table A. 10, and Table A. 11)

However, the responses of the two groups show some differences in their views on the type of capacity built through the projects. (Table A. 12).

**Table A. 10:** To which extent do you think that the IKI project(s) you have been or are involved with have been able to or are on their way to achieving the intended objectives and results?

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Fully	2	20%	11	24%
To a large extent	6	60%	27	60%
To some extent	2	20%	5	11%
To a limited extent	0	0%	2	4%
Not at all	0	0%	0	0%

**Table A. 11:** To which extent do you think that the IKI project(s) you are or have been involved with have been able to develop your own capacity or the capacity of the partner organisation you have been working with? (Finnish organisations)

To which extent do you think that the IKI project(s) you are or have been involved with have been able to develop your own capacity and the capacity of your organisation? (Partner organisations)

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Fully	0	0%	14	31%
To a large extent	9	90%	23	51%
To some extent	1	10%	8	18%
To a limited extent	0	0%	0	0%
Not at all	0	0%	0	0%

**Table A. 12:** How would you classify the capacity development process in the project(s) you are or have been involved with? (Multiple answers possible)

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Mainly targeting individual capacity	8	80%	19	42%
Mainly targeting strengthening the organisation	10	100%	27	60%
Mainly targeting institutional capacity (incl. policy, legislation and practices)	6	60%	17	38%
Mainly targeting the sector level (forestry, meteorology, health, security, education, etc.)	7	70%	10	22%
Mainly targeting cross cutting issues environment, climate, human rights, social equity, etc.)	2	20%	10	22%
A mix of the above aspects	7	70%	9	20%

## Impact and relevance

Organisations both in Finland and in partner countries are slightly more cautious about IKI projects achieving impact beyond their immediate objectives, which is understandable, given that for assessment of such impacts some time after the project implementation is needed, and also given the relatively small size of the projects. Still, a majority in both groups considers that there are some positive impacts at least to some extent. (Table A. 13)

**Table A. 13:** To which extent do you think that the IKI project(s) you are or have been involved with have had an impact beyond the immediate objective - e.g. affecting poverty, climate or public service levels?

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Fully	0	0%	2	4%
To a large extent	2	20%	16	36%
To some extent	7	70%	19	42%
To a limited extent	1	10%	4	9%
Not at all	0	0%	3	7%
I don't know	0	0%	1	2%

There is also high reported perception of relevance of IKI projects from the point of view of their alignment with national and local policies and practices (fully or to a large extent 90% and 74% for Finnish and partner organisations respectively), and their addressing the needs of intended target groups (fully or to a large extent 100% and 68% respectively for the two groups). (Table A. 14 and Table A. 15)

**Table A. 14:** To which extent do you think that the IKI project(s) you are or have been involved with have been aligned with national and local policies and practices?

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Fully	1	10%	17	38%
To a large extent	8	80%	16	36%
To some extent	1	10%	8	18%
To a limited extent	0	0%	2	4%
Not at all	0	0%	2	4%

**Table A. 15:** To which extent do you think that the IKI project(s) you are or have been involved with have addressed the needs and priorities of the intended target group?

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=44)	Share of organisations
Fully	3	30%	11	25%
To a large extent	7	70%	19	43%
To some extent	0	0%	12	27%
To a limited extent	0	0%	1	2%
Not at all	0	0%	1	2%

## Cost efficiency, sustainability, innovation

The Finnish organisations consider the IKI instrument cost-efficient fully or to a large degree (100% of the organisations). Partner organisations are similarly, if slightly less, satisfied with the cost-efficiency of IKI (74% fully or to a large extent). (Table A. 16)

**Table A. 16:** To which extent do you think that the IKI instrument and IKI project are a cost efficient way of achieving development results?

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Fully	1	10%	8	18%
To a large extent	9	90%	25	56%
To some extent	0	0%	9	20%
To a limited extent	0	0%	2	4%
Not at all	0	0%	1	2%

Sustainability of IKI projects' results is also viewed somewhat less positively by the organisations in partner countries – where 90% of Finnish organisations consider results to be sustainable fully or to a large extent, the same view is shared by 67% of partner institutions. Nevertheless, both groups overwhelmingly consider results to be sustainable at least to some extent. (Table A. 17)

**Table A. 17:** To which extent do you think that the IKI project(s) you are or have been involved with have achieved results that are or will be sustainable beyond the time of completion of the project(s)?

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Fully	1	10%	9	20%
To a large extent	8	80%	21	47%
To some extent	1	10%	13	29%
To a limited extent	0	0%	1	2%
Not at all	0	0%	1	2%

In addition, all Finnish organisations consider the IKI instrument as adding a specific value to the Finnish development co-operation, and consider IKI to enable development of technical capacity, which would otherwise not take place. Almost 90% of partner organisations also recognise IKI as adding specific value to the development of their sector. (Table A. 18, Table A. 19)

**Table A. 18:** Do you think that the IKI instrument adds a specific value to Finnish development co-operation?

	Finnish organisations	
	Nr. of organisations (n=10)	Share of organisations
Yes	10	100%
No	0	0%

**Table A. 19:** Do you think the IKI instrument enables a technical development in the field where it is implemented, which may otherwise not take place? (Finnish organisations)  
Do you think that the IKI instrument and the IKI project(s) you have been involved with add a specific value to the technological development of the sector? (Partner organisations)

	Finnish organisations		Partner organisations	
	Nr. of organisations (n=10)	Share of organisations	Nr. of organisations (n=45)	Share of organisations
Yes	10	100%	39	87%
No	0	0%	6	13%

## ANNEX 7 INTERVIEW GUIDES FOR FIELD VISITS

Semi-structured interview guides for different informant groups were prepared before the field visits. They were adapted to the situations in each of the countries and IKI projects.

### 1. Interview guide for Finnish Embassy staff

#### Warm-up

1. Please describe your overall relations with IKI agencies that operate in countries covered by the Embassy (do they entertain regular relations with you, are there briefing/debriefing visits during field missions, are you kept in the loop regarding progress, are you solicited for advice or help. etc...)

#### Complementarity

2. To what extent and how are IKI projects aligned with the planning and programming of Finnish bilateral co-operation in the country? If the country is not a bilateral co-operation country the overall context and direction of the Finnish co-operation – and the roles of IKIs -will be discussed
3. Do you find that complementarity exists between the IKI projects and other relevant actors, such as multilateral organisation or the private sector, as well as the NGO instrument? How does the Embassy try to foster/ensure this form of complementarity?
4. From the perspective of the Embassy, how is complementarity operationalised across the different milestones of the IKI preparation and implementation process (proposal, review, approval, project documentation, reporting, monitoring and evaluation)? Is the organization of the process effective?
5. How do you see the selection process of agencies to implement IKIs? Is the eligibility of institutions to implement IKI projects fair and effective? Does the IKI instrument encompass all areas of Finnish expertise that are relevant to development co-operation? What is the role of the embassy during implementation?
6. How are the IKI projects addressing cross-cutting objectives of Finnish development co-operation and international policies, that is environment, climate, sustainable energy, social equity, human rights, gender, HIV / AIDS –as a key focus and as an element of the project? Are they complementary in that sense with other forms of Finnish Aid incl. the NGO Instrument in particular, but also private sector

#### Relevance and alignment

7. In your opinion, to what extent are IKI projects demand-driven and “owned” by national agencies in partner countries? Are IKI projects aligned with national policies, institutional set ups and processes?

8. Might it be relevant and effective to have a greater part of the IKI projects implemented by local organizations? Including a possibility to allocate a larger part of the budget to a local organization?

### **Management and administration**

9. How do you assess the workflow between the various entities in charge of the IKI instrument from the embassy perspective (role of the Regional Departments, the Facilitation Consultant and Technical Experts?) How are synergies ensured along the decision making chain and how is accountability reinforced amongst the various actors?
10. What is your objective assessment of the role of the Facilitation Consultant along the decision making chain? Is the role of the Facilitation Consultant bringing an added value? How it could be improved?
11. Do you feel that the Embassy is sufficiently involved in the management and oversight of the IKI projects? Do you feel that the Embassy is sufficiently equipped to assume its role?

### **Cost efficiency**

12. Do you think IKIs are cost efficient in comparison to other forms of development assistance?
13. Do you see possibilities for improving cost efficiency of the administration and organization of the IKI for example delegating more to the Facilitation Consultant?
14. Is there a need/potential for increasing effectiveness of the IKI projects for example by increasing the budget ceiling – or by involving local actors more?

### **Effectiveness and impact**

15. From what you have experienced so far with the IKI projects, do you think that these projects are effective in achieving capacity development?
16. Are the IKIs effective in translating capacity development into outcomes and impacts to intended beneficiaries? Is it restricted to the individual level or transcending to the system level?

### **Sustainability**

17. What measures and mechanisms exist to ensure sustainability of capacity building results of IKI projects? Examples of successful sustainability or lack of such?
18. Is sustainability a policy concern behind the IKI instrument in terms of thematic focus (climate, food security, the environment)?

### **Innovation**

19. What would you suggest to be a way to renew and modernize the IKI instrument

## **2. Interview guide for the governmental agency coordinating Finnish Aid relative to the IKI Instrument at the national level**

### **Complementarity**

1. To what extent and how are IKI projects aligned with the national, regional and sectoral planning and programming priorities of the country?
2. Do you find that the IKI projects are complementary to the work undertaken by other development co-operation stakeholders (Finnish, bilateral, multi-lateral)?
3. As national coordinating agency, did you have the chance to reinforce complementarity during the different milestones of the IKI preparation and implementation process (identification, proposal review, implementation...)?

### **Relevance and alignment**

4. In your opinion, to what extent are IKI projects demand-driven and “owned” by national agencies in charge of implementation?
5. Are the results of the IKI projects leading to actionable results that can influence/improve sectoral policies?
6. Might it be relevant and effective to have a greater part of the IKI projects implemented by local organizations? Including a possibility to allocate a larger part of the budget to a local organization? Or is there significant added value from the model currently in place?

### **Management and administration**

7. Is there an equitable distribution of work with the IKI projects? Or is there an implicit or explicit divide between the Finnish counterparts and the local implementing partners?
8. Do you find that the national authorities and stakeholders are sufficiently involved in the management and oversight of the IKI projects? What can be done to further strengthen this role?

### **Effectiveness and impact**

9. From your experience with the IKI projects, do you think that these projects are effective mechanisms for achieving capacity development?
10. Are the IKIs effective in translating capacity development into outcomes and impacts to intended beneficiaries? Is it restricted to the individual level or transcending to the system level? Any evidence or best practices in this regard?
11. How are the IKI projects addressing cross-cutting objectives of Finnish development co-operation and international policies, that is environment, climate, sustainable energy, social equity, human rights, gender, HIV / AIDS –as a key focus and as an element of the project? Are they complementary in that sense with other forms of Finnish development co-operation including the NGO Instrument and private sector support?

## **Sustainability**

12. From a national/regional coordination perspective, what measures and mechanisms exist to ensure sustainability of capacity building results of IKI projects? (institutional mainstreaming, policy change, ....)
13. Was sustainability a key concern from the design stage? Or a mechanism developed on ad-hoc basis?

## **Innovation**

14. Building on the above, what would you suggest to be a way to renew and modernize the IKI instrument?

# **3. Interview guide for partner organisations implementing IKI projects**

## **Complementarity**

1. To what extent has complementarity (with other Finnish aid, with EU partners, with other donors, with the partner country) been integrated in the design, planning and implementation of the IKI projects in which you are a partner?
2. How do you see the link and possible complementarity between your IKI project and other sectoral development and policy initiative at the national, regional or local level?
3. What is the benefit of the IKI project to your agency? Do you see the IKI project as adequately mobilizing national core competences (vs. relying heavily on Finnish expertise)
4. To what extent are the IKI projects complementary to other development or research and development initiatives implemented by your organization? What mechanisms are in place to ensure this complementarity?
5. How is the IKI project managed by your organization addressing cross-cutting objectives of Finnish development co-operation and international policies, that is environment, climate, sustainable energy, social equity, human rights, gender, HIV / AIDS –as a key focus and as an element of the project?

## **Relevance**

6. To what extent were IKI projects demand-driven and “owned” by your agency? Were they “imposed” or developed to answer a real-felt need? How did the process of identification and design of the IKI project take place?
7. Do you think that IKIs could potentially become more relevant and effective if a larger part of the project could be implemented nationally (including the possibility of allocating a larger part of the budget to local organizations)?

## **Management**

8. How is complementarity operationalised across the different milestones of the IKI preparation and implementation process (proposal, review, approval, project documentation, reporting, monitoring and evaluation)?

9. How do you see the role and division or responsibilities between you as an implementing agency and the other stakeholders involved (Finnish counterpart, the Embassy, the MFA, the Facilitation Consultant, the partner Government, ...) Are there weaknesses that should be addressed and best practices that could be replicated?

### **Effectiveness and impact**

10. To what extent do you find that the IKI projects effective in developing your capacity? Can you give examples on how the increased capacity is benefiting the ultimate target groups in the country or the area where you organization is operating?
11. Can you give examples of what you see as particularly important tools which your organization has used and results achieved on capacity development?

### **Sustainability**

12. Do you find that the results archived in terms of capacity development have been sustainable in the sense that level and quality of services or other improvements achieved may continue after the completion of the Finnish support?
13. Do you see the IKI project which you are implementing as contributing to sustainable development in terms of improved environment, climate, energy use, social equity, nutrition or other areas?

### **Innovation**

14. Are there best practices or constraints related to the needs and priorities of the target groups which should be taken into account in an effort to renew and modernize the IKI?
15. Based on your experience, what would be the optimal way of improving and modernizing the IKI instrument for the future? Does your organization have any concrete recommendations in that regard?

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