

Evaluation

Agriculture in the Finnish Development Cooperation



Evaluation report 2010:6

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

- REPORT 2010:6 Agriculture in the Finnish Development Cooperation
ISBN: 978-951-724-896-9 (printed), ISBN: 978-951-724-897-6 (pdf), ISSN: 1235-7618
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ISBN: 978-951-724-880-8 (printed), ISBN: 978-951-724-881-5 (pdf), ISSN: 1235-7618
- REPORT 2010:5/II Finnish Support to Forestry and Biological Resources. Country and Regional Reports (Parts 1 Kenya, 2 Mozambique (Eng, Por), 3 Tanzania, 4 Zambia, 5 Lao Peoples Democratic Republic, 6 Vietnam, 7 Western Balkans, 8 Central America)
ISBN: 978-951-724-878-5 (printed), ISBN: 978-951-724-879-2 (pdf), ISSN: 1235-7618
- REPORT 2010:5/I Finnish Support to Forestry and Biological Resources
ISBN: 978-951-724-876-1 (printed), ISBN: 978-951-724-877-8 (pdf), ISSN: 1235-7618
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ISBN: 978-951-724-784 9 (printed), ISBN: 978-951-724-785 0 (pdf), ISSN: 1235-7618
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ISBN: 978-951-724-755-9 (printed), ISBN: 978-951-724-756 6 (pdf), ISSN: 1235-7618
- REPORT 2009:2 Agriculture and Rural Development. A Preliminary Study
ISBN: 978-951-724-746 7-(printed), ISBN: 978-951-724-747 4 (pdf), ISSN: 1235-7618
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ISBN: 978-951-724-728 3-(printed), ISBN: 978-951-724-729 0 (pdf), ISSN: 1235-7618
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ISBN: 978-951-724-709-2 (printed), ISBN: 978-951-724-710-8 (pdf), ISSN: 1235-7618

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This evaluation was commissioned by the Ministry for Foreign Affairs of Finland to a group of Consultants, who prepared the draft final report. The Ministry for Foreign Affairs of Finland finalized the report to a printed version. The report does not necessarily reflect the views of the Ministry for Foreign Affairs of Finland.

This report can be accessed at <http://formin.finland.fi>
Hard copies can be requested from EVA-11@formin.fi

or

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

ISBN 978-951-724-896-9 (printed)

ISBN 978-951-724-897-6 (pdf)

ISSN 1235-7618

Cover photo: Kari Rissa

Cover design: Anni Palotie

Layout: Taittopalvelu Yliveto Oy

Printing house: Kopijyvä Oy, Jyväskylä, 2011

Translations from English to Finnish and Swedish: PasaNet Oy; Swedish and Finnish texts further edited by EVA-11.

Anyone reproducing the content or part of the content of this report should acknowledge the source. Proposed reference: Ministry for Foreign Affairs of Finland 2010 *Evaluation of Agriculture in the Finnish Development Cooperation*. Evaluation report 2010:6. Ministry for Foreign Affairs of Finland, Kopijyvä Oy, Jyväskylä 110 p. ISBN 978-951-724-896-9 (printed).

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PREFACE

The purpose of the evaluation was to obtain lessons learned for future decisions on how to use development cooperation funds effectively to agriculture development and to obtain views on the quality and effectiveness of the Finnish aid. As the aid modalities have developed rapidly in the recent years as well as the whole development architecture it was considered useful to have external professional opinions on the extent Finland's aid has been able to catch up with the international development trends.

The task of the evaluators was challenging as the scope of the evaluation was quite comprehensive. Altogether six of the main partner countries of Finland were visited and the whole portfolio of projects and programmes during the period of 1995- 2008 was reviewed.

In general, global support to agriculture declined radically in the 90'ties and is still around 4% of the ODA. The same trend has been discernible in Finland's support to agriculture. Slowly this area for economic growth in the developing world is regaining again the interest of donors, governments and private sector.

Finland prepared a new agriculture and food security policy in 2011. Its formulation run parallel with the finalization of this evaluation and even one joint seminar was organized to present the draft version of the evaluation report and the draft policy to get immediate responses from the public and interested stakeholders.

The most central message of the evaluation report is that the Finnish aid is relevant and effective. It has been able to make a difference in many areas, which have benefited of the aid – especially farmer cooperatives and extension service as well as livestock and dairy development. Also deficiencies have been detected. More evidence based information is urgently needed to clearly demonstrate the achievements of the Finnish aid. For this purpose the monitoring and evaluation of each project and programme shall be more consistent, accessible and results-based to accumulate the information on the achievements and to guide the policy makers.

Helsinki, 8 December 2010

Aira Päivöke
Director
Development Evaluation

ACRONYMS

ARD	Agricultural Research and Development
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
ASIP	Agricultural Sector Investment Programme, Zambia
AU	African Union
CAADP	Comprehensive Africa Agriculture Development Programme
CBO	Community Based Organizations
CIAT	International Center for Tropical Agriculture
CIMMYT	International Maize and Wheat Improvement Centre
CIP	International Potato Center
CGIAR	Consultative Group on International Agricultural Research
CIFOR	Centre for International Forestry Research
CIMMYT	International Maize and Wheat Improvement Center
DFID	Department for International Development Cooperation, UK
EC	European Commission
EDF	European Development Fund
FAO	Food and Agriculture Organization
FFP	Farmers Fighting Poverty programme
FOMEVIDAS	Programa de Fortalecimiento Rural y Reducción de la Pobreza en Boaca y Chontales (Rural Development Strengthening and Poverty Reduction Programme), Nicaragua
GBS	General Budget Support
GDP	Gross Domestic Product
HDI	Human Development Index
HIV/AIDS	Human immunodeficiency virus /Acquired Immune Deficiency Syndrome
HQ	Headquarters
HR	Human Rights
HRBA	Human Right-Based Approach
IAC	Agricultural Institute Chimoio, Mozambique
ICT	Information and Communication Technology
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IFAD	International Fund for Agricultural Development
IFI	International Financial Institutions
IFPRI	International Food Policy Research Institute
ILRI	International Livestock Research Institute
INTA	Instituto Nicaragüense de Tecnología Agropecuaria (Institute of Agricultural Technology), Nicaragua
ISG	International Support Group
JASZ	Joint Assistance Strategy for Zambia
LCF	Local Co-operation Funds
LDP	Livestock Development Programme, Kenya

LLFSP	Luapula Livelihood and Food Security Programme, Zambia
M&E	Monitoring and Evaluation
MAF	Ministry of Agriculture and Forestry of Finland
MARD	Ministry of Agriculture and Rural Development, Vietnam
MDG	Millennium Development Goal
MFA	Ministry for Foreign Affairs of Finland
MINAG	Ministry of Agriculture, Mozambique
MT	Metric Ton
MTK	Central Union of Agricultural Producers and Forest Owners of Finland
MTR	Mid-Term Review
NEPAD	New Partnership for Africa Development
NGO	Non Governmental Organization
NIFAPRO	Nicaragua-Finland Agro-Biotechnology Programme, Nicaragua
NRM	Natural Resources Management
ODA	Official Development Assistance
OECD CRS	Organisation for Economic Co-operation and Development – Creditor Reporting System
OECD DAC	Organisation for Economic Co-operation and Development – Development Assistance Committee
OP	Operational Plan
P-135	National Targeted [sectoral] Program for the Socio-Economic Development of Ethnic Minority and Mountainous Areas, Vietnam
PD	Project Document
PFD	Project Framework Document
PLARD	Programme for Luapula Agricultural and Rural Development, Zambia
PMU	Programme Management Unit
PROAGRI	Programa Nacional para Desenvolvimento Agrário (National Programme for Agricultural Development), Mozambique
PRODEGA	Proyecto de Desarrollo Rural Ganadero (Rural Livestock Development Project), Nicaragua
PRODETEC	Programa de Desarrollo Tecnológico (Support to Generation and Transfer of Agricultural Technology Programme), Nicaragua
PRODEZA	Programa de Desenvolvimento de Zambézia (Support to Rural Development in Zambézia Province), Mozambique
PROPEMCE	Enhancing Small Enterprise Growth and Opportunities for Women and Excluded Population, Nicaragua
PRORURAL	Programa Sectorial del Desarrollo Rural Productivo Sostenible (Sector Programme Rural Development), Nicaragua
QTRDP	Quang Tri Rural Development Programme, Vietnam
RDP	Rural Development Programme
RIPS	Rural Integrated Project Support Programme, Tanzania
SBS	Sector Budget Support
SWAp	Sector Wide Approach programme

TA	Technical Advisers/Technical Assistance
TTHRDP	Thua Thien Hue Rural Development Programme (Vietnam)
UAC	Uyole Agricultural Centre, Tanzania
UN	United Nations
USA	United States of America
USD	United States Dollar
WB	World Bank
WDR	World Development Report
WFP	World Food Programme
WID	Women in Development
WTO	World Trade Organization

Other acronyms and abbreviations mentioned in the text are explained as they appear.

Evaluointi Maataloudesta Suomen Kehitysyhteistyössä

Suomen ulkoasiainministeriön evaluointiraportti 2010:6

ISBN 978-951-724-896-9 (painettu); ISBN 978-951-724-897-6 (pdf);
ISSN 1235-7618

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

TIIVISTELMÄ

Tässä evaluoinnissa tarkasteltiin Suomen maatalousalan kehitysyhteistyötä vuosina 1995–2008. Se käsitti tausta-aineiston tutkimuksen, haastatteluja ja kenttävierailut Sambiaan, Mosambikiin, Nicaraguaan ja Vietnamiin sekä lyhyet käynnit myös Tansaniassa ja Keniassa. Eräiden alan kansainvälisten järjestöjen kanssa käytiin myös lyhyitä neuvotteluja.

Suomen kehitysapu painottui alueille, joissa köyhyys on yleistä. Apu sovitetttiin hyvin yhteen kansallisten ja alueellisten tarpeiden ja ensisijaisten tavoitteiden kanssa. Suunnittelu ja toteutus olivat erittäin osallistavia, mutta hankkeiden suunnittelussa havaittiin puutteita. Rahoitus-, talous- ja riskianalyysi olivat usein puutteellisia. Päätöksenteon ja hallinnoinnin tehokkuus oli tyydyttävää. Kumppanimaat ottivat paremmin vastuun sektorikohtaisista ohjelmista, jotka osoittivat parempia mahdollisuuksia kestävyteen kuin yksittäiset kahdenväliset hankkeet. Yleisesti ottaen läpileikkaavien teemojen huomioon ottaminen oli epätydyttävää.

Vaikuttavuus oli tyydyttävää tai epätydyttävää, mutta siihen liittyi kuitenkin huomattavia maakohtaisia eroja. Sambian pistemäärät olivat alhaisia, kun taas Mosambik ja Vietnam saivat korkeita pistemääriä. Heikon seurannan ja evaluoinnin (M&E) takia kehitysavun vaikuttavuutta oli hankala arvioida. Kumppanimaiden hallinnolliset, tekniset ja rahoitukselliset valmiudet sekä neuvontapalvelujen kattavuus paranivat, mutta yhteys tutkimukseen ja neuvontaan pysyi heikkona puutteellisten paikallisten rakenteiden takia. Avun vaikutus oli välttävää, mikä johtui osittain heikosta dokumentoinnista, joka ei mahdollistanut asianmukaista arviointia. Vaikutus oli kuitenkin konkreettisimmin havaittavissa neuvonnassa ja paikallisessa suunnittelussa, palveluosuuskuntien perustamisessa ja niiden jäsenten omistajuudessa. Vaikutus köyhyyden vähentämiseen ja ruokaturvaan oli rajallista, ja sitä hankaloittivat myös puutteelliset yhteydet markkinoitiin ja arvoketjujen kehittämiseen.

Evaluoinnissa suositellaan, että maataloussektorin tuen pitäisi olla maaseudun kehittämiseen liittyvän tuotannon, arvoketjujen kehittämisen, maataloustutkimuksen ja insti-

tutionaalisten valmiuksien kehittämisen yhdistelmä. Pariisin julistus pitäisi ottaa voimakkaammin huomioon. Seurannan ja evaluoinnin sekä suunnittelun tulee perustua tuloksiin ja vaikutuksiin.

Avainsanat: maatalous, maaseudun kehittäminen, köyhyyden vähentäminen, arvoketju, ruokaturva

Utvärdering av Finlands Utvecklingsamarbete på Jordbruksområdet

Utvärderingsrapport till det finländska Utrikesministeriet 2010:6

ISBN 978-951-724-896-9 (print); ISBN 978-951-724-897-6 (pdf);
ISSN 1235-7618

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

ABSTRAKT

I utvärderingen undersöktes Finlands utvecklingsbistånd på jordbrukssektorn mellan 1995–2008. I utvärderingen ingick forskningsarbete, intervjuer och fältbesök till Zambia, Moçambique, Nicaragua och Vietnam, samt kortare besök till Tanzania och Kenya. Dessutom hölls kortare samråd med några relevanta internationella organisationer.

Det finländska biståndet var inriktat på områden med hög fattigdom. Biståndet var väl integrerat med nationella och regionala behov och prioriteringar. Planeringen och genomförandet var inkluderande men i projektutformningen identifierades brister. Det saknades ofta riskanalyser och finansiella och ekonomiska analyser. Effektiviteten inom beslutsfattandet och administrationen var tillfredsställande. Sektorprogram som ägdes av partnerländerna var framgångsrikare och visade en högre hållbarhetspotential jämfört med enskilda bilaterala program. I allmänhet togs för lite hänsyn till övergripande frågor.

Effektiviteten var tillfredsställande eller inte tillfredsställande och med tydliga skillnader mellan länderna. Zambias poäng var låga, medan både Moçambique och Vietnam fick höga poäng. På grund av bristfälliga system för uppföljning och utvärdering (M&E) har det varit svårt att mäta biståndets effektivitet. Partnerländernas administrativa, tekniska och finansiella möjligheter samt omfattningen av rådgivningsinsatserna förbättrades. Men kopplingen mellan forskning och rådgivning var fortsatt svag på grund av brist på lokala strukturer. Påverkan av biståndet var inte tillfredsställande. Det beror delvis på bristfällig stöddokumentation som inte möjliggjorde en ordinarie utvärdering. Påverkan var dock mest konkret inom rådgivning och lokal planering, vid upprättandet av tjänstekooperativ och i medlemmarnas höga ägande. Inverkan på fattigdomsbekämpning och livsmedelssäkerhet var begränsad, och detta hämmades även av otillräcklig marknadsföring och utveckling av värdekedjor.

I utvärderingen rekommenderas att utvecklingsbistånd till jordbruk skall ges till en kombination av produktiva sektorer inom jordbruksutveckling, utveckling av värde-

kedjor, jordbruksforskning och utveckling av institutionell kapacitet. Större hänsyn bör tas till Paris deklARATIONEN. Uppföljning och utvärdering, planering och design måste vara inriktade på resultat- och påverkansbaserade system.

Nyckelord: jordbruk, landsbygdsutveckling, fattigdomsbekämpning, värdekedja, livsmedelförsörjning

Evaluation of Agriculture in the Finnish Development Cooperation

Evaluation report of the Ministry for Foreign Affairs of Finland 2010:6

ISBN 978-951-724-896-9 (printed); ISBN 978-951-724-897-6 (pdf);
ISSN 1235-7618

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

ABSTRACT

This evaluation examined Finland's aid in agriculture in 1995-2008. It included desk research, interviews and field visits to Zambia, Mozambique, Nicaragua, and Vietnam, and briefly Tanzania and Kenya. Short consultations were held also with some relevant international organisations.

Focus of the Finnish aid was on areas with high poverty frequency. Aid was well aligned with national and regional needs and priorities. Planning and implementation was highly participatory but in project design deficiencies were detected. Financial, economic and risk analysis was often lacking. The efficiency in decision making and administration was satisfactory. Sector programmes were better owned by the partner countries showing thus more potential for sustainability than individual bilateral projects. In general, consideration of cross-cutting issues was unsatisfactory.

The effectiveness was satisfactory or unsatisfactory, yet with marked country-specific differences. Zambia's scores were low, while those of Mozambique and Vietnam high. Due to weak monitoring and evaluation (M&E) the effectiveness of aid was difficult to assess. Partner countries' management, technical and financial capacities, and the coverage of extension services were improved, while linkage to research and extension remained weak due to lacking local structures. The impact of the aid was below satisfactory, attributable partly to poor supportive documentation, which did not allow proper assessment. The impact was, however, most concretely discernible in extension and local planning, in the creation of service cooperatives and in the high ownership among their members. The impact on poverty reduction and food security was limited, hampered also by deficient linkages to marketing and value-chain development.

The evaluation recommends that support to agriculture be a combination of the productive sector in rural development, value chain development, agricultural research, and institutional capacity development. The Paris Declaration should be more force-

fully taken into account. M&E, planning and design must be geared to results and impact-based systems.

Keywords: agriculture, rural development, poverty reduction, value chain, food security

YHTEENVETO

Evaluoinnin päätarkoituksena on tuottaa näyttöön perustuvaa tietoa ja suosituksia, jotka ohjaavat Suomen kehitysyhteistyöhön liittyviä tulevia päätöksiä siitä, miten avustusvarat käytetään vaikuttavasti maatalousalalla.

Evaluointi keskittyy Suomen maatalouteen vuosina 1995–2008 osoittamaan tukeen. Se kattaa lähinnä seuraavat neljä kumppanimaata: Sambian, Mosambikin, Vietnamin ja Nicaraguan. Kahdenvälisen kehitysavun ohella evaluoinnissa käsitellään lyhyesti myös maatalousalalla toimiville kansainvälisille järjestöille annettavaa tukea.

Evaluointi käynnistyi laajalla asiakirjojen tutkimisella ja sidosryhmien haastatteluilla Suomessa ja kumppanimaissa. Haastateltiin mm. henkilöstöä ulkoasiainministeriöstä Suomen maa- ja metsätalousministeriöstä, suurlähetystöistä, joitakin kansalaisjärjestöjen ja konsulttiyritysten edustajia sekä edustava joukko keskeisiä sidosryhmiä neljässä kumppanimaassa (valtion virkamiehiä, hankkeiden edunsaajia, avunantajia). Yhteyttä otettiin lyhyesti myös YK:n järjestöihin Roomassa (lähinnä IFAD, Maatalouden kansainvälinen kehittämisrahasto) ja kansainväliseen maataloustutkimuksen neuvoa-antavaan ryhmään (CGIAR).

Maailmanpankki huomauttaa vuoden 2007 kehitysraportissa, että maatalouteen osoitetun julkisen kehitysavun maailmanlaajuinen keskimääräinen osuus putosi dramaattisesti 1970-luvun huipputasosta, joka oli yli 15 prosenttia, vain 3,7 prosenttiin vuosina 2006–2007. Tähän mennessä vuosituhannen kehitystavoitteen 1, köyhyyden ja nälän määrän puolittaminen maailmassa vuoteen 2015 mennessä, saavuttamisessa on tapahtunut vain vähäistä edistymistä. Tulevaisuutta koskevista vaihtoehdoista keskustellaan laajalti: toinen vihreä vallankumous vai kestävämpää maataloutta ja parempaa, sopivampaa maataloustekniikkaa vai molempien yhdistelmä. Maataloustutkimus on tärkeässä asemassa vaihtoehtojen jatkokehittämisessä.

Pariisin julistuksessa ja Accran toimintasuunnitelmassa peräänkuulutetaan yhteisiä ponnisteluja kehitysavun vaikuttavuuden tehostamiseksi sekä kehitysmaiden valmiuksien kehittämistä ja lujittamista, jotta ne voisivat johtaa ja hallinnoida omaa kehitystoimintaansa. Sektorikohtaiset lähestymistavat (SWAP) sopivat hyvin tähän ohjelmaan. Maatalouteen osoitettava tuki näyttää kuitenkin olevan erittäin pulmallista, koska siihen liittyy usein useampi kuin yksi ministeriö. Lisäksi yksityisen sektorin osallistumista ei yleensä tunnusteta riittävällä tavalla. Tuotantoalan monimutkaisten ohjelmien hallinnointi ja seuranta on osoittautunut paljon vaativammaksi kuin vastaavissa sosiaalialan ohjelmissa, kuten koulutuksessa tai terveydenhoidossa.

Maatalouteen osoitetun Suomen kehitysavun kokonaisuus putosi vuoden 1985 ennätysellisestä lähes 13 prosentista nykyiseen alle kolmeen prosenttiin. Suuntaus on samanlainen kaikkialla maailmassa. Maatalouden alalle myönnetyn Suomen kehitysavun kokonaisuus vuosina 1995–2008 oli absoluuttisesti ilmaistuna 145,5 miljoo-

naa euroa tai keskimäärin 10,4 miljoonaa euroa vuodessa. Maatalousalan sitoumukset ja menot vähenivät 1990-luvun puolivälistä lähtien, mutta vuoden 2004 maaseutukehityksen linjauksessa tähdättiin maatalouden ottamiseen takaisin Suomen kehityspoliittiseen toimintaohjelmaan. Vuodesta 2004 lähtien maatalouteen osoitetun kehitysavun määrä on kasvanut tasaisesti, ja se oli vuonna 2008 noin 24 miljoonaa euroa.

Suomen hallituksen vuoden 2007 uudessa kehityspoliittisessa ohjelmassa, ”Kohti oikeudenmukaista ja kestävästä ihmiskuntapolitiikkaa”, korostetaan maaseudun kehittämisen ohella erityisesti maatalouden asemaa kehityksen edistämässä.

Suomen kehityspoliittikka ei tarjoa täsmällistä opastusta maataloushankkeiden tai -ohjelmien suunnittelijoille. Arviointiryhmä havaitsi myös, että vuoden 2004 maatalouslinjaus on liian yleisluonteinen ja tarjonnut vuoden 2004 jälkeen suhteellisen vähän opastusta yksittäisten hankkeiden laadintaan kansallinen omistajuuden ja selkeiden yhteyksien varmistamiseksi kumppanimaiden kansallisten kehitysstrategioiden kanssa.

Tarkastellun ajanjakson (1995–2008) aikana suurin osa Suomen kehitysavusta maatalouteen on osoitettu karjanhoidon kehittämiseen (maidon- ja lihantuotanto), neuvontapalvelujen tukemiseen (karjanhoito ja kasvintuotanto) sekä maatalousosuuskuntien kehittämiseen. Pientilalliset ovat olleet tärkein kohderyhmä.

Tällä hetkellä ulkoasiainministeriö käyttää samanaikaisesti pääasiassa kahta avustusmuotoa kumppanimaiden maatalousalan tukemiseen: sektoribudjettitukea (Nicaragua, Mosambik ja Vietnam) ja hanketukea (kaikissa tarkastelun kohteena olleissa maissa). Hanketuki on ollut eniten käytetty avustusmuoto tarkastelun kohteena olevan jakson aikana. Huomion lisääminen sektorikohtaisiin lähestymistapoihin tai yhteisrahoitukseen alkoi näkyä tällä vuosikymmenellä.

Maatalouden tukeminen on usein osa Suomen antamaa maaseudun kehittämisen tukea. Suomen tuki tuotteiden arvoketjun kehittämiseen on rajoittunut Keniaan ja Nicaraguaan: karjanhoidon kehittämiseen (lypsykarja) keskittyen maidontuotantoon ja maidon keräilyyn ketjun osana. Sambiassa on kehitetty tuotteiden arvoketjuja, muun muassa maniokkia, papuja, vuohia ja kalaa. Tuotteiden arvoketjujen kehittämistä, etenkin meijerisektorilla, Suomi on aiemmin saanut runsaasti kokemusta maataloustuotannon lisäarvon luomisesta sekä yksityisen sektorin kehittämisestä. Valitettavasti näitä kokemuksia ei ole toistaiseksi dokumentoitu kunnolla, ja asiakirjat ovat yleisesti ottaen heikkoja määrällisen analyysin osalta. Toimintaa kannattaa kuitenkin selvästi jatkaa, koska kyseisellä lähestymistavalla on laajempi kokonaisvaikutus yleiseen taloudelliseen kehitykseen ja sen myötä köyhyyden vähentämiseen. Siksi mahdollisuuksia pitäisi hyödyntää edelleen.

Vaikka ympäristöön kohdistuvista haitallisista vaikutuksista ei ole selvää näyttöä, maatalouteen liittyvien toimenpiteiden tiettyihin ympäristöriskeihin ei ole kiinnitetty riittävästi huomiota tai niitä ei ole seurattu asianmukaisella tavalla. Koska maata on raivattava laiduntamista varten, maidontuotantohankkeilla saattaa olla ympäristöön haitallisia vaikutuksia, joihin on kiinnitettävä enemmän huomiota. Vaikutuksia voidaan pienentää käyttämällä rehuruokintaa, kuten Keniassa on tehty.

Läpileikkaavista teemoista (sukupuoli, HIV/AIDS, ympäristö, hyvä hallinto ja ihmisoikeudet) sukupuoli on otettu huomioon kaikissa Suomen toteuttamissa hankkeissa, mutta kysymysten sisäistämisen taso vaihtelee maittain ja hanke- tai ohjelmakohtaisesti. Mosambikia lukuun ottamatta maataloushankkeissa ei ole puututtu HIV/AIDSia koskevaan kysymykseen hankkeiden suunnittelun yhteydessä tai myöhemmässä vaiheessa valtavirtaistamalla kysymys hankkeen toteuttamisen aikana. Hyvää hallintotapaa ja ihmisoikeuksia koskevat kysymykset eivät näytä olevan Suomelle tärkeitä tuettaessa maatalouteen liittyviä hankkeita.

Yleinen arviointi siitä, miten Suomi (ja muut avunantajat) noudattavat Pariisin julistuksen periaatteita, antaa ristiriitaisen kuvan. Pariisin julistuksen noudattaminen käy selvästi ilmi Suomen sektoriohjelmille osoittamassa tuessa ja aktiivisessa osallistumisessa vuoropuheluun yhdenmukaistamisesta avunantajien keskuudessa esimerkiksi Mosambikissa ja Nicaraguassa. Kumppanimaiden heikot valmiudet ottaa vastuu avunantajilta itselleen sekä avunantajien vähäinen luottamus kumppanimaiden hyvään hallintotapaan hankaloittavat Pariisin julistuksen periaatteiden soveltamista.

Suomen maataloudelle antaman avun merkitys on yleisesti ottaen suuri, kun otetaan huomioon maaseutuväestön tarpeet ja maatalousalan kohtaamat ongelmat.

Vaikuttavuuden arviointi on ongelmallista, koska seuranta- ja evaluointijärjestelmät ovat puutteellisia. Siellä missä tuloksia voitiin mitata, hankkeet kuitenkin yleensä saavuttivat tavoitteensa. Joissain tapauksissa ne ovat vaikuttaneet selvästi tilanteeseen kentällä. Kentällä tehdyt havainnot vaikuttavuudesta osoittavat, että Suomen toimenpiteet maatalousalalla ovat auttaneet lisäämään maatilojen tuottavuutta ja tuloja Keniassa ja Nicaraguassa (rehun ja/tai maidontuotanto) ja erittäin todennäköisesti myös Mosambikissa. Vietnamin tapauksessa ilmoitettiin kotitalouksien ruokaturvaa koskevista parannuksista, jotka johtuivat lisääntyneestä tuotannosta ja sen synnyttämistä tuloista. Muita tarkasteltuja ohjelmia koskevien tietojen perusteella ei ollut mahdollista arvioida, paraniko ruokaturva kotitalouksissa.

Hankkeen hallinnointiin ja tekniseen apuun liittyvän budjetin osuus hankkeen kokonaiskustannuksista on usein suuri (jopa yli 40 prosenttia Vietnamin ja Sambian maaseudun kehittämisohjelmissä), mistä syystä hankkeiden hallintokustannukset ovat suhteellisen korkeat. Korirahoituksella tuettavien, viranomaisten hallinnoimien sektoriohjelmien toteutus on yleensä hitaampaa, mutta hankkeiden hallintokustannukset ovat alhaisemmat. Yleensä Suomen tukemilla hankkeilla ja ohjelmilla ei ole etukäteen määriteltyjä irtaantumisstrategioita, jotka valmistelisivat sujuvaa asteittaista irtautumista. Vaikka suora osallistuminen ja toteuttaminen valtion hallintorakenteiden hyödyntäminen vähentää tehokkuutta – koska silloin on tehtävä yhteistyötä paikallisten byrokraattisten ja vaikeaselkoisten rakenteiden kanssa – toimiminen kokonaan valtiollisten rakenteiden ulkopuolella on vielä suurempi riski pitkän aikavälin kestävyydelle.

Vaikka Suomi on suhteellisen pieni toimija Roomassa sijaitsevien järjestöjen ja CGIAR:n monenvälisellä foorumilla, se on – aina kun mahdollista – pyrkinyt tekemään huomattavia ponnisteluja vaikuttaakseen kyseisten kansainvälisten järjestöjen

hallinnon ja toiminnan kehittämiseen. Osallistamalla Roomassa sijaitsevien järjestöjen, FAO:n ja IFAD:n, hallinnon tehostamiseen Suomi on myötävaikuttanut niiden vastuun ja tehokkuuden lisääntymiseen. Suomi on kyennyt koordinoimaan toimintaansa ja tekemään yhteistyötä muiden avunantajien kanssa erittäin tyydyttävällä tavalla.

Seuraavat keskeiset seikat kiteyttävät tärkeimmät suositukset.

Suurelta osin Pariisin julistuksen ja Accran toimintasuunnitelman periaatteiden perusteella Suomen pitäisi varmistaa, että hankkeet ja ohjelmat integroidaan kehitysyhteistyökumppaneiden omiin rahoituksellisiin, institutionaalisiin ja hallinnollisiin järjestelmiin. Tulevien toimenpiteiden ei pitäisi perustua yksinomaan maataloustuotantoon, vaan niissä pitäisi ottaa huomioon laajempi väitekehys. On suositeltavaa yhdistää maatalouden kehittäminen maaseudun kehittämiseen liittyvään tuotannolliseen (taloudelliseen) toimintaan. Ottamalla mukaan laajemman maaseudun kehittämisen tekijöitä maataloudessa toteutettavien toimenpiteiden vaikuttavuutta voidaan periaatteessa tehostaa maaseutualueiden yleisen köyhyyden vähentämiseksi.

Arvoketjun kehittämisen ei pidä rajoittua maataloustuottajalta loppukuluttajalle ulottuviin ketjun toimintoihin, vaan sen pitäisi sisältää myös toimintoja, jotka ulottuvat maatalouden tuotantoponosten tuottajilta maataloustuottajille loppukuluttajina.

Maataloustutkimus on tärkeä tekijä maatalouden kehittämisessä. Tarkoituksenmukaisen ja mukautetun tekniikan kehittämistä pidetään välttämättömänä kehitysmaiden maatalouden kehittämiseksi. Pitkällä aikavälillä sillä on selkeä vaikutus maaseudun köyhyyteen, elintarviketurvaan ja kestäväan maatalouteen (esim. alhaisten ulkoisten tuotantoponosten maatalous). Tässä suhteessa maataloustutkimuksen ja -kehityksen (ARD) strateginen merkitys tunnustetaan, erityisesti Afrikalle. Suomen tulisi harkita tukea alueellisille ja seutukunnallisille maataloustutkimuksen ja -kehityksen foorumeille, joilla on yhteys Afrikan maatalouden kokonaisvaltaiseen kehittämisohjelmaan (Comprehensive Africa Agriculture Development Programme, CAADP). Kaikessa tutkimustoiminnan tuessa pitäisi ottaa huomioon tutkimuksen ja neuvonnan yhteydet ja osallistavien tutkimustapojen mahdollisuudet.

Suomen kehitysyhteistyöhön liittyvien seuranta- ja evaluointijärjestelmien puutteellisuuden takia tarvitaan pikaisesti lisää näyttöön perustuvaa tietoa. On suositeltavaa, että seurantajärjestelmän pitäisi perustua toiminnan seurannan sijasta tulosten seurantaan ja säännölliseen vaikutusten seurantaan ts. merkittävää muutosta koskevan analyysin avulla. Sisäiselle ja ulkoiselle seurannalle ja evaluoinnille myös määritellä selkeät suuntaviivat, jotka ovat käytännölliset ja realistiset johtamisen ja politiikan suunnittelun välineinä.

On suositeltavaa kehittää edelleen Suomen maatalousalan tuen yhdenmukaistamista kumppanimaan menetelmien kanssa ja avun yhtenäistämistä avunantajien kesken. Siinä yhteydessä pitäisi harkita suurlähetystöille hajautettavien tehtävien ja vastuualueiden lisäämistä.

SAMMANFATTNING

Utvärderingens huvudsakliga syfte är att ta fram evidensbaserad information och rekommendationer som kan fungera som vägledning vid framtida beslut inom finländska utvecklingssamarbeten om att använda bistånd effektivt inom jordbrukssektorn.

Utvärderingen är inriktad på det finländska utvecklingsbiståndet till jordbruk under perioden 1995–2008 och täcker i huvudsak följande fyra partnerländer: Zambia, Moçambique, Vietnam och Nicaragua. Förutom bilateralt bistånd diskuteras kort även stöd till internationella organisationer inom jordbrukssektorn.

Utvärderingen inleddes med omfattande dokumentgranskningar och intervjuer med intressenter i Finland och partnerländerna, inklusive personal från Utrikesministeriet och Jord- och skogsbruksministeriet i Finland, ambassader, representanter från icke-statliga organisationer samt från konsultföretag och ett representativt urval av intressenter i de fyra partnerländerna (statstjänstemän, stödmottagare, givare). Kontakt togs även med FN-organisationer i Rom (i huvudsak IFAD, International Fund for Agricultural Development) och CGIAR (Consultative Group on International Agricultural Research).

I sin WDR 2007 (World Development Report) visar Världsbanken att den genomsnittliga delen av globalt ODA (Official Development Assistance) till jordbruket föll dramatiskt från toppnoteringarna på över 15 procent under 1970-talet till 3,7 procent under 2006–2007. Fram till i dag har framstegen mot millenniemål 1, att halvera fattigdomen och hungersnöden i världen till 2015, varit begränsade. Alternativen för framtiden diskuteras ofta: en andra grön revolution, ett mer hållbart jordbruk och bättre och smartare jordbrukstekniker eller en kombination av båda. Jordbruksforskning är en viktig faktor för den vidare utvecklingen av dessa alternativ.

Både Parisdeklarationen och Accra-agendan uppmanar till gemensamma insatser för ett effektivare bistånd, samt att utvecklingsländernas möjligheter att leda och hantera sina egna utvecklingsåtgärder ska utvecklas och stärkas. I denna agenda framstår SWAP (Sector-Wide Approaches) som en lämplig metod. Men sektorstöd till jordbruket kan ofta vara komplicerat eftersom det ofta omfattar flera ministerier. Dessutom får den privata sektorn sällan tillräckliga möjligheter att bidra. Att hantera och övervaka komplexa program inom den produktiva sektorn har visat sig vara mycket mer krävande än med liknande program inom sociala sektorer som utbildning eller hälsa.

Jordbrukets del av det sammanlagda finländska biståndet har fallit tillbaka från en toppnotering på 13 procent 1985 till mindre än tre procent i dag. Trenden är liknande runt om i världen. I absoluta tal var den totala volymen av det finländska jordbruksbiståndet under perioden 1995–2008 145,5 miljoner euro eller i genomsnitt 10,4 miljoner euro per år. Efter att åtaganden och utgifter till jordbrukssektorn hade minskat sedan mitten av 1990-talet var målet med Finlands landsbygdsutvecklingsstrategi för

internationell utveckling 2004 att återigen placera jordbruket på den finländska utvecklingsagendan. Sedan 2004 av volymen av det finländska biståndet till jordbruket stadigt ökat till cirka 24 miljoner euro 2008.

2007 lade den finländska regeringens nya utvecklingspolitiska program, ”Mot en rättvis och hållbar Mänsklighetspolitik”, tillsammans med landsbygdsutveckling, särskild tonvikt på jordbrukets roll för att främja utveckling.

Det finländska utvecklingspolitiska programmet innehåller inte exakta riktlinjer till dem som planerar jordbruksprojekt eller -program. Utvärderingsgruppen upptäckte även att de riktlinjer för jordbrukssektorn från 2004 var för allmänna och inte bidrog med tillräcklig vägledning om hur projekt skulle formuleras efter 2004 för att säkerställa nationellt ägande och tydliga kopplingar till partnerländernas nationella utvecklingsstrategier.

Under granskningsperioden (1995–2008) har den största delen av det finländska jordbruksbiståndet handlat om djurhållning (mjölkkor och nötkreatur), stöd till rådgivningsinsatser (boskap och växtodling) och utveckling av jordbrukskooperativ – med småbrukare som huvudsaklig målgrupp.

För närvarande finns det två biståndsmetoder som används samtidigt av Utrikesministeriet vid stöd till jordbrukssektorn i partnerländerna: sektorbudgetstöd (Nicaragua, Moçambique och Vietnam) och projektstöd (alla granskade länder).

Projektstöd har under granskningsperioden varit den mest använda biståndsmetoden. Under det nuvarande årtiondet har även SWAPS (Sector-Wide Approaches) eller sammanslagningar av medel blivit allt vanligare.

Stöd till jordbruket ingår ofta som en del i stödet till den landsbygdsutveckling som stöds av Finland. Finlands stöd för att vidareutveckla produktvärdekedjor har varit begränsade till Kenya och Nicaragua, och då för djurhållning (mejeriprodukter) och koncentrerat till mjölkproduktion och mjölk insamling. I Zambia har arbetet med vidareutvecklade produktvärdekedjor inkluderat kassava, bönor, getter och fisk. När det gäller att vidareutveckla produktvärdekedjor, och med de tidigare insatserna inom mejerisektorn, har Finland skaffat sig omfattande erfarenheter av att skapa mervärden inom jordbruksproduktion och utveckling av den privata sektorn. Tyvärr har dessa erfarenheter inte dokumenterats tillräckligt väl och dokumenten framträder i allmänhet som svaga i kvantitativa analyser. Men det finns tydliga fördelar med att fortsätta detta arbete på grund av de större övergripande effekterna på den ekonomiska utvecklingen och en minskad fattigdom. Därför bör dessa möjligheter utnyttjas ytterligare.

Även om det inte finns några tydliga bevis för negativa miljöeffekter hanteras och övervakas vissa miljörisiker inom jordbruksinsatserna inte tillräckligt väl. Genom att skog ofta röjs för att skapa betesmarker kan projekt med mjölkboskap ha negativa miljöeffekter och detta bör uppmärksammas mer eftersom påverkan kan mildras, vilket har visats i Kenya, med så kallad ”zero grazing” (utfodring året runt) metoder.

Gällande frågor som spänner över flera områden (kön, HIV/AIDS, miljö, ett bra samhällsstyre och mänskliga rättigheter) har frågan om kön ingått i alla projekt som har genomförts av Finland, men i hur stor omfattning dessa frågor har ingått varierar per land och per projekt eller program. Med undantag för Moçambique har inga jordbruksprojekt i övriga länder tagit upp frågan om HIV/AIDS som en del i utformningen eller senare genom att integrera frågan under genomförandet. Finland verkar inte prioritera frågor om god samhällsstyrning och mänskliga rättigheter när det gäller stöd till jordbruksprojekt.

Den allmänna bedömningen av hur Finland (och andra givare) förhåller sig till principerna i Parisdeklarationen är blandad. I Finlands stöd till sektorprogrammen framgår det tydligt att Parisdeklarationen efterlevs och detta syns även i det aktiva deltagandet i diskussioner för att säkerställa en samordning och harmonisering mellan givare i länder som Moçambique och Nicaragua. Partnerländernas begränsade kapacitet att ta över projektledningen från givarna samt givarnas svaga förtroende för ett gott samhällsstyre i partnerländerna inverkar på möjligheterna att efterleva Parisdeklarationen.

Det finländska utvecklingsbiståndet till jordbruk är i allmänhet mycket relevant med tanke på behoven på landsbygden och de problem som jordbrukssektorn står inför.

Det är svårt att bedöma effektiviteten på grund av otillräckliga system för att uppfölja och utvärdera. Men i de fall där resultaten gick att mäta uppfyllde projekten normalt sina mål. I vissa fall var det även tydligt att insatserna hade haft effekt. Fältobservationer gällande de finländska insatsernas inverkan inom jordbrukssektorn visar att de har bidragit till att öka både inkomster och produktiviteten inom jordbruket i Kenya och Nicaragua (foderskörd/mjolkproduktion), och sannolikt även i Moçambique. För Vietnam rapporterades en förbättrad livsmedelsförsörjning hos hushållen tack vare en ökad produktion och högre inkomster. Utifrån tillgänglig information från övriga granskade program var det inte möjligt att bedöma om livsmedelsförsörjningen hade förbättrats på hushållsnivå.

Budgeten för projektadministration och tekniskt bistånd utgör ofta en hög andel av de totala projektkostnaderna (till och med över 40 procent i programmen för landsbygdsutveckling i Vietnam och Zambia), och resulterar i relativt höga projektledningskostnader. Sektorprogram som hanteras av lokala myndigheter och som stöds genom sammanslagna medel tar ofta längre tid att genomföra, men har också lägre kostnader för projektledning. I allmänhet saknar projekt och program som stöds av Finland exitstrategier. Sådana strategier skulle kunna bidra till enklare utfasningar. Även om en direkt inblandning av, och ett genomförande via myndighetsstrukturer innebär effektivitetsförluster – på grund av lokal byråkrati och omoderns strukturer – är det ofta en ännu större risk att helt undvika de befintliga myndighetsstrukturerna.

Även om Finland är en relativt liten aktör bland organisationerna som är baserade i Rom och inom jordbruksforskningssystemet CGIAR har man, när och där det har varit möjligt, gjort stora ansträngningar för att bidra till en förbättrad styrning och förvaltning av dessa multilaterala organisationer. Genom sitt arbete för en förbättrad för-

valtning av de Rom-baserade organisationerna FAO och IFAD har Finland bidragit till en ökad ansvarsskyldighet och effektivitet inom dessa organisationer. Finland har samordnat arbete och samarbetat med andra givare på ett mycket tillfredsställande sätt.

Följande viktiga frågor utmynnar i de viktigaste rekommendationerna.

Utifrån principerna i Parisdeklarationen och Accra-agendan bör Finland se till att projekt och program integreras i utvecklingspartnerns egna finansiella, institutionella och administrativa system. Framtida insatser bör inte endast baseras på jordbruksproduktion utan även se till ett större sammanhang. Rekommendationen är att jordbruksutveckling kombineras med produktionsinsatser (ekonomiska) för att utveckla landsbygden. Genom att se till en bredare landsbygdsutveckling kan effektiviteten för jordbruksåtgärderna förbättras och leda till en övergripande fattigdomsbekämpning inom landsbygdsområden.

Utveckling av värdekedjor ska inte begränsas till verksamheter från jordbrukare till slutkonsument, utan även inkludera insatser från producenter av jordbruksinsatser till jordbrukarna som slutkonsumenter.

Jordbruksforskning är en viktig del av jordbruksutvecklingen. Utveckling av lämpliga och anpassade tekniker är en mycket viktig del av jordbruksutvecklingen i utvecklingsländerna. På längre sikt kommer detta att påverka fattigdomen, livsmedelsförsörjningen och möjligheterna till ett hållbart jordbruk (dvs. jordbruk med låg extern insatser). På det här området är ARD (Agricultural Research and Development) en strategiskt viktig fråga, speciellt för Afrika. Man bör överväga ett finländskt stöd till regional och sub-regional jordbruksforskning och utvecklingsforum i Afrika, med kopplingar till CAADP (Comprehensive Africa Agriculture Development Programme). Allt forskningsstöd bör ta hänsyn till kopplingar mellan forskning–rådgivning och möjligheter till inkluderande forskningsmetoder.

Med tanke på de otillräckliga systemen för övervakning och utvärdering inom det finländska utvecklingssamarbetet krävs det mer evidensbaserad information. Uppföljningsmetoderna bör vara inriktade på att övervaka resultat – i stället för aktiviteter – och löpande uppfölja inverkan genom till exempel förändringsanalyser. Det bör även finnas tydliga riktlinjer för intern och extern uppföljning och utvärdering. Dessa ska vara praktiska och realistiska och kunna fungera som hanteringsverktyg och för att skapa policy.

Det rekommenderas att Finlands stöd till jordbrukssektorn skall ytterligare anpassas till partnerländernas egna system och harmoniseras med andra biståndsgivare. I detta sammanhang bör en ytterligare decentralisering av arbetsuppgifter och ansvar till ambassader övervägas.

SUMMARY

The main purpose of the evaluation is to produce evidence based information and recommendations to guide the Finnish development cooperation in its future decisions on how to use the aid funds effectively for the agricultural sector.

The evaluation concentrates on the Finnish support to the agriculture during the period 1995-2008 and covers mainly the following four partner countries: Zambia, Mozambique, Vietnam and Nicaragua. Next to the bilateral aid also the support to international organizations in the agricultural sector is also shortly discussed in the evaluation.

The evaluation was started with an extensive document review and interviews with stakeholders in Finland and the partner countries, including staff from the MFA and the Ministry of Agriculture and Forestry of Finland (MAF) in Finland, the Embassies, some representatives of Non- Governmental Organizations (NGOs) and of consulting companies and of a representative sample of key stakeholders in the four partner countries (government officials, project beneficiaries, donors). Short contacts were taken also with such UN organizations in Rome, mainly the International Fund for Agricultural Development (IFAD,) and the Consultative Group on International Agricultural Research (CGIAR).

The WB points out in the Development Report 2007, that the global average share of ODA to agriculture fell dramatically from peak levels of above 15 percent in the 1970s to a mere 3,7 percent in 2006-2007. Until today only limited progress has been made on Millennium Development Goal 1, towards halving the poverty and hunger in the world by 2015. Options for the future are widely discussed: a second green revolution or more sustainable farming and better, smarter agricultural technologies or a combination of both. Agricultural research plays an important role in further developing these options.

The Paris Declaration and the Accra Agenda for Action call for joint efforts towards enhanced aid effectiveness, and development and strengthening of the capacity of developing countries to lead and manage their own development activities. The Sector-Wide Approaches (SWAPs) fit well in this agenda. However, sector support to the agriculture appears to be very complicated as it often involves more than one ministry. Furthermore, private sector involvement is often insufficiently recognized. Managing and monitoring complex programmes in the productive sector proves to be a lot more demanding than similar programmes in the social sectors such as education or health.

The share of total Finnish aid to agriculture dropped from an all time high of almost 13 percent in 1985 to less than three percent today. This trend is similar worldwide. In absolute terms the total volume of Finnish aid to agriculture for the period 1995-2008 was € 145, 5 million or an average of € 10, 4 million per year. After a period of de-

creasing commitments and expenditures to the agricultural sector since the mid 1990s, Finland's 2004 Rural Development Strategy for International Development aimed to put agriculture back on the Finnish development agenda. Starting in 2004, the volume of Finnish aid to agriculture has steadily increased to around € 24 million in 2008.

In 2007 the new development policy of the Government of Finland, "Towards a Sustainable and Just World Community" gives, next to rural development, special emphasis on the role of agriculture in the promotion of development.

The development policies of Finland do not give precise guidance to the planners of agricultural projects or programmes. The evaluation team also found that the Agricultural Sector Policy 2004 has been too general, providing relatively little guidance to the formulation of specific projects after 2004 to fully ensure national ownership and clear links with national development strategies of the partner countries.

During the period under review (1995-2008), most of the Finnish aid to agriculture has been in livestock development (dairy and beef), support to extension services (livestock and crop production) and agricultural cooperative development – with small farmers as main target group.

At present, mainly two aid modalities are simultaneously used by the MFA to support the agricultural sector in the partner countries: Sector Budget Support (Nicaragua, Mozambique, and Vietnam) and Project Support (in all countries reviewed). Project support has been the most applied aid modality during the period under review. Increasing attention towards SWAPS or pooled funding started to become visible during the present decade.

Support to agriculture is often part of rural development support by Finland. Finnish support to the product value chain development has been limited to Kenya and Nicaragua: livestock development (dairy) concentrating on milk production and milk collection as part of the chain. In Zambia product value chains including cassava, beans, goats and fish have been developed. Regarding product value chain development, with its past interventions in the dairy sector, Finland has acquired a rich experience in generating value added of agricultural production as well as in private sector development. Unfortunately, so far these experiences have not been well documented and are generally weak in quantitative analysis. But there is clear merit in pursuing this further because of the wider overall effect this approach has on overall economic development and thus poverty reduction and therefore the potential should be further exploited.

Although there is no clear evidence of negative effects on the environment, certain environmental risks of agricultural interventions are not being properly addressed or monitored well. Because of land clearing practices for grazing, dairy projects may have a detrimental effect on the environment, which merits more attention as this may be mitigated when using the zero grazing as demonstrated in Kenya.

Regarding cross cutting issues (gender, HIV/AIDS, environment, good governance and human rights), gender has been addressed in all the projects carried out by Finland, but the degree of internalization of these issues varies per country and per project or programme. Except for Mozambique, no projects dealing with agriculture in the other countries have addressed the issue of HIV/AIDS as part of their design or later on by mainstreaming it during implementation. The issues of good governance and human rights do not appear to be high on the agenda of Finland when it comes to supporting agricultural projects.

The general assessment on how Finland (and other donors) abides to the principles of the Paris Declaration provides a mixed picture. The compliance with the Paris Declaration is evident in Finland's support to the sector support programmes and its active participation in the dialogue to ensure alignment and harmonisation among the donors in countries like Mozambique and Nicaragua. The weak capacity of partner countries to take over the lead from donors as well as donor's failing trust in good governance of the partner countries are hampering the adaptation of the PD principles.

Relevance of the Finnish aid to agriculture is generally high given the needs of the rural population and the problems the agriculture sector is faced with.

Assessment of effectiveness is problematic, because of inadequate monitoring and evaluation systems. Nevertheless, where results could be measured, projects normally did meet their targets. In some cases they have made a clear difference on the ground. Field observations regarding impact indicate that Finnish interventions in the agricultural sector have helped to increase farm productivity and incomes in Kenya and Nicaragua (fodder crop/milk production), and very likely also in Mozambique. In case of Vietnam, improvements in household food security were reported due to increased production and income generated. On the basis of the information available from the other reviewed programmes it was not possible to assess whether food security at household level has increased.

The budget for project administration and technical assistance (TA) often represents a high percentage of total project costs (even over 40 percent as with the Rural Development Programmes in Vietnam and Zambia) and, hence, relatively high project management costs. Government managed sector programmes that are supported through basket funding, tend to be slower in implementation, but at lower project management costs. In general, projects and programmes supported by Finland do not have built-in exit strategies, which would pave way for a smooth phasing-out. Although direct involvement and implementation through government structures means losses in efficiency – as one is bound to work with local bureaucratic and arcane structures – working fully outside the government structures represents an even larger risk for long-term sustainability.

Although Finland is a relatively small player in the multilateral arena of the Rome based organisations and CGIAR, it has – wherever and whenever possible – made

substantial efforts to have a say in improving governance and operations of these multilateral organisations. Through its contribution to enhanced governance of the Rome-based organisations FAO and IFAD, Finland has contributed to increased accountability and efficiency of these organisations. Finland has been able to coordinate and liaise with other donors in a highly satisfactory manner.

The following key issues crystallize the main recommendations.

Based to a large extent on the principles of the Paris Declaration and the Accra Agenda, Finland should ensure that the projects and programmes are integrated into the development partners' own financial, institutional and administrative systems. Moreover future interventions should not be based on agricultural production alone, but taking the wider context into account. It is recommended to combine agricultural development with the productive (economic) activities within rural development. By including elements of wider rural development, the effectiveness of interventions in agriculture can in principle be enhanced for the sake of overall poverty reduction in the rural areas.

Value chain development is not to restrict itself to activities from farmer to final consumer within the chain, but also to include activities from producer of agro inputs to farmers as final consumers.

Agricultural research is an important element of agricultural development. The development of appropriate and adapted technologies is considered vital for the development of agriculture in the developing world, and in the long run will have a clear impact on rural poverty, food security and sustainable agriculture (e.g. low external input agriculture). In this respect the strategic importance of Agricultural Research and Development (ARD) is well recognized, particularly for Africa. Finnish support to the regional and sub-regional agricultural research and development forums in Africa, with a link to the Comprehensive Africa Agriculture Development Programme (CAADP), could be considered. Any support to research should take into consideration the research-extension linkages and the potential of participatory research approaches.

In view of the inadequacy of the Monitoring and Evaluation systems (M&E) of the Finnish development cooperation more evidence-based information is urgently needed. It is recommended that monitoring set-up should be based on result monitoring – instead of activity monitoring -, and on regular impact monitoring through e.g. significant change analysis. There should be also clear guidelines for internal and external M&E, which are practical and realistic as a management and policy making tool.

Further alignment and harmonisation of Finland's support to the agricultural sector is recommended. In that context, further decentralisation of tasks and responsibilities to embassies should be considered.

Main findings	Main Conclusions	Main Recommendations
1. Relevance of Finnish Aid to Agriculture		
<p>1. Agricultural development is very important for Finland's partner countries where the majority of people live in the country side and depend on agriculture for their livelihood.</p> <p>2. The Rural Development Strategy 2004 has been too general and provides little guidance.</p>	<p>1. Finnish aid to agriculture responds generally well to the direct needs and priorities of the rural poor. Relevance might be affected negatively due to low participation of stakeholders in project design and development. Relevance is considered high when Finnish support is provided to agricultural sector programmes.</p>	<p>1. Increase support to agricultural development to higher levels (15-20 percent of total Finnish aid), given the enormous challenges ahead with regard to MDG 1 (poverty reduction and food security). Combine agricultural development with support to the productive sector in rural development covering the poorest of the poor. Pay due attention to the inclusion of the local population in bilateral project design, implementation and monitoring.</p> <p>2. The strategy should spell out clearly the priorities for targeting aid and the use of the PD.</p>
2. Effectiveness		
<p>1. There are indications in some projects of satisfactory results in relation to the project objectives.</p> <p>2. It is not possible to detect which role latest research results have played in project implementation.</p> <p>3. Limited attention is paid to climate change which influences the</p>	<p>1. It is difficult to assess due to inadequate M&E. Effectiveness was found to be good in the few cases where results could be measured.</p> <p>2. The effectiveness of extension projects and programmes is hampered by weak linkages to agricultural research due to poor formal local structures.</p> <p>4. Very little is done in the partner countries for bringing together agri-</p>	<p>1. Introduce results-oriented management by setting up an adequate monitoring and evaluation system based on clear indicators, with good guidelines for internal and external use.</p> <p>2. Ensure good linkages and include farmers and extension workers at the earliest stages of research. The use of Farmer Research Groups and other participatory approaches should be enhanced.</p> <p>4. Climate change and mitigation of its effects should been given due attention in</p>

performance of agriculture projects and programmes.	culture and climate change issue	all agriculture aid interventions.
3. Impact		
<p>1. There is little documented evidence of the impact of Finnish support on poverty reduction and food security. Field observations show economic impact on living conditions in some countries.</p> <p>2. The impact of Finnish interventions in agriculture has been most evident with dairy projects in Kenya and Nicaragua where value added has been generated within the dairy value chain.</p> <p>3. Regarding capacity building, Finnish support clearly left a mark in most partner countries.</p>	<p>1. It is not possible to carry out a credible impact evaluation due to the lack of proper M&E system.</p> <p>2. Although the scope is unknown the support to agriculture has increased farm productivity. (crops) in Tanzania and Mozambique. Small dairy producers in Kenya and Nicaragua have clearly benefited from increasing incomes.</p> <p>3. Capacity development is positive in cooperative development, extension, local planning and institutional reform.</p>	<p>1. Project design should better facilitate the collection of evidence on impact of poverty reduction and food security.</p> <p>2. Product value chain development should be realised by enhancing conducive economic and institutional environment. More focus on food security and low external input agriculture (smarter farming).</p> <p>3. Due attention to capacity development should be paid at all relevant levels.</p>
4. Efficiency		
<p>1. Preparation procedures for project identification and project formulation are too complicated and time consuming.</p> <p>2. Relevant assumptions for successful project implementation are missing from the planning documents i.e. lack</p>	<p>1. Long project preparation phases are often not justified and are rather counter-productive, and come at great cost.</p> <p>2. There is no basis and no tools (risk analysis) to detect in time and manage problem situations.</p>	<p>1. Simplify preparation procedures for project identification and project formulation phase.</p> <p>2. In the design phase economic & financial analysis as well as context and risk analysis must be done.</p>

<p>of economic & financial analysis and context and risk analysis.</p> <p>3. Stringent administrative and financial procedures of bilateral projects – some imposed by MFA – have a negative effect on project costs.</p> <p>4. International staff in bilateral projects tends to be too occupied with administrative tasks and less on technical advice.</p>	<p>3. Overall efficiency of interventions is hampered by stringent procedures, centralised decision making, and generally high management costs. Government managed sector programmes, supported by basket funding, tend to be slower in implementation but have lower management costs.</p> <p>4. If international staff would concentrate more on advisory duties less short term consultancies would be needed and consequently there would be fewer costs.</p>	<p>3. Introduce flexible planning and implementation on the basis of result oriented management. Aim at reduction of project management costs to 20 percent of overall project costs by an overall reduction of TA and a review of the administrative, financial and reporting procedures to make them more flexible and less bureaucratic.</p> <p>5. International staff should concentrate primarily on advisory tasks and not waste too much time on administrative duties.</p>
5. Sustainability		
<p>1. In general, Finnish supported projects and programmes do not have built-in exit strategies. Poor results on sustainability are often related to the lack of attention to supporting institutional strengthening.</p> <p>2. Many Finnish projects are still implemented outside the government structures. Agriculture is a complicated sector as it involves more than one ministry and other institutions. The Finnish aid</p>	<p>1. The sustainability of Finnish supported projects and programmes is affected by the level of institutionalisation, local co-funding and the level of local capacity building.</p> <p>2. Working outside government structures represents a risk for long-term sustainability, while direct involvement and implementation through government structures might enhance the prospects for sustainability.</p>	<p>1. There should be a clear exit strategy to ensure an adequate time and perspective to the local institutions to adapt to the take-over of responsibilities.</p> <p>2. Sector programmes and also project support should be based on a comprehensive sector and institutional analysis including economic and financial analysis; bilateral project support should be based on demand from the recipient country and</p>

<p>interventions are usually very community oriented paying too little attention to factors outside government administration.</p> <p>3. Finnish interventions hardly ever pay attention to the mitigation of climate change.</p>	<p>Agriculture SWAPs are subject to coordination capability of different local ministries and institutions including research and private sector,</p> <p>3. Multiple aspects of climate change and mitigations demand more attention to ensure sustainability.</p>	<p>clear (participatory) local appraisal. In case separate PMUs need to be set up, their main purpose is to increase implementation efficiencies, while avoiding high costs and paying attention to local ownership. The Finnish aid interventions in agriculture should carefully consider which local objectives/needs and which institutions/context to address.</p> <p>3. Pay due attention in aid interventions to all aspects of climate change which may affect agricultural sector.</p>
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6. Aid Modalities and Channels

<p>1. Project support has been the most applied aid channel of Finland. There is a common understanding that it is essential to support small farmers, because of the opportunities for economic growth and to combat hunger. It is, however, not yet clear how this target group could be best reached. The NGO channel of Finland remains largely under-utilized. Few NGOs are involved in agriculture.</p>	<p>1. Because of little or no possibility of earmarking of funds, and generally weak Ministries of Agriculture, GBS does not guarantee enhanced funding to agriculture. Only in cases where the countries have an agreed Agricultural Policy being part of National development policy and with clear Operational Plans and increased national budgets for agriculture there are possibilities that also agriculture gets its share of GBS. A few African countries have reached the share of funding to agriculture in national budgets as</p>	<p>1. Finland should move with more determination towards SWAP or basket funding also in agriculture. In general: adapting its aid to local institutions and financial systems and applying an appropriate mix of aid modalities and channels in line with the local context. Agriculture sector budget support should be further developed on the basis of best practices. Basket funding to lower levels of government (provincial, district), and outsourcing activities to NGOs where adequate should be considered. Increase cooperation with NGOs to empower other stakeholders in agricultural and rural policy</p>
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<p>2. Finland is a comparatively small but steady contributor to the four agricultural research centres of the CGIAR, but with a low share on agriculture and food policy.</p> <p>Bilateral support to Rome based food and agriculture organizations has little to do with agricultural development (forestry, NRM, planning mainly).</p>	<p>agreed in Maputo declaration (10%). Successful implementation of agriculture sector support programmes depends to a large extent on the capacity of national ministries involved, but also on the capacity of other decentralised governments, NGOs and private stakeholders in the sector.</p>	<p>level discussions.</p> <p>2. Increase support to regional and sub-regional agricultural research & development fora in Africa, with links to NEPAD-CAADP. Continue and increase support to CGIAR and Rome based institutions but with a bigger share for agriculture and food policy, and with strong presence in East and Southern Africa (e. g. ASARECA).</p>
<p>7. Coherence, Compliance and Harmonization</p>		
<p>1. Finnish project and programme interventions in agriculture are generally well aligned with national policies of the partner countries. The aid interventions do not overlap with activities of other donors. Finland is also well involved in coordination activities at ground level.</p>	<p>1. Finland's approach to agricultural development and areas of intervention has been rather conventional with its strategies being too general.</p>	<p>1. New innovative approaches to agriculture support should be developed and tested. There is clearly space for improvements in all aspects of coherence, compliance and harmonization in accordance to the PD principles.</p>

<p>2. Finnish funding often goes outside government channels, and funding remains under own management.</p>	<p>2. Limited decentralisation of responsibilities from MFA to the embassies negatively affects harmonization.</p>	<p>2. Develop decentralization to enhance harmonization process.</p>
<p>8. Product Value Chain Development</p>		
<p>1. With its past interventions in the dairy sector, Finland has acquired a rich experience in generating value added and private sector development. These experiences have not been well documented and are generally weak in quantitative analysis. Value chain development is mainly beneficial to the better off segments of society who can afford to sell off surpluses.</p>	<p>1. There is merit in pursuing value chain development because of the wider overall effects on economic development, but it must be acknowledged that the approach will most likely not benefit the poorest of the poor.</p>	<p>1. Enhanced attention to product value chain development on the basis of the Aid for Trade Action plan Value chain development should start with an in-depth understanding of the whole production/ marketing and consumption chain (crops and livestock). Interventions should be based first on sound market demand and then downwards (production, financing, storage and marketing). Use rural development to bring the poorest of the poor to higher productive levels and link them with value chain programmes.</p>
<p>9. Cross-cutting Issues</p>		
<p>1. Gender has been mentioned in all the projects carried out but has been actually internalized in varying degrees per country and per project / programme. 2. Except in Mozambique, Finnish supported projects dealing with agriculture have not addressed the issue of HIV/AIDS as part of their design.</p>	<p>1. Attention remains mainly limited to design and implementation on the ground, and mainstreaming is lagging behind on most issues. 2. HIV/AIDS and its impact on the capacity of affected family members to contribute to food production, healthy diet etc. or their possibilities to benefit</p>	<p>1. Gender should be mainstreamed beyond counting the number of women involved in activities, but by identifying women's needs, interests and capabilities in attaining household food security. 2. Consider the far-reaching consequences of HIV/AIDS when planning and implementing projects/ programmes, by specifically focusing on the (nutritional and social) needs of farm-</p>

<p>3. Sustainable use of natural resources is being only punctually addressed. Certain risks of agricultural interventions (e.g. irrigation schemes, promotion of the use of chemical fertilizers, use of foreign seed varieties, etc.), are not being addressed or monitored well.</p> <p>4. Though in some cases governance and human rights are part and parcel of projects/ programmes, in others there are important omissions.</p> <p>5. Good governance, Finland pays attention to how their money is used and in country negotiations to how transparent governments are on their use of the money.</p>	<p>of project innovations in agriculture have not been considered to be central element in support to agriculture development.</p> <p>3. The Finnish aid interventions should be considered in a larger context of ecological and environmental issues.</p> <p>4. Human rights issues are usually paid more attention through cooperation with local NGOs (LCF).</p> <p>5. Corrupt practices of governments have consequences also for Finnish aid even though they would not directly affect projects financed by Finland.</p>	<p>ing families affected by it.</p> <p>3. Mainstream a more environmentally sustainable approach to agriculture (low external input, conservation agriculture, organic agriculture, agro ecology).</p> <p>4. Human rights should be mainstreamed in all aid interventions.</p> <p>5. Financial transparency to be tackled within the overall framework of support to countries (that is, beyond agriculture), since this is an overarching issue with consequences to all areas of intervention. Good governance should be mainstreamed.</p>
<p>10. Rural Development</p>		
<p>1. Agricultural development programmes that have included certain rural development elements rendered a more</p>	<p>1. More positive cross-linkages between rural development and agriculture can be realized in terms of enhanced</p>	<p>1. Combine agricultural development with the productive sector in rural development, covering the poorest of the poor.</p>

<p>varied picture of real needs and bottlenecks in rural development.</p>	<p>conducive environment (productivity, employment, transport, communication, etc.). Rural development remains an excellent tool to bring the very poor up to higher productive levels and linking them with value chain development programmes.</p>	<p>Include elements of wider rural development as part of agricultural sector development (e.g. infrastructure, rural feeder roads, etc.). Promote the use of ICT in the rural areas as part of creating an environment conducive for SME development (agribusiness).</p>
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1 INTRODUCTION

1.1 Background of the Evaluation

The most recent development policy (2007) of the Government of Finland “Towards a Sustainable and Just World Community” gives, next to rural development, special emphasis on the role of agriculture in the promotion of development in its partner countries. Although evaluations have been carried out of individual agricultural projects or as part of specific country programme evaluations, no overall thematic evaluation has ever been carried out of Finland’s support to the agricultural sector.

A thematic evaluation is seen as an opportunity to obtain guidance for future decisions on how to use aid funds effectively for the development of the agricultural sector. It is expected to serve policy makers, technical experts and operational staff of the Ministry for Foreign Affairs of Finland (HQ and Embassies), as well as for Finnish agriculture and rural development stakeholders.

The evaluation started in June 2009. The evaluation team met with representative of Development cooperation evaluation (EVA-11), various staff members of the MFA responsible for agricultural and rural development programmes in Africa, Asia and Latin America. While in Helsinki, the team also met with the Under-Secretary of State, the MFA advisors in Agriculture and Rural Development, Gender/Equality, HIV/AIDS and with representatives of the Ministry of Agriculture (MAF), who are also members of the Finnish FAO Committee. Also some representatives of the management of two Finnish consultancy companies NIRAS (Finnish consultant) and FCG (Finnish Consultant Group) involved in the implementation of Finnish development projects and a representative of the Finnish NGO umbrella organisation were met as well as a Finnish independent consultant who had prepared the preliminary study on bilateral development aid to agriculture and rural development in the Finnish development cooperation.

Zambia, Mozambique, Nicaragua and Vietnam were the main target countries of this evaluation. Brief consultations were held also in Kenya and Tanzania by a Kenyan expert. After each country visit country reports were prepared Telephone interviews were carried out with the Permanent Representative of Finland for the Rome-based UN organizations and two senior staff members of FAO and IFAD in Rome.

This synthesis report is largely based on a compilation of the country reports, which provide evidence based judgements on the relevance, effectiveness, efficiency, impact and sustainability of Finnish interventions in agriculture in the visited partner countries, and where appropriate, the country reports have addressed specific key issues. All this information has been consolidated into this single synthesis report complete with overall findings, conclusions and recommendations for the way forward. The country reports are contained in CD attached to the Synthesis report.

1.2 Purpose, Scope and Objectives

The main purpose of this thematic evaluation is to provide the MFA with evidence based information and recommendations to guide the Finnish development cooperation in its future decisions on how to use the aid funds effectively for the agricultural sector.

The evaluation covers the Finnish support to the agricultural sector as a whole, starting from the second half of the nineties until present. For this evaluation, agriculture is understood to include agricultural production (crops and livestock as well as agro-forestry) and other activities directly linked to it (marketing, storage, input distribution, rural credit, processing, agricultural research and capacity building).

In line with its main purpose and the scope, the main objectives of the evaluation are (as per ToR, Annex 1):

- 1) An informed judgement on the effectiveness, sustainability and impact of the bilateral and multilateral development cooperation on the agricultural development, reduction of rural poverty, food security and rural livelihoods paying also attention to the Finnish value added in the sector;
- 2) A clear view on which aid modalities work for agriculture in development and which aid modalities are most effective for what purposes and for which contexts or governance structures (public/private; local/national/regional/global); special attention shall be paid to the preconditions which should be met before launching the intervention;
- 3) An informed opinion on effectiveness of Finnish aid in capacity and institution development aspects in the Finnish interventions and their sustainability; on possible synergies and coherence issues between bi- and multilateral activities in the sector;
- 4) The effectiveness of coordination and cooperation mechanisms with other development actors/donors in the sector.

The duration of the entire evaluation was from June 2009 to the end of April 2010.

1.3 Approach and Methodology

The ToR mentioned a large number of evaluation criteria to be taken into account in the analysis. Apart from the five classical OECD DAC criteria: relevance, effectiveness, efficiency, impact and sustainability, this evaluation also needed to look at coherence, compliance coordination and Finnish value added.

Whereas the analysis of these different criteria certainly makes sense in the framework of a thematic evaluation, great care has been taken in the development of an approach and methodology to maintain focus on the evaluation purpose, scope and objectives to be achieved. To this end an overall evaluation framework and matrix have been elaborated in the Inception Report that further refines and orders the cri-

teria, so as to establish a clear link between the main findings and the main purpose of this evaluation. To better visualize the outcome of the analysis, special tables have been prepared in this synthesis report, whereby overall scores are given per evaluation criteria (chapter 3).

In the spirit of a thematic evaluation, only general assessments have been made of the performance of agricultural projects and programmes. Primary data has been collected by way of open-ended interviews of officials and staff from the MFA and MAF in Finland, from the Embassies, NGO representatives and staff of consulting companies, and of key stakeholders in the six partner countries (government officials, project beneficiaries, donors). Secondary data was collected from documents collected from the MFA, Embassies, from other donors and from the Internet. Statistical data on trends in aid commitments and disbursements were also collected from the OECD DAC data base during the inception and field phase. This data provided information on changes in overall volumes of aid to the six partner countries, and on the volume of support for agriculture over the period under review (1995-2008).

As rightly stated in the ToR, using agriculture for development is a complex process as it is private sector led but at the same time involving an institutionally complex set of ministries and institutions. Special chapters have been prepared that provide an overview of the current international debate on agriculture to reduce poverty and food insecurity, and on international developments in agricultural aid levels and modalities (chapters 2.1 & 2.2).

2 AGRICULTURE FOR DEVELOPMENT

2.1 Agriculture and Poverty Reduction

Although poverty reduction is at the core of most agricultural and rural development programmes, the causes of poverty are complex indeed. The growing problem of poverty in developing countries emanates from the following major underlying causes: 1) over the years, many countries have launched a lot of policy papers designed to reduce poverty, but most have come to naught. Many analysts and observers now agree that the root cause of policy failures is often the lack of political will and the institutional framework to implement policy; 2) due to civic inactivity, people and their representatives have failed to influence decisions and allocation of resources, leaving central government administrators as the sole decision makers in pertinent matters at the national, local authorities and community levels; 3) good governance and leadership is considered a key ingredient for developing an educated citizenry that is capable of holding elected leaders and public institutions accountable. While people are over time getting informed and educated over governance processes, this knowledge has generally not translated into increased participation of the people in governance processes; and 4) for development countries where agriculture is the

mainstay of their economy, the failure to attain agricultural needs can be attributed to a number of factors including:

- Structural challenges comprising exogenous factors like poor weather, declining world commodity prices, declining fertility of land, poor management of water resources and reduced effectiveness of extension services;
- Political challenges including lack of coherent policies addressing food and nutrition security, and the stop and go approach of the government in initiating policy development in the country;
- Economic challenges attributed to poor access to resources of production, declining health status due to HIV/AIDS, poor infrastructure especially rural access resulting to high transport cost.

Finally, trade rules play a significant role in influencing agricultural policy. Global trade rules enunciated under the WTO Agreement on Agriculture, for instance, set limits on the amount of money and agricultural programmes that can be offered to benefit farmers. Trade rules often influence economic policies at various levels and, in turn, affect wages and purchasing power, and livelihoods of small-scale farmers in rural areas. Still, it is important to recognize the clear correlation of trade to poverty and food security, as trade can play an important role in improving incomes and employment opportunities.

2.2 The Current International Debate on Agriculture

Increasing Food Prices

For most of the past decade, the world has been consuming more food than it has been producing. In 2007, global carry-over food stock piles fell to 61 days of global food consumption, the second lowest in record. According to IFPRI agricultural productivity growth is only one to two percent a year, which is too low to meet annual population growth and increased demand. Almost 1/6 of the total world population (i.e. over 1 billion people) are now hungry every day according to the WFP and FAO estimates. At the beginning of 2007, the commodity markets were among the most overheated markets, such that the president of the World Bank at one point called the rising food (and oil) prices a “man made catastrophe” that has the potential to quickly erase years of progress in reducing poverty (TIME 2009, p. 43). The European Commission, the UN organizations and several renowned institutions declared that despite progress made in reducing hunger at the global level, advancement towards reaching the MDG 1 on hunger is seriously off track. In particular, the target is likely to be missed by a wide margin in Sub-Saharan Africa, where persistent food insecurity is compounded by recurrent political instability in certain areas (EC 2005).

Although the steep increases in basic food commodity prices began to drop again somewhat in 2008 due to the global economic crisis, they still remain record high and show no signs of real abating, especially since emerging markets such as China and India will continue to be big consumers of food (and oil) with their fast growing economies.

Need to increase Production but Challenges ahead

High food prices are the ultimate signal that demand is outstripping supply, that there is simply not enough food around. The hardest hit are those people that already spend 50 to 70 percent of their income on food, most of them living in Africa and South Asia. According to the UN, the world population will grow to over nine billion people by 2050. To feed these people, world-wide food production needs to increase by 70 percent. This could take place either through access to more farm land, which is already becoming very scarce, or through increased yields, which are under pressure because of hotter growing seasons and increasing water scarcity due to climate change (FAO 2007).

It is foreseen that over the next 20 years the hardest hit areas in terms of decreasing yields due to climate change would be Southern Africa (maize), Sahel (sorghum) and South Asia (rice). The experts say that yields of maize could decline by around 20 to 40 percent if temperatures rise by 3 to 4^o C. Rice yields would also decline but less than maize yields. In all affected regions, the poor will be most vulnerable to the effects of climate change because of their dependency on agriculture and their lower capacity to adapt (World Bank 2007). Although the exact magnitude is uncertain, the scientific evidence about the seriousness of the climate threat to agriculture is real. There is a clear need to climate proof the farming systems of the poor by introducing new farm technologies, special crop varieties and through diversification to mitigate the effects of climate change.

Small Farmers back into the Picture

Both WFP and FAO raised alarm in 2008 due to the serious scenario of threats to agricultural production. The FAO has emphasized in various connections that one dollar to agriculture development is more affordable than increasing food aid. The international community was quick to react and between January 2007 and July 2009, the G8 spent a total of € 8, 8 billion on programmes and projects to combat the food crisis. Over the following three years, the G8 has committed an additional € 14, 4 billion with the United States taking the lead with over € 2, 5 billion. Much of this money will be spent on stimulating food production in the developing countries to combat hunger, a central theme of the G8 meeting in Italy in July 2009. Large share of this funding will go to small farmers to improve food production in a sustainable manner. Direct food aid is not considered by the G8 – in fact it will be reduced – as this would negatively affect local production. This is a big change from past G8 policies when it comes to addressing hunger in the world (G-8 press statement at L'Aquila, Italy).

The high level conference on World Food Security in June 2008 in Rome, agreed on the following main instruments that need to be developed for realizing the agricultural potential in the long term: 1) policy analysis and support; 2) stimulating public and private investments; 3) improvement of agricultural systems, research and extension, infrastructure and market development; and 4) sustainable management of natural resources.

The main target group would be small farmers as there lay the best opportunities for economic growth and poverty alleviation through: 1) direct effect of growth on farmers and farm labourers; 2) increasing upstream and downstream demand for inputs and production; 3) flows of capital and labour from agriculture to other sectors; 4) lowering of food prices; and 5) increase in incomes and employment (Staatz & Dembélé 2007).

Another Green Revolution?

Many crop scientists and producers believe that the solution lies in a second green revolution. Thanks to the first green revolution, by 1970 farmers in Asia and Latin America were able to triple their wheat production with the same amount of work as long as there was sufficiently of water, fertilizers and pesticides. The high yielding wheat varieties, developed by the renowned plant breeder Norman Borlaug at the International Maize and Wheat Improvement Centre (CIMMYT) in Mexico, were soon to be followed by new “miracle” varieties of rice and maize (Ooijen & Coombs 2007).

Today, the green revolution is over and yield growth has flattened since the mid-1990's. Over-irrigation has led to decreasing ground water levels and salinisation of soils. Debates around green revolution technologies are therefore still strong. There are those claiming that although the benefits are hard to deny, the technologies are environmentally unfriendly and financially unsustainable, and that side-effects (land concentration, for example) have left countries with other difficult problems to deal with. On the other hand there are those claiming that the technologies have saved hundreds of millions of people from famine and that the environmental problems were mainly due to abuse and misuse of the technologies by excessive use of water, fertilizers and pesticides.

What about Africa?

Africa has benefited little from the green revolution. The main reasons cited were the lack of farm credit, infrastructure and public investments, poor government policy, corruption and inaccessible markets. While in Latin America and particularly in Asia production soared, per capita agricultural production in Africa actually declined between 1970 and 2000, leaving many African countries with large annual food deficits. Africa is now home to a quarter of the world's hungry people.

In 2007, the World Bank issued a critical report (the World Development Report) concluding that the international donors and African governments had fallen short in helping Africa's poor farmers and have neglected investment in agriculture for the previous 15 years. Although it is generally acknowledged by international donors that it has made sense to support the agricultural sector to reduce poverty – as many people in developing countries depend on agriculture – the Official Development Assistance (ODA) to the agricultural sector has steadily declined to below four percent of total ODA in 2007 (World Bank 2007).

The status of agriculture as a neglected area both by governments and the donor community has been no secret for decades. Despite the rhetoric of their governments, for most developing countries agriculture and rural development has had a low profile in their five year development plans. The reasons to its neglect are puzzling as in theory many agree that the sector is one of the most vital for both poverty reduction and socio-economic development. On the other hand, it is well known that many donors suffer from “agro-scepticism” because of too many failed interventions in agriculture in the past (MFA 2009a).

How to make Agriculture work for Development?

The overall message of the 2008 World Development Report is that agriculture is potentially a vital development tool for achieving the Millennium Development Goal, which calls for halving the share of people suffering from extreme poverty and hunger by 2015. But what are the new opportunities and effective instruments for realizing this potential? In fact, how to make agriculture work for development?

There is much debate and a huge number of papers have been written on new opportunities and effective instruments for using agriculture for development. They range from reforms in trade, price and subsidy policies, to research and extension, marketing and agro processing, large and small scale farming, to more private and public investments in the sector. Consensus goes only as far as putting agriculture again firmly back on the national and international agenda. There is also common ground on the challenges ahead for developing countries of soaring food prices, continued increase in poverty, increasing food import bills and the weakening position of the small farmers (Staatz *et al* 2007).

Time for Smarter Agriculture

Is it then time for a second green revolution which is also to benefit Africa? If so, what form will such a “revolution” take? Many crop scientists believe that the next green revolution would be based on genetic engineering leading to new varieties with higher yields, reduced fertilizer needs, pest resistance and drought tolerance. Gene splicing can achieve in a matter of months what takes decades for traditional cross breeding. Others believe that productivity can be boosted with sustainable farming (composting, agro forestry, inter-planting with legumes, better water management), smarter irrigation (drip irrigation, soil moisture monitoring, mulching and use of cover crops) and better post harvest practices (storage and handling).

The World Bank and FAO call for more sustainable farming and better, smarter, ecologically friendly agricultural technologies, which show promising results with substantial increases in productivity of small farms. While such farm technologies require more labour, the cost is more than offset by savings in chemical fertilizer and pesticides. In Africa where labour is cheap and capital scarce, the benefits of this way of farming could be substantial.

International Agricultural Research and the Problem of Dissemination

Since the establishment of the CGIAR in 1971 with more than 8 500 CGIAR scientists and staff working in over 100 countries, a wide range of improved genetic lines and smarter farm technologies have been developed and introduced in developing countries to increase productivity of many small farms, and to mitigate the effects of climate change with drought and flood tolerant crop varieties. However, when it comes to actual agricultural growth, leading to nationwide food security and poverty alleviation, the impact of these products of high science is much less evident as the uptake by small farmers has been hampered by poor research-extension-production linkages, particularly in the Africa region.

But the potential for agricultural growth due to new farm technologies, animal breeds and crop varieties is very much there as clearly shown for instance in Uganda. With the reform programme of its extension services in 2001 – with the aim to create an effective and efficient dissemination of research results – there has been strong evidence of a quick uptake of improved genetic lines and good agricultural practices by many small farmers in Uganda. Financial and economic analysis of the programme showed that the internal rates of return on programme investments made (by the World Bank, EC and bilateral donors) were higher than expected (Ooijen 2005).

Evidence of uptakes of CGIAR research outputs is much clearer when it comes to improvement in food policies and food market efficiencies, which also lead to improvements in food security and poverty alleviation. Reported improvements are in countries generally with strong policy coordination mechanisms and funding such as China, India, Pakistan, Bangladesh, Ethiopia, Brazil, South Africa, and to some degree Kenya and Uganda. Much work in this field has been carried out by IFPRI in recent years, particularly with research and advice on small farmer participation in high value markets, and on country development strategies related to food policies and food market efficiencies (Ooijen *et al* 2007).

2.3 International Developments in Aid Levels and Modalities

Decline in ODA to the Agricultural Sector

The global volume of official development assistance (ODA) to agriculture decreased by more than two-thirds during the period 1986-2007 despite an increase of 65 percent in total ODA over that period. The share of ODA to agriculture consequently fell dramatically from peak levels of above 15 percent in the 1970s to a mere 3,7 percent in 2006-2007. Since 2007 there has been a slight upturn as a result of the response to the food crisis, but aid levels still remain below 1990 levels in real terms (World Bank 2007).

Sector-Wide Approaches in Agriculture

There have been substantial changes also in the modalities of providing aid to the agricultural sector. In many areas government intervention and spending have been radically reduced and are no longer the exclusive mandate of Ministries of Agriculture.

With government's withdrawal from agricultural production and marketing, the key areas of the public sector are now policy making at the central level, trade regulations with international partners (tariffs, bio-safety standards etc.), and to a certain extent in rural infrastructure development (roads, communication and irrigation). Increasingly, at the same time, development aid has been devolved to lower levels of government as a way of ensuring accountability and efficiency in service delivery. In this context, coordination challenges in delivering particularly pro-poor investments and services are considerable.

Since the late 1990s, Sector-Wide Approaches (SWAPs) have been introduced as a means to manage development aid. The term has been used to accommodate a range of government and donor approaches given varying conditions on the ground. SWAPs were perceived as the ultimate approach to provide financial support to public sector agencies struggling with highly fragmented donor-funded initiatives, severe lack of coordination and coherence between interventions, and very poor capacity and ownership of the development process. SWAPs initially targeted social sectors in highly aid dependent low income countries, but have later on expanded to other sectors as well, including agriculture. However, in agriculture successes have been quite limited.

Agriculture SWAPs were often criticized as they failed to provide convincing evidence that the approach contributes to more sound and more effective policies and better efficiency in the use of public resources (Cabral 2009). Sector support to the Agricultural sector appeared to be very complicated as it often involves more than one Ministry. Furthermore, private sector involvement was often insufficiently recognized. Managing and monitoring complex programmes in the productive sector proved to be a lot more demanding than similar programmes in the social sectors such as education or health. In Zambia, for instance, after a first phase, all donors pulled out from the Agricultural Sector Investment Programme (ASIP) due to severe scoping and management problems, which could not be resolved between development partners and the Zambian government.

Leadership of SWAPs by country stakeholders tend to be difficult and often constrained by more generalized weaknesses in government leadership of the policy and budget process. As a result there is still a tendency for development partners to want to drive the policy and strategy formulation process, particularly when they see lack of capacity in the sector as one of the main problems to overcome.

The Paris Declaration and the Accra Agenda for Action

The Paris declaration, endorsed in 2005, calls for a joint progress towards enhanced aid effectiveness. One of its principles is "harmonization", defined as "Donor countries coordinate, simplify procedures and share information to avoid duplication" (OECD website). Alignment, another Paris declaration principle, in turn is defined as "Donors base their overall support on partner countries' national development strategies, institutions and procedures" (OECD, Paris Declaration for Aid Effectiveness).

In September 2008, Ministers of developing and donor countries and Heads of multilateral and bilateral development institutions -who gathered in Accra in Ghana – agreed to accelerate and deepen the implementation of the Paris Declaration on Aid Effectiveness. This Accra Agenda for Action calls on development partners to accelerate the progress in alignment and harmonization. According to the signatories, evidence shows that the main challenges are to enhance country ownership, to build more effective and inclusive partnerships and to deliver and account for development results.

The Accra Agenda calls for very important principles to which development assistance should adhere to. In the first place through broadening of country-level policy dialogue on development and through strengthening of capacity of developing countries to lead and manage development. Development partners further agreed to strengthen and use developing country systems to the maximum extent possible and to reduce costly fragmentation of aid. It is important to increase aid's value for money.

All signatories welcomed the collaboration with all development actors to deepen the engagement with civil society organisations. In case of countries in fragile situations, donor countries and organisations accept to adapt aid policies. The main focus of development assistance will be on delivering results. Donors will do so by: 1) strengthening the quality of policy design, implementation and assessment; 2) developing cost-effective results management instruments to assess the impact of development policies and adjust them as necessary; 3) aligning monitoring with country information systems; and 4) paying more attention to delegating sufficient authority to country offices and to changing organisational and staff incentives to promote behaviour in line with aid effectiveness principles.

Finally the Accra Agenda points out to the importance of transparency and accountability not only between donors and recipient countries, but also to their respective citizens. Mutual assessment reviews are regarded as important instruments to achieving this. In terms of funding, donors agreed to improve the medium-term predictability of funding levels to developing partner countries.

Adoption of the Paris Declaration and the Accra Agenda for Action is in some sectors relatively easier than in others. In the social sectors important progress has been made in a large number of countries. In the agriculture sector, given its complexities, more problems are being faced and tailor-made solutions have still to be developed.

2.4 Harmonisation and Alignment of Finland's Aid with International and Partner Countries' National Policies

Finland's compliance with the Paris Declaration is evident in Finland's support to the sector support programmes, and its active participation to ensure alignment and harmonisation among the donors in some countries (e.g. Mozambique). However, this is less evident with its support to bilateral projects, including alignment and harmonisa-

tion with other donors. However, this situation does not apply only to Finland. In Mozambique (considered by some a model in terms of donor harmonization), donors are organized in a group (the G19), in which Finland plays an increasingly important role (and presently chairs). Donor meetings happen at different levels: from high level meetings between ambassadors and ministers to working group meetings between embassies' experts and programme implementation teams. When funding the sector programme for agriculture (ProAgri), Finland and donors signed a Memorandum of Understanding that is perfectly in line with the Paris Declaration. In addition, not only the donors evaluate the performance of the Mozambican government, but the other way around too: the Mozambican government evaluates the performance of the different donors.

In Zambia donor coordination takes place through the Joint Assistance Strategy for Zambia (JASZ). In 2007 cooperation partners have agreed on a number of principles and a clear division of labour between donors. Finland actively participates in the Agricultural donor group. In Kenya, Finland and other donors agreed to harmonize and align aid delivery, and have developed in 2007 a joint framework for collaboration (the Kenya Joint Assistance Strategy, covering the period 2007-2012). Finland currently does not provide any support to agriculture but gives general sector support or basket funding to other sectors. New Finnish support to agriculture in Kenya is currently under consideration. In Tanzania, Finland is not supporting agriculture but is an active partner in JAS there.

In Vietnam, annual donor coordination and information sharing takes place through the International Support Group (ISG), in which Finland actively participates. In July 2005, the Government of Vietnam has 'localised' the Paris Declaration through the Hanoi Core Statement on Aid Effectiveness that has been signed by most of the donors. This statement includes some indicative targets for 2010 that are even more ambitious than those in the Paris Declaration. The Ministry of Agriculture and Rural Development (MARD) in Vietnam has promoted the establishment of partnership groups for the different National Target Programmes, including the P-135 programme, which is being supported by Finland.

In Nicaragua, donor coordination mainly occurs through regular meetings under the umbrella of an agricultural sector support programme (Prorural), where donors participate in basket funding, including Finland. The programme is large and involves many actors (including four ministries), making coordination and harmonization a challenge. As Finland has a long standing and good relationship with Nicaragua and is well respected by all stakeholders, Finland is in an excellent position to play an active role as moderator between the international donor community and the Nicaraguan government.

Besides being an important principle in the Paris Declaration, harmonization is important in order to make projects and programmes more efficient and effective. Where Finland provides funds to the agricultural sector through basket-funding (i.e. sector support programme), it dutifully adheres to the principle of harmoniza-

tion. But the several project support programmes which it runs in parallel – though useful and interesting – are not always fully in line with the Paris Declaration. One possibility to run projects through government by channelling money directly to provinces or districts is presently under discussion in Mozambique and Zambia.

Regarding alignment, aid delivery flows through government channels in all cases where government work is directly supported (sector support programmes). When it comes to project support programmes, making use of consultancy companies for project implementation, aid delivery takes place outside formal government channels. Though Finnish interventions are generally in line with national policies, they still have a considerable way to go towards becoming fully incorporated in the countries' public financial management system. This will only happen when there is enough confidence in partner countries' institutions and management capacities.

2.5 Finland's Aid to Agriculture

2.5.1 Brief History

Focus on Agriculture (1970–1980)

Finland's first steps in development cooperation were taken as a partner in the "Nordic cooperation". The earliest operations were mostly in the area of rural development focusing on cooperative development (Kenya, Tanzania) and later on in agricultural research and training (Tanzania and Mozambique). Finland's early orientation was much determined by other Nordic countries based on the following principles to tackle hunger and poverty: 1) focus on small farmers; 2) improve their agricultural productivity and access to markets; 3) importance of training and development; 4) cooperate with existing institutions; 5) focus on cooperatives; 6) improve the research/extension linkage; and 7) concentrate on Sub-Saharan Africa.

It was already recognized very early on that agriculture development is essential to combat hunger and poverty. A Parliamentary Committee (TALKE, an advisory body for economic relations with developing countries, later replaced by KPT, Committee on development policy), dealing with food and agriculture questions dating back to 1982, made an almost prophetic statement that "the food situation will remain poor still for decades". Consequently it suggested to increase considerably the resource share of the rural development sector, whereby priority is to be given to projects, which promote food self sufficiency and improve the living standard of the rural population. In KPT's latest (2009) yearly statement, food security remains one of the main topics by stating that: "... the productivity of small farmers needs to be strengthened and cultivation methods improved. Since women carry the greatest responsibility for agricultural production in the poorest countries, improving their position is a precondition for strengthening food security".

Agriculture losing its Share in Finnish Bilateral Aid (Period 1990–2000)

In the eighties multi-sector development projects including agriculture started to become more dominant. By the mid-nineties the agricultural sector slowly started to lose ground in favour of support to social infrastructure, water, health and education. Also sector-wide approaches for social sectors started to be developed from the mid-nineties onwards.

This shift towards the social sectors is reflected in the share of agriculture that dropped from an all time high of almost 13 percent in 1985 to less than three percent today. In fact, the share of the entire productive sector (i.e. agriculture, forestry, fisheries and industrial production) underwent a dramatic drop during the past two decades; from 40 percent in 1985 – making it then the biggest sector – to less than 10 percent now. At the same time, non-sector specific aid and aid to the social sector has gone up the most, which together account for over 70 percent of total Finnish aid in 2007 as in Table 1.

Table 1 Finnish Development Cooperation 1985-2007: Break Down per Sector (%).

Sector	1985	1989	1995	2001	2007
Productive	41,5 ^{1/}	23,0	5,1	8,5	8,0
- agriculture: ^{1/}	(12,5)	(9,9)	(3,7)	(8,0)	(2,4)
Infrastructure	20,8	28,1	4,0	0,9	10,1
Social Sector	21,9	21,3	21,5	41,5	33,8
Non Sector Specific ^{2/}	15,8	27,6	36,5	27,1	38,0
Others ^{3/}	-		32,9	22,0	10,0
Total:	100	100	100	100	100

Source: Preliminary study on bilateral development aid to agriculture and rural development in the Finnish development cooperation, draft, Ministry for Foreign Affairs of Finland, 2009.

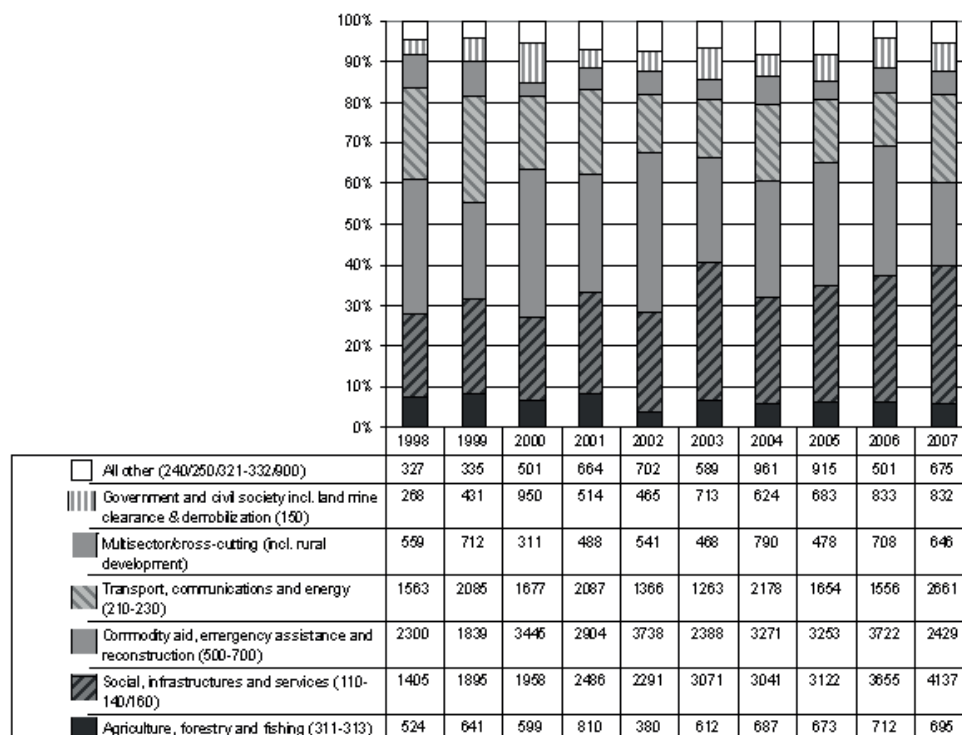
^{1/} Percentage share of agriculture of the productive sector.

^{2/} Humanitarian aid, NGOs, debt relief, etc.

^{3/} Multi-sector activities (environmental protection, Women in Development or WID, etc.).

These trends are not unique for Finland but part of worldwide developments over the time. Figure 1 presents the Official Development Assistance (ODA) figures for all donors for the period 1998–2007, covering the six visited countries. The figure shows a steady increase in percentage share and absolute figures of ODA for the social, infrastructure and services sector during the period, and a relatively small and decreasing share for the agriculture, forestry and fisheries sectors. Noted is that the ODA share of commodity aid, emergency assistance and reconstruction was also relatively large for the period 1998–2006.

Figure 1 Total Sector Commitments from all Donors to the six¹⁾ of the Finnish Partner Countries by Year (In US\$ million, Constant 2007 Prices).



Source: OECD, CRS database.

¹⁾ Concerns the following six countries: Nicaragua, Vietnam, Zambia, Tanzania, Kenya and Mozambique.

Mid 2000's: Getting Agriculture back on the Agenda

The discussions in Finland in the mid 2000s started to reflect more vigorously the problems of agriculture and rural development. With the aim to put agriculture firmly back on the Finnish development policy agenda several steps were taken: 1) a joint working group was established for peer reviews that was composed of the MFA, the Ministry of Agriculture and Forestry (MAF), the Central Union of Agricultural Producers and Forest Owners of Finland (MTK), and the University of Helsinki; 2) a strategy paper on agriculture and rural development was prepared 2004. One of the first topics was to analyse, how Finnish sector know-how, expertise and experience can be best incorporated in the development cooperation. In a parallel initiative, the rural development experts based in Africa have, after the Berlin Global Platform for Rural Development Seminar in 2007, developed a proposal on how the Finnish know-how could be developed in the agriculture/rural development sector.

In the 2004 Rural Development Strategy for International Development it is recognized that the majority of the poor live in rural areas and their livelihood depend on agriculture (MFA 2004). The Strategy attaches importance to the attainment of the first goal of the Millennium Declaration – to halve the proportion of people who suffer from poverty and hunger by 2015. It is appreciated that “rural development is an

important dimension in efforts to eliminate hunger, that is, in achieving food security, because hunger is a problem in rural areas in particular. Poverty and hunger are both multidimensional questions and they can be considered to represent the two sides of the same problem.” Other salient features of the strategy that are related to agricultural development are: 1) national ownership, in line with agricultural strategies; 2) farmers’ participation; 3) a focus on the productive and income-generating aspects; 4) the role of natural resources and 5) gender aspects. Finland clearly states that it will participate in separate projects or programmes that are closely tied to national development strategies. The same Rural Development Strategy states that “research, extension, training and services play a central part in the support for rural livelihoods”. Moreover it considers that “... the research must be adapted to local conditions and the needs of poor farmers.”

However, the 2004 Rural Development Strategy remains rather superficial, without operational guidance. The focal areas of the Strategy are very broad and general and are not linked to any specific choices made. No mention is made of the effectiveness and efficiency of the mentioned channels. The roles of the private sector and/ or NGOs in rural development are not taken into account. No specific attention is given to the particular situation of rural development in Africa, even though two-thirds to three-quarters of the population of Finland’s partner countries live in rural areas. As a consequence, the Strategy provides little guideline to the MFA and its embassies in the partner countries on what priorities should be taken into consideration for the implementation of the strategy. In principle, all decisions taken with regard to funding of specific projects can be based on this strategy. In practice, Project Framework Documents (PFD) or Project Documents refer to the Strategy, but do not link directly to none of its focal areas.

With regard to agricultural research and extension, Finland provides financial support to four CGIAR research centres: the International Food Policy Research Institute (IFPRI), the International Livestock Research Institute (ILRI), the World Agro-forestry Centre and the Centre for International Forestry Research (CIFOR). Whereas this support is substantial and has increased since 2004, the choice of these four centres does not necessarily reflect the priorities of the 2004 Rural Development Strategy, which states that “strengthening food production and livelihood strategies” should be targeted. The choice of the four supported CGIAR research centres is not made explicit in the light of the formulated objectives and focal areas. Support to other CGIAR research centres would make as much sense as they focus more directly on food production and rural livelihoods.

In 2007 the new development policy of the Government of Finland, “Towards a Sustainable and Just World Community” (MFA 2007) gives, next to rural development, special attention to the role of agriculture in increasing rural incomes and in improving food security by strengthening national food production and the food supply chains. Published in 2008, Finland’s Aid for Trade Action Plan (2008-2011) details to a certain extent the main aims of the 2007 Policy note. It is based on the assumption that strengthening the capacity of developing countries to participate and benefit

from international trade is the key to achieve viable economic growth, which in turn leads to poverty reduction. It states that “Agriculture is the foundation of most developing country economies. Strengthening the agricultural sector is vital for achieving sustained economic growth and poverty reduction. It is also the main source of export income in countries where agriculture is the predominant sector” (MFA 2008a). The Aid for Trade Action Plan has thus served as inspiration for projects working with and through value-chains in Finland’s partner countries.

2.5.2 Finnish Interventions in Agriculture

This section presents a comparative analysis of the Finnish interventions in agriculture in the partner countries that were visited by the evaluation team. The information used for this analysis is derived from the individual reports that have been prepared after each country visit. It provides the reader with a quick comparative overview of the type of interventions used by Finland: in what manner, in what sub-sector and the main aid modality used (bilateral, multilateral, sector support or otherwise).

The analysis starts first with a general overview of the target countries on the basis of key macro- and socio-economic indicators, including some that are relevant for the agricultural sector (Table 2). The purpose of this overview is to bring into perspective the setting in which aid to agriculture has to operate, what common traits do the target countries share and where are their specific differences.

The Macro- and Socio Economic Setting in the Partner Countries

Almost all the assessed countries have in common that a large percentage of the country’s population is rural. An exception is perhaps Nicaragua, but even though “only” 44 percent of its population is classified as rural, it is still well above the average of 22 percent for Latin America and the Caribbean.

For all the reviewed countries together, the total number of people living in the rural areas is almost 150 million, whereby Vietnam tips the scale at almost 64 million people or 43 percent of the total, amounting to the same as for instance Kenya and Tanzania together (61,3 million rural). Exact information is lacking, but assuming that at least 70 percent of the rural population, or some 100 million people, in the reviewed six partner countries of Finland directly depend on the agricultural sector for their livelihood, the importance of the sector to reduce poverty and improve food security becomes very clear. Although most of the information is from early 2000 and a bit dated, poverty levels are high for most of the partner countries in question. As the linkage between poverty and food security is inextricable, the level of food insecurity in these countries – with the exception of Vietnam – is deemed to be equally high.

The available crop land is limited in all the four African countries at an average of 7 percent of the total land area. It is much higher for Nicaragua and Vietnam at 18 and 29 percent. In comparison, for Northern Europe the average percentage of crop land is 11 percent of total land area. The same applies in the use of fertilizer as an important indicator of farm productivity, with an average of about 1 metric tons per

km² (or 100 ha equivalent) for Kenya, Tanzania and Zambia or 10 kg per ha. It is extremely low for Mozambique at less than 2 kg per ha and close to the average fertilizer use for entire Africa (2, 7 kg). This is in very sharp contrast with Vietnam with a fertilizer use of 150 kg per ha reflecting significantly higher farm productivity compared to the other five partner countries. In fact, Vietnam's fertilizer use comes close to that for entire Asia (159 kg) and is above that for Europe (116 kg per ha).

The importance of the agricultural sector is also reflected in terms of its contribution to the countries' Gross Domestic Product (GDP) and averages about 22 percent for five countries, which is almost double the average for the Africa region (12 percent). In Tanzania the GDP share of agriculture is uncommonly high at 45 percent, reflecting a very high dependence of its economy on the agricultural sector. For the sake of comparison, in the developed countries the GDP share of the agricultural sector is 3 percent in Europe and 1 percent in the USA.

Table 2 Macro- and Socio Economic Characteristics: An Overview.

	Kenya	Tan-zania	Zam-bia	Mozam-bique	Nica-ragua	Viet-nam
Population (millions)	37,8	41,3	12,3	21,9	5,6	86,1
Rural population (% of total pop.)	79%	76%	65%	65%	44%	74%
Rural population (no. of persons)	29,9	31,4	8,0	14,2	2,5	63,7
Poverty rating (Human Development Index or HDI)	147	151	164	172	124	116
Poverty levels (% of total population below national poverty level)	53% (1997)	36% (2000)	68% (2004)	54% (2002)	46% (2001)	29% (2002)
Total GDP (billions US\$)	24,2	16,2	11,4	7,8	5,7	68,6
GDP per capita (US\$)	645	400	953	364	1 022	806
Agriculture % of GDP ^{1/}	27%	45%	19%	22%	19%	21%
Fertilizer use (kg. per km ² of crop land)	746	1 328	1 232	140	1 675	15 059
Crop land % of land area	9	6	7	6	18	29

Source: United Nations Rural Population 2008; World Bank World Development Indicators 2008.

^{1/} Includes forestry, fishing, crops and livestock (figure for 2005).

Type of Support

Knowing the macro- and socio economic setting in which aid to agriculture has to operate and the relatively high levels of poverty and food insecurity, what has been the support of Finland in agricultural sector development over the years?

The following table provides a comparative overview of the type of support provided by Finland and of the coverage of various sub-sectors during 1989–2008. A common feature is that most of the Finnish aid to agriculture has been in livestock development (dairy and beef), support to extension services (livestock and crop production) and agricultural cooperative development – with small farmers as main target group. Another common feature is that most of the support is directed towards improving crop and livestock production, farm incomes and hence food security.

Table 3 Characteristics of Finnish Support to Agriculture (Period 1995–2008).

Type of support	Nicaragua	Zambia	Mozambique	Vietnam
Farm level support	Extension services	Extension services	Extension services	Extension services
Product Value Chain	Dairy Food chains (new)	Livestock Fisheries Crops (cassava)	Limited	No
Cooperatives	Dairy	No	Limited	No
Training	Crop Research	Livestock Fisheries	Technical level (agricultural college)	Extension Local planning Crops and livestock
Rural Development	Yes	Yes	Yes	Yes

Finnish support to agricultural research was/is mainly limited to Nicaragua, Tanzania (in the 80'ties) and Zambia (cassava research) by way of supporting training centres and specialist training abroad either through project or programme sector support. Most of the support in research was aimed at intensifying staple food production by increasing output (greater production) and yields (greater production from a given area of land). Important to note is that Finland has long supported the CGIAR in agricultural research and development (see further below).

Finnish support to generating value added in the product value chain has been limited to Kenya, Nicaragua and Zambia. In the first two countries value chain development is linked to livestock development (dairy) and concentrates on milk production and milk collection as part of the chain. Processing and marketing is also done but at a modest scale often because of the high (project) investment costs involved. Value chain development in the dairy sector has clearly left a mark in Kenya and Nicaragua. Small dairy producers have clearly benefited with increasing incomes. Although the

scope is not known but bound to be limited, the support to value chain development has also generated employment opportunities and certain economic progress in the rural areas, and most likely also improvements in household food security. In Zambia, value chain development is pursued by developing a number of agro-value chains (cassava, beans, goats and fish), with the main purpose to improve income and food security. However, this agribusiness component so far has had limited impact on incomes and food security as supportive activities are insufficiently linked to market demand and opportunities are too thinly spread throughout the geographical areas and value chains.

As a recent development with the start of a new private sector development project in Nicaragua (Enhancing Small Enterprise Growth and Opportunities for Women and Excluded Population in Nicaragua – PROPEMCE), financed by both Finland and the UK (Department for International Development Cooperation – DFID), the Finnish support in product value chain development (cheese, cacao, root crops) is starting to become more comprehensive, covering all chain levels, and using commercial lending for investments. Also in Mozambique, the new phase of the project for ‘Support to Rural Development in Zambézia Province’ (Prodeza) will most likely include support to product value chain development (rice), with the main goal to increase farm incomes, create employment opportunities and improve food security.

Support to the agricultural sector as a component of rural development programmes is another feature which can be said to be common, covering a wide range of agricultural income and employment generating activities (often with a gender component) such as small livestock development (goats, chickens), vegetable production and marketing etc. It is considered an important feature as it not only helps raise the incomes of impoverished agricultural communities, but more importantly, helps generate employment opportunities and income for the local rural population, and hence improved economic accessibility to food items.

2.5.3 Rural Development and Agriculture

In a good number of reviewed projects it appears that support to agriculture is often part of rural development projects supported by Finland. This is particularly the case in Vietnam where support to agriculture was fully integrated in a wider Rural Development approach. The same occurs in Nicaragua, where an integrated rural development project wants to achieve its objective of poverty reduction and food security by increasing productivity in the agricultural sector, next to introducing alternative forms of income and employment generation.

There is a continuum where a rural economy, predominantly based on agriculture, evolves towards one which increasingly provides income to the population from non-agricultural activities (rural non-farm and non-rural). In many instances agricultural production is taking place by urban or semi-urban dwellers, who contribute significantly to food production marketed to major towns. In fact, societies are not dual: there are not distinct rural and urban worlds.

Rural development is often understood as an overarching concept (and therefore not a sector), requiring the integration of multiple factors, which affect livelihoods in rural areas. Rural development thus includes everything from road construction, health infrastructure, schools, marketing outlets, information and communication to processing of local production. All of these activities will have a positive impact on the agricultural production, employment and incomes, and thus to poverty reduction and household food security. For this reason rural development and agriculture are not clearly distinguishable phenomena.

2.5.4 Aid Modalities and Aid Channels

At present, mainly two aid modalities are simultaneously used by the MFA to support the agricultural sector in the countries under review: Sector Budget Support (Nicaragua, Mozambique, and Vietnam) and Project Support (in all countries reviewed).

Other ways to provide aid such as through the national NGO channel or the multilateral channels are relatively little used for the agricultural sector in the reviewed countries. Table 4 shown below presents a comparative analysis of the types of aid modalities and aid channels used by Finland for agriculture in the countries under review as per 2009.

Table 4 Finland's Aid to Agriculture: Aid Modalities and Aid Channels as per 2009.

Aid Modalities	Nicaragua	Zambia	Mozambique	Vietnam
General Budget Support	No	Yes	Yes	No
Sector Budget Support	Yes	No	Yes	Yes
Project support	Yes	Yes	Yes	Yes
Aid Channels				
NGO Support	Yes	Yes	Yes	No

Based on ODA statistics and information provided by MFA, in absolute figures the total volume of Finnish aid to agriculture for the period 1995-2008 was € 145, 5 million or an average of € 10, 4 million per year. Starting in 2004, the volume of Finnish aid to agriculture has steadily increased above the average to around € 24 million in 2008.

General Budget Support

In the context of the New Partnership for Africa Development and the Comprehensive Africa Agriculture Development Programme (NEPAD/CAADP), the Maputo declaration calls for a 10 percent funding level of agriculture of the total national budget. More generally, the Paris Declaration and the Accra Agenda for Action foster channelling of aid through General Budget Support (GBS). Finland subscribes to

these ODA frameworks and channels 26 percent of its country-level funds through this channel. GBS is deemed “a vote of confidence” and considered the most powerful tool when nurturing a long-term partnership between donor and recipient government. It is also a way of supporting capacity building within the government, since it requires that the government takes the responsibility of administering the funds. In 2007, Finland produced clear guidelines for the application of Budget support in development cooperation. These guidelines specify under which conditions budget support may be applied and how the channelling of funds to national governments needs to be implemented and monitored.

To date, Finland provides GBS to three of the countries reviewed: Zambia, Tanzania, and Mozambique. GBS, nevertheless, does not necessarily enhance funding of the agricultural sector. Although the Maputo Declaration states that African governments should spend at least 10 percent of their national budget in agriculture, in most of Finland’s partner countries agriculture does not yet have enough clout to ensure that a relevant share of the GBS is indeed allocated to the agricultural sector. In Nicaragua, Finland has been financing the implementation of the national poverty reduction programme through direct budget support since 2005 in addition to sector programmes and traditional projects. Due to problems with regard to governance, Finland decided to stop the GBS in 2007.

Sector Budget Support

Sector Budget Support (SBS) is taking place in Nicaragua (Sector Programme Rural Development – PRORURAL), Mozambique (National Programme for Agricultural Development – PROAGRI), and Vietnam (National Targeted Program for the Socio-Economic Development of Ethnic Minority and Mountainous Areas, Phase II, P-135-2).

In the first two countries, national agriculture programmes are being supported by a large number of donors. Many institutional and financial issues, including government priorities and policies, are often part of a continuous dialogue between the international donor community and the recipient country when it comes to programme implementation. Considered essential for developing a true partner relationship, this dialogue, however, can sometimes result in debating too much in detail the expected outcome and indicators representing the results of the programme. This “micro management” by those donors with a tendency to treat sector programmes as projects puts the ownership of the sector support programme in jeopardy as governments become frustrated with the interference and thereby defeating the purpose of a sector approach.

Implementation of sector support programmes depends fully on the capacity of the national ministries involved. In both Mozambique and Nicaragua this capacity is still being considered insufficient to guarantee that programmes will be implemented efficiently, though improvements have been noted. In Mozambique, the dependency on donors with regard to funding remains a main issue when it comes to sustainability of the programme. As a sign of this, in 2008 the Mozambican government has

launched a strategy for food production that receives parallel funding and is not included in the sector approach, allowing government to manage it more freely.

In Vietnam, sector budget support is being implemented through the basket funding of the National Target Programmes P-135 phase II. The budget support to the programme has been relatively effective as the ownership by the government of Vietnam is great and the results are significant. Here Finland together with six other donors is contributing financially to the government's formulated programme. This consortium of main donors is in constant dialogue with the government of Vietnam on the direction and implementation of the programme through regular reviews and close monitoring of the P-135. On overall, Vietnam has been keen to pilot the Basket Funding approach to P135 to increase the effectiveness and efficiency of external aid. This sector budget support approach has laid the foundation for a more harmonised way of working on poverty reduction in Vietnam by both the government and the international donor community.

Project Support

Project support has been the most applied aid channel of Finland's support to the agricultural sector during the period under review (1995-2009). In 2009 of a total of 10 projects/ programmes reviewed, 7 were bilateral projects contracted out to a private consultancy companies. Project funding flows through the consultancy company to its local office, and does not pass through governments' accounts. The above figures reflect also the change in approach, which started around 2003, when basket funding and sector funding was beginning to gain ground. Project support is still well favoured by donors. They provide the Embassies in particular and the MFA in general with the possibility to try out (testing on the ground) general policies and assumptions with new approaches and ideas. What is often missing, however, is the expected "trickle-up" effect of learning from these ground experiences towards better national or regional level policies and practices. Moreover, there is debate whether project support – especially project support falling outside government funding channels – is in line with the Paris Declaration.

Finally, whereas sector budget support means that a considerably larger amount of resources is used in only one programme, projects support programmes tend to be smaller and more numerous. This might put strain on already over-stretched Embassy staff as such programmes generally demand much close attention and supervision by the staff. However, on the other hand transaction costs of Sector Budget Support especially in the initial stages are also quite high.

NGO Support

In the agricultural sector, the NGO channel is a relatively small aid channel. There are two NGO channels, one focussing on Finnish NGOs providing assistance to partner organisations in the South, and one channel managed by the Finnish Embassies in the partner countries through the Local Cooperation Funds (LCF).

With regard to the NGO assistance to partner organisations, Finnish NGOs have more than 200 projects supported by the MFA to strengthen civil society in developing countries in over 80 developing countries. Aid is mainly granted for one year projects, but the larger Finnish NGOs get funding for up to three-year development programmes. Agriculture related projects are, however, poorly represented. In 2009, in the six partner countries reviewed, only eight out of the 95 Finnish NGO projects supported under the Finnish NGO funding channel have an agricultural background.

The LCF is a small-scale funding of national NGOs that is managed by the Finnish Embassies in the countries concerned. Also for this Finnish funding opportunity, a relatively small number of projects are related to agricultural development. In Zambia, for instance, in the past few years only two out of more than 30 arrangements are focusing on agriculture and rural development.

In Nicaragua, programmes related to agriculture and rural development (assistance to agricultural cooperatives, economic development of rural communities) are few and relatively small, but highly relevant nevertheless when it comes to private sector development in agriculture. In Mozambique, Finnish supported NGOs play an important role in supporting civil society participation in policy-level discussions and strengthening community-based and farmer organizations. Several Finnish NGOs are also involved in food security programmes in Mozambique covering local food production, non-farm income generating activities and research on nutritional aspects of local food.

It is considered a very positive development that since 2007, an international NGO (AgriCord), which provides support to farmers' organisations and other economic initiatives of farmers and rural people in developing countries, has received increased funding from Finland. AgriCord's interventions in developing countries are made through its 'Farmers Fighting Poverty' Programme (FFP) to strengthen producer organisations in developing countries for the purpose of poverty reduction. The total outreach of the FFP programme is estimated to be 2, 7 million farmers (men and women). In June 2008, AgriCord was approved as a Development Institution (ODA status?) and currently receives funding from the Netherlands, Canada, Sweden, France, Finland and IFAD. With a total budget of € 115 million for the period 2007–2010, the FFP programme covers a total of 18 subject areas with the most important ones (in terms of expenditure) in: market and chain development, grass root participation, institutional development, participatory policy formulation, and internal organisational strengthening (AgriCord 2009). MTK (Center for Agricultural Research), the Finnish member of AgriCord has expressed its wish for a substantial increase in Finland's support.

The Multilateral Channel

In 2008, in terms of actual development cooperation disbursements, the multilateral channel is the largest individual channel of Finland's total development cooperation efforts with around 30 percent of total expenditure, slightly above the bilateral aid channel (MFA annual report 2008; excluding the European Development Fund or

EDF of the EC). The multilateral channel of support to the agricultural sector is being used in the context of the Rome-based institutions (FAO, IFAD and WFP), including the four international agricultural research centres that are part of the Consultative Group on International Agricultural Research (CGIAR).

Food and Agriculture Organization (FAO)

The Finnish support to the FAO comes mainly in the form of their annual membership fee (so called assessed contribution) by the Ministry of Agriculture and Forestry of Finland (from € 1,6 million in 2005 and € 1,7 million in 2006, to € 2,0 million in 2009). The bilateral cooperation with FAO focuses mainly on forest sector until recently. Limited aid contributions are directed to the agricultural sector.

For instance, in March 2009, FAO and Finland have launched a new four-year, €14 million programme aimed at assisting developing countries to protect their forest resources and tackle climate change. Besides, Finland is providing TA to various fields including land use, genetic resources and phyto-sanitary standards. Recently, an expert has been assigned to contribute to FAO's Climate Change strategy.

Finland has been and still is very actively involved in the FAO reform process through its permanent representative in the Rome-based institutions. For instance, Finland has contributed financially to the independent evaluation of FAO in 2005-2007. Finland also acted as Chair of the Special Session of the FAO Conference on the organization's reform, during which the action plan to implement the reforms was adopted. As a spokesperson on behalf of the European Regional Group, Finland has chaired the working group on internal management and Human Resource Development dealing with the reform of system, culture change and organizational restructuring. Furthermore, Finland has contributed towards the implementation of the recommendations through the IPA (Immediate Plan of Action) trust fund in 2009. In Finland there is also a national FAO committee consisting of the Ministry of Agriculture and Forestry, the Ministry for Foreign Affairs and a number of other stakeholders.

In terms of FAO implemented projects, small financial contributions may be attributed by MFA from its thematic funds (for instance, in 2005, after the Tsunami 4 million euros were released for reforestation activities in affected countries). There is no link between the multilateral support directly to FAO as an organisation, and the bilateral support in the partner countries. However, in some cases FAO implemented projects may be part of a country's agricultural sector programme or action plan, which is supported by donors, including Finland. A case in point is Mozambique where FAO is currently providing technical assistance, as part of a national Food Production Action Plan, to several small scale projects on soaring food prices, irrigation, food security and commodity value chains, covering 30 000 small farmers in Mozambique.

International Fund for Agricultural Development IFAD

Collaboration between the International Fund for Agricultural Development (IFAD) and Finland dates back to the establishment of the Fund in 1978. Since then Finland

has contributed regularly to IFAD's resources, both to the regular replenishments of IFAD as well as contributions to the extra-budgetary funds. Finland's contribution to the Eight Replenishment (2010-2012) has been doubled from the previous replenishment to up to € 12 million. In July 2003, the MFA and IFAD signed the first Partnership Agreement followed by a second Agreement signed in 2006. In February 2009, Finland and IFAD signed a new three-year Partnership Agreement, for an amount of € 1 500 000.

In the context of the first two Finland-IFAD Partnerships, a total of 62 projects were supported (respectively 28 and 34 projects) of which about 40 percent was committed to Sub-Saharan Africa. Under the third Agreement this percentage is expected to go up to above 50 percent. Originally the main purpose of the Partnership fund was to contribute to the preparation, implementation and evaluation of projects and programmes to be financed by IFAD. The selection of projects was done under the normal IFAD mandate and procedures with the observation that projects above USD 50 000 need to be formally approved by the MFA in Helsinki (non-objection statement). The first Agreement did not prescribe a specific thematic focus but in connection of the 2nd agreement the funds were expected to be used mainly for projects supporting IFAD's reform programme, i.e. for the implementation of the IFAD Change Programme, which was initiated after the external evaluation of the organization. Most of the funding has gone to the planning of Natural Resources Management and Poverty Reduction activities and for the technical assistance needed in IFAD projects (51 percent in 2009). Use of Finnish expertise has been encouraged. Under the new replenishment Finland has requested IFAD to focus more on climate change and environment. IFAD clearly appreciates and acknowledges this partnership programme.

The Finland-IFAD partnership fund has no relationship with bilateral programmes of Finland. In Nicaragua – in the FOMEVIDAS project and the sector programme PRORURAL – IFAD together with Finnish bilateral aid are contributing to the same project/programme. In Mozambique IFAD and Finland both provide funding to the agricultural sector programme ProAgri. In Nepal Finland co-finances and implements together with IFAD a forestry and livestock development project. These funds, however, do not originate from the Partnership fund but from the ODA funds of the MFA Departments responsible for the said countries.

There is an interesting link between an IFAD funded project and Finland. In Southern Peru the IFAD funded rural communication project has developed interesting innovations in the field of information and communication technology (ICT). This has its origin in the Partnership programme.

World Food Programme

In the period 1998-2009 Finland has contributed USD 230 million to WFP's relief programme i.e. humanitarian aid, which represents about 0, 8 percent of all donor contributions. On average this has been USD 19, 2 million per year but varying over years depending on the humanitarian aid appeals of the UN. Direct core funding to

WFP is included in these figures. The non-earmarked core contribution is used by the WFP for its development activities like school feeding, food for work and food for training. The average annual core contribution has been around 6-7 million Euros. Humanitarian aid as such cannot be considered as support to agriculture. Indirectly the food aid to the WFP can affect negatively or positively the development of agricultural sector in the target countries: negatively in case the recipient country becomes too much dependent on food aid and the development of its own agricultural production is neglected. Some developing countries may donate food aid to the WFP or the WFP can also buy food from other development countries with the untied aid funds from donors. This can be considered positive development as the WFP's purchases can momentarily leverage the local production of the countries in question.

CGIAR

Finland became a member of the CGIAR in 1984. From 1984 to 2008 it has provided the Group with a total of US\$ 51, 8 million. In 2006 funds amounted to US\$ 2, 1 million and in 2007 to 2, 8 million. In 2008, Finland's support to the CGIAR has increased substantially, to a level of US\$ 3, 7 million. For the last few years, Finland has mostly provided un-restricted funding to four research centres of the CGIAR: CIFOR, IFPRI, ILRI, and the World Agro-Forestry Centre (formerly called ICRAF).

Over the last two years, the CGIAR has been through a process of evaluation and reforms. In 2008, CGIAR launched its Change Initiative to identify how best to adapt to and anticipate global changes and challenges (climate change, higher food prices, food security, food distribution and markets etc.). This initiative culminated in the CGIAR's decision in December 2008 to adopt a new business model. It is based on results-oriented research agenda and takes a programmatic approach, working through "mega-programmes" and involving several of the previously more or less isolated research institutes. It is yet to be seen, what exact changes the new approach will bring. The CGIAR reforms are being implemented over the course of 2009, with the new CGIAR expected to be operational in 2010.

2.6 Compliance with Finland's Development Policies and Guidelines

The extent to which the Finnish aid to agriculture is in compliance with Finnish development policies and policy guidelines, depends on the comprehensiveness of the policy documents for programming and planning purposes, the overall decision making process in the programming and planning, aid modalities and channels used, and whether or not a policy is in clear line with the overall goal to be achieved.

Operational Guidelines

A pre-study commissioned by MFA in 2009 in preparation of this thematic evaluation on bilateral development aid to agriculture, points out that MFA development policy papers have been of very general nature for planners of agricultural projects or programmes (MFA 2009a). Efforts to operationalise these guidelines have included sec-

tor strategies and thematic guidelines. Sector strategies have so far been prepared for a number of sectors such as rural development, forestry, micro finance etc. Another step taken to make the policy more concrete have been the preparation of thematic guidelines for environment, gender, etc.

Aid for Trade

The aim of the Finnish Aid for Trade Action plan of 2008 (MFA 2008a) is to support the production capacity of developing countries and their capacity to trade. Aid for Trade involves supporting trade policy, facilitating trade, strengthening the operating environment for entrepreneurship and business life as well as building an economic infrastructure. Agriculture is mentioned as one of the important sectors where trade development is of great relevance. It is, however, debatable whether a shifting focus to agribusiness development in all cases coincides with the overall objective of poverty reduction and food security. In Nicaragua, for instance, the support to the dairy sector development did not fully contribute to improving livelihood conditions of less privileged farmers. In many instances, and certainly where food security is under threat, support to agribusiness may not directly contribute to poverty reduction as it targets the relatively better off. Agribusiness development should therefore be seen in a much wider context – along with agricultural development, the setting up of food supply and distribution systems – for the vulnerable groups to have physical and economic access to food.

Coherence of Multilateral and Bilateral Aid

Finland's development policy emphasizes coherence. However, coherence between the bilateral and multilateral aid of Finland is rather limited and the complementarity of these two channels is not very visible. For instance, the Finland – IFAD partnership has little relationship with the bilateral programmes in the partner countries where opportunities exist. Moreover, the support to FAO with regard to climate change is not being reflected in two of the partner countries, Vietnam and Mozambique, where Finland is interested in supporting climate change mitigation programmes. Learning across the different aid channels is hardly taking place. The bilateral projects are hardly aware of multilateral support programmes and the good practices they developed and vice-versa.

Decentralization of Decision Making

The MFA notes in its 2007 development policy that new modalities in development cooperation also require new and innovative approaches in administration, and therefore the role and responsibility of embassies in the management of development cooperation will be increased (MFA, Development Policy 2007). However, although there has been much progress, decentralisation or increase in decision-making authority at Embassy level is still lagging behind compared to other EU donors, like Denmark and the Netherlands, who develop their own multi-year country strategies and working plans with full budget-management decentralization.

3 ASSESSMENT OF FINNISH BILATERAL COOPERATION IN AGRICULTURE

This chapter presents a synthesis of the judgements on the relevance (incl. compliance and alignment), effectiveness, efficiency, impact and sustainability of the Finnish bilateral cooperation in agricultural development in the selected target countries. These judgements are presented in detail in the individual field reports that were prepared after each country visit. Key issues arising from country reports have been addressed under each specific evaluation criterion, where appropriate.

The set-up of the chapter largely follows the evaluation matrix that was developed during the Inception phase. To better visualize the outcome of the analysis, special tables have been developed whereby scores are given per evaluation indicator for each country, and where the assessment of specific evaluation judgement criteria are presented as conclusions. The scores in the tables are to be considered as largely indicative and presented solely for the purpose of comparison (judgement) between the countries.

3.1 Relevance

Relevance is referred here to the alignment of the Finnish bilateral cooperation in agriculture with local needs and priorities. More specifically, to what extent the Finnish aid interventions are realistic and adapted to the partner country's agricultural policies and strategies in terms of sector development, poverty reduction and food security.

To determine the relevance of the Finnish aid to agriculture in each partner country, three main indicators are used and indicative scores given based on the results of the evaluation process as presented in Table 5.

Table 5 Evaluation Criteria Relevance: To what extent the Finnish aid to agriculture actually meets local needs and priorities.

Indicators	Nicaragua	Zambia	Mozambique	Vietnam
1. In line with policy / priorities of the government & government institutions	3	3	3	3,5
2. Accepted and encouraged by partner country through legal, political and social channels	2,5	3	2	3,5
3. Fit with national and regional needs	4	4	4	4

(Score 1 = poor, 2 = unsatisfactory; 3 = satisfactory; 4 = good)

Relevance of Finnish aid to agriculture receives an overall good score. With a focus on areas with high poverty levels, the relevance of Finnish aid to agriculture scores high as it fits well with national and regional needs. Because of high local ownership, the relevance of Finnish aid to sector support programmes also receives good scores. A lower score is given for Finnish support to bilateral projects because they are not fully integrated into local systems and because the ownership and participation in project design and development is not at the same level as in the SWAPs.

Alignment with Policies and Priorities

In all partner countries there is clear evidence that the Finnish aid to agriculture is largely in line with the policy and priorities of the partner countries' government and its institutions. Scores are relatively high for all countries. This has much to do with the overall coherence of the agricultural strategy (with clear objectives, results and targets) and the fact that the aid is in line with overall economic development plans and poverty reduction strategies and that it is accompanied with a comprehensive multi-year Operational Plan (OP) – indicating overall planning of activities with financial allocations and sources of funding.

Countries like Nicaragua and Vietnam work with OPs in the form of sector support programmes, run by one or more ministries and receiving funding from the national budget, International Financial Institutions (IFIs) and bilateral donors such as Finland. Government priorities are often very visible in the OPs in terms of overall budget allocations, accepted and agreed upon by both IFIs and donors. The setting of priorities is less evident when there is just a national agricultural development strategy in place, which tends to be very broad and at times even contradictory with priorities at the district level. In Zambia, for instance, the implementation of the National Agricultural Policy has been stalled as no Operational Plan could be developed on its basis. In Mozambique, a new strategy for the agricultural sector was in draft form for months, reflecting lack of priority or consensus within the government.

Ownership by Partner Countries

An important characteristic of sector support programme is the creation of true partnership among the main stakeholders. This is very much accepted and encouraged by the partner country, with the understanding that the programme is to be government led. However, this is not always the case. Some programmes in which Finland participates are rather donor-led, often because of weak government institutions or when a big part of the budget is financed by donors. For example, in Mozambique the sector support programme (ProAgri) is still mainly funded by donors, and seen by many as functioning under strong donor influence. This stands in sharp contrast with Nicaragua, where the sector wide programme PRORURAL is mainly financed by national government (own budget, WB credit) and governed by four ministries. However, in Nicaragua the ideal of true partnership is under fire as the debate among stakeholders often seems to centre around government funding commitments, as well as on the overall lack of accountability and transparency of actual expenditures. In Vietnam policy dialogue was greatly enhanced through the national target programme for

remote areas (P-135-2) to which the national government contributed more than 70 percent of total funds.

Finland actively participates in all sector support programmes in the partner countries, with a strong preference for good harmonization and coordination among the donors. Although often one of the smallest contributors to such (large) programmes, by being consistent in its approach and policies towards the partner countries, Finland is well respected by other stakeholders to act at times as moderator between the international donor community and the government, as for example it has at times happened in Mozambique.

In contrast with sector support programmes, as with other bilateral donors, Finnish project support programmes tend to score relatively low on participation with little or no involvement in project formulation by the partner country (national or local government) and other local stakeholders. Characteristic of such projects is that they are donor led, have a strong component on external technical assistance, and have little or no local financing. They have therefore poor prospects of being continued by the partner country after the end of donor support even though some procedures, practices and approaches may be adapted. Even though project support is accepted and encouraged by the partner country – through specific bilateral agreements – in contrast with sector support programmes they are in some cases poorly embedded in the partner country's institutional structure. However, today the main responsibility for implementation of individual bilateral projects increasingly lies mainly with the local institutions with supporting services provided by consultant companies.

Fit with National and Regional Needs

Finnish aid to agriculture in all partner countries, either through sector support programmes or project support, generally fits well with the national and regional needs regarding poverty reduction and food security. As a large part of the population in the partner countries depends on the agricultural sector for their income and the poverty is generally high, most of the Finnish supported programmes and projects dealing with agricultural development (fully or partially) have poverty reduction and food security as a principal objective. The way to achieve these objectives varies widely per partner country. In some countries there is a distinctive focus on agricultural processing and marketing (e.g. Nicaragua). In others it is more on increasing agricultural productivity at the farm level through extension, training and research (Zambia and Mozambique) and less further up the product value chain.

Even though the old generation of Finnish support programmes tend to be poorly embedded in the partner country's institutional fabric, there is no evidence of any Finnish intervention in agriculture being misguided or inappropriate. In most countries, the Finnish support has been or is very much in accordance with local needs and priorities and has brought benefits to the rural poor (chapter 3.2, effectiveness).

The policies and strategies of the Finnish Development cooperation to agriculture are coherent to those of the other donors. There is no evidence of significant devia-

tions in any of the reviewed countries. Policies and strategies of other donors – dealing with agricultural sector development – were much in line with those of Finland (or vice versa) with a focus on poverty reduction through an increase in agricultural productivity and hence rural income.

Needs Assessment of Target Population/Stakeholders

In a good number of bilateral projects (Mozambique, Vietnam, Zambia) the specific needs of stakeholders have been included in the project strategies and approach through a participatory approach in planning and implementation. This has to a large extent contributed to the high relevance of the projects as beneficiaries and relevant stakeholders were consulted at an early stage. Most of the projects lack understanding on how to work on marketing and value-chain (no market study, economic assessment, etc in place). This has led to a lack of understanding of the opportunities and constraints in the marketing of agricultural produce. Even where it has been included in the project design (Zambia, Kenya), marketing strategies have lacked an appropriate analysis of demand for the promoted produce (respectively cassava and milk).

3.2 Effectiveness

Effectiveness reflects the extent to which the objectives of the Finnish projects and programmes in agriculture have been realised i.e. what do intended target groups really benefit from the products and services made available: do the interventions make a difference in practice.

To determine the effectiveness of the Finnish aid to agriculture in each partner country, three main indicators are used and indicative scores have been given based on the results of the evaluation process. These are presented in Table 6 as shown below.

Table 6 Evaluation Criteria Effectiveness: To what extent have the objectives of the Finnish aid to agriculture been realised?

Indicators	Nicaragua	Zambia	Mozambique	Vietnam
1. Clear link between the results and objectives to be achieved (logical framework)	2	1	3	3
2. Actual results match performance targets	2	2	3	3
3. Project results have been translated into real benefits for the poor	3	2	2	3

(Score 1 = poor, 2 = unsatisfactory; 3 = satisfactory; 4 = good)

The overall score given for effectiveness of the Finnish aid to agriculture in the partner countries falls between satisfactory and unsatisfactory. Although handicapped by inadequate monitoring and evaluation data – rendering this rating to be largely indicative and solely for the sake of comparison – large differences in the scores can be noted between the partner countries and between the indicators themselves. Zambia scores poorly on most fronts. Mozambique and Vietnam receive overall good scores on the effectiveness of the Finnish aid to the agriculture sector. The overall score is pulled down principally by deficiencies in the link between results and objectives.

Logical Framework

In those cases where project log frames exist, they were found to be of rather inadequate quality and often confusing, making it hard to use them as a proper Monitoring and Evaluation (M&E) tool. In several of the projects reviewed, log frames were scarcely used. In others, activities were mixed with results or results did not clearly link up with project objectives in the log frames. This was especially the case in Nicaragua and Tanzania (RIPS) where project review and evaluation teams commented on the overall poor quality of the log frames.

Previous project/programme evaluations have repeatedly pointed out this weakness. Moreover, where the implementation of whole project components was outsourced (e.g. Prodeza, in Mozambique, where extension services are provided by an international NGO), M&E of these outsourced activities is still inadequate and on a very general level. With some exceptions, as in Vietnam and to a certain extent in Mozambique, M&E systems put in place were found to be generally weak.

Actual Results match Performance Targets

The extent to which projects and programmes met their targets is very difficult to assess due to inadequate M&E systems in place. Where it was possible to clearly define and discuss performance in relation to targets (e.g. the National Programme for Agricultural Development – ProAgri in Mozambique, the Quang Tri Rural Development Programme – QTRDP and the Thua Thien Hue Rural Development Programme – TTHRDP in Vietnam, the Rural Development Strengthening and Poverty Reduction Programme – FOMEVIDAS in Nicaragua), projects and programmes did meet their targets in general. In some cases they even surpassed them.

In the cases where Finnish support was specifically aimed at strengthening partner countries' management, technical and financial capacities results are to-date positive. So are results in improving the coverage of extension services. Participatory approaches towards extension, where applied, showed interesting results (creation of farm field schools, farmers' work groups to exchange technical knowledge, model farms, etc.). Bilateral projects and programmes linking research and extension have had, however, mixed results. According to the evaluation of Phase I of ProAgri "research and extension services continue to have their own agendas and priorities". The lack of effective functional linkages results from a fragmented approach in decision-making and implementation in the partner countries. Generally, there are no formal

local structures for coordinating the interaction between research and extension, either for planning or for evaluation (MINAG 2007).

Very limited attention is paid to climate change, which influences the performance of agriculture projects and programmes. Even though the link with climate change is sometimes implicit (e.g. when working towards drought-resistant seeds), the projects do not include mitigation measures in the plans. As confirmed by a recent “Evaluation of the Natural Disasters and Climate Change in Finnish Aid from the Perspective of Poverty Reduction” (Lehtonen T, Munive A Subbiah A & Srinivasan G, 2009), very little is presently done in the partner countries for bringing together agriculture and climate change issues.

An exception is Vietnam, which currently has a programme under preparation to mitigate the effects of climate change. A good example of mitigating the effects of climate change on farmers’ income is in Nicaragua where coffee farmers – seeing their harvest drop by half because of longer dry spells due to climate change – have with Finnish support successfully diversified and turned to honey production for the export market to compensate the drop in income from coffee.

Project Results have been translated into Real Benefits for the Poor

The following major results can be translated into real benefits for the poor small farmers: agricultural extension, agricultural research, input supply, agricultural marketing and processing, infrastructure, coordination and planning.

a) Agricultural Extension: Most of the project and sector programmes supported by Finland provided support to agricultural extension. In Zambia it was the core of the project support over many years (the Luapula Livelihood and Food Security Programme – LLFSP, and the Programme for Luapula Agricultural and Rural Development – PLARD). Under the former, an approach of participatory extension was successfully introduced and it is still today highly appreciated by extension agents as well as government officials. Farmers have indicated that the link with agricultural extensionists is now closer and trust has been greatly enhanced. In Mozambique, the Pro-Agri has supported considerable expansion of the coverage of extension services. The Prodeza has contracted the World Vision (an international NGO) to fill in government gaps and provide extension services at local level. Although the provision of extension services was considered to be the most successful activity, there has been stagnation in agricultural productivity that may indicate a weak linkage between research and extension.

In Vietnam, agricultural extension services have been strongly supported at district and lower levels. Extension services have mostly focused on the introduction and dissemination of new agricultural technologies, in general with a high level of success in terms of increasing incomes, agricultural production and household food security (i.e. access to food). In one project (Quang Tri RDP III), it was reported that around 50 percent of farm households indicated that they had more food available in 2009 as compared to four years earlier, as a result of increased production and household

income levels. In Nicaragua, the Finnish support to extension services has not been very successful (PRODETEC in the early 90'ties) where the 70 or so technicians, who were trained by the project, were later dismissed by the local implementing agency at the closure of the project. Also, according to the final evaluation of the project, the income levels of the small farmers did not improve to any significant degree.

b) Agricultural Research (and extension linkages): Support to Agricultural Research by Finland in bilateral cooperation has had mixed results in the partner countries. In Tanzania, the support to Uyole Agricultural Centre (UAC) in the 80'ties led to the development of improved maize, beans and potato varieties, which contributed to an increase in agricultural production. In Zambia, under the LLFSP, through the extension service new cassava and sweet potato have been widely distributed to small farmers. But the highly successful root and tuber breeding programme running under the project, with a good impact on the farm-level productivity and marketing, was not continued when the new agricultural development PLARD started. The research component was not included in the project design.

In Nicaragua, the support to agricultural research has been channelled through the training of researchers in biotechnology through the Nicaragua-Finland Agro-Biotechnology Programme (NIFAPRO) by sending staff to the Helsinki University to obtain the MSc degree. To date four staff members have been trained and three have recently started their studies in Helsinki. Striking is that the type of specialization to be acquired was very well defined at the start of the studies by the Institute of Agricultural Technology (INTA) and in line with government's policy to improve agricultural production and trade: genetic quality, phytosanitary quality, nutritional values, maintaining a germ plasma bank and focus on two important export products in Nicaragua: beans and cacao. The effect of the project is deemed to be considerable in terms of establishing for the first time ever a core group of specialists in agro-biotechnology in Nicaragua that could be beneficial for the small farmer to enhance productivity and rural incomes.

In Mozambique, ProAgri I strongly supported research organizations' institutional development (personnel, infrastructure, etc). However, the evaluation of ProAgri I clearly states that the link between research and extension is still weak. Most of the research is also still planned and executed at the "central" level, with little or no participation of target communities and small farmers. In general, maintaining the linkages between research and extension is often a problem because of difficulties in the retention of trained personnel, lack of funding to support the research and extension systems and misalignment of roles and responsibilities between the two systems.

c) Improved Input Supply (seeds, credit and information): The projects supported by Finland have contributed to a limited extent to improved input supply to rural producers. In Mozambique, one of the stronger elements of ProAgri is the provision of seeds. However, albeit with good intentions, the subsidised seed market tends to harm local private sector development as government remains the main provider of seeds.

In the Zambezia province of Mozambique, Prodeza is working together with the local district government to support to the use of local credit lines.

In Zambia, seed distribution of new varieties has been a major activity over the past years. However, studies on adoption of these varieties have never been undertaken. In Vietnam, the Rural Development Projects QTRDP and TTHRDP have considerably contributed to improving the access of small farmers to not only improved seeds but also of livestock breeds that were not previously known. Credit provision has been sourced out to specialized banks with the establishment of intermediary services along with training. Price information has been disseminated on a monthly basis.

d) Marketing and Processing: Marketing and processing has been a minor aspect or completely absent in the majority of agricultural projects. A major issue in this context is how to involve the private sector in rural (and agricultural) development. Improvements in marketing and processing can help to reduce food insecurity as well as reduce distribution costs and post harvest losses, improve overall food quality and – and last but not least – it can create and increase opportunities for employment in the rural areas.

Of the few projects where marketing and processing have been actively stimulated, important results have been the increase in milk output supported by LDP in Kenya and the establishment of the dairy cooperatives by the Rural Livestock Development Programme (PRODEGA) in Nicaragua. In Zambia (PLARD), the agribusiness component explicitly focuses on improving the marketing and value-adding of a number of commodities. However, the first attempts in Zambia to promote agribusiness have been rather disappointing. In this case, agribusiness promotion has been done through the Ministry of Agriculture and Cooperatives, which is not really best placed to stimulate private sector involvement in marketing and processing.

e) Infrastructure (irrigation, storage, rural feeder roads): Infrastructure has been a relatively minor aspect in most of the reviewed projects except in Vietnam and Nicaragua. All three projects in Vietnam have emphasized infrastructure improvement, especially irrigation and upgrading of rural feeder roads, which are related to production. Beneficiaries consider that about 60-70 percent of project investments and the productive infrastructure have considerably contributed to income generation and hence poverty reduction in Vietnam. In Nicaragua, to date a total of 14 (secondary and tertiary) road projects and bridges – covering 90 km – have been upgraded in the two regions by the integrated rural development project FOMEVIDAS in order to improve the access to markets and to social services such as health and education. The predecessor of FOMEVIDAS, PRODEGA also included considerable investments in upgrading rural feeder roads.

In Zambia and Mozambique rural infrastructure has been very weak, if not completely absent. In Mozambique, only in irrigation and research one can talk of improved infrastructure through the ProAgri. The Prodeza in Mozambique now tries to enhance the issue by working directly with district level government.

f) **Coordination and Planning:** The focus of bilateral project activities is mainly on the provincial and district level or on the counterpart organisation. This is in line with the decentralization processes that are taking place in all countries under review. The outcome of this, however, depends very much on the capacity of the decentralized government institutions. In a context where many donors are operating at lower levels, planning coordination by local authorities is often absent and donors have their own priorities.

In Zambia this has created a situation where donors are not aware of each others' activities: where activities overlap and where there is little or no cross-learning. In Vietnam, due to a lack of coordination by the local authorities, the projects themselves tried to maintain contacts in order to avoid overlapping activities. In Mozambique, it has led to difficulty in implementing the project and considerable energy is spent on solving coordination problems between the project staff and the government. These made the projects less effective and in the long-term less sustainable.

In the sector programmes, coordination of the planning, implementation and monitoring is taking place at central government and donor level. At local level, it appears that the often more complex programmes are less solid (Mozambique) or lack coordination between the different ministries involved (Vietnam).

3.3 Impact

Impact refers here to the wider overall impact of benefits on the beneficiaries or on a larger number of people or organisations in the sector, region or in the country as a whole. More specifically, impact refers to what have been the improvements in the agricultural sector, on poverty reduction and food security.

To determine the impact of the Finnish aid to agriculture in each of the partner countries, three main indicators are used. Scores given are based on the results of the country evaluations (Table 7).

Table 7 Evaluation Criteria Impact.

Indicators	Nicaragua	Zambia	Mozambique	Vietnam
1. Agricultural productivity has increased	2	2	2	3
2. Poverty reduction and food security	2	2	2	3
3. Institutional strengthening and capacity building in agriculture	2,5	2,5	2,5	3

(Score 1 = poor, 2 = unsatisfactory; 3 = satisfactory; 4 = good)

The overall score given for the impact of Finnish aid on agriculture is just below satisfactory. This has much to do with the fact that there has been little documented (quantitative) evidence of the impact. The field observations show, however, that the impact has been most evident in dairy projects in Kenya and Nicaragua, and in increases of farm productivity (crops) in Mozambique. In capacity building, the Finnish support clearly left a mark but remained limited to cooperative development, extension and local planning. Because of better M&E systems, Vietnam scores best on evidence based impact.

Increase in Agricultural Productivity

In all the partner countries the Finnish aid has to some extent contributed to increases in agricultural productivity. For example, in Western Kenya the districts have high milk production potential. The small-scale farmers and community based organisations (CBOs), including women groups, have effectively adopted the extension packages related to improved fodder production and dairy cattle management.

Finnish support to the UAC (the 80'ties) in Tanzania has produced many experts in agricultural research and extension, who are now in charge of various projects and programmes dealing with increasing food production by small farmers. The introduction of improved agricultural husbandry methods and practices, and new seed varieties by the UAC, has led to increases in crop and animal production. Project records show that crop yields have progressively increased dramatically during the intervention period 1972-1992 especially for basic food crops such as maize (from 1,5 to 7,5 MT per ha) and beans (from 400 kg to 1,8 MT per ha).

In Mozambique the increase in maize production averaged about three percent within the implementation period of ProAgri I, but by the end of the programme the trend of production stagnated. In Nicaragua, although there is no evidence of increased farm productivity (lack of monitoring data in the final reports), incomes of milk producers have increased as they received better prices through the improved handling and marketing and through improved milk quality, which were results of using the milk collection centres that were installed by the project and the improved quality control by the laboratory established and equipped and the staff trained by the project. The export of cheese to neighbouring countries and USA started also slowly increasing. In Nicaragua crop and livestock production systems, in general, suffer from poor agricultural practices by being low (input) intensive and with little capital investments. Current product diversification efforts of some cooperatives in Nicaragua that receive Finnish NGO support (Solidarisuus), merits attention as these have resulted in an increase in production and export of honey, mainly benefiting rural families that have little or no land.

Poverty Reduction

In almost all the partner countries, the main objective of the support was to contribute to poverty reduction, focusing on a component of food security and income generation. From the evaluations the impact of the interventions towards poverty reduction and specifically on food security has been limited or could not be established.

Poverty levels still remain high in the various areas of Finnish supported projects/programmes. Where poverty has been considerably reduced, as has been the case in Vietnam, what could be attributed from Finnish aid interventions is relatively limited or could not be established due to the lack of quantitative information in the project evaluation reports. For instance, an agricultural impact study carried out for one of the rural development programmes in Vietnam (I^THRDP II), did not give a clear insight of the impact on household incomes as it lacks a clear comparison between beneficiary and non-beneficiary populations. For another rural development programme (Quang Tri RDP), an impact study concluded that based on a very crude “order of magnitude” calculation, the programme has probably contributed to a reduction in poverty incidence in the region of a quarter to half percent.

In Tanzania, it is difficult to measure the direct impact of RIPS to poverty reduction because it was not directly targeted to the agricultural sector. But the impact it had especially in participatory planning and good governance at the local level may eventually have a positive effect on the agricultural sector and hence poverty reduction. In the case of PRODEGA in Nicaragua, because of the limited number of beneficiaries (500 dairy farmers), the impact on poverty reduction is deemed to be limited or limited only to the more better-off farmers as the target group was not the poorest of poor of the farmers in the area.

In Zambia it has not been possible to assess the impact on the targeted small-scale farm households as no monitoring data was available on specific indicators such as livelihood improvement, food security situation or malnutrition levels. However, there are a number of wider effects that can be identified at hindsight. In the first place, the participatory extension approach responding to farmers’ needs and encouraged the establishment of community groups. It has been observed that many community groups were engaged in self-help development projects. Some of these community groups have sustained and became even involved in the follow-up programme PLARD. Secondly, the Agricultural Research sub-component developed new varieties of cassava and sweet potatoes, which were quickly accepted and adopted by the farm households thus contributing to improved household food security and some income generation. The seed multiplication component also has contributed to the dissemination of new varieties adopted by farmers. In other components there has been limited or no impact observed.

Institutional Strengthening and Capacity Building in Agriculture

An important component of almost all the Finnish supported programmes and projects in the partner countries is the institutional strengthening and capacity building in agriculture. The effort of the Finnish support to the development of the human resource capacity in most of the countries has been commendable. In most countries (Kenya, Tanzania, Mozambique, Nicaragua and Vietnam) substantial investments from the Finnish support have been put in capacity building of government staff (researchers and extension staff), who are involved in the implementation of the various projects, as well as in empowering the other stakeholders (small scale farmers, women, community based organizations and cooperatives).

Hence, from an institutional point of view, the impact and sustainability of some of the projects supported by Finnish Aid (PRODEGA in Nicaragua, the LDP in Kenya, and the Chimoio Agricultural Institute – IAC in Mozambique) has been better than anticipated at the time of projects' closure. From what could be assessed from available reports and discussions with stakeholders, the most concrete impact of some of the projects was the creation of service cooperatives and high ownership of its members.

As a whole, in all the partner countries Finnish interventions have led to improvement in government capacity at different levels in participatory local planning (RIPS in Lindi and Mtwara in Tanzania), the use of participatory approaches for extension (LDP in Kenya, Uyole in Tanzania, Zambia at provincial level and Mozambique – mainly in Maputo).

With regard to the contribution of Finnish aid to national policies in the Rural Integrated Project Support Programme (RIPS) in Tanzania, the Finnish support in Mtwara and Lindi has contributed to entrenchment of Local Government reforms. In Mozambique, Finnish pressure has contributed to the formulation of the new agricultural strategy. However, how this will translate to improvement of agricultural production is not clear.

3.4 Efficiency

Efficiency refers to to what extent the Finnish interventions transformed the available financial and human resources into the intended project results in terms of quantity, quality and timeliness. A key question is: were things done right in terms of value for money? Could similar results have been achieved by other means at lower costs? And to what extent has the process of putting policy into practice been appropriate?

To determine the efficiency of the Finnish aid to agriculture in each of the partner countries, six main indicators are used as presented in table 8 below. Scores given are based on the results of the country evaluations.

Table 8 Evaluation Criteria Efficiency.

Indicators	Nicaragua	Zambia	Mozambique	Vietnam
1. Project design and project preparation	2	2	2	3
2. Project management structure	3	2	2	3
3. Timeliness decision making and administrative procedures	2	3	3	2

4. Use of national expertise	3	2	3	3
5. Cost of project administration and technical assistance	3	1	2	2
6. Follow up on recommendations	2,5	2	3	1

(Score 1 = poor, 2 = unsatisfactory; 3 = satisfactory; 4 = good)

The overall score given for the efficiency of the Finnish aid to agriculture falls between unsatisfactory to satisfactory. Scores are generally rated as satisfactory for most partner countries when it comes to decision making and administrative procedures, and the use of national expertise. Efficiency scores are generally rated being unsatisfactory for processes involving project design and preparation, which take too long and come at relatively high cost and the follow up of recommendations especially when it comes to having exit strategies.

Project Design and Project Preparation

Project design and preparation of Finnish bilateral aid follows the guidelines of the Ministry for Foreign Affairs (MFA) including the stage of project framework document (PFD) and stages for the project document (draft PD, appraisal, final PD). The former is mostly being prepared by national experts possibly supported by an external consultant team including one or more experts, whereas the latter is being formulated by the hired Consultancy Companies. There are, however, great variations. PFD is only always prepared in a very participatory manner. The active participation of key stakeholders in preparatory phases of project documents cannot always be guaranteed.

In other cases, the process is very much top-down and long (6–12 months). On several occasions (Mozambique, Vietnam, Zambia, Tanzania) it appeared that the inception phase has been mostly dedicated to the ‘paper’ planning of the project with the formulation of the PD and the log frame. In most instances there is no significant change from the original PFD, which questions the need and justification for a long inception phase. The use of a logical framework implies the opportunity of annual changes in planning according to improved understanding and changing priorities. This flexibility in project design is allowed in the Finnish system.

Financial and economic analysis is often lacking in project design. In the Kenya case it was observed that the project design was relatively weak in understanding the prevailing economic conditions in the project area and target group. Available evidence from project completion documents and final evaluation of LDP indicates that the log frame approach to design, implementation and monitoring was not an important feature of the implementation of LDP. In Nicaragua there is little evidence in the project documents that a cost-benefit analysis of the project investments has been

carried out. Additionally, adequate risk management based on context and risk analysis with regard to achieving project goals is often lacking at the project design stage. Relevant assumptions for a successful project implementation are therefore missing.

In the sector projects (Nicaragua, Mozambique and Vietnam) the project design is in the first place the task of the national government. In all countries, the dialogue between of donors and the national government is often a painstaking process, which takes a long time before an agreement can be reached.

Project Management Structure

Bilateral projects are being managed by separate structures often by the set-up of Programme Management Units (PMU). These parallel structures are not necessarily always sufficiently linked to the government structure and therefore tend to monopolize the decision making structure, despite formal arrangements. PMUs, headed by national or international staff, often control the bureaucratic and administrative process of the project activities and dominate the decision-making over budget allocations. In theory, this is done under the pretext of control of the donor contribution but in practice it often creates a parallel set-up, managing a project that is separated from a government configuration. Sector programmes with basket funding often have a management set-up which follows more closely that of the government structures.

In Mozambique, Zambia, Tanzania and Vietnam, the field studies have observed a too heavy governance structure. In these countries several meetings with a supervising board are taking place, resulting in strenuous progress reporting to supervisory groups and far too much time and effort is dedicated to project management and administration. In several instances, stringent procedures were installed with regards to budgeting or personnel recruitment, including national staff.

In donor managed projects it is assumed that decision-making and administrative procedures take less time than in government-managed sector programmes. This assumption can however not always be confirmed. In Mozambique, for example, the donor-managed Prodeza's inception phase took over 18 months and knew three preparatory missions, whereas the government-managed Proagri is mostly on-time and strictly monitored.

In Nicaragua, nevertheless, whenever the government is fully involved and responsible for project implementation one pays the price of lower efficiency – an inherent phenomenon within public bodies. The lower efficiency has, however, little or no effect on the effectiveness and impact of the project as clearly shown in Nicaragua. In Vietnam it is also reported that due to some of the very stringent administrative and financial procedures of government, the timeliness of planning and disbursement of funds are often delayed.

Use of National Expertise

In most projects there is substantial use of national experts either directly by employing national staff or indirectly by making use of national government or private staff. This has great advantages as national staff has intimate knowledge of the local situation and speak the local language. Despite the use of a good number of national professionals, it has been observed that an enormous amount of short term external consultancies has taken place (Mozambique, Zambia, Kenya and Vietnam). In several instances there is evidence that their reports were hardly used (Zambia, Mozambique, Vietnam) as the results were not discussed by project staff, the consultancies were not deemed relevant for the local situation, or the recommendations were not appropriate due to lack of appropriate knowledge by the external consultant of the national context.

Project Management Costs

The overall project management costs – defined as technical assistance (international), project administration, transport, logistics, external advisory services, etc – of bilateral projects are often relatively high as a result from (international) outsourcing.

A very high proportion of funds are allocated to (international) Technical Assistance and project administration. The budgeted overall project management costs of bilateral projects according to the Project Documents are often in the range of 30-45 percent of total project cost. When it comes to real expenditure, the relative proportion is often even higher (e.g. PLARD in Zambia: 48 percent for the period 2007-April 2009. See also Annex 4). The high costs are not always backed by improved effectiveness on the ground. On the contrary, on several occasions, if not in all, it has been observed that international TA is dedicating a large part of their time to project administration. Moreover, TA is often involved in activity implementation instead of an advisory role.

Training of provincial and district staff is often out-sourced to national experts. The training costs are, in general, very reasonable and considered good value for money. Although in Vietnam it was observed that with the lack of focus on Training for Trainers, the cost to reach out to hundreds of local level government staff has to some extent increased overall training costs. In Mozambique, the great capacity developed with local staff to monitor the use of resources in ProAgri I, has greatly contributed to the management and transparency of the programme.

Follow Up on Recommendations

For a good number of bilateral projects, the Mid-Term Reviews (MTRs) and final evaluations came up with a considerable number of critical observations with regard to the project implementation and management. This has resulted in a long list of recommendations related to issues that are currently still a concern. Valuable recommendations by external evaluators are often ignored. For instance, it has been observed on several occasions (Tanzania, Vietnam and Zambia) that an appropriate exit strategy has not been installed despite recommendations by external advisors.

3.5 Sustainability

Sustainability is understood here in two different ways: the first relates to the probability of continuing the project after the Finnish assistance ends. The second refers to environmental sustainability, and considers the extent to which the practices encouraged through the various activities of the Finnish cooperation contributed to the sustainable management of land and water in the recipient countries. These are very different subjects, and will therefore be treated separately in this chapter.

Assessing the sustainability of the Finnish intervention in the countries visited is based on the three main indicators as listed in Table 9 below.

Table 9 Evaluation Criteria Sustainability.

Indicators	Nicaragua	Zambia	Mozambique	Vietnam
1. Extent to which programme is embedded into policies and programmes of national authorities, institutions and end users' initiatives	3	2	3	4
2. Availability of own financial resources to continue programme activities	3	1	1	3
3. Local institutions have institutionalized the approach towards Natural Resource Management (NRM)	3	3	3,5	2

(Score 1 = poor, 2 = unsatisfactory; 3 = satisfactory; 4 = good)

There is a great variation in the scoring on sustainability of the Finnish interventions in the partner countries. The scoring on sustainability is low when it comes to the availability of own financial resources to continue programme activities. Generally good scores for sustainability get such projects which are embedded into national policies and programmes or end users' initiatives, including the (local) institutionalisation of natural resource management.

Sustainability of project efforts remains a concern for all the projects analysed. Only very few projects such as the grain storage silo at Moi's Bridge and the Meru Central Dairy Cooperative Society in Kenya (from the 80'ties) had a thought-through exit strategy in place and are still operational today. In Nicaragua, although this was not part of an exit strategy, a number of dairy cooperatives that had received Finnish

assistance in the past have now turned into well run enterprises, benefiting many small producers.

In other cases (as for example at a late stage in the two Rural Development Programmes in Vietnam) considerable attention was paid to the operation and maintenance through training, guidelines and the creation of locally managed maintenance funds. In some cases innovative approaches and best practises have, however, been adopted and are still in use (Kenya Livestock development).

In some of the cases where considerable effort was put on human resource development (capacity building, training and on-the-job development), things look brighter from the point of view of sustainability – as for instance in the IAC in Mozambique, the RDPs in Vietnam, the RIPS in Tanzania and in the NIFAPRO in Nicaragua. The trained staff is still in place and functional (fully or partially).

Sustainability also hinges on the extent to which projects and programmes are embedded into and owned by the national governments. The picture is also very mixed in this respect, with striking difference between sector programmes and projects. In those three countries (Mozambique, Vietnam and Nicaragua) where these two aid modalities are used, there is a clear difference in the sense of national ownership.

Ownership is also vital at the level of the target group. Within LDP (Kenya), a participatory approach ensured that the project was planned directly by the districts involved. In Vietnam, the local project teams developed guidelines and established plans for local maintenance of infrastructure. In Mozambique, Tanzania and Zambia, the use of Farmer Field Schools and other participatory methodologies also support long-term sustainability as they are less dependent on external funding and to a certain extent already institutionalized in the government's extension services.

Admittedly, not all the factors can be foreseen beforehand. In developing countries rapid changes can take place in government set-up (and staff turn-over) and their policies. The development policy of Finland can also bring new approaches and priorities but they are not so significant that they would necessitate changes in on-going projects. There are few ways projects can navigate through the maze: establishing long-term commitments (longer than four years, preferably closer to ten) and building in flexibility in project plans to deal with changes i.e. making sure, for example, that the project design and strategy can be revised after some period of time. Even then one might be still caught in the middle of important changes that eventually hinder project implementation, as experienced by the LDP in Kenya and the projects in Mozambique.

Availability of Local Financial Resources

Several of the projects financed by the MFA are very large and represent an investment that is very hard – if not impossible – for national governments to sustain (for example, RIPS in Tanzania, Prodeza in Mozambique and PLARD in Zambia). In these countries the projects depend basically on outside funding and are only to a very

small extent co-financed by the recipient country. In these cases, financial sustainability is obviously at risk. In Zambia, there have been substantial gaps of funding in between phases. The very high project funding level combined with this funding gap has led to severe constraints for the Zambian government to continue the financing at the same level. The situation is very different in programmes to which the government is a larger contributor such as PRORURAL in Nicaragua, and P 135 in Vietnam. In the latter case, the Government of Vietnam contributes around 70 percent of total programme funding, which is more than USD 1, 2 billion.

The role of the private sector is also important for long-term sustainability as the private sector can be independent from further external support. Only in Kenya and Nicaragua, with the creation and support of local dairy cooperatives and the start up of a new project on product value chain development (Nicaragua), this element has been fully taken into consideration. In PRODEZA (Mozambique), recent efforts of working with local small business and cooperatives point to a similar direction, though it is obviously too early to talk about sustainability.

Approach towards Natural Resource Management

As regards attention to environmental sustainability, the performance is mixed. In some cases, attention to NRM can be intrinsic to the project itself (e.g. Prodeza, which deals directly with forestry and slash-and-burn agriculture), or it is a component of a specific approach (e.g. LDP in Kenya, which worked with zero grazing and fodder trees/shrubs).

In Kenya in LDP attention was paid to a less-environmentally harmful approach to agriculture (conservation agriculture). The LDP Programme encouraged and supported farmers to grow fodder and fodder trees and shrubs, which apart from being used as feed protect also soils from soil erosion and provide organic matter for improvement of soil fertility. Established zero grazing units have provided a clean habitat for both cattle and milk production.

In Tanzania, in order to integrate concern with natural resource preservation in all RIPS activities, training in participatory approaches regularly included methods and tools focused on the analysis of environmental issues in various sectors. An environmental criterion is included in the project proposal ranking criteria, which are used to analyse project proposals submitted to RIPS for funding.

In Zambia, the LLFSP and PLARD projects have paid attention to awareness raising around wetland use through training of extensionists and farmers. Results in sustainable wetland use (maintaining soil fertility) have not yet been convincing. In the fisheries component of these projects, although the preservation and management of the fish stocks in the lakes received considerable attention, depletion of fish stocks continues which calls for a management plan to counteract it.

In Nicaragua there is no reported detrimental effect on environment as a result of Finnish supported interventions. PRODETEC and PRODEGA had a separate agro-

forestry component and also a seedling plantation for the purpose. By PRODEGA also “living fences” were established partly for fodder and partly for protection of crops. PRODETEC is reported to have had a considerable impact on the environment through agro forestry and soil conservation activities in Nicaragua, but were mostly limited to farm level. Serious problems, like water resource management in the target region, were left without attention. In Nicaragua’s FOMEVIDAS, improved access to water and sanitation (wells, mini-aqueducts and latrines) are important components. In many communities, these activities are additionally supported by the reforestation of local water sources.

In Nicaragua and Ethiopia Finland has implemented together with WB programs for destruction of obsolete agricultural pesticides and fertilizers, including training and awareness raising components. In Vietnam environmental guidelines related to infrastructure development are available, but the question is whether they were being used.

In Mozambique there is a close link with sustainable use of natural resource management in PRODEZA by raising awareness of local communities’ rights over natural resources, which is arguably an important step towards environmental protection. Although within ProAgri I (Mozambique), staff at all levels was trained in Environmental Impact Assessment (EIA) and mitigation initiatives to reduce environmental impact, the programme has, however, failed to address a number of environmental issues at community level. Mozambique’s ProAgri supervised not only regular environmental impact assessments and environmental profiling of crops (like cotton), but also agro-ecological mapping, land and forest and wildlife inventory, the extension and research on conservation agriculture and control on the use of pesticides. The work was made possible by establishing an Environment Unit and by consolidating the Land and Forests and Wildlife Administration. The integration of some of ProAgri indicators into the country’s Poverty Reduction Strategy and the participation in environmental legislation, helped and continues to help in mainstreaming the environmental issues and sustainable natural resources management in the agricultural sector. This is evident in regular evaluation, monitoring and reporting. These are examples of sustainable effects of the Finnish development cooperation that are bound to also last for long as the ideas and innovations are incorporated into the legal framework of the country.

It is important to note that the Finnish supported projects and programmes mostly promote a very conventional approach to agriculture. Sustainable use of natural resources is being only punctually addressed. Certain risks of agricultural models (e.g. irrigation schemes, promotion of the use of chemical fertilizers, introduction of external varieties of seed) have not been addressed or monitored as they were/are not part of the bilateral projects.

3.6 Cross-cutting Issues

Cross cutting issues are issues that touch on general principles that affect beneficiaries' way of life, such as: democracy and human rights, good governance, children's rights and the rights of indigenous peoples, gender equality, sustainable environment, HIV/AIDS, drugs, homelessness and unemployment.

For this evaluation the extent to which: 1) gender, 2) HIV/AIDS, 3) environment, 4) good governance and 5) human rights have been addressed in the interventions to agricultural development, is discussed below. In this analysis two indicators are used and scores are given based on the results of the evaluation process as shown in table 10.

Table 10 Evaluation Criteria Cross-cutting Issues.

Indicators	Nicaragua	Zambia	Mozambique	Vietnam
1. Accepted and encouraged by partner countries through legal, political and social channels	2,5	2	3	3
2. Share of cross cutting activities within overall intervention	2,5	2	3	3

(Score 1 = poor, 2 = unsatisfactory; 3 = satisfactory; 4 = good)

The overall score on cross cutting issues falls below of being satisfactory. The way these issues have been addressed by the Finnish supported projects and accepted by the partner countries, the score is quite satisfactory for Mozambique and Vietnam, but it is lower for the other four partner countries. This has much to do with the level of mainstreaming gender in the various countries, whether or not HIV/AIDS was included as part of the design, if and in what manner the sustainable use of natural resources, governance and human rights was addressed (fully or partially).

Gender

In a world plagued by HIV/AIDS and migration, very often women are not only heading households, but also alone in the task of cultivating the land and raising animals. Women thus play a vital role as agricultural producers and as agents of food and nutritional security. Yet, they have less access to productive assets such as land and services like finance and extension, than men (World Bank 2009).

In the Finnish aid supported projects/programmes in all the partner countries gender issues have been mentioned. Where the gender issues were not initially mentioned, these have been "added-on" into the programmes/projects after this weakness had been pointed out in evaluations. The main question that remains unanswered is the

extent to which the discourse was put into practice, or rather: are gender issues really a point of attention or simply something that necessarily has to be mentioned, but not necessarily dealt with? For none of the projects and programmes reviewed the consultants have seen specific gender assessments. Rather, gender was incorporated in the project documents and log frames, usually as a separate “task”.

In Kenya the Livestock Development Programme (LDP) had the policy of purposefully involving both men and women in the activities, particularly at farm level, and greatly improved on the achievement of the cow-from-cow scheme, created harmony in participating groups and to a certain extent, improved the relationship between men and women. However, although LDP has contributed to the empowerment of women in Western Kenya, the fundamentally inferior position of women in the area has not changed substantially due to embedded traditional customs and their institutions.

In Tanzania, while there is no clear evidence of a clearly defined gender policy, in the Rural Integrated Project Support (RIPS) programme the position of women has been addressed to some extent. In the first place the Participatory Rural Appraisal (PRA) approach used by the programme pays special attention to marginalised groups in the community, and secondly, there were some activities which specifically targeted women. The goat and cashew nut processing projects in Tanzania for instance specifically targeted and benefited women. This enabled the women to have own independent (from their husbands) sources of income. They used this income to acquire own properties and to contribute to the household budget. At the strategic level, women gained self confidence and recognition and respect in the community. They stood for and gained political leadership positions at the village, ward and even at district levels.

In Nicaragua, gender has been addressed in all the projects carried out by Finland but in varying degrees. Many beneficiaries of an integrated rural development programme are women and half the students sent out for a two-year bio technology training programme in Finland are women. With the dairy project it is unlikely that much attention was paid to gender as it is not mentioned in the project documentation.

In Vietnam’s rural development projects the participation of women in training events has been enhanced. In agricultural extension women constituted around 25-30 percent of all participants. With regard to credit related activities in the project area in Vietnam, a much higher rate of women participation has been observed: an average well above 50–60 percent. However, other issues such as female labour productivity have been insufficiently addressed. Even in livestock keeping where women play an important role, the main training attendees have been men. In Mozambique, specific work was done with women’s groups in PRODEZA though the project has been criticized for not actually mainstreaming the issue within its activities. Within ProAgri, awareness of gender as an issue exists widely at the local level, but understanding of it, beyond getting technical messages to women, is lacking.

HIV/AIDS

HIV/AIDS can have a devastating effect on agriculture particularly as it relates to labour and food production and demand. It should be noted that in most of the Finnish supported projects that were formulated in the 90s or earlier, HIV/AIDS was not addressed because it had not yet become an important issue of concern. However, despite the increasing concern of HIV/AIDS later on, it has not been mainstreamed in most of the projects/programmes evaluated.

In Kenya the mainstreaming of HIV/AIDS in the LDP was not specifically addressed. This is the case also for Nicaragua, Vietnam, and Zambia. In the Programme document and Log frame for RIPS Phase III in Tanzania, there is no mention of HIV/AIDS although it is an important issue that has serious consequences on agricultural development.

In Mozambique, within the ProAgri, HIV/AIDS is dealt with through prevention and mitigation. Prevention is done through seminars and presentations at the work place. Mitigation is done through: 1) special attention to income-generating activities, which are appropriate to people living with HIV/AIDS (the emphasis here is on horticulture, which can be done closer to home); 2) incentives to consume highly-nutritious plants (of relatively easy cultivation); and 3) the promotion of the use of medicinal plants. However, in PRODEZA, though initial activities with people living with HIV/AIDS and sensitization had been organized earlier on, it was only in 2009 that the project succeeded in setting in motion a revision of its intervention mechanisms so as to firmly incorporate HIV/AIDS-related issues.

Governance and Human Rights

Good governance and human rights are also considered important crosscutting issues and are generally high on a donor's agenda. However, both elements are not necessarily embedded in all Finnish supported agricultural projects in all partner countries. It was considered that these topics are of such importance that they need to be dealt with in country consultations and separately, mostly through LCF. The HR and governance are also on agenda of donor coordination groups. In projects, main attention has been paid to sector specific issues (land use where applicable, rights based issues like poorest of poor and women's rights etc.). However, in the selection of target for aid very much attention is paid both to HR and governance issues. Thus for instance the poorest areas and the less favoured population groups are selected for targeting the aid.

In Mozambique the most important project component of PRODEZA deals with good governance, while in Vietnam anti-corruption guidelines and training are conducted in order to enhance good governance. In Zambia little attention is paid to good governance (transparency and accountability), while in Finnish supported projects in Kenya and Tanzania governance issues such as local participation, ownership and accountability are particularly encouraged. Good governance has been and is high on agenda also in Nicaragua. In general, Finland follows very keenly developments in governance questions in all of its partner countries. It is not a particular is-

sue which would come up in project documents. It is mainly an issue to which Finland takes stand in its political dialogue with partner countries and in the way the aid is channelled or suspended depending on the situation at hand. In Kenya, Ethiopia and Nicaragua, also in Nepal, Finland has at times suspended its assistance to these countries and no new aid interventions have been initiated until the situation has improved, government has changed etc.

With regard to human rights, not all partner countries have addressed the issue in the project documents and during implementation. In Kenya the human rights aspect was not properly addressed during the implementation of LDP, while in the RIPS programme in Tanzania the rights of people with physical disabilities were considered. In Vietnam, Finnish aid is supporting legalization of land in order to address issues of land grabbing, while in Zambia land issues are addressed through land coalition. In Mozambique the human rights issues are also addressed through support of local groups by the Finnish NGOs' umbrella organization KEPA. In Nicaragua, human rights are not explicitly mentioned in the project documents reviewed.

3.7 Product Value Chain Development

Value Chain Approach

A product value chain is defined as the full range of activities required to take a product (or service) from conception to final delivery, through the intermediary phase of production, processing and delivery to final consumers. In the context of agriculture, small farmers are also final consumers for products such as fertilizers, seeds, pesticides, farm equipment, etc. This implies that product value chain development just not restricts itself to activities from farmer to final consumer but concerns also activities from producer of agro inputs to the farmer as final consumer of these inputs.

Value chain approach focuses on the interaction of actors from primary producers to final consumers as well as on the linkages the actors. Hence, the approach considers trade relations as part of a series of networks of producers, processors, retailers, importers and exporters, whereby knowledge and relationships are developed to gain access to markets and suppliers. The success of stakeholders in adding value to their production lies in their ability to access these networks.

Finland's Interventions in Value Chain Development

With Finland's aid interventions in the dairy sector in Nicaragua and Kenya, there is clear evidence of generating value added within the product value chain. Dairy farmers have clearly benefited from the establishment of milk collection centres with cooling facilities that have resulted in sharp increases in milk prices at the farm level (more than double in Nicaragua). Not all dairy cooperatives which received support from Finland managed to survive in the highly competitive dairy market. Those that did have turned into well run enterprises, which managed to develop their products and markets, including exports (there are two dairy cooperatives in Nicaragua that produce cheese for the export market with annual export sales of US\$ 7-10 million each).

The processing facilities of the dairy cooperatives (UHT milk, cheese, yoghurt, and butter in Kenya) have benefited dairy farmers in maintaining stable prices for their milk surpluses. With the establishment of collection centres and the cooperative services to dairy farmers – such as animal health care, improvements in milk production and quality, improved breeds – have meant significant improvements for dairy farmers. A new Finnish project in Nicaragua that merits attention is a private sector development programme with a focus on generating value added in a number of value chains, including food chains (PROPEMCE).

Except for Kenya and Nicaragua with a strong focus on a single product (dairy), there is no clear evidence of product value chain development in the other partner countries of Finland. This is due to the fact that Finnish interventions were generally more focused on human capacity building in agricultural research, farm management, and agricultural extension (services). Value added in this area should reflect in improvements in the research-training-extension linkage with main objective to increase agricultural productivity and hence reduce poverty. It is clear that a good research-extension-farm linkage is not just in increasing production, but also includes such aspects as reducing post harvest losses, improved handling and packing, marketing, improving food quality and safety. All these are considered important ingredients to value chain development, particularly at the beginning of the chain at the producers' level. There would be much merit in pursuing this line of action because of the wide effects this development approach has on overall economic development, poverty reduction and food security. There is, however, no clear evidence in project evaluation reports that this approach would have been adopted by the Finnish projects.

In Zambia, the support to agribusiness under PLARD focuses on a number of commodities of which cassava is the most important. However, one of the main implementation challenges is the involvement of the private sector including financing services, processing and marketing experts.

From observations in the field and in MFA policy documents, there is little evidence of any exchange of experiences in generating value added practices, either at project level or within the MFA (with the exception of a workshop organized in Pretoria in 2008, in which TAs from different Finnish financed agriculture and rural development projects in Africa as well as the Embassy experts responsible for agriculture, jointly discussed the value-chain approach). This became painfully clear in Nicaragua with a large livestock development project, which had produced significant value added within the dairy chain but had never undergone a proper evaluation. Valuable experience gained by the project was basically lost. A post- evaluation on the livestock development programme in Kenya was carried out in 2009. Like in Nicaragua, Finland had acquired there a rich experience in product value chain and private sector development, which had never been properly evaluated at the closure of the project (only in connection of the evaluation of the whole country programme for Kenya).

Mid-term reviews do not fair much better as these remain generally vague on the value added produced by the project under review. It is for instance rare to find specific

cost/benefit analysis in any of the project reports to demonstrate how much value added in absolute numbers has been generated in the chain, where and for whom (farmers, cooperatives). MFA policy papers do not help much either for guidance as they are of very general nature and do not shed much light on issues pertaining to generating value added in the agricultural sector. The institutional memory to ensure good levels of exchanging experiences appears to be affected by the relatively high staff turnover at both the Embassies and the MFA.

4 MAIN FINDINGS

Agricultural Development is still relevant

With some 100 million people in six of the partner countries directly depending on the agricultural sector for their livelihood the importance of developing the agricultural sector and the rural areas as a whole is very clear. The debate over what is the most effective instrument to enhance the agriculture development continues. There is, however, a common understanding that it is essential to support small farmers as there lays the best opportunities for economic growth, poverty alleviation and food security.

In order to reach the MDG 1 to halve the hunger in the world, Finland – alike many other members of the international donor community – has not paid enough attention to the challenges to reach the MDG 1. The status of agriculture as a neglected area both by governments and the donor community has been no secret for decades. The reasons for its neglect are puzzling as in theory many agree that the sector is one of great importance. Despite government rhetoric, in most developing countries agriculture has a low profile in their five year development plans. On the other hand, it is well known that many donors suffer from “agro-scepticism” because of too many failed interventions in agriculture in the past (MFA 2009a).

Consequently, the big challenge ahead is to reach the MDG 1 on hunger. Food supplies need to be increased to counteract the sharp increases in food prices because of increasing demand on the world commodity market. The hardest hit are those people that already spend 50 to 70 percent of their income on food, most of them living in Africa and South Asia where food insecurity continues to persist. Africa in particular will be the hardest hit when it comes to reaching food security as per capita agricultural production actually declined between 1970 and 2000, leaving many African countries with large annual food deficits. The green revolution that has saved many people from starvation in Asia has largely bypassed Africa, for various reasons. Africa is now home to a quarter of the world’s hungry people.

Despite an increase of 65 percent in the total Official Development Assistance (ODA) over the period 1986–2007, ODA for agriculture decreased by more than two-thirds during the period. The share of ODA to agriculture fell dramatically from peak

levels of above 15 percent in the 1970s to a mere 3, 7 percent in 2007 (World Bank 2007). Finland is no exception and has largely followed this trend. Finland's share of aid to agriculture dropped from an all time high of almost 13 percent in 1985 to less than 3 percent today.

Finland's Approach to Agricultural Development

Finland's interventions in agricultural development have been rather conventional and have shown very mixed results. A common feature is that most of the Finnish interventions have been in livestock development (dairy), extension services and in agricultural cooperatives with small farmers as target group. For dairy, Finland has clearly left a mark and project efforts proved to be largely sustainable by generating value added in the dairy value chain. Its support to extension services has been less successful where little attention was paid to long-term sustainability (e.g. through human resources management and development). Support to cooperatives has not always been successful as there have been occasions of cooperatives failing some time after ending the support. In a limited number of programmes, the scope was wider than agricultural development alone. These programmes included broader rural development elements such as infrastructure, participatory local planning and capacity development. This wider scope of intervention has certainly made its marks both on the government institutions involved as well as the target population including small farmers.

Finland has not shown particular interest in supporting low-external input agriculture. In theory, this is the approach to agriculture that better fits the Finnish policies because of its beneficial impact on sustainable use of natural resources, but this has never been purposefully translated into practice. In the cases where attention is paid to more participatory planning process, and uses participatory agricultural research and development approaches (such as the farmer field schools), results achieved have, compared to other conventional projects, been more encouraging and more sustainable in the long-term. Innovative steps are slowly taken place with Finland's support to generating value added in the entire product value chain (Nicaragua) and this process merits close attention.

Inadequate Monitoring and Evaluation Systems

Despite the increased attention and emphasis over the past few years, there is much room for improvement in the monitoring and evaluation systems of the project and programmes that are supported by Finland. In general, tools in place provide precious little information on whether or not results were achieved as planned. This became noticeable during the desk review when numerous project mid-term reviews and evaluation reports were examined. Most of the reports tend to be long on qualitative statements but short on quantitative analysis. In some cases this has to do with poorly developed project log frames, but mostly it can be traced to weak monitoring systems, making it difficult for evaluators to assess whether or not a project is on track. However, interesting examples do exist in Vietnam, where annual evaluations of "Most Significant Changes" and ex-post evaluations have provided detailed and quantitative information with regard to poverty reduction in general and project outputs and outcomes in particular.

Little Documented Evidence of Poverty Reduction

Field observations give the impression that some of the Finnish interventions in the agricultural sector have helped to increase rural incomes. But there is little hard proof of the effect and impact of Finnish support on poverty reduction, mainly because of deficiencies in project evaluation and monitoring. This is unfortunate as such evidence-based information is considered paramount in making future policy decisions regarding the continuation of aid support to the agricultural sector. The only exceptions are the rural development programmes in Vietnam where systematic efforts have been undertaken to evaluate the impact of the programme interventions. These studies have ascertained that to a certain degree (25–50 percent) poverty reduction can be attributed to the programme activities.

Hardly any benchmarking has been carried out, which is needed to map the level of poverty of the project beneficiaries before a project is started up. Even with a good M&E system in place, determining whether or not poverty reduction was achieved would become a challenge without proper initial appraisal of the local situation.

Capacity Building Efforts to be taken a Step Further

Poor results on the ground often relate to lack of attention to supporting institution strengthening. Whereas efforts towards capacity building of staff have in many cases been commendable, supporting organizations in keeping trained staff and setting up a strong financial and human resources management system (which we refer to as “institutional strengthening”) has taken place less often as it was not included into project responsibilities/activities. This endangers benefits achieved through staff training.

In general, capacity development and training is and has been an integral part of the Finnish projects and there are several success stories of sustainable effects. As the Finnish projects have been managed by separate PMUs the capacity building has been targeted at the immediate project surrounding, communities and villagers, district or regional officers. Not directly central level organizational structures and their HRSs.

We can draw on the example from Finland’s support to two agricultural colleges in Mozambique: human resources development was focused on training of trainers; trained staff did not stay long with the organization as they sought for more attractive better paid jobs, and the quality of the college quickly deteriorated. In contrast, where the project focused on building the institutional capacity of the college, its human resources policies and long-term strategies, staff stayed on and the college’s benefits from Finland’s support are still felt. A point of attention here is the high level (and high costs) of using international TAs, which if not well-thought through and planned, may undermine both ownership and local institutional strengthening. To a large extent, however, and increasingly the Finnish projects use local expertise for training.

No Economic and Financial Analysis

There is no evidence in the project documentation of any financial and economic analysis having been carried out. This is by many considered as a fundamental step, particularly for projects that deal with product value chain development. Project completion reports mention little or nothing on the financial or economic aspects of their interventions. The same applies for the project evaluation reports that have been reviewed, saying little on the financial sustainability of project interventions at the farm level.

Finnish Value Added

Unlike in forestry, it is not easy to see where Finland has developed a clear expertise in agriculture. Finland has been very active in the livestock sector (dairy) in several countries but similar work is also done by other donors. Though country-specific (refer to the country reports for more details), in general one can say that the same applies for research, development and extension – as well as the participatory planning and capacity development which were promoted in the countries where Finland has been active, but they were certainly not unique in this respect. Any comparative advantage that Finland may have had in the past is likely to have been lost because of the steady decrease in aid funding to the agricultural sector, and hence loss of specific institutional knowledge and expertise that was built up in the past.

In the reviewed partner countries Finland ranks as one of the smallest donor within the international donor community in terms of total ODA share. Hence, Finland's role and position to bring about changes to meet the challenges ahead in the agricultural sector are generally considered to be limited. This means that Finland has little leeway in bringing forth own ideas and concepts when it comes to aid to agriculture, and would need to promote its objectives together with other donors i.e. through sector programmes and pooled funding. It is important to note, though, that where Finland actively participates in the national debates (e.g. Mozambique, Vietnam) it has managed to act as facilitator on important discussions on the agricultural sector; being a “broker” respected by other donors and government alike. This is a result of the capacity, creativity and commitment of local (Embassy) staff, rather than of a general MFA strategy. At the multilateral level, the Finnish contributions to the FAO restructuring and IFAD policy formulation has been commendable. Whenever possible, Finland has made substantial efforts to have a say in improving governance and the implementation of multilateral programmes.

The Rural Development Strategy 2004

The Rural Development Strategy, formulated in 2004, has provided relatively little guidance to the formulation of specific projects in Finland's partner countries under review. The PFDs and PDs all make reference to the Rural Development Strategy, but do not clearly link to one or more of its focal areas. This is related to the fact that the Strategy is too generally formulated and does not include clear operational choices. As a consequence, Finland has provided relatively less attention to focal area I (assistance to national strategies and institutional strengthening in rural development) and focal area III (research and extension in food production). The analysis of the role of agri-

culture and rural development in developing countries and, in particular in Sub-Saharan Africa, is rather weak. Very little attention is paid to the role of other actors than government, such as the private sector and NGOs, in agricultural development. In case specific strategies are spelled out – such as “Finland is active and encourages the establishment of links between the bilateral and multilateral structures” – little proof has been found of its implementation (see next finding).

Finland has substantially increased its Agricultural Funding through Multilateral Channels

In 2008, Finland has provided, in absolute terms, more financial support through the multilateral channel including the three Rome based organisations FAO, IFAD and the four CGIAR research centres, than through the bilateral channel to its eight partner countries. Out of these multilateral organisations, the WFP is by far the main beneficiary with a contribution of around € 20 million/year over the past few years. However, the non-earmarked aid through WFP cannot be considered as a contribution to the agricultural sector per se as the WFP is a humanitarian agency distributing food aid. Consequently, the funding to WFP is not counted as aid to agriculture in the Finnish ODA statistics.

Finland’s Bilateral, Multilateral and NGO Channels are not interlinked

From the relatively limited analysis of the multilateral channels and NGO channels used by Finland in its support to the agricultural sector, the main finding is that there is little linkage between the various activities and programmes supported. As such, this is logical as these channels are complementary and may apply different approaches, have different management set-up, and relate to other counterpart organisations (UN institutions, government or NGOs). However, very little evidence has emerged that the different aid channels are learning from each other’s experiences and approaches, even when very obvious opportunities are at hand (e.g. mitigation of climate change; CGIAR research findings, improving rural communication through ICT). As mentioned earlier this is also due to the fact that there are no adequate local structures, which would facilitate this easily.

5 MAIN CONCLUSIONS

5.1 Evaluation Criteria

Relevance

- Relevance is generally high whenever Finnish support is provided to (agricultural) sector support programmes because of the way they have been developed, implemented, and embedded in the partner country’s institutional, political and social structure;
- Relevance of bilateral projects is negatively affected if or when national ownership is limited in participation in project design and development;

- As most of the Finnish aid to agriculture took place in rural areas with high levels of poverty, it responds generally well to the needs and priorities of the population, which depends on agriculture for income;
- The multilateral support to the agricultural sector is relevant when it supports agricultural policies (FAO), agricultural investment (IFAD) and international research priorities (CGIAR).

Effectiveness

- The extent to which projects and programmes meet their targets is very difficult to assess due to inadequate M&E systems. Where results could be measured, projects normally met their targets. In some cases they have made a clear difference on the ground;
- In the cases where the Finnish support was specifically aimed at strengthening partner countries' management, technical and financial (institutional) capacities, and results to-date are positive. So are results in improving the coverage of extension services. Where applied, participatory approaches towards extension have shown interesting results (creation of farm field schools, farmers' work groups to exchange technical knowledge, model farms, etc.);
- Finnish supported projects and programmes have had mixed results in linking research and extension. The lack of effective functional linkages results from a lack of formal local structures for coordinating the interaction between research and extension; and
- Finland's support through multilateral channels could be described as effective as most of the aid is either core funding or so called assessed contributions as defined by the multilateral organizations for each member country. Finland has given only limited earmarked programme or project support for instance to FAO and IFAD.

Impact

- The Finnish interventions in relation to their impact on agriculture at sector and national level have been most evident with the dairy projects in Kenya and Nicaragua. Small-scale milk producers have clearly benefited both of the value added generated within the dairy value chain and increasing incomes;
- Although the scope is not known, it is believed that Finnish interventions in the agriculture have helped to increase farm productivity in Kenya and Nicaragua (fodder crop/milk), and very likely so in Tanzania and Mozambique through increasing crop production;
- When it comes to capacity building, Finnish support clearly left a mark in most partner countries in the field of agricultural cooperative development, agricultural research and extension, and local planning and local government reform; and
- Except for Vietnam, there is little documented evidence of the impact of Finnish support on poverty reduction and food security. Field observations show economic impact in some countries.

Efficiency

- Overall efficiency of interventions is hampered by stringent procedures, centralisation of decision making, low level of local ownership in some cases and generally high management costs;
- The long project preparation phases are often not justified as often there is no significant change between the project framework document and the final project document. Partly the prolonged preparation is due to local circumstances and changing priorities and policies (Zambia);
- Government managed sector programmes that are supported through basket funding, tend to be slower in implementation but come at lower project management costs;
- It is generally accepted that the Rome based organisations, as well as the CGIAR, have relatively high management costs with regard to their final output and outcomes. Through its contribution to enhanced governance of the Rome-based organisations FAO and IFAD, Finland has contributed to increased accountability and efficiency of these organisations. Finland has been able to coordinate and liaise with other donors in a highly satisfactory manner.

Sustainability

- The sustainability of the Finnish projects and programmes could be affected 1) by the low level of local ownership and institutionalisation, 2) lacking or very limited local co-funding and 3) deficient emphasis on capacity building of local human resources (linked to human resources management) and local institutions. The projects and programmes assessed by the present study meet these criteria to varying degrees;
- In general, projects and programmes supported by the Finland do not have in-built exit strategies, which compromises sustainability of the achieved results after the project/programme ends;
- Working fully outside government structures through separate Project Management Units (PMUs) represents a large risk for long-term sustainability. This type of arrangement has become more exceptional in the latter half of this decade as sector support, pooled funding or closer links with government structures are being preferred. Direct involvement and implementation through government structures might offer better opportunities and prospects for more lasting sustainability;
- Through the recent review processes of the Rome-based organisations – to which Finland has actively contributed – and the current review of the CGIAR, donor support has been secured for years to come.

5.2 Key Issues

Aid Modalities and Channels

- GBS is, in principle, considered as a very powerful tool when nurturing a long-term partnership between the donor and the recipient government. However, for the agricultural sector this is less evident, because of the complex institu-

tional set-up of the sector in which government plays only a limited role. Therefore, GBS does not yet guarantee enhanced funding to the agricultural sector;

- Also good experiences with SBS to the agricultural sector remain limited as implementation of sector support programmes depends fully on the capacity of the national ministries involved. In some countries this capacity is still being considered insufficient to guarantee that programmes will be implemented efficiently (though improvements have been noted). In those cases, donors adopt again a project approach and return to micro-management;
- In the agricultural sector, the role of the NGOs remains relatively small. In the partner countries reviewed, in 2009, only eight out of the 95 Finnish NGO projects supported have an agricultural focus;
- Within FAO, most of the Finnish involvement is in forestry and natural resources management; in case of IFAD poverty reduction and agriculture are more prominent;
- As a bilateral donor, Finland is a comparatively small but steady contributor to the four agricultural research centres of the CGIAR, but with a relatively low share on agriculture and food policy development (mostly on forestry: CIFOR and the World Agro-Forestry Centre).

Compliance, Alignment and Harmonization

- Finland's support to the sector support programmes and its active participation to ensure alignment and harmonisation among the donors in partner countries was found to be fully in line with the Paris Declaration. However, this is less evident with its support to bilateral projects with relatively low ratings on ownership by the partner country, including alignment and harmonisation with other donors. As such Finland does not deviate much from other donors' behaviour;
- Although Finnish interventions in agriculture are generally in line with national policies and in some cases projects have been implemented by government agencies, most Finnish funding has gone outside government channels and is implemented under its own management set-up, especially during the 90's and the first half of the current decade;
- In the three sector programmes, which were found to be fully aligned with national implementation policies, there was extensive – though often lengthy – joint debates of the donors with national authorities on the conditions and approach of the sector programmes;
- Decentralisation or increase in decision-making authority at Embassy level is still lagging behind in comparison to some other EU donors.

Product Value Chain Development

- With its past interventions in the dairy sector, Finland has acquired a rich experience in generating value added and private sector development. Unfortunately these experiences have not been well documented and are generally weak in quantitative analysis;
- Past and current efforts of Finland in generating value added in a product value chain are very much in line with the current thinking within MFA. There is clear

merit in pursuing this further because of the wide overall effects this approach has on overall economic development and poverty reduction;

- Where efforts are being undertaken to support value chain development, other than in dairy development, implementation of the approach appears to be problematic as in case of Zambia.

Cross-cutting Issues

- Gender has been mentioned in all the projects carried out by Finland in the six countries, but has actually been internalized in varying degrees per country and per project / programme;
- Except for the sector programme in Mozambique, no projects dealing with agriculture in the other countries have addressed the issue of HIV/AIDS as part of their design, or later on by mainstreaming it during implementation;
- Although there is no clear evidence of negative effects on the environment in the six countries where Finland supports agricultural projects, certain environmental risks of agricultural interventions are not being addressed or monitored well;
- The issue of good governance and human rights does not appear to be high on the agenda of Finland's agricultural projects. Finland has, however, selected the poorest areas as targets of the aid.

Rural Development

- Rural development and agricultural programmes/projects are, and should be, intrinsically linked as positive cross-linkages can be realized in terms of enhanced conducive environment (e.g. improved infrastructure, marketing opportunities, financial services, telecommunication, etc.);
- Although rural development programmes remain very dependent on external (donor) funding, it is an excellent tool to reach the poorest of the poor. If done right these programmes can bring the very poor up to a higher (productive) level providing them with a window of opportunity to link up with product value chain development programmes.

5.3 Strong and Weak Points, Opportunities

Based on the above main findings and conclusions, the following strong and weak points and opportunities of the present Finnish development cooperation in agriculture are presented in Table 11. The opportunities also form the basis for specific recommendations that are presented in the following chapter 6.

Table 11 Finnish Development Cooperation in Agriculture: Strong and Weak Points, Opportunities.

Strong Points	Weak Points	Opportunities
1. Project and Programme Level		
<p>1. Long experience in livestock development (dairy) and agricultural cooperatives.</p> <p>2. Good knowledge in dairy value chain development.</p> <p>3. Long experience in rural development interventions, including productive activities.</p> <p>4. Good knowledge in capacity building: agricultural cooperative management, research and extension, local planning and local government reform.</p>	<p>1. Very low share of funding for agriculture.</p> <p>2. Conventional approach, not very innovative.</p> <p>3. Exit strategies are not prepared.</p> <p>4. Financial and economic project analysis are not carried out.</p>	<p>1. Productive sector development within rural development, focussing on the poorest of the poor.</p> <p>2. Product value chain development (crops and livestock). The entire chain: including agro-inputs and supplies.</p> <p>3. Support to national and regional agricultural research especially on: sustainable “smarter” low external input farming, agribusiness development, marketing and policy development.</p>
2. Programming and Implementation Level		
<p>1. Long experience and knowledge in Africa.</p> <p>2. Broad use of aid modalities (general budget, sector or project support).</p> <p>3. Focus on target areas with high levels of poverty.</p> <p>4. Focus on project support programmes implemented by local government agencies.</p> <p>5. Focus on small farmers.</p>	<p>1. Inadequate monitoring and evaluation systems.</p> <p>2. Centralized decision making and stringent administrative and financial procedures.</p> <p>3. Heavy supervisory bodies (Steering Committee, Supervisory Board, etc).</p> <p>4. Relatively high use of external TA.</p> <p>5. Relatively low involvement by NGOs in agriculture.</p> <p>6. Poor targeting of the poorest of the poor.</p>	<p>1. Introduce results-oriented management by setting up an adequate monitoring and evaluation system, which is based on clear indicators and good guidelines for internal and external use.</p> <p>2. Consider further decentralisation of decision making.</p> <p>3. Introduction of only biannual progress reporting, and just a Steering Committee for the bilateral projects.</p> <p>4. Introduction of financial and economic analysis of project investments for optimal cost</p>

Strong Points	Weak Points	Opportunities
		effectiveness. 5. Better use of NGOs (local and Finnish) whenever possible, using them for benchmarking/ monitoring, local participatory approaches, etc.
3. International Cooperation level		
<ol style="list-style-type: none"> 1. Active participant and facilitator in national and international debates on agriculture and development. 2. Long and steady relationship with multilateral organizations dealing with agriculture. 3. Long and steady relationship with agricultural research centres under CGIAR. 4. Overall long and steady relationship with other donors and partner countries. 	<ol style="list-style-type: none"> 1. As relatively “small” donor in general, less leverage to bring about changes. 	<ol style="list-style-type: none"> 1. Increase role and position of Embassies in donor cooperation and dialogue. 2. Support to decentralisation of government services in the agricultural sector. 3. Increase support to agricultural research and food policy development especially in the ASARE-CA region (Africa).

6 MAIN RECOMMENDATIONS

6.1 Enhanced Ownership by Partner Countries: Aid Modalities

The future of Finnish support to agricultural development should abide to a number of principles, which are based on the Paris Declaration and the Accra Agenda for Action. If funding goes through sector support, it should respond to a direct request and interest shown by the partner country’s government – as is generally the case in Finland’s support to the sector. If funding is done through project support, this should be based on a clear (participatory) local appraisal, and by a team with representatives of the different stakeholders in question, facilitated by consultants.

The overall recommendation is that a mix of aid modalities and channels can be applied in accordance with the local context. This can be broken down in the following specific recommendations:

A. Bilateral Channel

- Combination of aid modalities (GBS, SBS, Projects and NGOs), channelling the support through projects at province and district level as well as outsourcing parts to NGOs where possible/applicable;
- If an agreed and comprehensive Agricultural Policy exists, as part of the National Development Policy and complemented with clear Operational Plan, GBS could be considered. The Maputo declaration of 2003 by the African Union (AU), directing all AU member countries to increase investment in the agriculture sector to at least 10 percent of the national budget, would also be a clear condition for GBS – if adhered to and implemented;
- Sector Budget support through basket funding is an increasingly important modality for supporting the agricultural sector. SBS is a way to develop the institutional capacities of national, provincial and district level governments;
- Basket funding to lower levels of government could be considered, e.g. basket funding to provincial and district agricultural departments;
- A provincial programme could consider support (TA and /or financial means) also to other relevant stakeholders in the agricultural development process, such as the private sector and NGOs;
- If decentralized basket funding is provided, it should be delinked from external project management and technical assistance. National government administrative and accounting procedures should be followed. If necessary, short term TA support could be provided;
- When applying basket funding through province or district levels, the possibility of setting up a PMU (Project Management Unit) could be considered but only as a service provider, which potentially increases project efficiency. PMUs, nevertheless, should not be set up at a cost or to the detriment of local actors' ownership.

B. Multilateral Channel

- Finland's support to the Rome-based organisations will continue probably at the levels of the past few years. One way to enhance effectiveness, efficiency and impact of these organisations is to liaise with like-minded EU donors – as has been done;
- With regard to its support to the Agricultural Research institutions, Finland may consider support to the Regional and Sub-regional Agricultural Research & Development forums in Africa (i.e. FARA, ASARECA etc.), which link up to the Agricultural component of the NEPAD-CAADP (New Partnership for African Development) process to tackle agricultural issues in Sub-Saharan Africa;
- The current support to the four CGIAR organisations should be reassessed in view of Finland's focus on MDG 1 ('halving world hunger') to link the support to CGIAR institutions relevant for agriculture in East and Southern Africa, e.g. CIAT, CIMMYT, CIP or ICRISAT;

- Supporting NGOs – be it directly from Helsinki or through the Embassies – is a good way of supporting empowering of other stakeholders participating actively in policy-level discussions.

6.2 Sector Development Assistance: Approach

The following considerations should be taken into account in policy making:

(a) Participatory Approaches

The experiences from various projects have shown that the inclusion of local stakeholders (Community-based-organizations, Farmer Organizations and NGOs) in project design, implementation and monitoring is of utmost importance for successful performance. The scope of the activities should not be based on agricultural production alone but could have a wider scope (see below).

(b) Agriculture and Productive Sector in Rural Development

Combining agricultural development with the productive sector in rural development can bring the very poor to a higher (productive) level, providing them with opportunities within the entire agricultural chain, including back and forward linkages (agro input or service provider, handling and storage, marketing). Hence, by including elements of wider rural development as part of agricultural sector development, the effectiveness will be greatly enhanced. Attention should be paid to the following elements:

- Increasing production in the agricultural sector by enhancing a conducive economic environment through improved infrastructure, especially irrigation, fish ponds, rural feeder roads;
- Rural development in the productive sector should include also the poorest of the poor.

(c) Value Chain Development

There are good prospects for enhanced value chain development on the basis of Finland's Aid for Trade Action plan:

- The policy should be implemented on the basis of best international practices;
- Value chain development is only beneficial to the better-off segments of farmers who can afford to sell their surplus production, usually not to the poorest of the poor;
- Development of value chain of small farmers' produce needs support to improved access to services (such as credit /extension) and information (market, technology, best practices, cost/benefit analysis);
- The promotion of the use of information and communications technologies (ICTs) as tools for the development of rural communities to expand their business (farm and non-farm) by getting access to buyers and suppliers;
- Value chain development should start with an in-depth understanding of the whole production/ marketing and consumption chain (crops and livestock). In-

terventions should be based on financially sound market demand and on careful assessment of implications and needed interventions at the level of production, financing, storage and marketing;

- Value chain development shall not restrict itself to activities from farmer to final consumer within the chain, but also to include activities from producer of agro inputs to the farmer as final consumer.

(d) Research and Development Component

Agricultural research is an important element of agricultural development. The development of appropriate and adapted technologies is vital for the development of agriculture in the developing world. In the long run it will have a clear impact on rural poverty, food security and sustainable agriculture. The strategic importance of Agricultural Research and Development (ARD) shall be recognized.

Consequently, Finnish support to national or regional Agricultural Research linked to concrete agricultural development programmes, should consider:

- How to make use of Farmer Research Groups, based on the principles of adult learning (e.g. Farmer Field Schools, farmer-to-farmer extension);
- Local innovation systems for adaptive research;
- How to include farmers and extensionists at the earliest possible stages of research and development, including on-station research for instance. in variety screening;
- Ensure that all agricultural research projects have a clear delivery strategy from the very beginning of the planning.

(e) Focus on Food Security/Low External Input Agriculture

Food insecurity, high malnutrition rates, highly fluctuating food prices and poor agricultural services need research and development interventions to address the following issues:

- A Food Security plan that addresses production, availability, seasonal stability (climate change effects) and nutritional aspects shall be developed in food insecure areas together with all stakeholders;
- Focus on local staple crops;
- Limited use of external inputs, towards a more environmentally and economically sustainable agriculture;
- Support better use of disease and drought resistant local varieties and biodiversity;
- Post harvest storage and losses should be addressed more;
- Include monitoring of child malnutrition level;
- Livestock development should be on the basis of crop-livestock integration in order to assure adequate nutritional balance.

6.3 Effectiveness/Impact

The effectiveness of support to the agricultural sector can be greatly enhanced by focussing on the development of institutional capacity and capacity of human resources. Moreover, creation of an environment of accountability and transparency shall be supported by developing capacities to monitor results and to evaluate the impact of interventions on the livelihoods of farmers.

Project and programme design should include the following elements:

- Enhancing institutional capacity through the development of clear work processes, procedures and administration, including accounting and human resources management;
- Capacity development and institutional strengthening for effective planning, implementation, monitoring and evaluation, should get equal attention as specific sector assistance (such as agricultural extension or seed multiplication);
- Action plans should have “result oriented budgeting” (instead of the currently used activity budgeting), to enhance transparency, accountability and cost effectiveness;
- The focus of monitoring should be on results instead of inputs, and on regular impact monitoring through significant change analysis;
- A comprehensive M&E system, which is based on practical and realistic indicators, with good guidelines for internal and external use should be developed;
- Mainstreaming of cross-cutting issues: Gender (i.e. looking at how women constitute a target group with specific needs, interests, and capabilities), HIV/AIDS and Environment (incl. effects of climate changes).

6.4 Governance and Management

As the governance and management of most of the reviewed agricultural programmes pose problems with regard to decision-making, we suggest the following changes:

- Further decentralisation and more autonomy and decision-making authority to the Embassies. The development of multi-year country strategy papers could serve as the basis for planning and allocation of funds;
- To avoid involvement of expensive international experts in project management and administration the technical assistance should not manage the programme funds;
- Administrative and financial procedures at project level should be reassessed in order to make them less stringent;
- There should be less stringent project preparation process. A jointly prepared and accepted project document including a log frame should form the basis for annual work plans, which can be adjusted to changes in local realities (economic, social and political environment);
- Annual or biannual reviews and reporting instead of quarterly progress reporting;

- More effort should be taken to learn from experiences of other donors, both at country and at international level. Also at both levels, the MFA should attempt to learn from past evaluations and reviews, and demonstrate how these will be taken into consideration in its next strategies and plans;
- There should be a clear exit strategy right at the start of any project/programme.

6.5 Decentralisation and Stakeholder Involvement

In all countries visited, an intensive process of decentralization is taking place. Finland's support should build on and contribute to this process by supporting local level institutional development:

- When and if possible, funds should be directly channelled to local/regional/provincial government, as support to provincial level sector financing;
- Local NGOs can play an important role, complementary to that of local governments. Local NGOs often have better knowledge of local realities. They may be capable to implement a number of project/programme activities;
- Private sector development in agriculture should be done by supporting directly private sector institutions and NGOs.

6.6 Efficiency

Project management costs of most bilateral projects should be considerably reduced to around 20–25 percent of overall project costs. This could be achieved through the following measures:

- Reduction of the preparatory procedures for project identification and project formulation phase. More flexible planning should base on result-oriented planning. Activities can be adjusted according to implementation rhythm, evolving project environment and improved understanding of beneficiary needs and requirements;
- Avoid the hiring of long-term international TA through consultancy agencies, because of its costs and potential pitfalls to ownership;
- Technical assistance should focus on providing specific technical advice, capacity building and training. It should not be involved in project administration, progress reporting and financial procedures.

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ANNEX 1: TERMS OF REFERENCE

Ministry for Foreign Affairs of Finland
Department for Development Policy
Unit for Evaluation and Internal Auditing

12.3.2009

How to make agriculture work for development?

Terms of Reference for the

Evaluation of Agriculture in the Finnish Development Cooperation

1. Background and context

1.1. Three out of every four poor people in developing countries live in rural areas and most of them depend directly or indirectly on agriculture for their livelihoods. In these countries, agriculture is a vital option to stimulate growth and to overcome poverty and food insecurity. However, it is estimated that there are about 850 million hungry people and that the demand for food aid is growing due to severe droughts and natural disasters the frequency of which seems to accelerate. In spite of the efforts to invigorate agricultural production and the economic growth the number of the poor and hungry on our globe has remained at the same level.

1.2. FAO together with other Rome-based UN agencies advocated strongly for the inclusion of hunger into the Millennium Development goals as eliminating hunger is an essential element in eliminating poverty and vice versa. FAO together with its members prepared also the Voluntary Guidelines for Right to Food to encourage the nations of the world to take to actions which would pave the way to better food security.

1.3. The NEPAD member governments in Africa endorsed the Maputo Declaration, Comprehensive Africa Agriculture Development Programme (CAAPD), whereby each of the governments committed itself to increase the budgetary allocations to agriculture up to 10percent from the present modest share of 3percent.

1.4. The role of agriculture in securing food needs of the growing population has become is a much debated topic on several fora. Climate change, changing eating patterns, industrial exploitation of basic crops for bio-fuel add to the pressure on natural resources and agricultural production. Many developing countries are facing many obstacles in getting access to regional and global markets. The negotiations about the agricultural trade in the WTO have not led to any successful solutions.

1.5. World Development Report 2008 (WDR) has “Agriculture for Development” as its main theme. It calls for greater investments in agriculture in developing countries. The report warns that if agriculture and rural development are not placed at the centre of the development agenda the Millennium Development goal of halving extreme

poverty and hunger by 2015 cannot be realized. The overseas development assistance to agriculture is a necessity. However, the ODA declined drastically in the 90'ties and is still around 4 percent of the ODA at the moment. The WDR leaves a clear message that the farmers and the rural poor cannot be left alone to fight for possibilities to increase and diversify the production and for meagre livelihood opportunities available in the countryside.

1.6. The slowly improving financing trends hold a promise that the agriculture and rural development are regaining the interest of donors and governments and private sector. The reason for this is, at least partly, the realisation that promotion of growth through improved agricultural production, reduction of poverty and fight against global environmental problems work in concert for global security. UN and EU have launched an appeal in 2008 whereby they encourage increasing ODA financing to the sector to help the developing world to overcome some of the challenges they face.

1.7. Using agriculture for development is a complex process. Generally, agriculture is private sector-led but at the same time an institutionally complex sector involving different ministries and government institutions. Global Donor Platform for Rural Development has come up with an interesting observation that “although there is a general understanding that the contemporary role of state in the sector is about providing regulation, public goods (research, development) and addressing market failures, there is still lack of consensus of what this means in practice”. In addition, development problems and needs are heterogeneous and location-specific and require flexible approaches and strategies of action.

1.8. The new development policy (2007) of the Government of Finland, “Towards a Sustainable and Just World Community” gives special emphasis on the role of agriculture and rural development in promotion of development. Furthermore, sustainable use of natural resources and equal growth as well as importance of issues related to climate change and environment is leading themes of the policy paper. No overall evaluation has ever been conducted on lessons learned or the impact of the Finnish contributions to the sector. There have been, of course, evaluations of individual projects. Also agriculture may have been a component of country programme evaluations. The evaluation report on the Finnish Development Cooperation in the Rural Sector of Zambia of 1997 is the only proper evaluation carried out by the evaluation unit of the MFA. These facts together gave the MFA the reason to launch an evaluation which would look at the entity of the Finnish endeavours in the sector during the last 10 years.

2. Finnish support to Agriculture and Rural Development Sector

2.1. The Finnish development policy (2001/2004) limited the number of the main partner countries and the number of main sectors per country in order to achieve more effectiveness and efficiency in its development cooperation. The agriculture and rural development sectors maintained fairly well their position in the Finnish aid to its

main partner countries (in 6 out of 8). The nature and methods how aid is delivered have changed due to the new international principles and best practises and the evolving development architecture. Most prominently, Finland has increased its cooperation and coordination with other development actors.

2.2. In the 2000'ies the discussions in Finland started to reflect more vigorously the problems of agriculture and rural development. An international seminar was organised to activate innovative thinking around the subject and give impetus to fresh ideas. Simultaneously, the Ministry for Foreign Affairs (MFA) started also preparations for a strategy paper on agriculture and rural development. Furthermore, the Minister for Trade and Development Cooperation launched an initiative of a joint working group in agriculture and rural development between the MFA and Ministry for Agriculture and Forestry.

2.3. The bilateral interventions present the majority of the Finnish interventions to agriculture and rural development. On the multilateral front Finland was more active in the 80'ies and still in the beginning of the 90'ies but thereafter the so called multi-bi cooperation was reduced radically.

3. Definitions

3.1. In this evaluation “Agriculture” is understood to include agricultural production (crop and livestock as well as agro-forestry) and other activities directly linked to it (marketing, storage, input distribution and rural credit, processing of agricultural products, agricultural research and capacity building for rural institutions). It does not include for instance forestry, rural water, infra-structure, rural electrification.

3.2. The word “partner country” refers to the eight developing countries that are the main recipients of Finland’s development cooperation funds. The word “project country” refers to other developing countries Finland is working with.

4. Purpose of the Evaluation

4.1. The main purpose of the evaluation is is to obtain lessons learned for future. The evaluation team shall provide the Ministry for Foreign Affairs (MFA) with evidence-based information and proposals and recommendations that could guide the MFA in its future decisions on how to use the aid funds effectively to the sector, in line with the new policy guidelines and internationally recognised good practises. The primary target audience consists of policy makers, technical experts and operational staff in the MFA (HQ and Embassies) as well as Finnish agriculture and rural development stakeholders.

5. Main objectives

The main objective of the evaluation is the obtenance of:

- an informed judgement on the effectiveness, sustainability and impact of the bilateral and multilateral development cooperation on the agricultural development, reduction of rural poverty, food security and rural livelihoods paying also attention to the Finnish value added in the sector;
- a clear view on which aid modalities work for agriculture in development and which aid modalities are most effective for what purposes and for which contexts or governance structures (public/private; local/national/regional/global); special attention shall be paid to the preconditions which should be met before launching the intervention;
- an informed opinion on effectiveness of Finnish aid in capacity and institution development aspects in the Finnish interventions and their sustainability; on possible synergies and coherence issues between bi- and multilateral activities in the sector;
- The effectiveness of coordination and cooperation mechanisms with other development actors/donors in the sector.

6. Scope

6.1. The evaluation will focus on the Finnish agriculture support as a whole. A **pre-study** on major bilateral programmes in the agricultural sector has been carried out in 2008 to facilitate the evaluators with analysed information on modalities and instruments as well as duration and financing on Finnish interventions in the sector. A similar study on multilateral or multi-bilateral arrangements has not been done.

6.2. The focus of the evaluation is on the Finnish support to the agriculture starting from the second half of the 90'ties until today with the main emphasis on the 2000'ties. The 2nd half of the 90'ies will be covered to the extent opportune and/or beneficial to obtain a good overall picture or for comparative reasons. The evaluation shall cover all the partner countries where Finland has been active in the agriculture. Activities in some individual countries (for ex. South Africa), where projects have been implemented, can also be analysed to allow a wider scope for comparison between different approaches, aid modalities and instruments. All international organisations with which Finland has cooperated in the sector shall be included in the study (FAO, IFAD, WFP, WB, CGIAR etc.). Currently, an evaluation of development research (incl. CGIAR and WB) is being carried out; the study is expected to be completed by the end of June 2009.

6.3. The Finnish support to the agriculture shall be assessed from the point of view of the overarching principles of the Finnish development policy: human rights, equity, good governance and rule of law and crosscutting issues. In accordance with the latest Finnish development policy (2007) priorities the Finnish actions shall be ad-

dressed from the point of view of sustainable use of natural resources and sustainable communities.

6.4. The evaluation shall analyse also the development policies, the guidelines for agricultural policy/strategy (2004) and other applicable sector policies and strategies as well as aid modalities, including the consequences and effectiveness of their application. Also guidelines for multilateral organisations and the latest UN policy of Finland as well as discussions on the international and domestic fora (working group between the MFA and the MAF, Ministry of Agriculture and Forestry) on the role of agriculture in development shall be included in the evaluation.

7. Evaluation issues

The evaluation issues are based on the OECD/DAC evaluation criteria. It is understood that these criteria apply mostly to the bilateral interventions. The questions are not exhaustive. The evaluation team is encouraged to think out of the box and to assess what kind of approach is most suitable and which questions are most apt for retrieving the information needed.

Umbrella questions

In the evaluation of the bilateral cooperation the role of aid modalities and modes of work of the Finnish support to agriculture are of main interest for the MFA, particularly effectiveness of SWAP:

- 1) What kind of prerequisites must be set for selected aid modalities to be effective and beneficial for partner countries?
- 2) Which criteria the aid interventions must meet in order to respond adequately to the needs of target groups/institutions and contribute to policy and other reform processes/needs in target countries?
- 3) Which kind of aid instruments, implementation modes and channels for aid are suitable for which purpose (public sector or private sector or civil society) in various types of environments?

The basic questions in the multilateral cooperation are:

- 1) Has the MFA fully utilized the expertise and policy guidance of the multilateral agencies for its own work?
- 2) Has the MFA adequately contributed to the reforms of the agencies to be more effective and more relevant for their constituencies?
- 3) Has the MFA been pro-active in assessment of the problems areas in the agencies and contributed to the solution of tough decisions?
- 4) Has the comparative advantages of the organisations and the MFA been recognised in funding of multilateral cooperation?

A. Bilateral Cooperation

7.1 Relevance

- Has the Finnish aid to agriculture been relevant?
- How would you assess relevance of different aid instruments (in sector development, poverty reduction, food security and livelihoods)?
- Has the consideration of crosscutting issues (esp. gender) had impact on relevance; in which way?
- Was the role of the private sector and the prevailing shortcomings and trends in the markets analysed?

7.2. Efficiency

- How would you estimate the efficiency of the Finnish interventions (e.g. use of resources versus outputs > results > inputs)?
- Which factors have impaired or promoted the efficiency?
- Have the context analysis and risks analysis been done and an adequate risk management adopted?
- Has an assessment of needs of target population/stakeholders been adequately addressed?
- Has the financial and fiduciary administration been synchronised with the local systems? What kind of good practises have been developed?
- Have the Finnish support programmes adjusted their activities in accordance with the earlier recommendations of the reviews/evaluations? How have the evaluation results been discussed and what has been the decision making process on the implementation of the recommendations? Has the implementation of recommendation been useful?
- How was baseline data established and performance/impact indicators established? Were they used systematically as the basis for M&E and reporting?

7.3. Effectiveness

- To which extent the Finnish aid to agriculture has achieved its objectives? Have the methods evolved during the years? Is there any feed-back process of lessons learned embedded in the interventions?
- Which factors have affected the coordination and cooperation with other donors? What has been the role of the recipient governments in this respect?
- To which extents have the inclusion or non-inclusion of private sector/market considerations impacted aid effectiveness?
- What is the role and significance of crosscutting issues for aid effectiveness?

7.4. Impact

- Is there any evidence or trends discernible about positive or negative impact at beneficiary, sector or global level?

- To what extent have the essential factors for achieving impact and promoting sustainability been addressed in the design and appraisal of the interventions?
- What role have the state, the private sector and civil society played in the implementation?
- Have such aspects as accountability, capacity, governance, rule of law and corruption been addressed in intervention analysis? Were they considered of importance for achieving impact?
- What kind of influence has the integration or non-integration of cross cutting issues on the outcomes/results/impact of the interventions?

7.5. Sustainability

- How and which means have been used in the interventions to promote sustainability in case countries? To which extent have they been effective?
- Have sustainability issues been addressed from the beginning of the interventions? Are there exit-strategies for cooperation? Have the intervention plans included a systematic analysis of responsibilities of each party in the phasing out of the Finnish support?
- What sort of capacity/institution building has taken place? Has it influenced in any way the sustainability of the interventions?
- To which extent the design has been based on the HRBA? What is the importance of integration or non-integration of crosscutting issues on sustainability?
- In which way has the role of private sector and access to markets been addressed? Were they considered of importance?

7.6. Coherence and Compliance

- Are the Finnish interventions aligned with the recipient country's priorities/ PRSPs/development plans/joint assistance plans of the donors? Which methods were used to secure the coherence?
- Are the interventions in compliance with the Finnish development policies and policy guidelines?
- To what extent have the issues of the agricultural sector been addressed in relation to other Finnish aid intervention in case countries? Have particular objectives pertinent to agriculture set in the annual plans of the responsible departments/embassies?

7.7. Crosscutting issues

- Which crosscutting issues should be particularly emphasised in the interventions, in general and in individual Finnish interventions?
- To which extent have crosscutting issues either affected the success, sustainability or impact of the interventions?

7.8. Finnish value added

- What has been the Finnish value-added in the aid interventions to agriculture? Has there been a systematic identification of opportunities for it? How has it been promoted and understood?

B. Multilateral cooperation

- To which extent is the importance of agriculture recognised in the multilateral development financing of Finland? Have there been areas of specific interest for Finland that have been funded? What has been the basis of selection criteria for financing? What mechanisms, aid modalities and channels have been used? Have HRBA and crosscutting issues been of any importance? Has Finland been pro-active in planning, monitoring and evaluation of sector interventions?
- Can the Finnish support through multilateral channels be considered relevant? Has it promoted aid effectiveness? Have the funds been targeted to priority themes or used for administration? How is coherence and coordination organised?
- How has the Finnish value-added been promoted in the multilateral cooperation?
- Assess the strengths, weaknesses, opportunities and threats of the present attitude of Finland to agriculture in the multilateral cooperation?

8. Approach and methodology

8.1. The evaluation shall be carried out in accordance with the Evaluation Guidelines of the MFA (2007) and be guided by the OECD/DAC evaluation criteria. Strategic, qualitative and quantitative aspects shall be assessed. The evaluation team shall adopt mixed methods in carrying out the tasks. Information should be gathered and analysed prior to the field trip.

8.2. In the assessment the evaluation team shall analyse data, explore causality and to understand processes and external influences. In-depth interviews, focus groups and other suitable methods shall be used to achieve relevant information.

8.3. Careful selection is required to identify the adequate target countries of the Finnish support and the multilateral organizations to be visited.

8.4. The evaluation consists of three phases:

- **Phase I**; study of relevant documentation (Finnish and partner country, other donors, international organisations); this phase includes also interviews with relevant persons and stakeholders in Finland to deepen the understanding of the evolution of the Finnish development cooperation and changes of key policy issues.

- During this phase, the methodology of the evaluation must be further refined from what has been proposed in the tender, including the preparation of possible questionnaires/interview guides and other tools needed for the field work and the identification of stakeholders to be interviewed. An Inception Report shall be submitted by the end of the Phase I specifying the detailed methodology and approach to the subject plus the detailed work plan giving clear indication of the division of work and man months per each team member. A comprehensive evaluation matrix shall be prepared and annexed to the Inception Report.
- **Phase II;** visits to selected countries and organisations. By the end of the field visits the preliminary findings of the fieldwork should be presented to relevant stakeholder groups (involving staff from the Finnish embassies where applicable). Also a consultation visit to Helsinki shall be included in the programme.
- **Phase III** will focus on analysing and synthesising the findings from previous phases supplemented by additional fact-finding and interviews where needed. All this information will be consolidated into a draft final report. Based on the draft final report a seminar will be organised to discuss the main conclusions and recommendations. Based on the outcome of this workshop and written comments on the draft report the final Evaluation Report will be prepared.

9. Composition and profile of the Evaluation Team

9.1. The Evaluation team should be composed of a maximum of **four** international consultants e.g. persons with an international background, a degree from an internationally recognised university and significant professional experience in assignments in developing countries and/or international organisations with work experience in recognised international consulting companies or research institutions. Consultants submitting proposals for the Evaluation shall provide a written statement that none of the team members has had a relation (preparation, implementation or review) with the Finnish interventions in the sector subject to this evaluation to ensure the independence and to avoid conflict of interest. The Tenderer shall provide also statements of professional conduct on those evaluations/reviews the tenderer wants to make reference to.

- The team members must have relevant academic degrees. The team shall demonstrate experience in the central substance areas of this evaluation and preferably experience from some of the countries/regions where the Finnish interventions have been implemented (see the Annex to the TOR). The team as a whole must have complementary expertise and solid experience in aid evaluation and be conversant with international aid policies and aid modalities. The team leader must have experience in leading evaluations, preferably in various contexts. The team shall have male and female members and at least one team member from a developing country and local experts available to assist in each of the field study countries.
- Team members must have both oral and written fluency in the English language.

10. Evaluation principles and management

10.1. The Evaluation Unit of the MFA provides the evaluation management. The evaluation is carried out through a contract with the implementor of the evaluation. The team will:

- carry out the evaluation as per ToR;
- be responsible for the findings, conclusions and recommendations of the evaluation; the main responsibility lies with the Team Leader;
- report to the evaluation management, be in regular contact and coordinate mission timing and key events with the management and seek advice, when needed;
- the Team Leader is responsible for the team's reports and for the organisation of the work of the team; he/she will also ensure the compliance of the report with the printing guidelines of the Evaluation Unit of the MFA; he/she shall participate in the final public presentation of the report.
- the Team Leader will participate in workshops/final seminar and other team members as required.
- The evaluation team shall exercise discrete manners while carrying out the task so that the views and opinions of individual persons are not disclosed without their prior consent.

10.2. The Consultant's home office shall provide the following services:

- general home office administration and professional back-up. The back-up activities shall be specified;
- quality assurance of the consultancy services in accordance with internationally recognised quality assurance system (QA), as described in the consultant's tender proposal. Special emphasis will be given to quality assurance of draft reports prior to the submission. The tender proposal shall comprise a description of the proposed QA and the Consultant shall verify that the QA has been actually carried out as agreed. The QA includes both substance and editing and other relevant administrative issues.

11. Timetable and reporting

11.1. The tentative timetable is as follows:

Tendering and contracting of the evaluation	March/April 2009
Mobilisation of the Consultant	April/May 2009
Phase I; familiarisation with the subject/ desk studies, Inception Report	May–June 2009
Phase II; field studies including the debriefing workshops	June–September 2009
Phase III; draft evaluation report and seminar	November 2009
Final evaluation report	Not later than December 2009

11.2. The implementer of the evaluation shall produce minimum three (3) reports: 1) inception report with detailed work plan and methodology and specifying the responsibilities of each team member including the local experts (see also 7.4.) 2) draft final report synthesising the collected information according to the ToR and presenting conclusions and recommendations 3) final report must be presented approx. within 2 weeks from the public seminar and the written comments from the interested parties.

11.2. The inception report and the draft final report shall be made available in word format by e-mail and the final report shall be submitted in three (3) hard copies and in the electronic format both as MS Word Office and PDF files. The report shall be written in English, and the quality of the language must be checked and the editing of the report must allow printing without further editing.

11.3. In reporting the models described in the Evaluation Guidelines “Between Past and Future” of the Ministry shall be used to structure the evaluation process and the various reports (available <http://formin.finland.fi/public/default.aspx?nodeid=15454&contentlan=2&culture=en-US> or as a hard copy, which can be requested from Seppo.Lehtinen@formin.fi).

11.4. The reports shall be concise and clear and the final report shall not exceed 60 pages, excluding the annexes. Figures, flow-charts, graphs and other visual means are encouraged to be used to clarify matters rather than long verbal expressions. It is important that the report is clear in defining its findings, conclusions and recommendations. Vague language is not acceptable. The report will include an abstract in English, Finnish, and Swedish, and an executive summary in English and Finnish. The MFA will take care of translations into Swedish and Finnish.

11.5. Instructions to be followed in the layout and design of the final evaluation report will be provided separately on request by Seppo.Lehtinen@formin.fi

11.6. The evaluation team is expected to check the quality of the evaluation report against the nine (9) criteria of the EU (can be found at the web page of the evaluation unit of the Europeaid): http://ec.europa.eu/europeaid/evaluation/methodology/guidelines/gui_qal_flr_en.htm
The consultant shall also fill in the form relevant to these criteria.

11.7. The quality standards of development intervention evaluation of the OECD/DAC (2006) prevail throughout the evaluation. Standards can be found from the web page of OECD: <http://www.oecd.org>

11.8. Further information concerning Finnish Development Cooperation and policy, procurement policy and earlier evaluations can be obtained from <http://formin.finland.fi> or by sending a request to Seppo.Lehtinen@formin.fi

12. Budget

The costs of the evaluation shall not exceed the sum of 240 000 € (VAT excluded).

13. Authorisation

13.1. The evaluation team is entitled to contact any persons and conduct discussions with any persons or institutions pertinent for this evaluation. These persons should be informed well in advance of the wish of the consultants to interview them and provide them with the pertinent information (for ex. the ToR and specific topics to be discussed). The MFA can provide the consultant with a letter of recommendation whenever deemed appropriate or assist otherwise in arranging contacts.

13.2. The team is not authorised to make any commitments or statements on the behalf of the Government of Finland.

Helsinki 13.3.2009

Aira Päivöke
Director

Annex 1

Support to the agriculture and rural development in the main partner countries of Finland

- **Vietnam;** In Vietnam Finland emphasises environmentally and socially sustainable development and seeks to enhance impact of aid on poverty reduction by increasing the volume of the aid and concentrating on priority sectors. Land shortage, unemployment and livelihood problems in the countryside have been and still are drivers for the Finnish aid in Vietnam. Even though Vietnam has been able to reduce extreme poverty in a significant way (58.1 percent in 1993 and 14.7 percent in 2007), there are still poverty pockets in the country (circa 13.5-16 million poor people). Approximately 50 percent of the population live under two dollars per day. However, Vietnam is not heavily dependent of external donor aid, which constitutes only 4percent of the BDP and 15 percent of the government budget. There is no joint donor strategy in Vietnam but the so-called Hanoi Core Statement, local version of the Paris Declaration, forms a common ground for cooperation between the donors and the government.
- Finland has supported the rural development in Quang Tri Province since 1997 and later in Thua Thien Hue. This support will be discontinued after the present programme phases will end in 2008 and in 2009 respectively. Finland has taken a keen interest in the National Poverty Reduction Programme (Pro-

gramme 135, Support for Communes Facing Extreme Hardship in Ethnic Minority and Mountainous Areas) and supports it with 17 million dollars in 2006–2009. The intention is to contribute to the strengthening of this financing instrument even further. The National Programme aims at improving communal infrastructure and promoting agriculture and other livelihoods. The Government finances 65% of the c. 1000 million dollar budget and the rest comes from the donors. Vietnam is working on a National Programme targeted to Climate Change Mitigation and Adjustment that is of interest for Finland as it is closely linked with sectors Finland has traditionally supported in Vietnam (forests, natural resources and agriculture).

- **Zambia;** Finland has supported agriculture sector in Zambia since 1975. The central objectives of the aid have been 1) improvement of livelihood and living standard of the rural population and 2) improvement of the food security. Until 2000 the support consisted of various interventions (Cooperative Cattle Marketing 1975–1993, Pig Breeding 1977–1984, Fertiliser deliveries 1977–1992). Luapula Fertiliser and Agricultural Extension Programme started in 1980 and was finalised in 2000. The present PLARD programme (Programme for Luapula Agriculture and Rural Development) is based on the cooperation started in Luapula already in 1980. The focus of both Cattle Marketing and Luapula Programme has been on the increased agricultural production. PLARD (from 2000 onwards) has gone through many changes and adjustments due to the changes and instability in the political and economic environment and due to policy decisions of the Zambian authorities affecting the agricultural sector. In 2004, Finland decided that agriculture will be one of the priority sectors of Finland in Zambia. In 2007, the donors to Zambia signed a Joint Assistance Strategy (JASZ) as a response to the national development plan. In that connection, the division of work between the donors was defined as per sectors. In the agriculture, Finland is an active partner while Sweden, World Bank and USA share the coordinating lead donor role. As there is no national agricultural strategy in Zambia the support cannot be given through a SWAP but through separate coordinated bilateral projects. The Finnish project, PLARD, consists of four components: agriculture, agribusiness, institution building and sustainable fishery.
- **Nicaragua;** Finland has operated in Boaco and Chontales Provinces by supporting agriculture and rural development. The support to the rural development started in 1989 and since 2004 the sector has been one of the strategic focuses of the Finnish development aid. The main objectives of the support have been improvements to the living standard and income of the rural poor, diversification of livelihoods, better functioning services and strengthened farmer organizations. With changed approach/content the project is called nowadays FOMEVIDAS. It is a bilateral project the implementation of which is the responsibility of the National Institute for Rural Development (IDR). The development plan of the Ministry of Agriculture is supported through PRORURAL where Finland has joined forces together with Switzerland, Norway, Sweden and Denmark. In addition, NIFAPRO – a joint programme of the

University of Helsinki and INTA (National Agricultural Research Institute) seeks ways to develop agro-biotechnology and strategic planning. The programme is including also student exchange. In addition, Finland has had a long-standing cooperation with Nicaragua in the decentralisation and community development through projects in Chontales and Boaco (former FADES, the present name PROGESTION). PROGESTION will come to the in 2008. Connected to this sector is the financing to a Good Governance Fund the aim of which is to support the projects of the local NGOs that promote democracy and good governance. In addition, communication technology of these provinces has been improved through TIC-project.

- Agricultural and rural development will remain central sectors of the Finnish support to Nicaragua with special focus on sustainable production methods in agriculture and animal husbandry and on mitigation of climate change. Financing to communal environmental strategies, which Finland initiated in the 90'ties will again be reactivated. In general, the objectives of the Finnish aid to the rural development have remained in essence the same, with modifications and re-orientations according to the changing environment and with changed approaches of Finland.
- **Mozambique;** Finland started its cooperation with Mozambique in 1984 and it has been one of the main recipients of the Finnish aid since 1987. In the early years of the cooperation, the support was directed to infrastructure, especially rehabilitation of ports in Beira and Nacala. In the 90' ties, the main emphasis was shifted to poverty reduction, environmental protection and promotion of democracy and human rights. Since the end of the 90'ties Finland turned to support sector programmes and budget support was initiated in 2003. In the agriculture sector, Finland supported a number of years a agricultural training school and a joint Nordic cooperative programme. Nowadays the support is channelled to the sector programme PROAGRI (since 2005). Finland acts as the lead agency for the financial administration and planning group. According to the new development policy, special attention will be attached to the role of agriculture in climate change. Both in PROAGRI and the bilateral rural development project in Zambesia Province the main emphasis is on development of livelihoods of small farmers, competitiveness of agriculture and food security. In Zambesia a special attempt will be made to reduce the poverty of rural women.
- **Tanzania;** Finland has a long history of development cooperation with Tanzania. The experiences have prepared the ground for adjustments and diversified approaches like programmatic and budget support that are nowadays important features of our support. Finland is also cooperating and coordinating its aid closely with other bilateral or multilateral actors by joint financing arrangements and dialogue. However, bilateral projects are considered useful tools when operating within geographically limited areas, when piloting new approaches and when implementing limited infra-projects.
- One of the biggest challenges for Tanzani's social equity is improvement of regional equity. The Integrated Rural Development Programme (RIPS) in Mtwara and Lindi was initiated already in the 80'ties. It introduced participatory meth-

ods for identifying the needs and expectations of the rural population. These methods were taken by the Tanzanian government into national use. The Mtwara-Lindi Project continues still. It has changed its focus and approach but still the aim is improvement of livelihoods and reduction of poverty of the rural poor. In the coming years it will focus on development of regional growth centres – the idea existed already in the 80'ties – by involving the private sector more closely in the development efforts. The support to regional and local development has the biggest financial share in the Finnish–Tanzanian partnership programme and Finland is one of the biggest contributors in this area. The local and regional administrations are in key position when prerequisites for the economic activities of the poor are being developed. Finnish support to the local and regional development, i.e. LGRP (Local Government Reform Programme) and LGCDG will be further increased and strengthened. Finland is the co-chair of the donors supporting the strengthening of local administration.

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