

Evaluation

Country Programme between Finland and Nicaragua



Evaluation report 2012:1

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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Julian Caldecott
Fred van Sluijs
Benicia Aguilar
Anu Lounela

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MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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PREFACE

Nicaragua is one of the principal development cooperation partner countries of Finland. Over the years, the development cooperation programme has experienced a number of major changes both in terms of the consecutive development policies of Finland and in terms of major political changes in Nicaragua.

The evaluation report gives an account of Finland's development policies during 2002-2010 and how it was transformed into cooperation programme with Nicaragua. The external and internal factors that shaped the implementation and the significant shifts in the course of the last decade are elucidated and their influences on the identified strengths, weaknesses, and good and bad practices of the programme are analysed and discussed.

The evaluation of the development cooperation programme between Finland and Nicaragua is one of three evaluations of country programmes that the Ministry for Foreign Affairs of Finland launched in early 2011. To strengthen coherence in analyses and in understanding of the programming process of Finland's development policies, the three country programme evaluations – those of Nicaragua, Nepal and Tanzania – were performed by one larger evaluation team with multidisciplinary and country-specific competencies. The team worked in three, country-focused sub-teams with one and the same team leader.

Helsinki, 29.12.2011

Aira Päivöke
Director
Development Evaluation

ACRONYMS AND ABBREVIATIONS

€	Euro
%	Percent
ACF	Anti-Corruption Fund
ALBA	Alianza Bolivariana para los Pueblos de Nuestra América (Bolivarian Alliance for the Peoples of Our America)
Albanisa	ALBA de Nicaragua
ALI	Africa and Middle East Department of the MFA
ASA	Americas and Asia Department of the MFA
BKT	Bruttokansantuote (in Finnish text)
BSG	Budget Support Group
ca	circa ('about')
CAP	Country Assistance Plan (also known as Participation Plan or Osallistumissuunnitelma)
CATIE	Centro Agronómico Tropical de Investigación y Enseñanza (Tropical Agricultural Research and Higher Education Centre)
CCT	Cross-cutting theme
CDI	Corporate Development International
CENIDH	Centro Nicaragüense de Derechos Humanos (Nicaraguan Centre for Human Rights)
CO ₂	Carbon dioxide
CPC	Consejo de Poder Ciudadano (Citizen's Power Council)
CSO	Civil society organisation
DAC	Development Assistance Committee (of the OECD)
DANIDA	Danish International Development Agency
EC	European Commission
EEP	Energy and Environment Partnership with Central America (Alianza en Energía y Ambiente con Centroamérica)
EFM	Embassy of Finland, Managua (abbreviated also as MGU)
e.g.	<i>exempli gratia</i> ('for example')
EK	European Commission (in Swedish text)
EQ	Evaluation question
etc.	<i>et cetera</i> ('and the rest')
EU	European Union
EVA-11	Development Evaluation of the Ministry for Foreign Affairs of Finland
FADES	Fortalecimiento de la Autogestión del Desarrollo Social (Strengthening of Self-Sufficiency for Social Development)
FAO	Food and Agriculture Organisation (of the United Nations)
FAV	Finnish added value
FED	Fondo para la Equidad y los Derechos Sexuales y Reproductivos (Fund for Gender Equity and Sexual and Reproductive Rights)

FIDEG	Fundación Internacional para el Desafío Económico Global (International Foundation for the Global Economic Challenge)
FINNFOR	Forests and Forest Management in Central America
FIR	Fondo de Inversiones para la Reconstrucción (Sandinist regime development cooperation authority)
FN-organ	United Nations organization (in Swedish text)
FODINIC	Strengthening Organisations of Disabled Persons in Nicaragua
FOMEVIDAS	Programa de Fortalecimiento Rural y Reducción de la Pobreza en Boaca y Chontales (Rural Strengthening and Poverty Reduction Programme in Boaca and Chontales)
FONIM	Fondo Nacional de Inversión Municipal (National Fund for Municipal Investment, a pooled fund mechanism established by the Municipal Transfer Act)
FONSALUD	Fondo Nicaragüense para la Salud (Nicaraguan Health Fund)
FSLN	Frente Sandinista de Liberación Nacional (Sandinist National Liberation Front)
FUNIDES	Fundación Nicaragüense para el Desarrollo Económico y Social (Nicaraguan Foundation for Economic and Social Development)
G/D	Governance/decentralisation
GBS	General budget support
GDP	Gross domestic product
GHG	Greenhouse gas
HAN	Embassy of Finland in Hanoi, Vietnam
HDI	Human Development Index
HIPC	Highly Indebted Poor Country
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HIVOS	Humanist Institute for Development Cooperation
HQ	Headquarters
HRP	Human Rights Programme
ICI	Institutional Cooperation Instrument
ICJ	International Court of Justice
ICT	Information and communication technology
IDB	Inter-American Development Bank (Banco Interamericano de Desarrollo)
IDR	Instituto de Desarrollo Rural (Rural Development Institute)
i.e.	<i>id est</i> ('that is')
IEEPP	Instituto de Estudios Estratégicos y Políticas Públicas (Institute of Strategic Studies and Public Policies)
IFAD	International Fund for Agricultural Development
IFI	International financial institution
IICA	Instituto Interamericano de Cooperación para la Agricultura (Inter-American Institute for Cooperation on Agriculture)
IMF	International Monetary Fund
INAFOR	Instituto Nacional Forestal (National Forestry Institute)

INIFOM	Instituto Nicaragüense de Fomento Municipal (Nicaraguan Institute for Municipal Affairs)
INIM	Instituto Nicaragüense de la Mujer (Nicaraguan Women's Institute)
INTA	Instituto Nicaragüense de Tecnología Agrícola (Nicaraguan Agricultural Technology Institute)
IOB	Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie (Policy and Operations Evaluation Department of the Ministry of Foreign Affairs of the Netherlands)
JFA	Joint Financing Agreement
JICA	Japanese International Cooperation Agency
KEPA	Service Centre for Development Cooperation (Kehitysyhteistyön Palvelukeskus)
KfW	Kreditanstalt für Wiederaufbau (German Reconstruction Credit Institute)
LCF	Local Cooperation Fund (PYM in the Finnish text)
LiD	Life in Democracy
M4P	Making Markets Work for the Poor
MAGFOR	Ministerio Agropecuario y Forestal (Ministry of Agriculture and Forestry)
MAP	Embassy of Finland in Maputo, Mozambique
MARENA	Ministerio de Recursos Naturales y Ambiente (Ministry of Natural Resources and Environment)
MDG	Millennium Development Goal
MFA	Ministry for Foreign Affairs of Finland
MGU	Embassy of Finland in Managua, Nicaragua (abbreviated also as EFM)
MHCP	Ministerio de Hacienda y Crédito Público (Ministry of Finance and Public Credit)
MIFIC	Ministerio de Fomento Industria y Comercio (Ministry for the Promotion of Industry and Trade)
MINREX	Ministerio de Relaciones Exteriores (Ministry of Foreign Affairs)
MINSA	Ministerio de Salud (Ministry of Health)
MRS	Movimiento Reformista Sandino (Sandinist Reform Movement)
NGO	Non-governmental (non-profit) organisation
NHDP	National Human Development Plan
NIFAPRO	Nicaragua-Finland Agro-Biotechnology Programme
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OEP	Oficina de Ética Pública (Office of Public Ethics)
PAANIC	Plan de Acción Ambiental de Nicaragua (Nicaraguan Environmental Action Plan)
PAM	Performance assessment matrix
PANIF	Environmental Programme for Nicaragua
PASMA II	Environment Sector Programme, Phase II (of DANIDA)

PCN	Conservative Party of Nicaragua
PGR	Procuraduría General de la República (Office of the Procurator General of the Republic)
PLC	Partido Liberal Constitucionalista (Constitutional Liberal Party)
PPP	Purchasing power parity
PRESANCA	Central American Regional Programme for Food and Nutritional Security (Programa Regional de Seguridad Alimentaria y Nutricional para Centroamérica)
PRGF	Poverty Reduction and Growth Facility (of the IMF)
PROAMBIENTE	Institutional Support to Decentralized Environmental Management Programme
PROASE	Programa de Apoyo a la Transformación Estructural del Sistema Educativo (Education Sector Budget Support Programme)
PROCAFOR	Programa Centroamericano Forestal (Central American Forestry Programme)
PRODEGA	Proyecto de Desarrollo Rural Ganadero (Rural Livestock Development Project)
PRODETEC	Programa de Desarrollo Tecnológico (Technological Development Program)
PROGÉNERO	Programme for Promotion of Gender Equality and Women's Rights
PROGESTIÓN	Programa de Gestión Municipal (a bilateral Municipal Management and Local Development Strengthening Programme)
PROPEMCE	Programa para la Promoción de Equidad Mediante el Crecimiento Económico (Programme for Promoting Equity through Economic Growth)
PRORURAL	Programa Sectorial del Desarrollo Rural y Productivo Sostenible (Rural Development and Sustainable Production Sector Programme)
PRSP	Poverty Reduction Strategy Paper
PYM	Local Cooperation Fund (LCF) in Finnish language
RAAN	Región Autónoma del Atlántico Norte (Autonomous Region of the Northern Atlantic Coast)
RAAS	Región Autónoma del Atlántico Sur (Autonomous Region of the Southern Atlantic Coast)
RDA	Rural Development Adviser
REDD	Reduced [GHG] Emissions from Deforestation and [forest] Degradation
SARED	Programa Salud Reproductiva Equidad y Derechos (Reproductive Health, Equity and Rights Programme)
SAREM	Salud Reproductiva y Empoderamiento de la Mujer (Reproductive Health and Empowerment of Women)
SBS	Sectoral budget support
SEPRES	Secretariado de la Presidencia (Secretariat of the Presidency)

SICA	Sistema de la Integración Centroamericana (System for Central American Integration)
SILAIS	Sistema de Atención Integral de Salud (Integrated Health Care System)
SIREH	Rehabilitation of Disabled Persons in Nicaragua
SWAp	Sector-Wide Approach programme
SYKE	Finnish Environment Institute
TA	Technical Assistance
TAP	Transparency and Accountability Programme
TCP	Tratado de Comercio de los Pueblos (People's Trade Treaty)
TELCOR	Instituto Nicaragüense de Telecomunicaciones y Correos (Nicaraguan Institute for Telecommunications and Posts)
ToR	Terms of Reference
UK	United Kingdom
UM	Utrikesministeriet (in Swedish), Ulkoasiainministeriö (in Finnish)
UN	United Nations
UNDP	United Nations Development Programme
UNCED	United Nations Conference on Environment and Development
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund (formerly the UN Fund for Population Activities)
USA	United States of America
USAID	United States Agency for International Development
US\$	United States Dollar (currency of the United States of America)
VOZJOVEN	Promotion of Sexual and Reproductive Health and Participation of Adolescents and Youth Project
YK	Yhdistyneet Kansakunnat (in Finnish text)

Suomen ja Nicaraguan välisen Maaohjelman Evaluointi

Julian Caldecott, Fred van Sluijs, Benicia Aguilar ja Anu Loumela

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TIIVISTELMÄ

Evaluoinnin tarkoitus on selvittää Suomen kehityspolitiikan ja Nicaraguan kanssa tehdyn yhteistyön välisiä ohjelmointimekanismeja viime vuosikymmenen aikana. Toimintaan vaikuttivat vuosien 1998, 2001, 2004 ja 2007 kehityspoliittiset ohjelmat. Analyysissä käytettiin 14:ää kriteeriä. Työ tarkasteli kahta selkeää vaihetta: aika ennen ja jälkeen vuoden 2007 alkua, jolloin Nicaraguassa radikaali sandinistihallinto pääsi valtaan ja lähti toteuttamaan edeltäjiään ehdottomampaa ja köyhyyteen enemmän keskittyntä ohjelmaa. Ensimmäistä vaihetta vastaavan Suomen maaohjelman pääteemat olivat terveyden, maaseutukehityksen ja paikallishallinnon tuki ja yleinen budjettituki (GBS), paikallisen yhteistyön määräraha (PYM) sekä vammais- ja ympäristöalojen ohjelmat. Suomen vuoden 2004 kehityspoliittinen ohjelma johti siihen, että kolme pääteemaa säilytettiin GBS:n ja PYM:n ohella – muista ohjelmista luovuttiin vaiheittain. Samaan aikaan edustusto kehitti kolmen tärkeimmän teeman sektoriohjelmaa (SWAp). Paikallishallinnon tukiohjelma vastasi yhteistyöhallituksen politiikassa painopisteeksi määritellyn hallinnon hajauttamisen tavoitteeseen. Myös poliittinen vuoropuhelu integroitiin ohjelmointiin. SWAp ja GBS miellettiin malliesimerkiksi Pariisin julistuksen toimeenpanosta. PYM tuki kansalaisyhteiskunnan täydentävää työtä.

Toisessa vaiheessa Nicaraguan ja Suomen näkemykset eriytyivät yhä enemmän. Vuoden 2007 kehityspolitiikan mukaisesti Suomen edustusto ja ulkoasiainministeriö (UM) laativat alkuvuodesta 2008 toimeenpanosuunnitelman (CAP) Nicaragualle. Siinä tuettiin kolmea SWAp:a, GBS:a ja hyödynnettiin PYM-instrumenttia. Nicaraguan hallitus uudisti jälleen hallintoaan, mikä aiheutti hallintoon keskittyneen SWAp:n epäonnistumisen vuonna 2009. Korvatakseen sekä SWAp:n että PYM:n, Suomi otti käyttöön uusia järjestelyjä rahoittaakseen kansalaisyhteiskunnan hallinto- ja ihmisoikeushankkeita, mikä näytti valtavirtaistavan läpileikkaavat teemat, mutta samalla polarisoivan tilanteen, joka johti jännitteisiin hallituksen kanssa ja vahingoitti kansalaisyhteiskuntaa. Muut hallintoon ja oikeuksiin liittyvät erimielisyydet hallituksen ja avunantajien välillä johtivat siihen, että Suomi ja jotkin muut avunantajat jäädyttivät GBS:n ja useat avunantajat lähtivät maasta. Hallituksen köyhyyden poistamiseen keskittyneen politiikan

mukaiiset terveyden ja maaseutukehityksen SWAp:t jatkuivat ainoina aiemmasta viidestä ohjelmasta. GBS:n lakkauttaminen oli erityisen merkittävää, sillä se oli arvioitu ratkaisevaksi köyhyyttä koskevan dialogin kannalta ja parhaaksi avun muodoksi yhteiskunnallisten tavoitteiden edistämiseksi. Maaohjelman lopputuloksen katsotaan johtuvan kokemattoman yhteistyöhallituksen ehdottomuudesta yhdistettynä dialogin epäonnistumiseen hallituksen ja avunantajien välillä.

Avainsanat: Nicaragua, sandinistit, kehitysyhteistyöpolitiikka, maakohtainen ohjelmointi, kansalaisyhteiskunta

Utvärdering av Landsprogrammet mellan Finland och Nicaragua

Julian Caldecott, Fred van Shuijs, Benicia Aguilar och Anu Lounela

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ABSTRAKT

Målet av studien är att klarlägga förhållandet mellan Finlands utvecklingspolitiska program och samarbete med Nicaragua under det senaste decenniet, då programmen från 1998, 2001, 2004 och 2007 har inverkat på arbetet. 14 kriterier användes. Två distinkta skeden identifierades, före och efter början av 2007, då en radikal sandinistregering kom till makten. Den hade en agenda som var kompromisslös och fattigdomsfokuserad. Innan detta skifte var landsprogrammets huvudteman hälsovård, landsbygdsutveckling och stöd för lokala myndigheter samt allmänt budgetstöd (GBS), lokala samarbetsfonder (LCF) och långsiktiga handikapp- och miljöprogram. Finlands utvecklingspolitik 2004 innebar att tre huvudteman kvarstod tillsammans med GBS och LCF medan övriga program avvecklades. Under tiden utvecklade ambassaden sektorsprogram (SWAp) inom de tre huvudtemaområdena, varav stöd för lokala myndigheter omdefinierades till att fokusera på samhällsstyrning och decentralisering (G/D) som ett svar på regeringens politik. I detta skede integrerades en politisk dialog med effektiv programplanering, SWAp och GBS bidrog till att Nicaragua sågs som en modell för implementering av Parisdeklarationen och genom LCF gavs stöd till det kompletterande arbete som utfördes inom det civila samhället.

I det senare skedet ökade åsiktsskillnaderna mellan den nicaraguanska och den finländska sidan. Enligt Finlands utvecklingspolitik 2007 utarbetade Finlands ambassad och Utrikesministeriet en landsbiståndsplan (CAP) med tre SWAp, GBS och LCF. Nicaraguas nya regering började dock genomföra en ny politik för samhällsstyrning, vilket ledde till att G/D SWAp misslyckades 2009. Finland ersatte programmet och LCF med nya arrangemang för att stöda samhällsstyrning och mänskliga rättigheter inom det civila samhället. Detta skulle kunna ses som en integrering av genomgående teman, men i ett polariserat läge ledde det till spänningar inom regeringen och negativa konsekvenser för det civila samhället. Andra oenigheter mellan regeringen och givarna ledde till att Finland och andra givare fryste GBS och att flera givare drog sig ur. Däremot fortsatte SWAp för hälsovård och landsbygdsutveckling, som låg i linje med

regeringens prioritering av fattigdomsbekämpningen. Dessa två var de enda av CAPs fem element som kvarstod. Avvecklingen av GBS var särskilt anmärkningsvärt eftersom stödet enligt bedömningen i CAP var avgörande för fattigdomsdialogen och den bästa biståndsformen för att främja sociala mål. Utfallet av landsprogrammet berodde förmodligen på kompromisslösheten hos en oerfaren regering kombinerat med misslyckandet att föra en effektiv dialog mellan regeringen och givarna.

Nyckelord: Nicaragua, sandinister, utvecklingspolitik, landsprogramplanering, civila samhället.

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ABSTRACT

This study aims to clarify links between Finnish development policy and cooperation programming with Nicaragua over the last decade, when the 1998, 2001, 2004 and 2007 policy frameworks all had influence. The analysis used 14 criteria to identify factors that shaped the country programme during two distinct phases, before and after early 2007, when a radical Sandinist government came to power with a more assertive and poverty-focused agenda than its predecessors. Before this, the country programme comprised the main themes of health, rural development and local government support, plus general budget support (GBS), the Local Cooperation Fund (LCF), and long-standing programmes to support disabled people and the environment. Finland's 2004 policy led to the three main themes being retained along with GBS and LCF, but the other programmes were phased out. Meanwhile the embassy developed sector-wide approach programmes (SWAps) in the three main thematic areas, of which local government support had been re-defined to focus on governance and decentralisation (G/D) in response to a government policy. Policy dialogue was integrated with programming, the SWAps and GBS contributed. Nicaragua was perceived as a model of Paris Declaration implementation. LCF supported complementary work by civil society.

In the second phase the views of the Nicaraguan and Finnish sides increasingly diverged. Guided by Finland's 2007 development policy, in early 2008 the Finnish Embassy and Foreign Ministry prepared a Country Assistance Plan (CAP) which endorsed the three SWAps and the GBS and LCF modalities. The government then advanced new policies on governance, causing the G/D SWAp to fail in 2009. To replace both it and the LCF, the Finnish side put in place new arrangements to finance civil society actions on governance and human rights. This seemed to mainstream the cross-cutting themes, but in a polarised context led to tensions with government and damage to civil society. Other sources of discord between the government and donors over governance and rights then led to the freezing of GBS by Finland and oth-

ers, and the departure of several donors. Being in line with government anti-poverty priorities the health and rural development SWAs continued, but these were the only two elements to survive of the five endorsed by the CAP. The closure of GBS was particularly striking, as it had been assessed by the CAP as crucial for dialogue on poverty and the best modality for promoting social goals. The whole outcome for the country programme is believed to be due to the assertiveness of an inexperienced government combined with the failure of effective dialogue between government and donors.

Keywords: Nicaragua, Sandinist, development policy, country programming, civil society

YHTEENVETO

Tarkoitus

Ulkoasiainministeriö (UM) on teettänyt strategisen, holistisen ja tulevaisuuteen suuntautuvan evaluoinnin Suomen ja kolmen sen kahdeksasta pitkäaikaisesta kumppanimaasta – Nepalín, Nicaraguan ja Tansanian – välisistä maaohjelmista kuluneella vuosikymmenellä. Tarkoitus on selvittää kehitysyhteistyöpolitiikan ja yhteistyön ohjelmoinnin välistä suhdetta, kuvailla mekanismeja, joita on käytetty sovellettaessa politiikkaa käytäntöön, dokumentoida tulokseen vaikuttaneita tekijöitä sekä tunnistaa vahvuuksia, heikkouksia ja opetuksia. Tämän raportti käsittää Nicaraguan maaohjelmaa, kattaen vuoden 1998 kehitysyhteistyöpolitiikan ja sen vuonna 2001 laaditun toimeenpanosuunnitelman osittain, vuosien 2004 ja 2007 politiikkojen käyttöönoton sekä merkittävän muutoksen kumppanimaan hallinnossa. Muutos johtui sandinistien kansallisen vapautusrintaman (FSLN) uudelleevalinnasta vuoden 2006 lopulla, 16 vuoden ideologisesti konservatiivisemmän hallinnon jälkeen. Raportti kertoo siitä, miten kehitysyhteistyöpolitiikkaa sovellettiin käytännössä kahdella erilaisella poliittisella ajanjaksolla sekä niiden välisellä siirtymäkaudella.

Menetelmät

Evaluointi käytti tiedonlähteinä Suomen Managuan-edustuston vuodesta 2005 lähtien laatimia vuosi- ja puolivuotisraportteja, UM:n Helsingin arkiston asiakirjoja, muuta julkaistua ja julkaisematonta aineistoa ja 123 yksittäisen, Helsingissä, Managuassa ja muualla toimivan henkilön sekä neljän nicaragualaisen yhteisön puolijäsenneltyjä haastatteluja. Analyttisenä työkaluna käytettiin 14:ää kriteeriä, vastaamaan tehtävämäärittämissä (ToR) esitettyihin kysymyksiin.

Nicaragua ja sen historia

Nicaragua on maa, jossa ideologia, etnisuus ja ulkomaiset vaikutteet ovat aina muokanneet tapahtumia. Sen Tyynenmeren ja Atlantin puoleisilla vyöhykkeillä on hyvin erilaiset historiat, mutta 1890-luvulla tapahtuneesta yhdistymisestä lähtien koko maata hallitsi Amerikan Yhdysvaltojen (USA) kanssa liittoutunut sisäinen eliitti FSLN:n johtamaan vuoden 1979 vallankumoukseen saakka. Sandinistien politiikka edisti sekataloutta, poliittista pluralismia, sosiaalisia ohjelmia sekä diplomaattista ja taloudellista sitoutumattomuutta, mutta sen ehdoton nationalismi ja sosialistiset piirteet suuttivat USA:n, mikä johti 1980-luvun niin sanottuun kontrasotaan. Sandinistit menettivät vallan vuoden 1990 vaaleissa, ja vuorossa oli kolme ideologisesti konservatiivista hallitusta, kunnes FSLN valittiin uudelleen vuonna 2006. Hallitus on siitä lähtien keskittynyt sandinistisen sosiaalisen ohjelman palauttamiseen entiselleen rakentaen samalla uutta liittoa Venezuelan ja ALBA-maiden kanssa.

Hallituksen sosiaalinen ja taloudellinen ohjelma

FSLN:n muodostaman hallituksen toimet ovat yleisesti yhdenmukaisia FSLN:n aieman toimikauden kanssa siinä mielessä, että se on säilyttänyt makrotaloudelliset tuloksensa ja politiikkansa sellaisina, että kansainväliset rahoituslaitokset ne hyväksyvät, toi-

mien samalla kuitenkin niin, ettei yksityinen sektori ole pahemmin hermostunut. Hallitus on myös lisännyt energiahuollon varmuutta säilyttääkseen liike-elämän luottamuksen ja oman suosionsa. Hallitus on ryhtynyt panemaan toimeen köyhiä tukevaa ”kansallisen inhimillisen kehityksen suunnitelmaa”, jonka ympärille hallituksen toimet on organisoitu. Uusi piirre on kunnianhimoinen sitoutuminen uusiutuvaan energiaan. Uusi konteksti on Venezuelan vaikutusvalta. Tarkkailijat ovat yhtä mieltä siitä, että hallitus on tehokas ainakin maaseutukehitys-, terveys- ja energiasektoreilla, ja köyhyiden vähentymisestä ja oikeudenmukaisuuden lisääntymisestä on jonkin verran näyttöä. Siitä huolimatta hallituksen ehdoton asenne ja ilmeinen halu oikoa perustuslaillisia ja vaaleihin liittyviä mutkia pysyäkseen vallassa ovat johtaneet suhteiden heikkenemiseen perinteisten avunantajien kanssa.

Avunantajayhteisö

Vuonna 2009 kansainvälinen yhteisö antoi Nicaragualle kahdenvälistä julkista kehitysapua yhteensä lähes 612 miljoonaa USdollaria (3,1 % Suomelta) sekä 12 miljoonaa USdollaria eri YK:n järjestöiltä ja 33 miljoonaa USdollaria velan anteeksiantoon liittyvää tukea. Kokonaissumma vastaa lähes 131 USdollarin julkista kehitysapua henkeä kohti, tai 11,5%:a bruttokansantuotteesta (BKT). Tärkeimmät kahdenvälisen avunantajat olivat alenevassa järjestyksessä Espanja, USA, Japani, Tanska, Alankomaat, Euroopan komissio, Ruotsi, Saksa, Norja, Sveitsi, Suomi, Kanada, Luxemburg ja UK, jotka yhdessä vastasivat 96 prosentista kahdenvälisen avun rahoitusvirroista. Luvut eivät sisällä Venezuelan antamaa taloudellista tukea, jonka on arvioitu olleen noin 500 miljoonaa Yhdysvaltain dollaria vuosittain vuodesta 2007 lähtien. Tämä apu lähes kaksinkertaistaa kokonaisrahoitusvirrat, mutta sitä annetaan tavoilla, jotka eivät ole läpinäkyviä, mikä heikentää rahoitustilinpitoa, makrotaloudellista analyysia ja avunantajien koordinoitua. Nämä ja muut huolenaiheet, erityisesti hallintoon liittyvät, ovat johtaneet joidenkin eurooppalaisten avunantajien vetäytymiseen Nicaraguasta.

Maakohtainen ohjelmointi, 1998–2007

Maaohjelmaa ohjasi evaluointijakson alussa Suomen vuoden 1998 kehitysyhteistyöpolitiikka ja sen vuonna 2001 laadittu toiminnallistamissuunnitelma. Keskeiset teemat olivat terveys, maaseutukehitys ja paikallishallinnon tuki, ja lisäksi ohjelma sisälsi yleistä budjettitukea (GBS) paikallisen yhteistyön määrärahoja (PYM) sekä pitkäaikaisia ohjelmia vammaisten (1990–2006) ja ympäristön (1998–2001 ja 2004–2007) tukemiseksi. Vuoden 2004 politiikka johti maaohjelman keventämiseen, jolloin kolme prioriteettisektoria säilytettiin GBS:n ja PYM:n lisäksi, mutta tuki vammaisille ja ympäristölle lakkautettiin vaiheittain. Nämä päätökset vahvistettiin kahdenvälisissä neuvotteluissa vuosina 2004 ja 2006. Samaan aikaan velkahelpotukset, julkisen talouden uudistaminen, tiukka taloudenpito ja muut toimenpiteet tasoittivat tietä kehitysyhteistyöohjelmien uudelleenjärjestelylle; Suomen koordinoitua ja osallistumista perustui sektori-kohtaisiin neuvotteluihin ja SWAp-sektori-ohjelmien kehittämiseen.

Hajauttamista koskevan UM:n pilottihankkeen yhteydessä vuonna 2005 edustustoa rohkaistiin kehittämään innovatiivisia sektori-ohjelmia (SWAp), minkä se teki muiden avunantajien ja hallituksen tuella kolmella tärkeimmällä yhteistyöalalla. Terveysten ja

maaseutukehitykseen liittyviä SWAp:ja on sittemmin pantu toimeen asianosaisten ministeriöiden kanssa ja sektorikohtaisen budjettituen, monille avunantajille yhteisten korirahastojen ja pilotti- tai erityishankkeiden ohella. Tämä ”nelihaarainen” lähestymistapa on saanut aikaan hyviä tuloksia tähän päivään saakka. Hallintoa/hajuttamista koskeva kolmas SWAp alkoi toisten kaltaisesti, mutta siihen vaikuttivat myöhemmät tapahtumat. Nämä alkoivat FSLN-hallituksen valtaan paluun myötä alkuvuodesta 2007. Hallitus alkoi nopeasti tarkistaa talousohjelmaansa ja suhteitaan sandinistisesta näkökulmasta. Se alkoi myös tehdä asioita, joita avunantajat pitivät kiusallisina; näitä olivat apusuhteiden kyseenalaistaminen, ALBA-maihin liittyminen ja tiiviimpi liittoutuminen Kuuban ja Venezuelan kanssa sekä valtiosta riippumattomien järjestöjen ja kansalaisyhteiskunnan järjestöjen, jotka se koki vastustajiksi, toiminnan häiritseminen. Tässä huolestuttavassa tilanteessa käynnistettiin vuoden 2007 kehitysyhteistyöpolitiikka ja uusi vaihe Suomen yhteistyössä Nicaraguassa.

Maakohtainen ohjelmointi, 2008–2011

Hajuttamista koskeva UM:n pilottihanke ja ministeriöstä annettu ohje varmistivat, että maakohtaisesta ohjelmoinnista huolehtisivat yhdessä edustusto ja UM:n maaryhmä maa-avustussuunnitelman (CAP) muodossa alkuvuodesta 2008. Maa-avustussuunnitelmassa vahvistettiin sitoutuminen kolmeen SWAp:iin ja GBS:een. Edustuston ja ministeriön yhteinen vastuu teki ohjelmoinnista haavoittuvaista henkilöstön suuren vaihtuvuuden takia. Tämä on pitkään ollut ongelma UM:ssä ja vaikutti edustustoon vuonna 2008, kun kolme keskeistä henkilöstön jäsentä poistui samaan aikaan. Tämä heikensi institutionaalista muistia ja suhteita hallitukseen ja teki uuteen poliittiseen tilanteeseen sopeutumisesta vaikeaa. Sitten kävi ilmi, että FSLN-hallituksella oli edeltäjästään eroavat käsitykset paikallishallinnosta, ja ne olivat ristiriidassa niiden käsitysten kanssa, joihin hallintoa ja hajuttamista koskeva SWAp perustui. Näin ollen SWAp epäonnistui vuonna 2009, ja ainoastaan julkishallinnon teknologiaa koskeva hanke on pysynyt käynnissä tähän päivään saakka. Hallintoa ja hajuttamista koskevan ohjelman muut elementit, samoin kuin PYM-apu, on sittemmin korvattu välineillä, jotka on suunniteltu tukemaan kansalaisyhteiskuntaa demokraattisen ja moitteettoman hallinnon ja ihmisoikeuksien edistämiseksi.

Näihin päätöksiin vaikutti vaalivilppi vuoden 2008 kunnallisvaaleissa, mutta päätökset olivat haitallisia hallitussuhteille, koska joillakin rahoitetuista kansalaisjärjestöistä katsoitiin olevan yhteyksiä oppositioon. Lisäksi kansalaisjärjestöjen rahoittaminen hallituksen sijaan on vahingoittanut kansalaisjärjestöjen ja hallituksen välisiä suhteita, jättäen ensin mainitut sekä riippuvaisiksi avusta että poliittisesti eristetyiksi. Vaikka Suomi suoritti GBS-maksun vuonna 2007 ja allekirjoitti uuden sopimuksen GBS:stä vuosille 2007–2009, Suomi ja muut kahdenväliset avunantajat jäädyttivät tuen vuonna 2008, viitaten puutteisiin talousarvion läpinäkyvyydessä sekä kysymyksiin vaalivilpistä ja hallituksen vihamielisestä suhtautumisesta kansalaisjärjestöihin. Näin päättyi Suomen osallistuminen Nicaraguan GBS:ään. CAP:ssa painotetuista kolmesta SWAp:ista ja GBS:stä ja PYM:stä, joista kaikki olivat olemassa ennen po. suunnitelmaa, vain kaksi SWAp:a jäi jäljelle. GBS:n lakkauttamiseen saattoi vaikuttaa Suomen vuoden 2007 kehitysyhteistyöpolitiikka, joka suhtautui penseästi tähän avun muotoon, ja jos näin

oli, se oli yksi politiikan harvoista käytännön seurauksista Nicaraguassa. Edustuston puolivuotisraportit olivat toinen tulos hajauttamista koskevasta pilottihankkeesta, mutta vuodesta 2008 lähtien raportit poliittisesta tilanteesta olivat yhä kriittisempiä hallitusta kohtaan, mikä johti tarkkailijoiden keskuudessa mielipiteiden jakautumiseen siitä, olivatko nämä selostukset oikeutettuja. Koko kyseisellä ajanjaksolla vuoropuhelu hallituksen kanssa oli puutteellista, ja viimeisissä kahdenvälisissä neuvotteluissa vuonna 2009 päästiin vain rajalliseen yhteisymmärrykseen monista asioista.

Tehtäväkuvauksen kysymyksiin vastaaminen

Nicaraguan prioriteettien toteutuminen. Kaikki osatekijät olisivat saaneet täydet pisteet ennen alkuvuotta 2007, paitsi ehkä maaseutukehitys, koska hallitus ei ollut niin kiinnostunut köyhyydestä. Sen jälkeen Suomen ja muiden avunantajien kahdenväliset GBS-maksut eivät olisi vastanneet hallituksen prioriteetteja, koska ehdollisuuteen kiinnitettiin enemmän huomiota. Ympäristö olisi ollut hallituksen prioriteetti mutta sille annettu tuki lakkautettiin vaiheittain. Terveys/ tasa-arvokysymykset olivat edelleen hallituksen linjan mukaisia, ja maaseutukehitys vastasi yhä enemmän hallituksen prioriteetteja. Sen sijaan hallintoa, oikeuksia ja osittain kansalaisjärjestöjä koskevat tukitoimet alkoivat olla entistä enemmän ristiriidassa hallituksen prioriteettien kanssa, vaikka paikallishallinto edelleen arvosti niitä.

Suomen prioriteettien toteutuminen. Terveys/ tasa-arvokysymykset ja maaseutukehitys vastasivat Suomen prioriteetteja sekä ennen alkuvuotta 2007 että sen jälkeen, kun taas GBS ja hallinnon/hajauttamisen vastaavuus oli asianmukaista ensimmäisellä ajanjaksolla mutta epätydyttävää toisella. Hallintoa/oikeuksia ja kansalaisjärjestöjä koskevat tukitoimet taas vastasivat entistä enemmän Suomen prioriteetteja toisella ajanjaksolla. Suomen rahoittama hallintoon/oikeuksiin ja oikeusvaltioon kohdistuva kansalaisjärjestöjen paine voi edistää Suomen tavoitteita, mutta nämä hyödyt saattavat mitätöityä, jos kyseiset toimet saavat aikaan sellaisen reaktion hallitukselta – ja vasta-reaktion avunantajilta – että ohjelmat lakkautetaan.

Poliittisen vuoropuhelun rooli. Poliittinen vuoropuhelu integroitiin jouhevasti varsinaiseen ohjelmointiin ajanjaksolla ennen alkuvuotta 2007, mutta yhteydet näyttivät heikkenevän sen jälkeen. Eroja oli sekä näkemyksissä, prioriteeteissa että toiminnassa, ja kuuden vuoden aikana, vuosina 2006–2011, järjestettiin vain yksi muodollinen maaneuvottelu.

Pariisin julistuksen noudattaminen. Yleisen budjettituen käyttö ja terveyttä/tasa-arvokysymyksiä ja maaseutukehitystä koskevat SWAp:it olivat julistuksen periaatteiden mukaisia sekä ennen alkuvuotta 2007 että sen jälkeen, samoin kuin hallintoa/hajauttamista koskeva SWAp ennen vuotta 2007 ja ympäristöä koskeva SWAp ennen vuotta 2008. Ongelmia syntyi vuoden 2007 jälkeen, koska Suomen yksipuoliset päätökset ja periaatteet olivat ristiriidassa niiden hallituksen pyrkimysten kanssa, jotka koskivat hajauttamista, oikeuksia ja kansalaisjärjestöjä koskevien tukitoimien kontrollointia. Tästä johtuva Suomen politiikka eli kokonaisavun vähentäminen ja suuremman osuuden kanavoiminen kansalaisjärjestöjen ja yksityisten kumppanien kautta ei

ollut julistuksen periaatteiden mukaista, mutta käytännössä sektorikohtainen budjettituki korvasi suurelta osin yleisen budjettituen ja hallituksen kautta maksettu rahoitusosuus kasvoi.

Läpileikkaavat teemat. Ympäristöohjelman lakkauttamisen jälkeen pyrittiin miettimään, miten ympäristökysymykset voitaisiin valtavirtaistaa maaseutukehitystä koskevaan SWAp:iin ja GBS:ään olennaisia kysymyksiä koskevaa tutkivaa journalismia tuettiin yhden edustuston ohjelman kautta, ja ympäristökysymykset kuuluivat olennaisena osana yhteen kansalliseen hankkeeseen (Nicaraguan ja Suomen väliseen maatalousbioteknologiaohjelmaan) ja kahteen alueelliseen hankkeeseen (energia- ja ympäristökumppanuusohjelmaan ja Keski-Amerikan metsät ja metsänhoito -ohjelmaan). Sukupuolten tasa-arvoon, seksuaali- ja muuhun terveyteen liittyvät läpileikkaavat teemat on integroitu täysimääräisesti terveyttä/sukupuolikysymyksiä koskevaan SWAp:iin, jota täydentävät sektorikohtaiset hankkeet ja rahastot, ja maaseutukehitystä koskevassa SWAp:iissa on tasa-arvokysymyksiä korostavia hankkeita. Muista läpileikkaavista teemoista on vuoden 2007 jälkeen tullut valtavirtaa sen sijaan, että niitä vain ”valtavirtaistettaisiin”, ja resursseja kohdistetaan demokraattiseen tilivelvollisuuteen, oikeusvaltiioon, ihmisoikeuksiin ja sukupuolten tasa-arvoon.

Kehitysyhteistyöpolitiikan muuttaminen toimintamalleiksi. Suomen vuoden 2004 kehitysyhteistyöpolitiikka ohjasi maakohtaista ohjelmointia kohti kolmea prioriteettisektoria sekä GBS:n ja PYM:n käyttöä, mitä kannatettiin vuoden 2004 kahdenvälisissä neuvotteluissa. Vuoden 2005 hajauttamista koskeva pilottihanke helpotti edustuston kehitysyhteistyöryhmää vastaamaan maan sisäisten avunantajien ja hallituksen intresseihin; ryhmä pystyi kehittämään kolme olennaista SWAp:ia, jotka se suunnitteli kuullen hallitusta ja muita avunantajia. Lopputulos ratifioitiin vuoden 2006 kahdenvälisissä neuvotteluissa. Suomen vuoden 2007 kehitysyhteistyöpolitiikka johti CAP:n laatimiseen vuonna 2008. Siinä vahvistettiin aiemmat prioriteetit, joita oltiin jo pane-massa täytöntöön. Myöhemmin, vuoden 2009 kahdenvälisen neuvottelujen heikon tuloksen myötä, yksi SWAp:eista muuttui kestävämmäksi poliittisten rasitteiden takia, GBS lakkautettiin ja SWAp- ja PYM korvattiin muilla välineillä.

Suomalainen lisäarvo ohjelmointivalinnoissa. Suomen pysyviä kiinnostuksen kohteita ovat sukupuolten tasa-arvo, seksuaali- ja lisääntymisterveys, tilivelvollinen ja hajautettu hallinto, ihmisoikeudet, tasa-arvo ja demokratia sekä kansalaisyhteiskunnan vaikutusmahdollisuudet. Nämä erityisintressit selvästi innostivat edustuston suunnittelemiin hallintoa/hajauttamista, terveyttä/sukupuolikysymyksiä ja maaseutukehitystä koskeviin SWAp-sektoriohjelmiin, samoin kuin useisiin ihmisoikeuksiin ja kansalaisyhteiskunnan tukeen liittyviin ohjelmiin. Se, että Suomi ei seurannut muita Euroopan maita ja vetäytynyt hätäisesti Nicaraguasta, vastaa odotuksia, jos otetaan huomioon, että yksi suomalaisen lisäarvon osatekijöistä on kulttuurinen piirre, jota voidaan kuvailla sinnikkyydeksi vastoinikäymisten edessä (sisu).

Vahvuudet ja parhaat käytännöt. Tärkeimpiin vahvuuksiin kuuluu terveyttä/tasa-arvokysymyksiä ja maaseutukehitystä koskevien SWAp:ien institutionaalistaminen

asianomaisissa hallituksen virastoissa, säilyttäen samalla kyvyn tutkia ja testata uusia ja täydentäviä ideoita innovatiivisissa tai strategisissa hankkeissa. Vahvuudet ovat lähinnä edustuston kehitysryhmän evaluointijakson aikana panostaman asiantuntemuksen ja kokemuksen ansiota; politiikka on lähinnä mahdollistanut tuloksena olleet ohjelmat, ei määrittänyt niitä. Terveyttä/tasa-arvokysymyksiä ja maaseutukehitystä koskevat sektoriohjelmat näyttävät sisältävän esimerkkejä parhaista käytännöistä, joiden arvioidaan olevan strategisesti tuloksellisia, vaikuttavia, kestäviä ja hyvin koordinoituja ja potentiaalisesti hyvin toistettavissa muissa olosuhteissa, joissa voidaan tehdä vastaavanlaisia, monelle avunantajalle yhteisiä pitkän aikavälin sitoumuksia. Suomen rooli avunantajien yhteisen koordinoinnin edistämisessä tulee myös mieleen parhaana käytäntönä.

Heikkoudet ja huonot käytännöt. Merkittävimpiä heikkouksia ovat olleet SWAp korirahoituksen haavoittuvuus muiden tukijoiden vetäytyessä odottamattomasti sekä hallintoa/hajauttamista koskevan SWAp:in ja hallintoa/oikeuksia ja kansalaisjärjestöjä koskevan avun kohdalla haavoittuvuus hallituksen muuttaessa politiikkaansa. Heikkoudet johtuvat lähinnä ideologian ja toimintatyylin vastakohtaisuuksista hallituksen ja avunantajien välillä. Seuraavia voidaan pitää joukkona toisiinsa liittyviä huonoja käytäntöjä Suomen tapauksessa: a) pitkä tauko maaneuvotteluissa ennen vuoden 2009 dialogia ja sen jälkeen, kun tarve jatkuvaan vuoropuheluun yhteisymmärryksen luomiseksi oli keskeinen; b) hallinto-ohjelman kohdistaminen uudelleen provosoivaan oikeusagendaan, mikä aiheutti sen, että kansalaisjärjestöistä tuli sekä apuriippuvaisia ja poliittisesti eristyneitä; ja c) edustuston ilmeinen halu oikeutetusti tai virheellisesti tulla katsotuksi vihamieliseksi FSLN-hallitusta kohtaan sen sijaan, että se olisi toiminut kriittisenä ystävänä, kumppanina ja neuvonantajana.

Päätelmät ja suositukset

Suomen vuoden 2007 kehitysyhteistyöpoliittisen ohjelman toimeenpanossa (CAP) painotettiin kolmea SWAp:ia, PYM:iä ja GBS:ää – mikä ainoastaan vahvisti vuoden 2004 politiikan mukaiset aiemmat päätökset. Ohjelma jäi kansallisten poliittisten taustatuntemusten varjoon vuoden 2007 jälkeen, ja jäljelle jääneet elementit (terveyttä/tasa-arvokysymyksiä ja maaseutukehitystä koskevat SWAp:t) säilyivät, koska ne olivat FSLN:n kehitysohjelman mukaisia ja niillä oli vahvoja liittolaisia hallituksen ja paikallis- ja aluehallinnon tasolla. Muut elementit (hallintoa/hajauttamista koskeva SWAp ja GBS) joutuivat vaikeuksiin, ja osia korvattiin kansalaisyhteiskuntaan kohdistetuilla investoinneilla, jotka korvasivat myös PYM:t ja osoittautuivat myöhemmin ongelmallisiksi ja haitallisiksi. Näin ollen Suomen vuoden 2007 kehitysyhteistyöpolitiikan vaikutus Nicaraguassa oli erittäin pieni suhteessa FSLN-hallituksen omiin ideoihin. Suomi on nyt pulmallisessa tilanteessa Nicaraguan kanssa harjoitettavan kumppanuuden tulevaisuuden osalta.

SAMMANFATTNING

Syfte och omfattning

Utrikesministeriet i Finland (UM) har beställt en strategisk, övergripande och framåtblickande utvärdering av landsprogrammen för tre av Finlands åtta långsiktiga partnerländer under förra decenniet, Nepal, Nicaragua och Tanzania. Syftet med denna utvärdering är att klarlägga förhållandet mellan de utvecklingspolitiska programmen och landsprogramplaneringen och beskriva mekanismer som har använts för att om-sätta politiken i praktiken, dokumentera inflytandet över utfallet och identifiera styrkor, svagheter och lärdomar. Denna rapport avser landsprogrammet för Nicaragua under en period som omfattar efterverkningarna av Finlands utvecklingspolitiska program från 1998 och handlingsplanen från 2001, införandet av nya utvecklingspolitiska riktlinjer 2004 and 2007 och ett viktigt regeringsskifte i Nicaragua i slutet av 2006, då sandinisterna (Sandinist National Liberation Front, FSLN) återkom till makten efter 16 år av mer konservativt styre. Rapporten beskriver således det praktiska genomförandet av utvecklingspolitiken under två relativt olikartade politiska faser och övergången mellan dem.

Metoder

Vid utvärderingen användes års- och halvårsrapporter från Finlands ambassad i Managua, dokument i UM:s arkiv i Helsingfors, annat publicerat och opublicerat material och halvstrukturerade intervjuer med 123 sakkunniga individer i Helsingfors, Managua och på andra orter samt fyra samhällen i Nicaragua. Som analysverktyg användes 14 utvärderingskriterier för att få svar på centrala frågor om landsprogrammet enligt uppdragsvillkoren för utvärderingen och förklara huvuddragen i programmet samt processerna och inflytandet vid utarbetandet av det.

Nicaragua och dess historia

Nicaragua är ett land där ideologi, etnicitet och utländskt inflytande alltid format händelseutvecklingen. Landets stillahavs- och atlantdelar har en mycket olikartad historia, men efter att de förenades på 1890-talet dominerades landet av en USA-allierad elit fram till den FSLN-ledda revolutionen 1979. Sandinisternas politik främjade blandekonomi, politisk pluralism, sociala program och diplomatisk och ekonomisk alliansfrihet, men landets kompromisslösa nationalism och socialistiska drag utmanade USA, vilket ledde till Contraskriget på 1980-talet. Vid valet 1990 förlorade sandinisterna makten och därpå följde tre ideologiskt konservativa regeringar tills FSLN återkom till makten 2006. Därefter har regeringen fokuserat på att återställa sandinisternas sociala program samtidigt som den allierat sig med Venezuela och Bolivarian Alliance for the Peoples of Our America (ALBA).

Regeringens sociala och ekonomiska program

FSLN-regeringens åtgärder har i allmänhet varit i linje med dess tidigare mandatperiod genom att regeringen hållit fast vid en makroekonomisk prestanda och politik som varit godtagbar för internationella finansiella institutioner, vidtagit mycket få åt-

gärder som kunde reta upp den privata sektorn och ökat energiförsörjningstryggheten för att behålla näringslivets förtroende och sin egen popularitet. Regeringen har också initierat en nationell plan med åtgärder för fattigdomsbekämpning och humanitär utveckling. Ett nytt inslag är regeringens ambitiösa åtagande inom förnybar energi och en ny omständighet är Venezuelas inflytande. Bedömare är överens om att regeringen är effektiv åtminstone inom landsbygdsutveckling, hälsovård och energi och att det finns vissa belägg för minskad fattigdom och ökad jämlikhet. Trots detta har regeringens kompromisslösa attityd och uppenbara villighet att ta genvägar konstitutionellt och vid val för att behålla makten har lett till sämre relationer med traditionella givare.

Givarsamfundet

Det internationella samfundets officiella utvecklingsbistånd till Nicaragua var nästan 612 miljoner USD (varav 3,1 procent från Finland) under 2009 och dessutom fick landet 12 miljoner USD från olika FN-organ och 33 miljoner USD i skuldeftergifter. Totalt utgör detta nästan 131 USD i officiellt utvecklingsbistånd per person och 11,5 procent av bruttonationalprodukten. De största bilaterala givarna är i fallande ordning Spanien, USA, Japan, Danmark, Nederländerna, Europeiska kommissionen (EK), Sverige, Tyskland, Norge, Schweiz, Finland, Kanada, Luxemburg och Storbritannien, som tillsammans stod för 96 procent av det bilaterala biståndet. I dessa siffror ingår inte det finansiella stödet från Venezuela, vilket beräknats uppgå till ca 500 miljoner USD per år sedan 2007. Detta är nästan dubbelt så mycket som det totala biståndet, men Venezuelas stöd har getts på ett icke-transparent sätt som försvårar ekonomisk redovisning, makroekonomisk analys och givarsamordning. Dessa och andra farhågor, särskilt över samhällsstyrningen, har sedermera lett till att flera europeiska givare dragit sig tillbaka från Nicaragua.

Landsprogram 1998–2007

I början av den utvärderade perioden vägledades landsprogrammet av Finlands utvecklingspolitiska riktlinjer från 1998 och den relaterade handlingsplanen från 2001. Programmets huvudtema var landsbygdsutveckling, hälsovård, stöd till lokala myndigheter, allmänt budgetstöd, lokala samarbetsfonder och långsiktiga handikapp- (1990–2006) och miljöprogram (1998–2001 och 2004–2007). Finlands nya utvecklingspolitiska program 2004 ledde till en bantning av landsprogrammet, där tre prioriterade sektorer skulle finnas kvar tillsammans med allmänt budgetstöd och lokala samarbetsfonder medan handikapp- och miljöbiståndet skulle avvecklas. Besluten fastställdes vid bilaterala konsultationer 2004 och 2006. Under tiden banade skuldlättnader, ekonomiska reformer, nedskärningar och andra åtgärder väg för en omorganisation av samarbetsprogrammen, där samordningen och Finlands deltagande baserades på sektorsvisa rundabordssammanträden och utveckling av sektorsprogram.

I samband med UM:s pilotprojekt för decentralisering 2005 uppmantrades ambassaden att utarbeta innovativa sektorsprogram. Detta gjordes inom tre huvudsamarbetsområden med stöd av andra givare och regeringen. Sektorsprogrammen för hälsovård och landsbygdsutveckling har genomförts tillsammans med berörda ministerier jämtes med sektorsvist budgetstöd, samfinansiering med flera givare och pilotprojekt

och särskilda projekt. Denna ”fyrspetsade” strategi har gett goda resultat som kvarstår än i dag. Det tredje sektorsprogrammet, samhällsstyrning/decentralisering, startade i liknande form som de andra, men påverkades av den senare händelseutvecklingen. FSLN återkom till makten i början av 2007 och regeringen inledde snart en översyn av de ekonomiska programmen och relationerna utifrån ett sandinistperspektiv. Dessutom började regeringen agera på ett sätt som oroade givarna, bl.a. ifrågasattes biståndsrelationerna, landet anslöt sig till ALBA och allierade sig i ökande grad med Cuba och Venezuela och man trakasserade sådana icke-statliga organisationer, och organisationer i det civila samhället, som regeringen såg som motståndare. I detta bekymmersamma läge infördes Finlands utvecklingspolitiska program 2007 och en ny fas i utvecklingssamarbetet med Nicaragua började.

Landsprogram 2008–2011

UM:s pilotprojekt för decentralisering och anvisningarna från ministeriet i Helsingfors innebar att planeringen av landsprogrammet utfördes gemensamt av ambassaden och UM:s landsteam i form av en landsbiståndsplan i början av 2008. Planen fastställde åtagandet med tre sektorsprogram och allmänt budgetstöd. Ambassadens och ministeriets delade ansvar utsatte programplaneringen för den höga personalomsättning som länge varit ett problem vid UM. Detta påverkade arbetet 2008 när tre nyckelpersoner lämnade ambassaden samtidigt. Därigenom försämrades det ”institutionella minnet” och relationerna med regeringen, vilket försvårade anpassningen till de nya politiska förhållandena. FSLN-regeringen hade andra idéer om de lokala myndigheterna än föregående regeringar och idéerna stod också i strid med tankarna bakom sektorsprogrammet för samhällsstyrning/decentralisering. Detta ledde till att sektorsprogrammet misslyckades 2009 och endast ett projekt, teknik för offentlig förvaltning, finns kvar i dag. Andra aspekter av programmet för samhällsstyrning/decentralisering (G/D) liksom de lokala samarbetsfonderna (LCF) har ersatts med instrument som ska stödja det civila samhället i främjandet av demokratisk och sund samhällsstyrning och mänskliga rättigheter.

Bakgrunden till dessa beslut var valfusk vid kommunvalen 2008, som också påverkade relationerna till regeringen eftersom några av de finansierade icke-statliga organisationerna ansågs ha förbindelser med oppositionen. Dessutom har det faktum att finansieringen gick till icke-statliga organisationer och inte till regeringen skadat relationerna mellan dessa parter och medfört att organisationerna har blivit biståndsberoende och politiskt isolerade. Trots att Finland utbetalade allmänt budgetstöd 2007 och ingick ett nytt avtal om allmänt budgetstöd för 2007–2009 drog Finland och andra bilaterala givare in budgetstödet 2008 med hänvisning till bristande insyn i budgeten, valfusk och regeringens fientliga inställning till icke-statliga organisationer. I och med detta upphörde Finlands deltagande i det allmänna budgetstödet för Nicaragua. Av de tre sektorsprogrammen, det allmänna budgetstödet och de lokala samarbetsfonderna, som fanns redan före biståndsplanen och betonades i planen, har endast två sektorsprogram funnits kvar under den senaste tiden. Avvecklingen av det allmänna budgetstödet kan ha influerats av Finlands utvecklingspolitiska program 2007, som inte uttryckte något engagemang för denna biståndsform. Om så är fallet är detta också en

av de få praktiska konsekvenserna av det utvecklingspolitiska programmet för Nicaraguas del. Ambassadens halvårsrapportering hade införts genom pilotprojektet för decentralisering, men från och med 2008 ökade kritiken mot regeringen i rapporterna om det politiska läget, vilket ledde till delade meningar bland bedömare om huruvida dessa skildringar gav en rättvis och korrekt bild. Under denna period saknades en dialog med regeringen trots att detta hade varit mycket angeläget, och den senaste bilaterala konsultationen 2009 kännetecknades av begränsade överenskommelser inom många områden.

Svar på forskningsfrågorna

Hur Nicaraguas prioriteringar tillgodoses. Före början av 2007 skulle alla insatsområden ha fått höga poäng, möjligtvis med undantag av landsbygdsutveckling eftersom regeringen var mindre intresserad av fattigdomsfrågorna. Därefter har läget förändrats. Finlands och andras bilaterala allmänna budgetstöd skulle inte ha tillgodosett regeringens prioriteringar i och med att man fäste ökad vikt vid villkorlighet. Miljön skulle ha varit en prioritet för regeringen, men miljöprogrammet avvecklades. Hälsovård och jämställdhet fortsatte att ligga i linje med prioriteringarna medan landsbygdsutvecklingen matchade regeringens prioriteringar i ökande grad. Samhällsstyrning, rättigheter och vissa icke-statliga organisationers insatser stred allt mer mot regeringens prioriteringar samtidigt som dessa insatser fortfarande uppskattades av de lokala myndigheterna.

Hur Finlands prioriteringar tillgodoses. Hälsovård/jämställdhet och landsbygdsutveckling matchade Finlands prioriteringar både före och efter början av 2007 medan matchningen av det allmänna budgetstödet (GBS) och samhällsstyrning/decentralisering (G/D) var adekvat under den första perioden men otillfredsställande under den andra. Samhällsstyrning/rättigheter samt icke-statliga och det civila samhällets organisationer (NGO/CSO) matchade Finlands prioriteringar allt mer under andra perioden. När sådana icke-statliga organisationer, och organisationer i det civila samhället, som får finansiering av Finland trycker på i frågor som gäller samhällsstyrning/rättigheter och rättsstaten kan detta bidra till att Finlands mål uppnås, men framstegen kan gå förlorade om ansträngningarna provocerar regeringen att reagera och leder till en sådan motreaktion från givarna att biståndsprogram läggs ned.

Den politiska dialogens roll. Den politiska dialogen integrerades smidigt med effektiv programplanering under perioden före 2007, men därefter förefaller kontakterna ha försämrats på grund av skillnader i åsikter, prioriteringar och åtgärder. Endast en formell landkonsultation har ägt rum under sexårsperioden 2006–2011.

Överensstämmelse med Parisdeklarationen. Användning av allmänt budgetstöd och sektorsprogram för hälsovård/jämställdhet och landsbygdsutveckling var i linje med Deklarationens principer både före och efter början av 2007. Dessutom var sektorsprogrammet för samhällsstyrning/decentralisering i linje med principerna före 2007 och sektorsprogrammet för miljö före 2008. Problem uppstod efter 2007 i och med att Finlands unilaterala beslut och principer stod i strid med regeringens strävan

att ha ägarskap över insatser som gäller decentralisering, rättigheter och icke-statliga/det civila samhällets organisationer. Den politik som Finland tillämpade efter detta, att minska biståndet överlag och ge en större andel genom icke-statliga organisationer och privata samarbetspartner, var inte i linje med Deklarationens principer, men i praktiken ersattes det allmänna budgetstödet till största del av sektorsvist budgetstöd och andelen för finansiering som utbetalades via regeringen ökade.

Genomgående teman. Efter avvecklingen av miljöprogrammet strävade man efter att integrera miljöfrågorna i sektorsprogrammet för landsbygdsutveckling och i mekanismen för GBS. Undersökande journalistik om relevanta frågor stöddes genom ett av ambassadprogrammen, och miljöfrågorna var implicita i ett nationellt projekt (Nicaraguansk-finländska agro-biotekniska programmet) och två regionala (Energi och miljöpartnerskap och Skogar och Skogsbruk i Centralamerika). Jämställdhet, sexuell hälsa och andra hälsorelaterade genomgående teman är fullt integrerade i sektorsprogrammet för hälsovård/jämställdhet, som kompletteras av sektorsvisa projekt och finansiering. Dessutom innehåller sektorsprogrammet för landsbygdsutveckling projekt som betonar jämställdhet. Övriga genomgående teman har blivit integrerade sedan 2007 och resurser används inom områdena demokratiskt ansvar, rättsstaten, mänskliga rättigheter och jämställdhet.

Att omsätta utvecklingspolitik till planerade åtgärder. Finlands utvecklingspolitiska program 2004 styrde landsprogramplaneringen mot tre prioriterade sektorer och användning av GBS och LCFs i enlighet med de bilaterala konsultationerna 2004. Pilotprojektet för decentralisering 2005 underlättade ambassadteamets möjligheter att i enlighet med givarnas och regeringens intresse utveckla tre relevanta sektorsprogram, som sedan planerades av ambassadteamet i samråd med regeringen och andra givare och godkändes vid bilaterala konsultationer 2006. Finlands utvecklingspolitiska program 2007 innebar att landsbiståndsplanen 2008 utarbetades gemensamt. Planen fastställde de tidigare prioriteringarna, som redan hade börjat verkställas. Till följd av de mindre framgångsrika bilaterala konsultationerna 2009 blev ett sektorsprogram sedermera ohållbart på grund av politiskt tryck, GBS avslutades och sektorsprogrammet och LCFs ersattes med andra instrument.

Finländskt mervärde (FAV) i valet av program. Bestående finländska fokusområden innefattar jämställdhet, sexuell och reproduktiv hälsa, ansvarsfull och decentraliserad samhällsstyrning, mänskliga rättigheter, jämlikhet och demokrati och förstärkning av det civila samhället. Dessa särskilda områden inspirerade tydligt det ambassadplanerade programmet för samhällsstyrning/decentralisering, sektorsprogrammet för hälsovård/jämställdhet och landsbygdsutveckling samt flera program relaterade till mänskliga rättigheter och stöd till det civila samhället. Att Finland inte följde andra europeiska länder i ett hastig tillbakadragande från Nicaragua var förväntat om man beaktar att en aspekt av finländskt mervärde är en kulturell egenskap som kan beskrivas som uthållighet i motgångar (finsk sisu).

Styrkor och bästa praxis. Styrkorna är i första hand institutionaliseringen av sektorsprogrammen för hälsovård/jämställdhet och landsbygdsutveckling i lämpliga myndighetsorgan samtidigt som man behållit förmågan att utforska och pröva nya idéer genom innovativa eller strategiska projekt. Bakom styrkorna finns i huvudsak ambassadteamets kompetens och erfarenhet under det utvärderade decenniet där programmen möjliggörs men inte fastslås av de politiska riktlinjerna. Sektorsprogrammen för hälsovård/jämställdhet och landsbygdsutveckling kan anses innehålla och omfatta exempel på bästa praxis som enligt bedömningarna har god strategisk effektivitet, effekt, hållbarhet och samordning samt stor potential för upprepning i liknande omständigheter med ett långsiktigt engagemang från flera givare. Finlands roll i främjandet av givarsamordning är i sig ett exempel på bästa praxis.

Svagheter och sämsta praxis. Svagheterna innefattar den sektorsvisa samfinansieringens sårbarhet för att andra givare oförutsett drar sig ur och i fråga om sektorsprogrammet för samhällstyrning/decentralisering och samhällsstyrning/rättigheter och icke-statliga organisationer sårbarhet för förändringar av regeringens politik. Svagheterna kan i huvudsak hänföras till ideologiska motsättningar, särskilt förhållandet mellan regeringen och givarna. Följande kan betraktas som en sammanställning av sämsta praxis i Finlands fall: (a) det långa uppehållet i landskonsultationer före och efter det misslyckade försöket till en uppgörelse vid mötet 2009 trots att det har funnits ett viktigt behov av fortlöpande dialog för att skapa ömsesidig förståelse; (b) nyinriktning av samhällsstyrningsprogrammet mot en provokativ rättsagenda medan man samtidigt skapade både biståndsberoende och politisk isolering bland icke-statliga organisationer och (c) ambassadens uppenbara beredvillighet att ses som fientligt inställd till FSLN-regeringen, vare sig detta är berättigat eller inte, i stället för att agera på ett lämpligare sätt som en kritisk vän, partner och rådgivare.

Slutsatser och rekommendationer

I landsprogrammet som följde Finlands utvecklingspolitiska program 2007 genom landsbiståndsplanen, där tre sektorsprogram, lokala samarbetsfonder och allmänt budgetstöd betonades, bekräftades bara tidigare beslut som låg i linje med det utvecklingspolitiska programmet från 2004. Landsprogrammet överskuggades av nationella politiska händelser efter 2007 och delarna som återstod, sektorsprogrammet för hälsovård/jämställdhet och landsbygdsutveckling, fanns kvar därför att de var i linje med FSLN:s utvecklingsagenda och hade starka allierade i regeringen och på lokal nivå. Andra delar, sektorsprogrammet för samhällsstyrning/decentralisering och allmänt budgetstöd, råkade i svårigheter och ersattes av insatser inom det civila samhället, som också ersatte de lokala samarbetsfonderna. Detta visade sig vara problematiskt och kontraproduktivt. Därmed hade Finlands utvecklingspolitiska program 2007 en mycket begränsad effekt i Nicaragua i jämförelse med FSLN-regeringens egna idéer. Finland står nu inför ett dilemma över det framtida partnerskapet med Nicaragua.

SUMMARY

Purpose and scope

The Ministry for Foreign Affairs of Finland (MFA) has commissioned a strategic, holistic and forward-looking evaluation of country programmes over the past decade between Finland and three of its eight long-term partner countries, Nepal, Nicaragua and Tanzania. The purpose of this is to clarify the relationship between development policy and cooperation programming, to describe the mechanisms that were used to translate policy into practice, to document influences that shaped the outcome, and to identify strengths, weaknesses and lessons learned. The scope of this particular report is the country programme in Nicaragua during a period that encompasses the after-effects of the 1998 Finnish development policy and its 2001 operationalisation plan, the introduction of the 2004 and 2007 policies, and also an important change of government with the re-election of the Sandinist National Liberation Front (FSLN) in late 2006, after 16 years of more ideologically conservative rule. Thus the report concerns how development policy was put into practice in two quite different political eras, and the transition between them.

Methods

The evaluation used as information sources annual and biannual reports prepared since 2005 by the Finnish Embassy in Managua, documents from the MFA archives in Helsinki, other published and unpublished material, and semi-structured interviews with 123 individual knowledge holders in Helsinki, Managua and elsewhere, as well as with four communities in Nicaragua. As an analytical tool, 14 evaluation criteria were used to help answer key questions about each country programme that were posed in the Terms of Reference (ToR), and to prepare a narrative to explain the main features of the programme and the processes and influences which shaped it.

Nicaragua and its history

Nicaragua is a country where ideology, ethnicity and foreign influence have always shaped events. Its Pacific and Atlantic zones have very different histories, but since being united in the 1890s the whole country was dominated by an internal elite allied to the United States of America (USA) until a revolution led by the FSLN in 1979. Sandinist policies promoted a mixed economy, political pluralism, social programmes, and diplomatic and economic nonalignment, but its assertive nationalism and socialist features antagonised the USA, leading to the 'Contra War' of the 1980s. The Sandinists lost power in the 1990 election, and three ideologically conservative governments followed until the FSLN was re-elected in 2006. The government has since focused on restoring a Sandinist social programme while building a new alliance with Venezuela and the Bolivarian Alliance for the Peoples of Our America (ALBA).

The government's social and economic programme

The actions of the FSLN government are generally consistent with its previous term, in that it has kept its macroeconomic performance and policies acceptable to the in-

ternational financial institutions, while doing little to antagonise the private sector and increasing the security of energy supplies to maintain business confidence and its own popularity. It has also embarked on implementation of a pro-poor National Human Development Plan around which government activities are organised. A new feature is an ambitious commitment to renewable energy, and a new context is the influence of Venezuela. Observers agree that the government is being effective in at least the rural development, health and energy sectors, and there is some evidence of declining poverty and increasing equity. Even so, the assertive attitude of the government, and its apparent willingness to cut constitutional and electoral corners to stay in power, has led to deteriorating relations with traditional donors.

The donor community

In 2009, the international community provided net bilateral official development aid (ODA) to Nicaragua of almost 612 million United States dollars (US\$) (3.1 percent of it from Finland), plus another US\$12 million from various United Nations (UN) agencies and US\$33 million in debt forgiveness grants. The total is equivalent to almost US\$131 of ODA per person, or 11.5 percent of gross domestic product. The top bilateral donors were in descending order Spain, the USA, Japan, Denmark, the Netherlands, the European Commission (EC), Sweden, Germany, Norway, Switzerland, Finland, Canada, Luxembourg and the United Kingdom (UK), which together accounted for 96 percent of bilateral aid flows. These figures exclude financial support from Venezuela, which has been estimated at about US\$500 million annually since 2007, thus almost doubling the total aid flow but being delivered in non-transparent ways that undermine financial accounting, macroeconomic analysis and donor coordination. These and other sources of concern, especially over governance, have since led to the withdrawal of a number of European donors from Nicaragua.

Country programming, 1998-2007

The country programme at the start of the evaluation period had been guided by the 1998 Finnish development policy and its 2001 operationalisation plan, with the main themes of rural development, health, and local government support, plus general budget support (GBS), the Local Cooperation Fund (LCF), and long-standing programmes on disabled people (1990-2006) and the environment (1998-2001 and 2004-2007). The 2004 policy led to streamlining of the country programme, in which the three priority sectors would be retained along with GBS and LCF, but support to disabled people and the environment would be phased out. These decisions were confirmed in bilateral consultations in 2004 and 2006. Meanwhile, debt relief, fiscal reform, austerity and other measures paved the way for a reorganisation of development cooperation programmes, with coordination and the participation of Finland based on sector round-tables and the development of sector-wide approach programmes (SWAps).

Alongside an MFA decentralisation pilot in 2005, the embassy was encouraged to develop innovative SWAps, which it did with the support of other donors and government in the three main areas of cooperation. The health and rural development

SWAPs have since been implemented with appropriate ministries and alongside sectoral budget support, multi-donor basket funds and pilot or specific projects, and this 'four-pronged' approach has yielded good results which continue to date. The third SWAp, on governance/decentralisation (G/D), began with a similar form to the others, but was affected by later events. These began with the return to power of the FSLN government in early 2007, which soon began to review its economic programme and relationships from a Sandinist perspective. It also began doing things that donors found uncomfortable, such as questioning aid relationships, joining ALBA and aligning itself increasingly with Cuba and Venezuela, and harassing non-governmental organisations (NGOs) and civil society organisations (CSOs) that it perceived as opponents. In this disquieting context was launched the 2007 development policy and a new phase of Finnish cooperation in Nicaragua.

Country programming, 2008-2011

The MFA decentralisation pilot and an instruction from headquarters ensured that country programming would be done jointly by the embassy and MFA country team, taking the form of a Country Assistance Plan (CAP) in early 2008. The CAP consolidated a commitment to the three SWAPs and to the GBS instrument. The joint responsibilities of embassy and headquarters made programming vulnerable to high rates of staff turnover, which have long been a problem at MFA and affected the embassy in 2008 with the simultaneous departure of three key staff. This degraded institutional memory and relationships with government, and made it hard to adjust to the new political context. It then emerged that the FSLN government had different ideas to its predecessor about local governance, and these clashed with those upon which the G/D SWAp was based. The SWAp therefore failed in 2009, and only a project on the technology of public administration has survived to date. Other aspects of the G/D programme, as well as the LCF modality, have since been replaced by instruments designed to support civil society in promoting democratic and clean governance and human rights.

These decisions were shaped by fraud in the 2008 municipal elections, but they affected relations with the government since some of the funded NGOs were perceived as being connected to the opposition. Moreover, funding NGOs rather than government has damaged the relationship between NGOs and government, leaving the former both aid-dependent and politically isolated. Meanwhile, although Finland made a GBS payment in 2007 and signed a new GBS agreement for 2007-2009, Finland and other bilateral donors suspended GBS in 2008, citing weaknesses in budgetary transparency as well as the issues of electoral fraud and government hostility to NGOs. Thus ended Finnish participation in GBS in Nicaragua. Of the three SWAPs and the GBS and LCF instruments highlighted by the CAP, all of which existed prior to it, only two SWAPs survived into recent times. The closure of GBS might have been influenced by the 2007 Finnish development policy, which was lukewarm on this modality, and if so it represents one of the policy's few practical consequences in Nicaragua. Biannual reporting by the embassy was another result of the decentralisation pilot, but from 2008 the reports on the political situation became increasingly critical

of government, leading to a division of opinion among observers over whether these accounts were fair and accurate. Finally, throughout the period in question there was a lack of urgently-needed dialogue with government, and the last bilateral consultation in 2009 was marked by limited agreement on many issues.

Answering the research questions

Meeting the priorities of Nicaragua. All components would have scored highly in the period before early 2007, except perhaps rural development because of less government interest in poverty, but afterwards the following applied: Finnish and other bilateral GBS contributions would not have met government priorities because of increased attention to conditionality; environment would have been a government priority but was phased out; health/gender continued to be in line while rural development increasingly matched government priorities; and the governance, rights and some NGO interventions became increasingly contradictory to central government priorities, even if local government continued to appreciate them.

Meeting the priorities of Finland. Health/gender and rural development matched Finnish priorities both before and after early 2007, but the matches for GBS and G/D were both adequate in the first period but unsatisfactory in the second, and the governance/rights and NGO/CSO interventions increasingly matched Finnish priorities in the second period. Finnish-funded NGO/CSO pressure over governance/rights and the rule of law can contribute to Finnish aims, but these gains may be undone if these efforts provoke such a reaction from government, and counter-reaction by donors, that aid programmes are closed.

The role of policy dialogue. Policy dialogue was smoothly integrated with effective programming in the period before 2007, but the links seemed to deteriorate afterwards, with divergence of opinion, priority and action, and only one formal country consultation in the six-year period of 2006-2011.

Paris Declaration compliance. Use of GBS and the health/gender and rural development SWAs were in line with all Declaration principles both before and after early 2007, as were the pre-2007 G/D and pre-2008 environment SWAs. Problems arose after 2007 because of unilateral Finnish decisions and principles which were at odds with government efforts to own the decentralisation, rights, and NGO/CSO interventions. The Finnish policy resulting from this to reduce aid overall and to spend a greater proportion through NGO and private partners was not in line with Declaration principles, but in practice sectoral budget support largely replaced GBS and the share of financing paid through government increased.

The cross-cutting themes (CCT). Following the closure of the environment programme, efforts were made to consider how to mainstream environment in the rural development SWAp and in the GBS mechanism, investigative journalism on relevant issues was supported through one of the embassy programmes, and environmental matters were implicit in one national project (i.e. the Nicaragua-Finland Agro-Bio-

technology Programme) and two regional ones (i.e. the Energy and Environment Partnership, and Forests and Forest Management in Central America). Gender equity, sexual and other health-related CCTs are fully integrated within the health/gender SWAp, supplemented by sectoral projects and funds, and the rural development SWAp has projects that emphasise gender. The other CCTs have since 2007 become the mainstream rather than merely being ‘mainstreamed’, with resources going into democratic accountability, rule of law, human rights and gender equality.

Translating development policy into activity designs. The 2004 Finnish development policy guided country programming towards three priority sectors, and the use of the GBS and LCF modalities, as endorsed in the 2004 bilateral consultations. The 2005 decentralisation pilot facilitated a response by the embassy team to in-country donor and government interest in developing three relevant SWAps, which were then designed by the embassy team in consultation with government and other donors, and this was ratified in the 2006 bilateral consultations. The 2007 Finnish development policy led to the joint formulation of the CAP in 2008, confirming the earlier priorities which were by then being implemented. Thereafter, with the limited success of the 2009 bilateral consultations, one of the SWAps became untenable due to political stresses, GBS was ended and the SWAp and LCF modality were replaced by other instruments.

Finnish added value (FAV) in programming choices. Perennial Finnish concerns include those for gender equality, sexual and reproductive health, accountable and decentralised governance, human rights, equality and democracy, and the empowerment of civil society. These special interests clearly animated the embassy-designed G/D, health/gender and rural development SWAps, as well as several programmes related to human rights and civil society support. That Finland did not follow other European countries in a hasty withdrawal from Nicaragua is consistent with expectations, if it is considered that one aspect of FAV is a cultural feature which may be described as perseverance in the face of adversity (*sisu* in Finnish).

Strengths and best practices. The main strengths comprise the institutionalisation of the health/gender and rural development sector programmes within appropriate government agencies, while maintaining an ability to explore and test new and additional ideas through innovative or strategic projects. The strengths are traceable mainly to competence and experience among the embassy team throughout the evaluation decade, with policy enabling rather than determining the resulting programmes. The health/gender and rural development sector programmes appear to contain and comprise examples of best practice, which are assessed as having good strategic effectiveness, impact, sustainability and coordination, and as potentially highly replicable to other circumstances where a similarly long-term, multi-donor commitment can be made. The Finnish role in advancing joint donor coordination also suggests itself as a best practice.

Weaknesses and worst practices. The main weaknesses have included a vulnerability of the sectoral basket funds to the unanticipated withdrawal of other contributors, and in the case of the G/D SWAp and the governance/rights and NGO modalities a vulnerability to central government policy shift. The weaknesses are attributable mainly to antagonisms of ideology and especially style between government and donors. The following might be considered a cluster of connected worst practices in the Finnish case: (a) the long pause in country consultations before and after the failure to achieve agreement in the 2009 session, when the key need was for continual dialogue to build mutual understanding; (b) the refocusing of the governance programme towards a provocative rights agenda, while simultaneously creating both aid dependency and political isolation among NGOs; and (c) an apparent willingness by the embassy rightly or wrongly to be considered hostile to the FSLN government, rather than acting more properly as a critical friend, partner and counsellor.

Conclusions and recommendations

The programme that flowed from the 2007 Finnish development policy through the CAP, which emphasised the three SWAps and the LCF and GBS modalities, only reconfirmed the earlier decisions made in line with the 2004 policy. It was eclipsed by national political events after 2007, and the elements that survived (i.e. the health/gender and rural development SWAps) did so because they were in line with the FSLN development agenda, and had strong allies in government at central and local level. Other elements (i.e. the G/D SWAp and GBS) ran into difficulty, and parts were substituted by investments in civil society that also replaced the LCF and later proved problematic and counter-productive. Thus the influence of the 2007 Finnish development policy in Nicaragua was very limited relative to the FSLN government's own ideas. Finland is now faced with a dilemma over the future of its partnership with Nicaragua.

Summary of Key Findings, Conclusions and Recommendations

Key findings	Conclusions	Recommendations
Past programming and operational aspects		
In 2005 a decentralisation pilot allowed the Embassy to take the lead in responding to the interests of government and other donors in developing governance/decentralisation, health/gender and rural development SWAps.	Outcomes often result from multiple circumstances, in this case Finnish development and decentralisation policies, donor and government interest, and the deployment of suitable personnel at the right time.	Division of labour between embassies and headquarters should reflect the need to track, identify and react to local opportunities and conditions.
In 2008 the simultaneous transfer from the embassy of three key staff made it harder to protect the SWAp in the governance/decentralisation sector from policy changes and political pressures.	Of the three SWAps, two enjoyed continued government support while the third set donors in competition with central government for influence at the local level, when the embassy's capacity to manage this was reduced.	Staff changes at embassies should be staggered to avoid excessive loss of capacity and institutional memory, especially when political conditions are turbulent.
The breakdown of consensus with government in the governance/decentralisation sector led to alternative funding of NGO/CSOs through which to promote good governance, and the embassy small-grants scheme was closed to make way for the new funding instruments.	Funding of NGO/CSOs instead of government annoyed the latter, damaged the relationship between civil society and government, and created aid dependency among NGO/CSOs. These problems are considered unlikely to have arisen from continued use of the LCF modality.	Civil society should never be supported as a substitute for government, problems with government should be addressed through adequate dialogue, and the risks of creating aid dependency and vulnerability in civil society organisations should be appreciated.
The bilateral consultations in 2009 achieved limited results, against a background of declining common understanding	One consultation in six years (2006-2011) is clearly inadequate to maintain a partnership, especially at a time of	Consultations should be held at least every two years and more often still after a regime change in a partner government,

between the Finnish and Nicaraguan sides.	political and policy change.	and they should be supported by new evaluations of the political economy of the country.
Reporting by the embassy since 2005 has been comprehensive and useful, but concerns exist over the objectivity of accounts of political developments since 2007.	In a small embassy team the performance of each individual can be very influential, whether positively or negatively.	Options should be considered for minimising personal bias in reporting, such as introducing greater collective responsibility for all parts of all reports, or allowing minority reporting by embassy personnel.
There is concern dating to before 2002 over high staff turnover rates affecting the Nicaragua desk and others in MFA headquarters; reasons for this have been sought by MFA but not yet conclusively found.	Sustained, frequent staff turnover at headquarters geographical departments undermines their capacity to perform necessary roles within the established division of labour system.	Options should be explored to reduce staff turnover rates, such as minimum terms of appointment to key positions, and the use of long-term consultants with contractual penalty clauses to deter early departure.
Future programming aspects		
The health/gender and rural development SWAps achieved high scores on the criteria of relevance, strategic effectiveness, sustainability, complementarity, FAV, programming logic and replicability.	The successful health/gender and rural development SWAps are beneficial to Nicaragua and contain useful lessons for the donor community worldwide.	Dialogue with government should be renewed, with a view to the continuation of the country programme based on a shared vision with government, and focused efforts by Finland to document fully and publish findings on the SWAps.
For various reasons including friction with government in Nicaragua, there is a tendency for donors to seek to substitute Central America regional programmes for	Regional actions are not easy since they require all participants to value their special role in targeting trans-frontier, multi-country, region-wide and policy-relevant challeng-	Support for regional actions should target those which contribute to Nicaragua's needs, which make full use of Nicaraguan contributions, and which help fill gaps in

<p>national partnerships with Nicaragua.</p>	<p>es that can best or only be addressed at a regional level, and they must also be sensitive to issues of sovereignty, international rivalry and ideological difference between the partners.</p>	<p>Nicaragua's sustainable development priorities, which emphasise the things that only regional partnerships can do, and which are based on careful discussion and pre-testing of ideas with government.</p>
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1 INTRODUCTION

1.1 Scope and purpose

The beginning of a new government term in Finland is traditionally associated with the review and revision of the country's development policy, the aim being to harmonise it with the government's policy programme as a whole and with evolving international priorities and practices in the fields of development cooperation, official development assistance (ODA) and sustainable development. This process is underway at the time of writing, and will yield new policies to balance continuity and change over the years reaching beyond 2015 and the Millennium Development Goals (MDGs). The existing country programmes will inevitably come to be seen in a new light, and their future determined under new influences. Exactly how these influences will be applied will depend on the procedures and practices of the Ministry for Foreign Affairs of Finland (MFA), exerted in dialogue and cooperation with the embassies of Finland in its partner countries, with their governments and other national stakeholders, and with the international community of nations and organisations, all under the oversight of Parliament and public opinion.

In this process, the quality and effectiveness of mechanisms of policy implementation are crucially important, and adapting them to new circumstances requires a nuanced understanding of the strengths and weaknesses of what has gone before, as well as an appreciation of current and emerging constraints and opportunities. The MFA has therefore commissioned a strategic, holistic and forward-looking evaluation of country programmes over the past decade between Finland and three of its eight long-term partner countries, Nepal, Nicaragua and Tanzania. The purpose of this is to clarify the relationship between development policy and cooperation programming, to describe the mechanisms that were used to translate policy into practice, to document influences that helped shape the outcome, and to identify strengths, weaknesses and lessons learned. The three country studies will report separately, but findings from all three will be used to prepare a single Policy Brief containing general conclusions and recommendations. The Terms of Reference (ToR) for the whole evaluation are given in Annex 1.

The scope of this particular report is the country programme in Nicaragua over the past decade, the starting point being the last complete evaluation undertaken there by Corporate Development International (CDI 2002). Development cooperation in this period was subject to the guidance of successive Finnish development policies, including that of 1998 (MFA 1998) and its operationalisation plan (MFA 2001), as well as the introduction of new policies in 2004 (MFA 2004a) and 2007 (MFA 2007). It also spans a fundamental change in the direction of government that occurred in Nicaragua in early 2007. This change has altered the context in which Finland and other donors work in the country, and has directly or indirectly resulted in the closure of a number of aid programmes and embassies among Nicaragua's former development

partners, with Finland assumed to be considering its options. The post-2006 era, therefore, provides the most relevant context for those subjects of most immediate concern to the MFA, including the influence of the 2007 Finnish development policy and the cooperation programming that followed its introduction, the interplay within the donor and investor communities and between them and the government of Nicaragua, the growth of external political and economic influences, and current question-marks over the future of governance and foreign aid in Nicaragua.

1.2 Methods and reports

As outlined in the ToR and with increasing detail in the Technical Proposal of February 2011, the Start-up Note of April, and the Inception Report of May, the evaluation involved the following:

- In the **Preliminary Phase** (April-July 2011), documents were reviewed and specific questions developed to guide interviews so that the team could acquaint themselves with the overall framework and context for development co-operation in Nicaragua, allowing the **Desk Study** to be prepared.
- In the **Field Phase** (May-July 2011), the findings of the preliminary phase were considered alongside the policy and programming situation in Nicaragua itself, adding further detail while also considering the involvement of other donors, culminating in a presentation to the Finnish Embassy in Managua, and allowing the **Country Report** to be prepared.
- In the **Reporting Phase** (July-October 2011), the findings of the field phase were enriched with further interviews, document study and correspondence, allowing the **Final Report** to be prepared.

Information to support the analysis was obtained from literature review and research in the MFA archives in Helsinki (References; Annex 3), and from semi-structured interviews with knowledge holders in Nicaragua, Finland and in one case Mali (Annex 2). The interviews were guided by an explanation of the ToR and a list of questions or discussion topics provided to the interviewees beforehand. The evaluation period is well documented by the annual and biannual reports prepared for MFA by the Embassy of Finland in Managua (EFM 2006a; 2006b; 2006c; 2007a; 2007b; 2007c; 2008a; 2009a; 2009b; 2009c; 2010a; 2010b; 2011), and by additional published and unpublished descriptions and analyses. No documents provided by the embassy or obtained from the MFA archives were supplied to third parties, and no direct quotations from these or other unpublished documents or interviewees were included in any report.

As an analytical tool, the evaluation uses 14 evaluation criteria (Table 1) to help answer a number of key questions about the country programme, and to prepare a narrative to explain the main features of the programme and the processes and influences that shaped it. The evaluation criteria are similar to those used in a synthesis of 22 evaluations of recent development cooperation activities (Caldecott, Halonen, Sørensen, Dugersuren, Tommila & Pathan 2010). They were slightly modified, however, for the

Table 1 The evaluation criteria.

Criterion	Definition
Relevance	Whether cooperation efforts respond to the needs of the beneficiaries in their political, economic and ecological contexts, and whether they are aligned with the overall policy environment (Section 4.1).
Efficiency	Relating to sound management and value for money, i.e. whether the same or better results might have been achieved through different means or with lower overall expenditure or with different rates of expenditure (Section 4.2).
Strategic effectiveness	Whether results are being achieved, by agreement between Finland, other actors and the country concerned, that contribute to “stable poverty-reducing economic development on an ecologically sustainable basis” and on a nationally-significant rather than merely a local scale (Section 4.3).
Impact	Assesses wider and longer-term effects of the country programme as a whole, in terms of positive impact by improving well-being or negative impact by reducing well-being (Section 4.4).
Sustainability	Whether the country programme will have the effect of continuing to achieve beneficial results in terms of poverty reduction indefinitely (Section 4.5).
Coordination	The quality of interactions among relevant groups and other donors and whether synergies occur and conflicts or overlaps do not (Section 4.6).
Complementarity	How well concurrent Finnish policies, plans, actions and choices support one another, and the degree of harmony among donor and government partners in achieving common desired outcomes, i.e. ‘internal’ and ‘external’ complementarity respectively (Section 4.7).
Compatibility	How well the goals of Finland’s development cooperation policy and the partner country’s development policy are taken into account and where necessary reconciled in planning and implementing activities (Section 4.8).
Connectedness	The linkages between systems that are being targeted by a policy priority or country programme plan or activity and other systems that may affect outcomes, i.e. vulnerability or resilience to external factors (Section 4.9).

Coherence	Whether the policies and plans of all members of Finland's development community are in line with each other, and whether they are in harmony with those of other actors (Section 4.10).
Finnish added value (FAV)	The contribution of knowledge, skills, approaches, priorities and processes that are specifically Finnish in nature (Section 4.11).
Partner satisfaction	Whether and to what extent all partners and stakeholders in a country programme are satisfied with its processes and results (Section 4.12).
Programming logic	Whether the context, problems, needs and risks have been analysed well enough and the right choices made to drive the programme to deliver useful results and sustainable impacts (Section 4.13).
Replicability	Whether lessons have been learned so that programmes in the future or in other locations can be modelled on improved versions of past ones (Section 4.14).

Source: modified from Caldecott *et al* 2010.

current purpose of analysing an entire country programme over a whole decade. Some criteria were altered in name and definition to accommodate this new use, with the *Effectiveness* criterion being replaced by *Strategic Effectiveness*, and *Activity Design* by *Programming Logic*. The country programme was scored according to each criterion, using a system in which 'a' meant *very good*, 'b' meant *good*, 'c' meant *some problems*, and 'd' meant *serious deficiencies*. As required by the ToR, an evaluation matrix (Table 2) was prepared during the Preliminary Phase and used to structure the enquiry. It relates the evaluation questions posed in the ToR to the evaluation criteria that are considered in Section 4, and to the research questions that are answered in Section 5.

Table 2 The evaluation matrix.

Evaluation questions	Research questions	Evaluation criteria
EQ1. How does the Finnish development cooperation programme comply with and adhere to the country's own development and poverty reduction strategies and the development Policy of Finland and its poverty reduction and sustainable development	1.1 How and to what extent did programme activities meet the priorities of partner countries?	Relevance, Compatibility, Partner satisfaction
	1.2 How and to what extent did programme activities meet the priorities of Finland?	Relevance, Coordination, Compatibility, Coherence

goals? Has the policy dialogue between Finland and the partner country been able to further the creation of enabling environment for development?	1.3 How and to what extent did policy dialogue help enable development?	Relevance, Sustainability, Compatibility
EQ2. Are the modalities of development cooperation conducive to the effective implementation of the Paris Declaration?	2.1 How do the various modalities compare in Paris Declaration terms?	Coordination, Compatibility, Complementarity
EQ3. What are the major mechanisms of enhancing, programming and implementing the cross-cutting themes of the Finnish development policy in the cooperation context and what are the major results?	3.1 How and to what extent are the cross-cutting themes mainstreamed in development cooperation?	Impact, Sustainability, Programming logic
	3.2 To what extent has paying attention to cross-cutting issues contributed to achieving the aims of development cooperation?	Impact, Sustainability, Programming logic
EQ4. What is the process of transforming the development policy into practice? Does the selection of the development sectors, instruments, and activities in which Finland is involved, correspond to the special value added that Finland may bring in to the overall context of external development funding in a country, including other donors?	4.1 What processes are used to translate development policy into activity designs?	Coordination, Coherence, Finnish added value, Programming logic
	4.2 Is Finnish added value reflected in the selection of modality and activity design	Finnish added value, Programming logic
EQ5. What are the major achievements and possible failures in the last eight years` of the cooperation policy in the context of the partner countries, and in	5.1 What are the main strengths and weaknesses in the cooperation programme in each country?	All criteria

<p>the implementation of the cooperation programme? Any best or clearly unsuccessful practices identifiable? Have the selected development instruments been complementary and their use coherent with the policies?</p>	5.2 Can strengths and weaknesses in cooperation programmes be traced to strengths and weaknesses in policy or in the mechanisms that translate policy into practice?	Compatibility, Connectedness, Coherence, Programming logic
	5.3 Can best practice examples be identified?	All criteria
	5.4 Can worst practice examples be identified?	All criteria
	5.5 Were development instruments complementary with one another and coherent with policy?	Complementarity, Coherence

The result of this analysis is structured in the following way in this report:

Section 2 describes the present and recent circumstances of Nicaragua and the context of development cooperation within it.

Section 3 describes the nature of the Finnish country programme in Nicaragua, and explains why and how this position was arrived at, in terms of the processes, influences, decisions and constraints involved.

Section 4 reviews the whole programme over the evaluation decade from the points of view of the evaluation criteria, each of which sheds light on a different aspect of the development cooperation process.

Section 5 presents a commentary on the research questions derived from the broader evaluation questions specified in the ToR, answering them from the point of view of the whole country programme over the whole evaluation decade.

Section 6 identifies lessons to be learned from the consequences of Finland's actions and decisions in relation to events during the evaluation decade, and offers recommendations.

References list documents that were used as sources.

Mini-bios of the evaluation team.

Annexes 1-5: (1) the Terms of reference; (2) lists the persons interviewed and institutions consulted; (3) lists documents that were reviewed, accessed or otherwise assessed for relevance as background or supplementary resources for the evaluation; (4) summary of highlights of significant events in the political economy and development relationships of Nicaragua in 2003-2011; (5) details on net aid flows to Nicaragua in 2008-2009.

2 DEVELOPMENT CONTEXT

2.1 Overview of the country

Nicaragua is the largest of the Central American countries and has a population of about six million. It is bordered by Honduras to the north and Costa Rica to the south, with the Pacific and Atlantic (Caribbean) coasts as its other boundaries. It has a land area of about 12 million hectares which is split nearly in half by the north-south Continental Divide, with the Pacific zone to the west and the Atlantic zone to the east. These zones are profoundly different to one another, and this distinctiveness is a major regional feature common to every Central American territory from southern México to eastern Costa Rica. Specifically, in the territory that is now called Nicaragua, the peoples of the Pacific zone belonged for millennia to the agrarian cultural mainstream of Mesoamerica, while the Atlantic zone peoples were much more closely allied to the rainforest-dwelling peoples of South America (Mann 2006). Both, however, experienced massive transformation with the arrival of Spanish rule in the 1520s. In this process, an indigenous population of around a million American Indians (or Amerindians) was reduced within decades by as much as 95%, partly through violence but mainly by disease and export as slaves to other Spanish possessions, principally Perú (Walker & Wade 2011). This massive depopulation means that Amerindian communities in Nicaragua have a far lower profile than in some other Central American countries, although they retain influence in parts of the Atlantic zone.

The Nicaraguan **Atlantic zone** has ecosystems sustained by annual rainfall of up to 5,000 mm and containing many species of Amazonian ancestry. The region is largely flat and covered by moist forests and savannas with pine trees, cut through by wide, meandering rivers amongst which lie extensive marshes and lakes, with lagoons along the coast. Lowland moist forests in the area are the largest that remain intact in all of Central America, are very species rich, and are a key link in a chain of moist forests stretching from Colombia to México which maintains biogeographical connectedness between the Americas. This connectedness has been of enormous evolutionary and ecological importance to both continents ever since the Central American land bridge formed about three million years ago (Wallace 1997). The Atlantic zone is subject to frequent hurricanes, and some of these, such as Mitch in 1998, are capable of causing serious nation-wide damage.

The **Pacific lowlands**, by contrast, are much less forested and drier, with annual rainfall of up to about 1,500 mm, most of which falls in May to October. They consist of a broad plain, extending 50–60 km inland, dominated by cotton and sugarcane plantations and cattle ranches, and punctuated by volcanoes of the Cordillera Los Maribios, with Lake Nicaragua (Cocibolca) to the south. Soils enriched by volcanic ash make western Nicaragua relatively fertile, and its developed infrastructure means that the region has half of the nation's population as well as the capital city of Managua. Volcanic eruptions and earthquakes are natural risk factors in the region, and Managua

experienced a devastating earthquake in 1972. Finally, the **Central highlands** are poorer and more sparsely populated, mostly comprising steep lands at elevations between about 600 and 1,500 m and prone to erosion due to a longer, wetter rainy season than in the Pacific lowlands. Nevertheless, up to a quarter of the country's agriculture takes place there, with coffee grown on the higher slopes. The Pacific and Central zones are particularly vulnerable to rainfall variation and associated food insecurity linked to the El Niño-Southern Oscillation phenomenon in the Pacific Basin.

2.2 A history of alternating political economies

Incorporation of the Pacific zone

Nicaragua is a complicated and diverse country, where history, ideology, ethnicity and foreign influence have always shaped events. The Pacific zone was absorbed early into the 16th Century Spanish empire, but the Atlantic coast fared rather differently. Here British influence in the 17th to 19th Centuries gave rise to a northern part (the 'Mosquito Coast') dominated by a distinctive people (fused from surviving Amerindian populations) known as the Mosquito or Miskitu, and a southern part inhabited by Creole people derived from an Anglophone mixture of diverse buccaneer, trader, planter, indigenous and ex-slave stock (Hale 1987; Hale & Gordon 1987). These two regions were only fully incorporated under Nicaraguan administration in the 1890s. This background serves to highlight the existence of two regions within Nicaragua which together amount to over half the national territory and contain about 10 percent of its people, but which have tended to lie outside the mainstream of Nicaraguan development as seen from Managua.

Autonomous regions of the Pacific zone

The two regions of the Pacific zone were recognised as autonomous under Law 28 of 1987. This defined them as the Autonomous Region of the Northern Atlantic Coast (RAAN) to the north and the Autonomous Region of the Southern Atlantic Coast (RAAS) to the south of the Río Grande de Matagalpa. The law granted them rights to communal lands, the defence of cultural heritage and traditional forms of organization, the assurance of direct benefits from using the area's natural resources within national development plans, and locally-elected regional councils to participate in planning the use of those natural resources. Since then, however, economic activity in RAAN and RAAS has been sluggish due to low population density, lack of infrastructure and weak inward investment, as well as the foreclosure of development options and erosion of natural resources resulting from extensive, unplanned and unsustainable conversion and exploitation of ecosystems.

Foreign influence and national governance

Meanwhile, at a national level, much of the 20th century in Nicaragua was characterised by the strong influence of the United States of America (USA) and a dependent form of capitalism in which investment and production was oriented to the export of goods at prices favourable to importers, and with a distribution of profits favourable

to an internal elite. The latter were represented by the regime of the Somoza family, who managed with the help of a powerful National Guard to impose a political, economic and military hegemony that lasted from 1934 to 1979. Those decades of dictatorship were ended in 1979 by an armed revolutionary movement led by the Sandinist National Liberation Front (FSLN), itself named for the nationalist guerrillero Augusto César Sandino who fought against foreign influence in Nicaragua during the 1930s.

The first Sandinist government

The FSLN governed for the next ten years, led initially by a nine-person National Directorate and then, following elections in 1984, by President Daniel Ortega. As reviewed by Walker & Wade (2011), different observers held very different views of this government. There was strong hostility to it among those associated with the Somoza elite, many of whom had lost power and wealth, and also from the conservative administration in the USA of President Ronald Reagan, which saw Nicaragua as being in danger of becoming ‘another Cuba’ and hence an ideological opponent and a security risk. These elements later became involved in extreme measures against the FSLN government, including military action (the ‘Contra War’) and a trade embargo, with the aim of preventing its consolidation. In 1986 the International Court of Justice (ICJ) ruled that the USA had breached international law by training, arming and financing the contra forces, by attacking Nicaraguan territory and vessels in 1983-1984, and by laying mines in Nicaraguan waters in 1984, and found that reparations should be paid (ICJ 1986). The claim for reparations was waived by a post-Sandinist government in 1990, but resurfaced in the form of a potential claim for US\$17 billion during the 2011 election campaign.

Other observers saw the Sandinists in a more positive light, as managing one of the great land reforms of the 20th century in a country where it was most needed to reduce poverty (Green 2008), and generally trying to implement socially-equitable, pro-poor and nation-building programmes against harsh resistance. Walker & Wade (2011, 45) characterise FSLN policies thus: “During the entire period, the Sandinistas promoted (1) a mixed economy with heavy participation by the private sector, (2) political pluralism featuring interclass dialogue and efforts to institutionalize input and feedback from all sectors, (3) ambitious social programs, based in large part on grassroots volunteerism, and (4) the maintenance of diplomatic and economic relations with as many nations as possible regardless of ideology”.

An overlapping view (Kääriä, Poutiainen, Santisteban & Pineda 2008) is that the FSLN may have declared itself to have policies that favoured a mixed economy, political pluralism and nonalignment, but that in pursuit of socialism it actually confiscated the properties of political enemies, created large public enterprises, and nationalised banks and mines, even though poorer people benefited from free healthcare and education, and from employment in the public sector. The Contra War, however, destroyed productive capacity and polarised society between poor and rich, a separation so strong that it has been difficult to overcome in more recent Nicaraguan political culture. On the other hand, since the war this polarisation has not been strong-

ly associated with violence, and Nicaragua has consistently clustered with Costa Rica as having the lowest homicide rates and the lowest rate of increase in homicide rates in the region (World Bank 2011).

National governments since 1990

A general election in 1990 saw the defeat of the Sandinistas by a coalition of parties from the left and right of the political spectrum, led by Violetta Chamorro. The new government began a process of transition and structural adjustment, with the cutting back of the state sector and resulting large-scale unemployment. This approach continued through two other ideologically conservative governments, formed in 1997 under Arnoldo Alemán, and in 2001 under Enrique Bolaños. The latter held office until Daniel Ortega and the FSLN assumed power in 2007 after the 2006 election. Events thereafter, characterised by government efforts to restore a Sandinist social programme while maintaining macroeconomic stability, ensuring its continuation in office and building its alliance with Venezuela and the Bolivarian Alliance for the Peoples of Our America (ALBA), are described in Sections 2.4 and 2.5 and Annex 4. The way in which these efforts have affected and are affected by the donor community are described in Section 2.3 and throughout Sections 3, 4 and 5.

2.3 The donor community in Nicaragua

Volume and sources of net ODA

Net official development assistance (ODA) consists of concessional loans and grants to countries listed by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) to promote economic development and welfare, minus repayments of principal on earlier loans. In constant 2007 United States Dollars, total net ODA to Nicaragua amounted to approximately 750 million in 2003, 1,070 million in 2004, 1,430 million in 2005, 850 million in 2006, 800 million in 2007, 850 million in 2008, and 700 million in 2009 (Trading Economics 2011a). Loans accounted for just over 30% of ODA from 1998 to 2006, mainly being of a concessional nature from the special fund of the Inter-American Development Bank (IDB) and the International Development Association (IDA) of the World Bank, but supplemented by a total of about two percent in the form of bilateral loans (EC 2010). More detailed figures on ODA are given in Annex 5, in current dollars for 2008-2009, and showing the sources of the aid flows. Thus, in 2009, the international community provided net bilateral ODA to Nicaragua of almost US\$612 million (3.1% of it from Finland), plus another US\$12 million from various United Nations (UN) agencies and US\$33 million in debt forgiveness grants (Trading Economics 2011b). The total is equivalent to almost US\$131 of ODA per person, or 11.5% of gross domestic product (GDP). The top bilateral donors were in descending order Spain, the USA, Japan, Denmark, the Netherlands, the European Commission (EC), Sweden, Germany, Norway, Switzerland, Finland, Canada, Luxembourg and the United Kingdom (UK), which together accounted for 96 percent of bilateral aid flows. These figures exclude financial support from Venezuela, which is considered further in Sections 2.4 and 2.5.

Key influences on donor-Nicaragua relations

The relationship between the Government of Nicaragua and international donors has evolved since the late 1990s, and three particularly influential factors can be noted. One comprised the linked processes of the Highly Indebted Poor Countries (HIPC) initiative and the development of the Poverty Reduction Strategy Paper (PRSP). Nicaragua arrived at the ‘decision point’ of the HIPC initiative in December 2001 and its ‘completion point’ in January 2004, resulting in nearly US\$3.7 billion in debt relief being awarded that year (EC 2009), with other amounts thereafter including nearly US\$1.2 billion in 2008 (Annex 5). This process brought to an end an era in which Nicaraguan external debt had reached extreme levels, and in following years external debt was no longer considered a major macroeconomic concern. Another key influence was that of the international aid effectiveness discourse which, combined with debt relief, fiscal reform, austerity and other internal measures, paved the way for a reorganisation of ODA programmes in the direction of improved management and coordination based on sector roundtables, the development of sector-wide approach programmes (SWAs), and the negotiation of general budget support (GBS; Section 3.2). Thus, up to and including 2006 Nicaragua was considered a model of international cooperation, with good relations prevailing between the government and the donor community. Moreover, the country was considered a pilot for the application of Paris Declaration principles, and most of the Declaration indicators on harmonisation and alignment showed an improvement between 2005 and 2007 (EC 2009). Meanwhile, however, a third key influence was seen as the flavour of Nicaragua-donor relations changed in 2007-2008. Thus it was stated that “the national context also influenced process and procedures: these were more donor-driven during the first period of politically weak government, but since 2007 a more nationalistic government has assumed greater appropriation of the process” (EC 2009, 47).

Donor coordination arrangements

Coordination is done partly through participation in a donor roundtable (*Mesa de Cooperantes*) in which most donors participate, and which meets about six times a year. It also occurs through *ad hoc* and thematic roundtables and, especially effectively, following the introduction of multi-donor funds, including thematic funds on civil society, gender equity and GBS, and several sectoral funds (Table 3). These draw donors together to discuss progress, priorities and spending decisions at regular intervals, making for enhanced coordination. Meanwhile, the European Union (EU) Delegation seeks to promote cooperation between Member State donors, and tracks their participation in sectoral engagements, which EC (2009) observed has helped reduce overlap through improved communication and information sharing.

Table 3. EU donor activity by sector in Nicaragua, 2010.

Sector	Donors	Sectoral fund participation
Education	Austria, EC, Denmark, Germany, Spain, Sweden France, Luxembourg, Netherlands	Education Sector Budget Support Programme Fund (PROASE): Denmark, Netherlands
Health	Austria, Finland, France, Italy, Netherlands (Lead), Spain, Sweden, Luxembourg, Netherlands	Nicaraguan Health Fund (FONSALUD): Austria, Spain, Finland, Netherlands, Sweden
Water supply	Germany (Lead), Spain, Luxembourg	
Governance and decentralisation	Denmark (Lead), EC, Finland, France, Germany, Netherlands, Spain, Sweden	Common Fund for Civil Society and Governance: Finland, Luxembourg, Sweden. Police Fund: Germany, Spain. Anticorruption Fund: Denmark, Netherlands.
Other social services	Germany, Italy, Spain	
Transport and logistics	Denmark, EC	
Banking and financial services	Denmark, Germany	
Sustainable economic development	Netherlands	
Business services	Austria	
Agriculture and rural development	Austria, Denmark, EC (Lead), Finland, Italy, Spain, Sweden	Common Fund for Rural Development and Sustainable Production (Fondo Común-PRORURAL): EC, Finland, Netherlands, Sweden
Forestry and environment	Denmark, EC, Germany, Spain	
Fisheries	Spain	
Small and medium enterprises	EC	

Commerce	Netherlands	
Tourism	Luxembourg (Lead), Netherlands	
Non-governmental organisation (NGO) support	Denmark, EC, Finland, France, Luxembourg, Spain (Lead), Sweden	Common Fund for Civil Society and Governance: Finland, Luxembourg, Sweden.
Human rights, gender, security, migration	Austria, Denmark, EC, Finland, Spain (Lead)	Joint Fund for Gender Equity and Sexual and Reproductive Rights (FED): Finland, Netherlands, UK, Sweden, Austria, Germany, Luxembourg, Denmark (plus Norway and the United Nations Population Fund)
Humanitarian assistance	EC (Lead), Italy, Luxembourg	

Source: EC 2010; EFM 2010b.

The changing flavour of donor-government relations

In 2007, Nicaragua entered a phase of transition from the years of ideologically conservative rule to those of the second FSLN government (Section 2.2), which soon began reviewing all its programmes and relationships from a Sandinist perspective. The donor coordination system apparently stagnated while the results were awaited. Later in 2007, the government presented its priorities to donors, these being: (a) poverty reduction; (b) water and sanitation; (c) literacy and education; (d) health and social rights; (e) electricity; (f) economic revival; (g) hunger and malnutrition; (h) agriculture; (i) industry and commerce; (j) small enterprises; (k) infrastructure; (l) tourism; (m) forestry; and (n) the Caribbean Coast (i.e. RAAN and RAAS). The government also mentioned the principles of gender equality, decentralisation, citizen participation and good governance but, in an early sign of donor suspicion, it was questioned whether they would be much applied in practice. During 2008 those suspicions were amplified by documented electoral fraud (Section 3.6), GBS was frozen, and donors called on Nicaragua to respect democracy and the rule of law. Thus donor coordination had revived, perhaps prompted by common outrage, but the quality of dialogue with government is indicated by the fact that donors considered the first draft of the National Human Development Plan (NHDP) to be so lacking in concrete measures as to be unworthy of comment (EFM 2008a). This pattern continued in 2009, and relations with government deteriorated further.

Donor departures from Nicaragua

Under these conditions of limited consensus between donors and government, by 2011 traditional donors were leaving Nicaragua. From the government's perspective, however, all the events that had created controversy made sense in terms of its own efforts to lead Nicaragua away from the weak and dependent status of an aid recipient, in order to become eligible for non-concessional development loans (e.g. for vital infrastructure), and to attract direct investment with which to build sustainable prosperity. This is described by government informants as a deliberate step-wise process of nation building, in which the country uses the resources provided by donors (with gratitude, perhaps, but also with the urgent ambition to render their help unnecessary) to achieve a new, more creditworthy and more independent status, which can then be used as a foundation for further development through responsible borrowing and productive strategic investment.

From this point of view, and seeing as fundamentally unhealthy the relationship with donors that had arisen in 1990-2006, the government's aim is to take full charge of national development as foreseen by the Paris Declaration. In this view, donor withdrawals mainly reflect the influence of commercial interests within the donor countries themselves, as well as a change in priority from pro-poor aid towards such issues as security, immigration and climate change. There is a belief in strong government leadership as a prerequisite for successful development, so the values of 'good governance' are seen as secondary issues rather than as essential enabling factors as they are viewed by most donors, while the withdrawal of GBS is seen as profoundly unfair since no agreed indicator of good governance existed in the relevant agreements.

This summary of donor-donor and donor-government relations highlights qualitative differences between 1990-2006 and 2007-2011. In the first period, policy development and programming with strong donor-driven coordination could occur in a relatively stable environment amid conditions of consensus (or perhaps at times indifferent compliance) between the governments of Nicaragua and its partners. This period was marred only in the late 1990s when Nicaragua was on a 'watch list' because of corruption during the Alemán presidency (MFA 2004b). In the second period, however, all the premises upon which the relationship between Nicaragua and its partners was based were up for debate and potential re-invention. Whether this is a good or bad thing depends on one's point of view, but it has certainly been a challenge for all concerned. It should be noted, however, that the evaluation field work in Nicaragua occurred at a time of political tension just prior to the 2011 presidential and parliamentary election campaign, and just before a period when the government and the remaining donors seem to have tacitly acknowledged that both sides had over-reacted to earlier provocations and misunderstandings. The fact that observers report more relaxed and cooperative relations between government and the donor community in recent months should be born in mind when reading this report.

2.4 Socioeconomic change and macroeconomic stability

Human development

The UN Human Development Index (HDI) shows that Nicaragua remained throughout 1980-2010 a ‘medium human development country’, in a cluster that also included China, the Philippines, South Africa, Indonesia and India, as well as its regional neighbours El Salvador, Honduras and Guatemala (UNDP 2011). Nicaragua’s HDI steadily increased over the period, however, as did most other countries’. In 1990, following the war and economic embargo, some 61% of countries for which an HDI had been calculated (which varies between years) had an HDI higher than Nicaragua’s (Table 4). The position deteriorated to 73% in 1995, despite a rebound in economic activity after trade relations were restored, but then improved to 67% in 2000 and 60% in 2005 reflecting some net economic growth from the mid-1990s onward, and at least partly driven by the substantial donor investments described in Section 2.3. The proportion of countries with higher HDI then increased to 68% in 2010.

Table 4 The Human Development Index in Nicaragua, 1990-2010.

Year	HDI Nicaragua	Number of countries with higher HDI	Number of countries with lower HDI	Percent of countries with higher HDI
1990	0,454	49	32	61
1995	0,473	94	34	73
2000	0,512	91	44	67
2005	0,545	65	43	60
2010	0,565	117	54	68

Source: UNDP 2011.

This relative deterioration of key indicators of social well-being in the late 2000s, while ODA continued to be transferred in high volumes, was examined from an aid effectiveness point of view by the Institute of Strategic Studies and Public Policies (IEEPP 2010). They explained the discrepancy as being due to:

- dispersion of aid across diverse projects;
- use of ODA funds to finance current expenditure by the public sector and to maintain the balance of payments;
- diversion of resources to service domestic debt;
- donor preferences for sectors that were not government priorities;
- lack of a strategy to invest in electrical, water, harbour, educational and hospital infrastructure, which left unaddressed some key structural problems in the economy; and
- weak management of investments by the state.

Development goals

The country has nevertheless made progress on the MDGs, with a reasonable probability of achieving them on extreme poverty, universal primary education, gender parity in education, child and infant mortality, and access to improved water sources, though with less progress on maternal mortality, access to sanitation, and reversing the loss of environmental resources (Table 5).

Table 5 Progress towards the MDGs in Nicaragua.

Millennium Development Goals and targets	1990	1995	2000	2009
Goal 1: Eradicate extreme poverty and hunger				
Employment to population ratio, 15+, total, percent (%)	57	54	57	58
Employment to population ratio, ages 15-24, total (%)	46	44	47	48
Income share held by lowest 20%	..	2,6	4,0	..
Malnutrition prevalence, weight for age (% of children under 5)	..	9,6	7,8	..
Poverty gap at purchasing power parity (PPP) \$1.25 a day (%)	..	15	7	..
Poverty headcount ratio at PPP \$1.25 a day (% of population)	..	33	19	..
Prevalence of under-nourishment (% of population)	50	38	25	19
Vulnerable employment, total (% of total employment)	..	..	38	..
Goal 2: Achieve universal primary education				
Literacy rate, youth female (% of females ages 15-24)	..	..	89	..
Literacy rate, youth male (% of males ages 15-24)	..	..	84	..
Persistence to last grade of primary, total (% of cohort)	..	..	52	48
Primary completion rate, total (% of relevant age group)	39	49	66	75
Total enrolment, primary (% net)	68	75	83	93
Goal 3: Promote gender equality and empower women				
Proportion of seats held by women in national parliaments (%)	15	11	10	19

Ratio of female to male primary enrolment (%)	107	103	101	98
Ratio of female to male secondary enrolment (%)	163	..	117	113
Ratio of female to male tertiary enrolment (%)	107	104	108	..
Women employed in the nonagricultural sector (% of total nonagricultural employment)	..	..	..	38.1
Goal 4: Reduce child mortality				
Immunization, measles (% of children ages 12-23 months)	82	85	86	99
Mortality rate, infant (per 1,000 live births)	52	43	34	22
Mortality rate, under-5 (per 1,000)	68	55	42	26
Goal 5: Improve maternal health				
Adolescent fertility rate (births per 1,000 women ages 15-19)	..	..	126	111
Births attended by skilled health staff (% of total)	..	..	67	74
Contraceptive prevalence (% of women ages 15-49)	..	49	69	72
Maternal mortality ratio (modelled, per 100,000 live births)	190	170	140	100
Pregnant women receiving prenatal care (%)	..	72	86	90
Unmet need for contraception (% of married women ages 15-49)	..	..	15	8
Goal 6: Combat HIV/AIDS, malaria, and other diseases				
Children under age 5 with fever receiving anti-malarial drugs (%)	..	..	2	..
Condom use, population ages 15-24, female (%)	..	..	7	..
Condom use, population ages 15-24, male (% of males ages 15-24)	..	..	..	..
Incidence of tuberculosis (per 100,000 people)	108	85	68	44
Prevalence of HIV, female (% ages 15-24)	..	..	..	0,1
Prevalence of HIV, male (% ages 15-24)	..	..	..	0
Prevalence of HIV, total (% of population ages 15-49)	0,1	0,1	0,1	0,2
Tuberculosis case detection rate (% of all forms)	66	72	70	90

Goal 7: Ensure environmental sustainability				
Carbon dioxide (CO ₂) emissions (kg per PPP \$ of GDP)	0,5	0,4	0,4	0,3
CO ₂ emissions (metric tons per capita)	0,6	0,6	0,8	0,8
Forest area (% of land area)	38	..	32	26
Improved sanitation facilities (% of population with access)	43	46	48	52
Improved water source (% of population with access)	74	77	80	85
Marine protected areas (% of total surface area)	1	17	20	20
Goal 8: Develop a global partnership for development				
Debt service (Project Preparation Grant and International Monetary Fund only, % of exports, excluding remittances)	2	42	17	4
Internet users (per 100 people)	0,0	0,0	1,0	3,5
Mobile cellular subscriptions (per 100 people)	0	0	2	56
Net ODA received per capita (current US\$)	80	139	110	135
Telephone lines (per 100 people)	1	2	3	4
Other				
Fertility rate, total (births per woman)	4,8	4,1	3,3	2,7
Gross national income per capita, Atlas method (current US\$)	300	520	730	1 000
Gross national income, Atlas method (current US\$) (billions)	1,2	2,4	3,7	5,7
Gross capital formation (% of GDP)	19,3	22,0	30,2	23,5
Life expectancy at birth, total (years)	64	67	70	73
Literacy rate, adult total (% of people ages 15 and above)	..	..	77	..
Population, total (millions)	4,1	4,7	5,1	5,7
Trade (% of GDP)	71,3	53,8	75,0	96,3

Source: World Bank 2010.

Impacts on poverty

Although poverty levels remain high, household surveys by the International Foundation for the Global Economic Challenge (FIDEG 2011) detected reduced extreme and general poverty between 2009 and 2010, especially in rural areas, an improved Gini coefficient of inequality, and greater employment. A less optimistic view was formed by the Nicaraguan Foundation for Economic and Social Development (FUNIDES), which reported in June 2011 that long-term economic growth was inadequate to make much impact on structural poverty (Annex 4). The Central Bank of Nicaragua's Monthly Index of Economic Activity was considerably higher in April 2011 (7.4) than a year before (0.5), although data for the first quarter of each year showed the opposite (at 4.2 in 2011 and 6.8 in 2010). From such diverse reports, measuring different things and featuring as they do differences between years which may or may not be statistically significant, all one can say is that 2009-2011 seems to have featured at least some positive economic growth and that at least some of it was reaching the real economy and ordinary households, including very poor ones. The period since 2007 is anyway a short one for any government to demonstrate an unambiguous improvement in such complex, multi-factorial phenomena as poverty and equality, especially bearing in mind the outside world's financial crisis in 2008-2009.

Political economy

To understand in Nicaragua the interplay of external recession (which affects remittances), relevant agricultural commodity prices (which are influenced by speculation as well as by surpluses and shortages), national policies and politics, internal and external debt, droughts in 2006 and 2009 and floods in 2007 and 2010, and the changing roles of different trade and aid partners (of which more below) would require a study far beyond the scope of this report. In summary, however, it can be said that the political, economic and donor worlds were deeply interactive over the period 2003-2011, and that major changes have occurred in the architecture of aid. For example, a number of traditional donors have pulled out (for various reasons, but in several cases due to concerns over governance), the share of aid in the form of GBS has declined, the share of aid that is in the form of loans has greatly increased (threatening a potential return to unsustainable indebtedness), and the share of aid sourced from Venezuela has also greatly increased (potentially creating vulnerability to political events in a third country).

Other highlights of the Nicaraguan political economy in each of the years 2003-2011 are given in Annex 4. It is clear from them that the FSLN government has generally kept its macroeconomic performance and policies acceptable to the international financial institutions (IFIs), has done little to antagonise the private sector, has increased the security of energy supplies to maintain popularity and business confidence, and has developed a very close relationship with Venezuela. These measures have preserved national creditworthiness, allowing loans (including soft ones from Venezuela) to replace grant aid from traditional donors as well as to finance infrastructure investments, for example in geothermal and other forms of renewable energy (the target for which is 90% of the energy mix by 2017, from the current 33%).

These are rational aims and, together with at least some recent evidence for declining poverty and increasing equity (and other unverified claims by government that literacy has been greatly increased since 2008), suggest that the government is being quite effective in at least some sectors. This was acknowledged by EFM staff during a meeting on 23 June in respect of the rural development, health and energy sectors, as was Nicaragua's compliance with the principles of macroeconomic stability required by the International Monetary Fund (IMF).

The state of governance

The state of governance in Nicaragua is generally considered to be precarious, with serious concerns over the rule of law, the constitutionality of some government appointments, the probity of electoral arrangements, and the treatment and role of NGOs and civil society organisations (CSOs). An informal coalition or pact (*'pacto'*) between the two largest parties, i.e. the FSLN and the Constitutional Liberal Party (PLC), has apparently guaranteed mutual support in retaining and dividing power. Meanwhile civil society has developed through the creation of numerous NGOs, which are collectively described by observers as representing the main *de facto* opposition to the political oligarchy represented by the *pacto*, and therefore to the government of the day.

The position of women

The position of women has deteriorated through a general lack of action against violence and oppression directed towards them, and particularly with the prohibition of therapeutic abortion in 2006. The latter has made Nicaragua one of only six countries or territories with such a law in place (the others being the Philippines, Chile, El Salvador, Malta and Vatican City), and was apparently the result of a deal made with the Catholic church, to which almost 60% of Nicaraguans belong (MFA 2011a), in return for their not actively opposing the FSLN.

Sources of aggravation

The state of governance and the position of women, aggravated by the assertiveness of government representatives, have certainly annoyed those governments, such as Finland's, and other institutions that care strongly about good governance, clean elections, NGO participation and the mistreatment of women. A final challenge is the influence in Nicaragua of Venezuela, the policies of which (and the personality of the president of which) has further contributed to a sense of unpredictable and unwelcome change both in regional relationships and in the relationship between Nicaragua and the donor community.

2.5 Sandinism and Bolivarianism

The role of Venezuela

It will be clear from Section 2.4 that Venezuela is important to the FSLN government. Shortly after the 2006 election, Venezuela promised delivery of diesel generators

(which were soon being used at full capacity to relieve chronic power shortages) as well as ten million barrels of oil annually, for which 50% of the bill was to be paid within 90 days (and partly invested in social projects in Nicaragua) while the remaining 50% was to be paid 25 years later (EFM 2007a). Venezuelan aid was estimated at US\$520 million in 2007, US\$461 million in 2008, US\$443 million in 2009 and US\$511 million in 2010, with a quarter being grants and the rest low-interest loans, nearly half of all aid received by Nicaragua in those years (Section 2.3; EFM 2008a; 2011). Bilateral donors and IFIs have often expressed their frustration that these funds are delivered off-budget and in various non-transparent ways, undermining financial accounting, macroeconomic analysis and donor coordination, and encouraging the suspicion that some of the funds were finding their way to the FSLN, its supporters, or even to members of President Ortega's family.

A connected issue is the tens of millions of dollars invested by Venezuela in Nicaraguan companies through the holding company Albanisa (*ALBA de Nicaragua, SA*). Some details were made public in 2009, showing that these investments focused on farming, forestry and livestock in RAAN, RAAS and Acopoyales, including slaughterhouses, milk processing factories and FSLN-affiliated forest companies, with additional investment in Nicaraguan financial markets. Trade in foodstuffs has also grown steadily, with Nicaragua exporting US\$100 million worth of beans, meat and milk products to Venezuela through Albanisa in 2009. So far the Venezuelan market has been receptive and stable, and both countries have benefited from investments and trade, although increasing dependence on Venezuelan political and economic stability inevitably has risks for Nicaragua.

The role of ALBA

The close relationship between Nicaragua and Venezuela is embedded within a broader network of relationships known as the ALBA, which Nicaragua joined in January 2007 when Daniel Ortega assumed the presidency. Bolivarianism is a form of social-democratic nationalism named for Simón Bolívar, the 19th century Venezuelan general who successfully led the struggle for independence from Spain in much of South America. The Bolivarian Hugo Chávez was elected President of Venezuela in 1998 and convened a process to re-write the national constitution, one outcome of which was that Venezuela was renamed the Bolivarian Republic of Venezuela. ALBA was formed through the Cuba-Venezuela Agreement in 2004, which envisioned the exchange of medical and educational resources and petroleum, and the more general People's Trade Agreement (TCP) in 2006. Bolivia joined the TCP and therefore ALBA in 2006, Nicaragua did so in 2007, Dominica in 2008, and Antigua and Barbuda, Ecuador, and Saint Vincent and the Grenadines in 2009.

The existence of ALBA has changed the international context of the second FSLN government relative to the first, which saw itself as struggling alone (apart from Cuba) in a hostile hemisphere controlled by the USA. But ALBA offers a network of like-minded countries in the region, at least one of which has significant wealth and is willing to spend it on practical forms of cooperation. The government seems willing

to use the financial resources and diplomatic support offered by ALBA as long as they remain available, but it is open to question whether this arrangement can be made sustainable (e.g. through an emerging regional community of states) or viable should Venezuelan support be lost. Although the established commercial agreements between private Venezuelan and Nicaraguan companies are expected to survive any leadership transition in Venezuela, the same may not be true of the financial and energy support that the Nicaraguan government has been receiving from the Venezuelan government.

3 DESCRIBING THE COUNTRY PROGRAMME

3.1 Overview of Finnish cooperation

Cooperation in the 1980s

Finnish development cooperation with Nicaragua began with grants and soft loans in 1980, and in November 1982 the Finnish Council of Ministers decided to include Nicaragua in a more structured aid relationship with Finland. According to CDI (2002, 9) “Cooperation with the first Sandinist regime development cooperation authority (FIR, *Fondo de Inversiones para la Reconstrucción*) started enthusiastically. FIR started by preparing an ambitious development strategy, which they took to donors - an elegant start”. During the 1980s Finland gave annual grants as well as soft development credits for hospital equipment, fertilisers and paper, and in February 1988 signed a framework contract on the aid relationship with the Nicaraguan government which provided for continued assistance. The context for the establishment of this relationship was the Nicaraguan revolution itself, which began in a phase of euphoria and optimism, and widespread approval in Europe which the then newly-established Finland-Nicaragua Society used to promote solidarity cooperation. Thereafter the consistent policies of the Sandinist government proved reassuring to Finnish interests, but at the same time the Contra War would eventually kill nearly 31,000 Nicaraguans and disable many others, while economic disruptions and a trade embargo led by the USA were challenging national development efforts. In these circumstances, Finnish development credits and other forms of health-oriented assistance can only have been extremely relevant, in the sense of being both needed and welcomed throughout a period of national emergency.

Cooperation in the 1990s

During the early 1990s, the rationale of Finland’s continuing cooperation with Nicaragua changed somewhat, with an emphasis on post-conflict development and reconciliation, and also on preserving some of the country’s previous social gains during a phase of structural adjustment. Before 1995, according to Ødum, Christiansen & Keinänen (1999, 23), “the program was concentrated within the agriculture and health sectors with a resource allocation of 80% and 20% respectively”, but thereafter

“a shift in strategic guidelines and priorities that emphasised environmentally sustainable development was presented”. This led to the expansion of environmental concerns “from being a more or less explicit cross-cutting theme to achieving its own sector status within which future co-operation is targeted”, giving rise to environmental programmes in Nicaragua that lasted until 2007. These programmes represented a response to the thinking of the 1992 United Nations Conference on Environment and Development (UNCED), and the absorption of the idea of sustainable development the Finnish development policies, starting with the first in 1993.

Cooperation in the 2000s

The main themes of Finland’s work in Nicaragua have consistently included rural development (especially to reduce the vulnerability of the poor to economic exclusion), health (especially capacity building for primary and reproductive care oriented to women’s needs) and governance (especially institutional capacity building for administrative effectiveness and decentralisation). The influence of the 2004 Development Policy was seen when it was stated in 2005 that the priorities of Finnish development cooperation in Nicaragua would focus on these three sectors, that activities would be harmonised with national systems, that GBS would continue to be used, and that the Local Cooperation Fund (LCF) modality would be the main channel for cooperation with civil society. Thus 2006-2007 saw continuation of the sectoral health, rural development and governance programmes, as well as the GBS and LCF grant activities and the phasing out of the fourth sectoral focus, on environment.

Finnish participation in donor coordination

General arrangements for donor coordination were described in Section 2.3, and observers confirm that Finland has been among the most active in these in recent years. The embassy also has its own coordination mechanisms for bilateral negotiations and implementation of specific projects and programmes, and participates in meetings of heads of cooperation of EU Member states and the ‘Nordic+’ group (i.e. Denmark, Finland, Ireland, the Netherlands, Norway, Sweden and the UK), and of the Multilateral Organizations Performance Assessment Network (Section 3.9). As noted in Table 3, and described further in Sections 3.4, 3.5 and 3.6, Finland participates in: (a) thematic funds, i.e. the Common Fund for Civil Society and Governance (the Common Fund) and the Joint Fund for Gender Equity and Sexual and Reproductive Rights (FED); and (b) sectoral funds, i.e. the Common Fund for Rural Development and Sustainable Production (Fondo Común-PRORURAL), and the Nicaraguan Health Fund (FONSALUD).

Evolving priorities in the late 2000s

Section 2.3 also summarised important changes in donor-government relations since 2007, to which Finland was far from immune. Reflecting them, a policy was laid down by Finland’s Minister for Foreign Trade and Development in June 2009, by which Finnish cooperation with the Government of Nicaragua would be reduced in a controlled and selective manner and increasingly channelled through non-governmental actors (EFM 2010b). Minutes of the dialogue between Finland and Nicaragua in No-

vember 2009 (MFA 2009) therefore record a rather limited meeting of minds between the two sides on the role of the private sector, NGOs, the Citizen's Power Councils (CPCs), good governance, climate change mitigation, and regional programming, and discussion at cross-purposes on rural development and maternal mortality. They did however agree on principles such as equal access by all citizens to public services, the importance of health care, the need to reduce poverty in rural areas, and support for the UN in general and Finland's candidacy to the Security Council for 2013-2014 in particular. Although a national aid harmonisation plan (i.e. the National Plan on Strategic Management of Official Development Aid) was agreed by government and donors in 2010, by then Finland's support for the NGO *Ética y Transparencia* (Ethics and Transparency) was being officially attacked (Section 3.6; Annex 4), and the increasingly comprehensive control of civil society by the FSLN was being criticised in return. The resulting tensions are mentioned often in the following sections.

Volume of the country programme

An overview of disbursements by sector or purpose is given in Table 6. The changing total of these (a mean of almost €15 million/year in 2006-2007 against €12 million/year in 2008-2010) show deviation from the €15 million/year envisioned in the Country Assistance Plan (CAP) for 2008-2011 (MFA & EFM 2008), and in the budget plan for the country programme in 2007-2012 (EFM 2007d). This is largely explained by the cessation of GBS (Section 3.2), and changes in the governance and decentralisation (G/D) sector (Section 3.6).

The following sections describe the key features of Finnish cooperation with Nicaragua by modality, sector and/or theme, these being: general budget support (Section 3.2), environment (Section 3.3), health (Section 3.4), rural development (Section 3.5), governance (Section 3.6), non-governmental participation (Section 3.7), and regional programmes (Section 3.8). The role of the Finnish Embassy is then briefly discussed (Section 3.9). Unless otherwise stated, the information on projects, programmes and modalities in 2005-2011 comes from reports by the Embassy of Finland in Managua (Section 1.2).

3.2 General budget support

Like debt relief and balance-of-payments support, GBS is a form of programme aid that is not earmarked for specific uses, such as projects, and is usually accompanied by conditions (IOB 2010). The latter may include a commitment to policy dialogue on a certain theme, or the mainstreaming within government programmes of a set of actions or priorities, commonly aimed at reducing poverty but others (e.g. elections or electoral reform, action on climate change) are possible depending on circumstances and negotiations. In practice, GBS is paid directly into the state budget of the developing country, without being assigned to any particular item in the public finances.

Table 6 MFA disbursements to Nicaragua by OECD/DAC category and year, 2006-2010.

OECD/DAC category	Disbursements by year (€ thousands)					Total
	2006	2007	2008	2009	2010	
Education	0	151	61	67	31	310
Health	1 756	2 200	2 526	1 501	3 112	11 096
Population and reproductive health	974	1 144	1 006	1 083	1 159	5 367
Government and civil society	2 087	3 372	2 637	1 131	1 893	11 119
Other social infrastructure/services	0	80	68	18	0	166
Business and other services	0	68	48	11	0	127
Agriculture	2 357	2 731	3 068	3 093	1 997	13 245
Industry	30	0	0	2	0	32
Trade policy, regulations, etc.	0	0	0	262	602	864
General environmental protection	441	25	21	0	0	487
Other multisector	933	1 689	1 528	2 218	2 473	8 840
General budget support	3 500	1 950	2	0	0	5 452
Action relating to debt	0	1 500	0	0	0	1 500
Emergency response	0	200	0	0	0	200
Administrative costs of donors	0	902	1 025	1 160	1 094	4 180
Unallocated/unspecified	123	1 234	136	304	510	2 307
Total	12 200	17 245	12 126	10 850	12 870	65 291

Source: MFA 2011b.

Finland's 2004 Development Policy envisioned increasing the funding of national poverty reduction strategies through GBS and more specific programmes through sectoral budget support (SBS), while actively seeking joint financing arrangements with other donors. The MFA compiled the first guidelines on GBS in 2004 (MFA 2004c), which lay down qualification criteria for developing countries while specifying the need for dialogue and the joint assessment of results. Thereafter the 2005 Paris Declaration committed donors to assign two-thirds of their ODA in line with the programme-based approach, and this was further encouraged by the 2005 European Consensus on Development (EU 2005). The thinking and dialogue behind the 2003 Rome Declaration on Harmonisation, the 2004 Finnish Development Policy and the Paris Declaration were underway during the early 2000s, guiding formulators towards more focused aid programmes under greater recipient-government control. In Nicaragua specifically, the government had succeeded in reducing the budget deficit and in meeting other quantitative targets of the IMF, allowing a Poverty Reduction and Growth Facility (PRGF) to be agreed in late 2002, while the National Assembly cooperated with the Bolaños government sufficiently to pass all the reform laws needed to reach the HIPC completion point in early 2004 (IOB 2010). Moreover, the government had reassured donors by acting against corruption and gaoling former president Alemán in 2003.

Accordingly, GBS negotiations began in 2003 and were finalized in May 2005 with the signing of a Joint Financing Agreement (JFA) and an associated performance assessment matrix (PAM) by donors belonging to a Budget Support Group (BSG). These comprised, in order of peak grant disbursement in 2006, the European Commission, the Netherlands, Switzerland, Sweden, Finland, Norway and the UK (IOB 2010). There was also loan participation by the World Bank, IDB and Germany, which together contributed 48 percent of the total in that year. Finland initially agreed to contribute €5 million in 2005-2006, but the BSG took a common position not to release funds until Nicaragua had reached an agreement with the IMF on implementation of the PRGF (EFM 2006a).

Agreement with the IMF was delayed for several months, and Finland decided to release only €1.5 million in 2005. This position was also taken by the EC and Germany, and only about 70% of the agreed 2005 funds were in the event released by the members of the BSG. An agreement on direct budget support between Finland and Nicaragua was signed in November 2005, allowing for payment of up to €3.5 million in 2006, subject to compliance with the 'fundamental principles' of the JFA. Finnish payments totalling the equivalent of US\$6.2 million were made in 2005 and 2006, but circumstances changed in late 2006 with the election of the FSLN government.

Although the 2006 election itself was considered fair and transparent (see Section 3.6; EFM 2007a), and the economic situation of the country was relatively stable, the new government soon began to review its economic programme with a view to renegotiating arrangements with the IMF. Meanwhile the CAP for 2008-2011 noted that the GBS instrument had been crucial in promoting dialogue and Finnish influence over

poverty reduction programmes, that the government had reacted very positively to the approach used, and that GBS would be the best way to ensure that MDGs in the social sector are achieved. Consistent with this, Finland signed a new GBS agreement with Nicaragua, covering 2007-2009, but the whole GBS process was delayed by negotiations with the IMF and then by renegotiation of the JFA and PAM (EFM 2007b). A Finnish risk analysis meanwhile highlighted problems over budget support in the areas of planning, execution, measurement, monitoring, transparency, legal safeguards, politicisation, policy ambiguities and corruption (EFM 2007b).

Finland finally paid €1.95 million in late 2007, bringing its total contribution to €7 million (of US\$300.8 provided by all GBS donors in 2005-2008), but proposed conditions on the 2008 payment including a special focus on the fundamental principles of the JFA. The latter were discussed by the BSG in 2008 (EFM 2008a), with an emphasis on macroeconomic stability, transparency and accountability, and independence of the judiciary and the rule of law. Other areas of concern included human rights, and specifically the situation of women's rights, domestic violence and gender equity. Unsatisfied in these areas, Finland and other donors suspended GBS in 2008, citing weaknesses in budgetary transparency and the lack of a plausible National Development Plan, as well as the issues of electoral fraud and government hostility to NGOs. To the extent that this decision was influenced by the 2007 Finnish development policy, which was lukewarm over GBS as was by reputation the then Minister of Foreign Trade and Development, it represents one of the few practical consequences that can be discerned of that policy in Nicaragua. It brought to an end the era of Finnish participation in GBS in Nicaragua, although GBS did continue with the participation of other donors, some of it sporadic. The EC, for example, diverted some of its Nicaraguan GBS allocation to Perú and to the Latin America Investment Facility, but in general tried to keep up the total funding flow to Nicaragua by spending it in other ways (e.g. on education and support for private sector development). Moreover the EC decided in August 2009 to release €10 million for GBS, and the government in response invited the EU to send observers to attend the 2010 regional elections and the 2011 presidential and parliamentary elections (EFM 2009b).

It will be clear from the above that the participation in GBS of Finland and like-minded countries did not survive for long the transition from a weak Bolaños government supported by a National Assembly that would accept funding on almost any terms, to a more assertive Sandinist government that looked askance at some of the conditions imposed by the donors. The principles of macroeconomic stability required by the IFIs were not among these conditions, for the FSLN has always acted in accordance with them (Section 2.4), but others, specifically those concerning governance and the rule of law, were less acceptable to the new government. These conditions, however, with gender equity as an aggravating issue, were considered so important by some of the donors (including Finland, but not the IFIs) that their participation in the modality broke down.

3.3 Environment

As noted in Section 3.1, by 1993 Finnish development policy had absorbed ideas from the 1992 UNCED, and was committed to promoting an environmental dimension in what had become known as sustainable development. Comparable learning had been underway in Nicaragua where, supported by Sweden and other donors, the government had initiated a strategic environmental planning process in preparation for UNCED (Ødum *et al* 1999). By 1993 they had developed an Environmental Action Plan (PAANIC), which established the basis for creating in 1994 the Ministry of Environment and Natural Resources (MARENA). Preparation began in 1996 of a Finnish environmental programme for Nicaragua (PANIF) to support MARENA, and it was implemented in 1998-2001. It contained projects to support MARENA's regional units, to prevent industrial pollution, to support implementation of the United Nations Framework Convention on Climate Change (UNFCCC), and to protect key areas and biodiversity, with an additional component to coordinate the programme.

Thereafter, the Central American Forestry Program (PROCAFOR) was a regional forestry programme that ran from 1992-2003 (Section 3.8). Linked to this, and also to the Rural Livestock Development Project (PRODEGA), the integrated rural development programme during the 1990s, was an environmental microfinance programme. Other Nicaraguan components of regional environmental programmes, such as those focused on the Atlantic Biological Corridor, funded by the Nordic Development Fund (Caldecott 2001), and the San Juan River Basin and its coastal zone, funded by the Global Environmental Facility and others (MARENA & UNEP 2000), bridged the period before the start of the Institutional Support to Decentralized Environmental Management Programme (PROAMBIENTE), a technical assistance project implemented with MARENA in 2004-2007. Parallel initiatives included the Environmental Funds (2004-2007), of which the Small Project Fund was closed in December 2005 after having implemented all programmed activities. Remaining funds were used to support the protection of two nature reserves (Bosawas and the South-East Reserve). The whole Finnish environmental programme in Nicaragua was closed in 2007, using an exit strategy coordinated with MARENA and the Danish Embassy, and the remaining resources of PROAMBIENTE were absorbed by the Danish environmental programme (PASMA II). The fact that the 2007 Development Policy recognises environment as one of the three foundations of sustainable development was thereafter pursued in Nicaragua through attention to environmental mainstreaming in the budget support and rural development programmes (e.g. waste management and water catchment efforts in projects in Boaco and Chontales), and through two regional programmes.

Responsibility has continued to be held by MARENA for implementing the main international environmental conventions, including those on desertification, biodiversity and climate change, but the institution lacks resources, capacity and powers and as a result cannot coordinate effectively with line agencies such as the Ministry of Agriculture and Forestry (MAGFOR), the National Forestry Institute (INAFOR) and

the Nicaraguan Agricultural Technology Institute (INTA). The current government has prioritised environmental aspects of development, however, some say for the first time, and the official approach is based on the mainstreaming of environmental components within all development plans, driven by local interests and local demands. The water and sanitation sector is being managed under a 2007 National Water Law and supported by donors that include IDB, the German Reconstruction Credit Institute (KfW), the Japanese International Cooperation Agency (JICA), and the World Bank. These efforts tend to focus on drinking water supply and sewerage, but there is little sign of the holistic management of water-bearing ecosystems in catchments, rivers, aquifers and lakes, and no attempt to link the parts of the sector together through arrangements such as payments by water users to the managers of water catchments.

Meanwhile, biodiversity continues to decline with the fragmentation of natural forests in RAAN and RAAS as a result of immigration by people from the Pacific zone, a process that displaces indigenous groups and leads to the clearance of forests as the agricultural frontier advances. Nicaragua possesses at least 12,000 species of higher plants, 150 mammals, 700 birds, 300 reptiles and amphibians, and a very large but unknown number of invertebrate animals and other organisms. These numbers are similar to those for Costa Rica, the better-known biota of which is believed to number at least 500,000 species in total (Janzen 1983; 1991). There is little government capacity in Nicaragua, however, either to preserve these natural resources or to use them effectively in the national interest. The Finnish-supported NIFAPRO, however, is at least developing a biotechnology capacity which may help in this area (Section 3.5).

Finally, there is a national dialogue on the role of deforestation in carbon emissions and the possibility of earning international funding for reduced deforestation and forest degradation (REDD). This possibility is being studied by MARENA, but there are structural weaknesses in capacity, knowledge and forest governance in Nicaragua that would make it hard to form effective REDD arrangements, although these are to some extent being addressed through a regional forestry programme (Section 3.8). The government seems suspicious of international transactions that may compromise sovereignty over Nicaraguan natural resources, and also sees the main issue in Nicaragua as one of adaptation to climate change rather than mitigation of it. On the mitigation side, considerable investment is anyway going into renewable energy (mainly wind, hydroelectric and geothermal) with the ambitious target of 90 percent renewable generation by 2017 (up from 33% in 2011, and 23 percent in 1998).

3.4 Health and gender

Between 1990 and 1998, Finnish funding for the health sector in Nicaragua amounted to the equivalent of US\$7.8 million, or about three percent of total donor expenditure on health. Most of this went “to projects in reproductive health and women’s empowerment, improving hospital equipment, and the rehabilitation of disabled persons” (CDI 2002, 28). The projects of this era included Rehabilitation of Disabled

Persons in Nicaragua (SIREH, 1990-1998), which was executed by the Pan American Health Organisation and the World Health Organisation. This was followed by Strengthening Organisations of Disabled Persons in Nicaragua (FODINIC, 2000-2006), in cooperation with the Danish Association of People with Disabilities. Finnish cooperation was widened through Reproductive Health and Empowerment of Women (SAREM, 1997-2003), which was well received by beneficiaries and local stakeholders, and influenced other donors, even though the subjects covered were politically and socially sensitive (as indicated by the banning of therapeutic abortion in 2006).

In December 2002, as SAREM neared completion, the Netherlands agreed to finance a SWAp for the health sector in Nicaragua (EFM 2008b). Finland became a contributor a year later, alongside Sweden and the UK, through an agreement to create a sectoral trust fund to which the four countries would contribute a total equivalent to almost US\$874,000 in 2003-2005. The successor to this fund, the Nicaraguan Health Fund (FONSALUD), has been extended to date though with some turnover of contributors. The Ministry of Health (MINSa) was responsible for using FONSALUD to prepare and implement its own five-year plan (2005-2009) and then to expand coverage, strengthen services, build capacity and promote decentralisation in support of that plan. The latter was later replaced by a multi-year plan based on a Mid-Term Expenditure Framework in line with public administration system reforms. Because of this complete integration of the basket fund with the SWAp (i.e. the workings of a sectoral ministry), the two are synonymous under the name of the fund, FONSALUD. While these arrangements were being established, SAREM was also followed by the Reproductive Health, Equity and Rights Programme (SARED, 2005-2008), which aimed to build the capacity to organize and manage integrated sexual and reproductive health services and to link demand and supply in public and private sector health units in Carazo and Chontales provinces. This had four components, focused on the quality of sexual and reproductive health services, the strengthening of institutional and community networks, gender-based violence, and intersectoral coordination (Suárez & Hastrup 2008).

Meanwhile, also in 2005, the Joint Fund for Gender Equity and Sexual and Reproductive Rights (FED) was established to support the work of relevant CSOs. This continues to date, and contributors have included Finland, the Netherlands, the United Nations Population Fund (UNFPA), the UK via UNFPA, Norway, Sweden, Austria, Germany, Luxembourg and Denmark. It was created in response to CSO concerns that the Paris Declaration would lead to all donor support flowing to government, which they felt would show inadequate regard for gender equity and related rights. The FED has proved to be a very strategic and relevant mechanism, and it allows the donors and CSOs to work together on issues that are not necessarily well addressed by sectoral plans, the most striking issue being the right to abortion on medical grounds. The FED was administered initially by a Swedish NGO, ForumSyd, which was persecuted by government in 2007, and later by a Dutch NGO, the Humanist Institute for Development cooperation (HIVOS). Another effort to mainstream gender

equity in national sector policies and to influence national institutions was made through the design of the Programme for Promotion of Gender Equality and Women's Rights (PROGÉNERO) in 2007 (EFM 2007b). This was not implemented, however, "due to structural issues within the Nicaraguan Women's Institute (INIM), the national counterpart responsible for mainstreaming gender equality issues, and due to a lack of interest on part of the government" (Kääriä *et al* 2008, 29).

From 2008 FONSALUD and the FED were joined by the Promotion of Sexual and Reproductive Health and Participation of Adolescents and Youth Project (VOZJOVEN), which is also ongoing and promotes it aims through advocacy and youth participation. It is being implemented by UNFPA with the Association of Nicaraguan Municipalities and the RAAN and RAAS governments, and is supported by Finland and the Netherlands. The project has trained nearly 8,200 peer educators, and is expected to reach as many as 100,000 adolescents and young adults. Field assessments have confirmed that young people and their parents, as well as most of the municipalities, strongly support the project.

Although FONSALUD, the FED and VOZJOVEN are all ongoing, given their donor profiles the departure or imminent departure of Sweden, the Netherlands, Austria, Norway and Denmark from the donor community has had a considerable practical impact. The most recent embassy report seen by the evaluation (EFM 2011) describes, for example, the search for a successor to the Netherlands in the coordination role of FONSALUD, and Finland's replacement of Norway as the lead donor of the FED.

3.5 Rural development

A large part (about 25% in 1994-2000 according to CDI 2002, 45 percent of expected disbursements in 2011 according to data in EFM 2011) of Finnish development cooperation has focused on rural development, and associated challenges of institutional development and ensuring that rural municipalities have the capacity to provide safety nets for basic social services and infrastructure. This is a complex field, however, with diverse links to issues of policy, practice and politics, a fact illustrated by a freeze on increased spending in the difficult year of 2008. In any case, the origins of Finnish intervention within this sector lie in support that went to renovating dairies in Managua in 1982-1991, and the Technological Development Program (PRODETEC, 1988-1996), which focused on fertilisers and agricultural extension. Overlapping with this, PRODEGA focused during the 1990s on raising farm income, farm milk production, dairy processing cooperatives and rural self-help groups.

In the current era, the CAP for 2008-2011 mentions specific rural development support in Boaco and Chontales provinces, institutional cooperation on agrobiotechnology, and the development of forest sector and foodstuff production. These intentions built upon the Rural Strengthening and Poverty Reduction Programme in Boaca and Chontales (FOMEVIDAS, 2004-2011, with a proposed phase 2), a project imple-

mented by the Rural Development Institute (IDR) to support rural development and poverty reduction by strengthening local, departmental and national institutions to improve access to inputs, reduce vulnerability and support livelihoods among the poor (Suárez & Hastrup 2008). Parallel to this was the Rural Development and Sustainable Production Sector Programme (PRORURAL, 2005-2009), a SWAp and multi-donor basket fund (Fondo Común-PRORURAL) to support rural development through four government institutions, MAGFOR, IDR, INAFOR and INTA. PRORURAL involves a group of donors which have signed a Code of Conduct (Government of Nicaragua 2005), and try to align their programmes with government policies. The Fondo Común-PRORURAL, with Finland, Switzerland, Norway and Austria as contributors, has its own cooperation and monitoring procedures with MAGFOR.

The successor programme is PRORURAL Incluyente ('Inclusive PRORURAL'), which has continued since 2010 and now includes national programmes on food supplies, rural agro-industries and forestry. An embassy PRORURAL Support Fund to provide a flexible supplement to the programme was established for 2006-2009. In 2006 it financed the up-dating of administrative manuals, analysis of the work plan and budget, framework contracts, and several studies. In 2008 it paid for contracts with INTA and INAFOR on capacity building. The residua were still being spent at a low rate in 2011, when it financed the participation of two Nicaraguans at a Global Forum on Innovation and Technology Entrepreneurship in Helsinki, certain final activities of FOMEVIDAS, and a study of shrimp production value chains in RAAS.

There are two other ongoing rural development interventions. The Nicaragua-Finland Agrobiotechnology Programme (NIFAPRO) began in 2007 and aims to build capacity for seed enhancement and crop improvement (and therefore also climate change adaptation in agriculture) by training Nicaraguan students in Finland. It is being implemented by the University of Helsinki and INTA, which is strongly positive about it. The second is the Programme for Promoting Equity through Economic Growth (PROPEMCE), which is a bilateral project based on enhancing small enterprises and business opportunities for women and excluded people. This was designed and is still co-financed by the UK, and aims to apply the 'Making Markets Work for the Poor' (M4P) approach to promote small and medium-sized enterprise growth, inclusion, and knowledge management. It was delayed by difficult negotiations with government over the choice of partner-beneficiaries, and between the embassy and the implementing consultant, and was later redesigned to correct an insufficient emphasis on M4P. It is now in a transition phase as it applies the revised methodology to project proposals most of which were prepared in 2010 under different premises. This is aligning PROPEMCE with efforts by the Ministry for Promotion of Industry and Trade to find new ways for the state to support the private sector. PROPEMCE focuses on the value chains of various rural products, in coordination with regional and municipal authorities in RAAN and RAAS: on wood and furniture in Bilwi and Rosita, on vegetables in Sebaco and Boaco, on cheese in Chontales, on roots and tubers in Nueva Guinea, and on tourism in the San Juan river area.

3.6 The quest for good governance

Governance and decentralisation

A massive decentralisation of government was decreed in 1982 by the FSLN leadership, under which the country was divided into nine regions and special zones with the aim of “creating institutions for local decision making and public policy implementation” while also instituting “a system of government that could continue functioning even if communications were badly disrupted or if Managua were occupied by enemy troops” (Walker & Wade 2011, 52). As noted in Section 2.2, a 1987 law formalised the autonomy of RAAN and RAAS, but neither this nor other decentralising measures seem to have been pursued with much vigour by post-1990 governments until 2003.

Meanwhile, Finland had supported Nicaraguan elections in 1990 (the Chamorro victory) and 1996 (the Alemán victory) by donating voting materials, and Finnish election monitors were present during the elections of 1996 and 2001 (the Bolaños victory). The Nordic Countries, including Finland, supported the development of the State Comptroller’s Office in 1997-2000. Finland also financed social development at the municipal level through the Strengthening of Self-Sufficiency for Social Development programme (FADES, 1994-2003), which was implemented with the Nicaraguan Institute for Municipal Affairs (INIFOM) in several municipalities in Chontales, and which absorbed 18 percent of Finland’s aid funds in 1994-2000. In relation to this programme, CDI (2002, 29) observed that “improving the social sector in rural Nicaragua is a huge challenge, and providing satisfactory social services at the municipal level would require a very large program, possibly joining forces with other like-minded donors”.

A new Municipalities Law was passed in 2003, in the final stages of FADES. The promotion of human rights, democracy and good governance have been key goals of Finnish development cooperation since the 1993 Development Policy. Thus the opportunity to participate in improving the quality of a system of governance that appeared to be on the verge of change was attractive to those formulating development cooperation in Nicaragua in 2003-2005. This therefore set the stage for Finnish support to a governance programme, the main aim of which was to strengthen local services by supporting the decentralisation process that was being pushed forward by the Bolaños government in coordination with the municipalities and civil society actors, and included in 2006 the drafting of a National Policy and Strategy for Decentralisation and Local Development.

From 2005 to the first half of 2008 the governance programme was titled in embassy reports some variant of ‘Decentralisation and Support for Municipal Development’. Several interventions began in 2005-2006: (a) National Fund for Municipal Investment (FONIM, 2005-2007), a multi-donor budget support fund for municipal governments, financed by the UK, Denmark and Finland; (b) a bilateral Municipal Management and Local Development Strengthening Programme (PROGESTION, 2005-

2008), managed by INIFOM and focused on Boaco and Chontales provinces and Central Zelaya; and (c) the Integration of Information and Communication Technologies project (ICT, 2005-2011). The latter aimed to support decentralisation and local government management in Boaco, Chontales and RAAS by promoting the integration of information and communications technology in municipal management systems (i.e. tax collection, administration, urban planning, web pages). It also included collaboration with MINSA and the Telecommunications Investment Fund, which cost-effectively improved communications within the Integrated Health Care System (SILAIS) and yielded what observers describe as excellent results for health care. Meanwhile, donor-donor and donor-government dialogue on decentralisation was re-activated and led to the establishment of a Common Fund for Civil Society and Governance (the Common Fund), which later absorbed FONIM.

The CAP for 2008-2011 envisioned that governance programmes would be renewed and continued, especially those focused on decentralisation and the strengthening of municipalities (Suárez & Hastrup 2008). All went well with this until 2007-2008, when the first difficulties with INIFOM and with the new FSLN government were noted by the embassy (and *vice versa*), and concerns were expressed that the decentralisation programme prepared under the previous government would not be implemented. Nevertheless, PROGESTIÓN was extended until the end of 2008, and the Common Fund and ICT project continued. In the course of 2008, Finland's governance programme was re-titled 'Good Governance' in embassy reports, and this name remained until mid-2010. By the second half of 2008, however, serious problems of a political and financial nature had arisen for PROGESTIÓN with INIFOM and the government, but within a year PROGESTIÓN had been closed, with the embassy having taken direct responsibility for the exit phase, and missing funds had been accounted for (Section 3.9).

Governance and rights

By early 2009 a Transparency and Accountability Programme (TAP) had been added to the Common Fund and the ICT project within the Good Governance programme. The latter was then reorganised, presumably in late 2009 since by early 2010 the TAP comprised four components, two focused on transparency and accountability of local governments and of public administration, plus a new Life in Democracy (LiD) feature and the Common Fund itself. The sector was re-named 'Good Governance and Human Rights' in the course of 2010, a Human Rights Programme (HRP) was then added to the mix, and this arrangement continued into 2011.

These changes reflect Finnish perceptions of a serious deterioration in the state of governance under FSLN leadership. Several processes were underway in 2007-2010 to account for this. One was the introduction of the CPCs, which were supposed to contribute to benign 'direct democracy' but, as noted by Walker & Wade (2011, 186), "the fact that President Ortega created the CPCs by decree (November 30, 2007), that the decree violated the Municipalities Law and Civil Participation Law approved in 2003, that it undermined municipal autonomy, and that it placed CPCs under his gov-

ernment's Communication and Citizenship Council coordinated by his wife, Rosario Murillo, belied their nature as either nongovernmental or grassroots”.

Another factor was the deteriorating relationship between government and some NGO/CSOs (Section 3.7). Meanwhile, observers also expressed the belief that government resources were increasingly diverted to municipalities controlled by the FSLN, leading to a steady tightening of the government's grip on local government and making it harder for donors to find local partners that they felt they could trust. Although sectoral assessments by donors found no evidence of political discrimination in the delivery of basic services or political interference in the allocation of resources in cooperation programmes, contrary reports by CSOs contributed to a general mistrust of the whole process.

Governance and corruption

As noted in Section 2.3, Nicaragua was on a ‘watch list’ in the late 1990s because of corruption during the Alemán presidency. The Bolaños government which followed devised a Governance and Anti-Corruption Strategy through which to rehabilitate the country's reputation. To enable the implementation of this, an Anti-Corruption Fund (ACF) was established in 2002 with the support of Norway, Sweden, the UK, Denmark, the Netherlands, Germany, Switzerland, Finland and the UNDP. In its first phase (2002-2005), support was directed to the Office of the Procurator General of the Republic (PGR) and the Office of Public Ethics (OEP) within the Presidential Secretariat (SEPRES). In its second phase (2006-2009), the PGR itself began to function as the ACF coordinator, while the OEP, the Economic Investigation and Judicial Auxiliary units of the National Police, the Public Ministry and the Inter-institutional Commission on Combating Drugs were all also involved.

All members of the ACF donor group were involved in planning for a third phase, but Finland, Denmark, Germany and later the Netherlands withdrew because they did not have confidence in the extent of political will to tackle corruption. The main causes for concern were: (a) that in January 2009 the Supreme Court reversed the conviction of ex-President Alemán, apparently in a deal linked to political concessions (i.e. the *pacto* mentioned in Section 2.4); (b) the 2008 electoral fraud; (c) the persecution of CSOs by the institutions supported by the fund (Section 3.7); and (d) a lack of cooperation with civil society partners specialised in transparency and anti-corruption work. The ACF continues to operate with reduced resources and activities through a triennial plan (2009-2012), based at the Office of the PGR and with participation by key public institutions. Meanwhile, Finland has redirected its support to the Common Fund for Civil Society and Governance, which makes grants to projects (including those of about 40 NGOs) that enhance civil society capacity to promote democratic and clean governance. Corruption is a persistent nuisance in Nicaragua, which is rated 2.5 on a scale of one (‘highly corrupt’) to ten (‘very clean’) in the Corruption Perceptions Index of Transparency International (2011). As seen in 2011, however, with the dismissal of both the Director of the national tax authority and the Political Secretary of the FSLN, it is possible to make progress on corruption where there is sufficient political will.

Governance and electoral fraud

Electoral fraud has become a more important issue for donors in recent years than at any time since the Nicaraguan revolution. According to international observers cited by Walker & Wade (2011), the 1984 election (Ortega victory) was “competitive and meaningful”, and the authors add their own impression as observers that it was “orderly and clean” (Walker & Wade 2011, 170), while the 1990 election (Chamorro victory) was “one of the most intensely observed in history” (Walker & Wade 2011, 58). The 1996 election (Alemán victory) had significant organisational problems and numerous anomalies in vote counting, and was denounced by losing candidates as illegitimate. The events surrounding the 2001 election (Bolaños victory) were “not entirely uplifting”, and the most noticeable feature “was the degree to which it was subjected to manipulation by the [United States] government” (Walker & Wade 2011, 73). The 2006 election, however, “was relatively clean”, and abundantly observed by international and Nicaraguan observers (including the NGO *Ética y Transparencia*), who all “agreed that Daniel Ortega had won the presidency with 38 percent of the votes” (Walker & Wade 2011, 76-77). The 2008 municipal elections, however, were a different matter, in which *Ética y Transparencia* documented “nine major areas of irregularities ranging from the expulsion of party monitors (*fiscales*) from voting places, fraudulent annulment of votes, and early closing of some voting places to failure to properly guard and secure electoral materials and open intimidation at voting stations” (Walker & Wade 2011, 79).

International criticism of the 2008 electoral process prompted a defensive reaction by the government, which led among other things to difficulties for PROGESTIÓN that included delays in signing agreements and delivering disbursements, changing of agreed procedures, poor financial accounting, and dismissal of local staff. As this issue continued to escalate, PROGESTIÓN was closed and from 2010 Finland began actively developing new governance programmes. The TAP provides institutional and operational support to *Ética y Transparencia*, to promote a culture of transparency by targeting corruption, and to the Institute of Strategic Studies and Public Policies, which investigates and publishes on public administration and financing. Meanwhile the HRP similarly supports the Nicaraguan Centre for Human Rights (CENIDH). Finally, LiD is a joint programme of Finland and Denmark to support the empowerment of social actors, especially young people and female heads of household (who are numerous in Nicaragua because so many men have gone abroad to work), and also reporters, editors and local, regional and national media outlets that wish to engage in investigative journalism on democracy, sustainable development and environmental issues.

The TAP, HRP and LiD thus focus on access to information, development research, promotion and defence of human rights and empowering vulnerable groups. Supporting independent research and publications on development, budgetary and social issues has the aim of providing reliable, research-based information, which is important in a country where official data on many issues are lacking. The challenge in all this is that the governance programme partly concerns itself with electoral and fiscal

probity at a time when the government seems willing to use extra-constitutional means to stay in power, while also having access to large amounts of off-budget funding from Venezuela which it can use for political ends. In these circumstances, Finnish interventions in support of what the government perceives to be hostile elements (i.e. NGOs, investigative journalists, inquisitive accountants, etc.) are bound to be controversial.

3.7 Non-governmental participation

Complementarity with the country programme

The activities of Finnish NGOs in Nicaragua during the 1980s focused on solidarity support to the FSLN government, and were usually guided by government ideas and priorities (CDI 2002). A local office of the Service Centre for Development Cooperation (KEPA) was opened in 1989 to support these activities. During the 1990s, Finnish NGOs and their Nicaraguan counterparts concentrated on health, education and other social services, later with an increasing emphasis on agriculture and rural development (in compensation for the economic effects of structural adjustment and to help after Hurricane Mitch in 1998), and on human rights (partly in response to increasing corruption during the Alemán presidency). The work of Finnish and locally-based NGO/CSOs supported by Finland has strongly complemented the Nicaragua country programme, although the details are beyond the scope of this study.

Closer to the mainstream of the country programme is FED, established in 2005 (Section 3.4), which by the end of 2009 had supported a total of 60 NGO/CSO projects in 45 municipalities. The projects focused on women's rights, violence against women, and on contraception, abortion and Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS), including psychological and legal help for women who have suffered violence. The fund has been used as a way to exert influence at the local and national level to prevent violence and to re-legalise medical abortion. Similarly, Finland supports the Common Fund and the TAP, both of which make grants to non-governmental projects and institutions that promote democratic and clean governance (Section 3.6).

Finnish embassies each control an LCF with which to make grants to local groups that contribute to the aims of development cooperation. The LCF is often used to support local NGOs and CSOs that are working on the cross-cutting themes or other areas that are considered important but are not otherwise specifically covered in bilateral programmes (Poutiainen, Mäkelä, Thurland & Virtanen 2008). In 2005, it was decided that the LCF modality would be the main channel for cooperation with civil society in Nicaragua, and LCF allocations increased from about €300,000 in 2004 to €400,000 in 2006, before falling back to €350,000 in 2007 (Table 7). Grants were made in 2005 to support work on women's electoral participation, political parties and democratic culture, civil society participation in monitoring the justice system, domestic violence against women, and projects to support election observation and participa-

Table 7 Use of the LCF modality in Nicaragua, 2004-2007.

Feature/year	2004	2005	2006	2007
LCF funds available (€)	308 956	350 000	408 707	350 000
Number of projects	13	7	11	14
Total spent on projects (€)	272 773	232 590	268 707	338 400
Range of funding per project (€)	1 000-40 000	2 590-70 000	5 000-70 000	4 086-70 000
Average spent per project (€)	22 731	46 518	29 856	24 171

Source: Poutiainen *et al* 2008.

tion in RAAN and RAAS. The strategic goals of the LCF were revised in 2006 to focus on promoting the rights of vulnerable groups (i.e. children, the elderly, the disabled, indigenous peoples and ethnic minorities), processes to recover and preserve the cultural identity of indigenous peoples and ethnic communities, and local economic development. In response, grants were made in 2008 to support work on promoting cultural values, meeting the needs of youth and women, training for young entrepreneurs, maintaining an archaeological park, and publishing for children.

The decision was made to close the LCF in the second half of 2008, with the rationale: (a) that management of the funds was too demanding and the resources of the embassy were needed for identifying and preparing new and bigger interventions (as instructed by the MFA); (b) that from 2006 Finland had supported civil society through the Common Fund which met the aims of the LCF strategy; and (c) that the LCF funds brought no added value to public diplomacy or networking. Resources freed up by the closure of the LCF have since gone to grants under the TAP and HRP. There are in addition at least some resources at the embassy, known as ‘planning funds’, which are used to support miscellaneous actions on gender (e.g. dialogue with the National Interagency Commission on Gender and the Nicaraguan Women’s Institute, such as on updating the National Plan on Prevention of Violence Against Women) and on the disabled (e.g. involving surveys, reports and training).

Relations between NGO/CSOs and the government

With the restoration of the FSLN to power, the role of NGOs supported by donors such as Finland shifted towards electoral surveillance and, ultimately, to what both the government and the donors perceive as *de facto* political opposition, often including an

affiliation to the Sandinista Reform Movement (MRS), which the FSLN regard as a particular threat. This is not appreciated by government, which sees public participation and the role of CSOs as being primarily to mobilise support for FSLN programmes (Pereira 2011). In this view, NGOs are differentiated from CSOs and have the exclusive role of complementing government programmes rather than substituting for them, competing with them, or opposing them. Moreover, the government's suspicion that many NGOs are in fact surrogates for political groups is not unreasonable in the highly politicised context of Nicaragua. The government also seems to conflate the interests of the FSLN with those of Nicaraguan society, and to perceive autonomous bodies that criticise and oppose it as harmful to those interests. This attitude may come from the sense that the Nicaraguan revolution is incomplete, the FSLN having lost power in 1990 and replaced by a succession of governments which systematically dismantled what the FSLN leadership saw as the achievements of its rule.

When the FSLN returned to power in early 2007, they embarked on a programme very similar to their original one, now informed by the certainty of what would happen to the country and its people if they were ever to be replaced. In other words, the FSLN see the Nicaraguan people as being in danger, and themselves as uniquely qualified to lead the country. Such an attitude could easily encourage a government to cut corners to ensure electoral success, and to react strongly against groups that are perceived as enemies. That some NGOs are seen as such is suggested by the tactics that are said to have been used by government against them, including physical violence and intimidation, aggressive investigations of financial irregularities, administrative harassment, and putting pressure on donors to make them choose between government-to-government ODA and government-to-NGO programmes (which in the official view should be completely separate from one another). It is however worth mentioning that some of the same NGOs that are vilified by the national government have perfectly satisfactory working relations with government at the local level. Nevertheless, at the national level the departure of donors such as Denmark, which generously support NGOs, could be viewed as a gain by the FSLN since it effectively removes funding from opposition groups.

Under these pressures, in March 2011 a group of ten Nicaraguan NGOs including CENIDH, IEEPP and the Violetta B. Chamorro Foundation wrote an open letter to the international community, expressing concern in the face of persecution, setbacks in the rule of law, the withdrawal of many traditional donors and the low priority that IFIs give to good governance. The dilemma facing Finland is clear, since Finnish policy has been to support NGOs in doing some of the things (e.g. electoral surveillance, campaigning for the rule of law) that the FSLN government finds so hard to tolerate. On the other hand, many of the other things that NGOs do effectively are important and uncontroversial, and they can even do things that official donors cannot. For example, two CSO platforms prepared the draft Law on Violence Against Women and helped it reach the National Assembly, bypassing government which it was thought might have blocked it. The ability to fund such specific actors and actions is extreme-

ly important, and it would be a tragedy if donor support was removed from the NGO community as a whole (which currently comprises 4,360 entities) on the grounds that certain of their activities give rise to policy conflicts.

It is important to learn from the ways that donors, government and NGO/CSOs have interacted in recent years, including in the last group those set up by municipalities outside central government (i.e. FSLN) control. The key point is that where donors fund civil society instead of government, this can damage the relationship between them. Since NGO/CSOs are most effective when they can influence and cooperate with government, and governments need civil society to deliver complementary services, degrading this relationship has serious consequences for both. Moreover, donor funding can easily create aid dependency within civil society, making its institutions vulnerable to the withdrawal of aid. The combination can be disastrous, if NGO/CSOs are left without funding and without an effective relationship with government. By taking the easy path of funding civil society rather than building agreement with government, the donor community in Nicaragua, including Finland, has created precisely this combination of circumstances.

3.8 Regional programmes

Principles of regional intervention

The key to relevance in a regional programme is whether it is targetted on trans-frontier, multi-country, region-wide and policy-relevant challenges that can best be addressed at a regional level (Caldecott, Can, Muhtaman, Scutt & Tan 2002). Examples of such a role include coordinating national actions: (a) that address trans-frontier phenomena such as trade routes (involving legal or illegal products or people), migrating wildlife populations, riverine, coastal and marine systems, and pollution of water and air, (b) that promote common governance and legislative features to encourage and enable sustainable development, (c) that establish common professional competency and training standards for officials, or (d) that protect the common interests of national societies through cooperation on shared threats.

There are several issues inherent to regional programmes. One is whether the impetus comes from the countries involved or from an external entity that desires a programme for its own purposes (for example, the EU itself arose by the first process, but EU encouragement of regional integration elsewhere may involve the second). A second is whether the national entities understand the need to coordinate their actions or harmonise their standards against a regional norm, and whether this can be done despite historical legacies of competition or mistrust between them (which may be heightened among countries that are near each other and sell the same produce, or which may have fought border wars in the past). And another is whether there are fundamental differences of viewpoint between the national entities involved, which is particularly significant in Nicaragua because its government sometimes seems to mistrust regional initiatives as potentially infringing its sovereignty and interfering in its internal affairs.

In any case, Finland currently supports two regional programmes that involve Nicaragua, in the forestry and renewable energy sectors, with a third on food security in the pipeline. Nicaragua seems to appreciate regional cooperation in forestry and energy, but the issues just mentioned would need to be considered carefully should other regional initiatives be proposed. This might happen if they are seen as a substitute for a national cooperation programme (as Denmark, the Netherlands and Norway are all said to be intending following their departure from Nicaragua), or in the context of an emerging regional aid architecture under the auspices of the System for Central American Integration (SICA), in which the EU and Germany are already active participants.

Regional initiatives

The aim of the Forests and Forest Management in Central America (FINNFOR) programme is to eliminate selected barriers to forest development, and to promote the forest sector as integral to socioeconomic development by enhancing the supply of forestry goods and services through economically and environmentally sustainable value chains. Since 2009 it has managed knowledge and built capacity at the Nicaraguan National Forestry Institute through the Tropical Agricultural Research and Higher Education Centre (CATIE), a regional institution based in Costa Rica. It has also provided assistance to a cooperative with the aim of improving the management of forest plantations in the dry Pacific region. There has also been a study on the methodology of a local initiative on payments for ecosystem services, to identify lessons learned and promote replication in other parts of the country. FINNFOR is working with local partners in RAAN to strengthen local capacity and help update, monitor and implement a community-based forestry strategy. There is a complementary Institutional Cooperation Instrument (ICI) project between CATIE and the Finnish Forest Research Institute to promote scientific and technical cooperation, which feeds into FINNFOR through work on optimising information systems on forest statistics.

The Energy and Environment Partnership with Central America (EEP) is a collection of projects in multiple countries involving various donors with the common theme of promoting renewable energy development. It is coordinated by SICA and works with existing institutional frameworks (in Nicaragua, the Ministry of Energy and Mines) to increase financing for renewable energy and to develop sustainable, reliable and affordable solutions through demonstration projects and feasibility studies on wind, hydro, biomass and solar energy activities. It has so far supported more than 50 such projects in Nicaragua, with four being added in 2011. An evaluation of Finnish support to the energy sector described the EEP model in general as “unique, a source of actual added value and a useful tool to identify priority areas [with] the advantage of bringing together international and regional actors with national and local partners [and having] become a strong promoter of synergy and innovative ideas”, and the Central American EEP as “the most advanced project in the Finnish energy portfolio in terms of both sustainability and poverty reduction” (MFA 2011c, Abstract). Other observers, however, express a less positive view, noting that its results have not met expectations and questioning its design, management systems and sustainability.

Finland has decided to fund a second SICA project with interventions in Nicaragua, the Central American Regional Programme for Food and Nutritional Security (PRE-SANCA, 2011-2014). This aims to enhance food and nutrition security amongst the region's most vulnerable populations. It is a multi-donor project administered by UNDP with the EU as the major donor. The Finnish contribution will focus on water and sanitation and include financing for a young technical expert from Finland. The context of such programmes is changing with the development of a regional aid architecture involving international organisations, SICA, bilateral donors and others. This relates to a strategy, by Germany and the EU in particular, to integrate their actions on climate change, food security, energy, etc., at all scales from local to regional.

3.9 Roles of the embassy

Decentralisation and reporting

Following discussions and decisions at the MFA in 2003, in 2005 a decentralisation pilot was introduced by the Department for Asia and the Americas (ASA), affecting the embassies in Managua (MGU) and Hanoi (HAN; Vietnam). This was extended in 2008 to a further 10 embassies. The aim was to create a more synergistic relationship between the embassies and headquarters, through division of labour, the establishment of country teams at headquarters, and the placing of responsibilities for programming closer to the locations where implementation would be undertaken. The relationship was to be formalised through embassy delegation agreements that would be individually agreed with each embassy, without a single set of binding guidelines or a unified managerial or leadership process. This has resulted in varied arrangements amongst which it is hard from informants' reports to discern consistent structural or functional relationships. The development of such agreements is evidently progressing, and extending beyond ASA, for example with a particularly detailed division of labour agreement between the Department for the Middle East and Africa (ALI) and the Embassy in Maputo (MAP), Mozambique (ALI & MAP 2009). The clearest and, because of their participation in the original pilot, the most relevant example is that between ASA and the Hanoi Embassy (ASA & HAN 2009), which in September 2009 formulated an agreement covering:

- **country programming**, in which drafting is done jointly, with approval by ASA;
- **financial planning**, in which the embassy provides information and feedback, with ASA submitting the proposal to higher authority for decisions;
- **monitoring and reporting of the country programme**, in which the embassy takes the lead and ASA comments and makes recommendations;
- **financial monitoring**, in which the embassy provides information to ASA, which registers allocation decisions;
- **identification and planning of interventions**, in which the embassy liaises with government and other donors to identify potential interventions and makes proposals on the use of funds to ASA, which makes decisions in consultation with the embassy;

- **procurement of short-term missions**, in which drafting and commenting on ToR and tender dossiers are done variously by the embassy and ASA, depending on whether the initiative lies with the embassy or ASA;
- **contracting of consultants**, in which drafting, negotiating and signing contracts are done variously by the embassy and ASA, depending on whether the initiative lies with the embassy or ASA;
- **bilateral and multilateral agreements**, in which agreements are developed and (if authorised) signed by ASA, and the embassy informs the government;
- **financial management of interventions**, in which ASA makes financing proposals and the embassy verifies invoices and manages the LCF within an authorised budget;
- **the Quality Group process**, in which documents are prepared jointly, with the embassy usually writing the first draft and ASA making the submission; and
- **monitoring**, in which the embassy takes the lead in quality assurance and practical measures, and works with ASA in meeting special needs that may arise.

Based on the highlights of an earlier agreement (ASA & MGU 2007), interviews and observations, it is understood that arrangements similar to these have been made between ASA and the Finnish Embassy in Managua, and that many of these points (e.g. on the non-delegation of financing decisions, the joint nature of programming, and the embassy lead on identifying potential interventions) are now standard operating procedures within the MFA-embassy network. An inter-departmental working group is currently collecting and analysing the experiences of the pilot phase before a decision is made to extend the protocols to other embassies.

There are however two points which are highly material to this evaluation. The first is that the composition of the Nicaragua country team within ASA has experienced a high turnover of desk officers in recent years, which has greatly affected work in those areas that require ASA to participate in joint activities, or in those where an ASA lead is required. A similar point was also made by the 2002 evaluation of the Nicaragua country programme (CDI 2002), suggesting that the problem has a long history. Interviews in MFA headquarters confirm a serious concern over high rates of staff turnover in the geographical departments, for which reasons have been sought but not conclusively found. In principle, the problem could be resolved by enforcing minimum terms of appointment to key positions, but if civil service rules make this impossible the same result might be obtained by contracting long-term consultants with penalty clauses for early departure from post. However, issues of low morale and the limited availability within MFA of career paths suitable for development professionals may also be relevant, but solving these would require a deeper analysis of the structure, function and purpose of the Ministry itself.

The second key point of relevance here is that, associated with the decentralisation pilot there was an initiative to require comprehensive reporting by the affected embassies at six-monthly intervals. In Nicaragua there was an overview document for 2005, but in 2006 the first two biannual reports state explicitly that they are pursuant to an

agreement between the ministry and embassy based on the decentralisation pilot. These reports describe the political and economic situation of the country, attitudes and activities within the donor community, and the various sectoral, cross-sectoral and thematic activities contained within the country programme, along with explanatory and analytical annexes, issues arising, and actions planned or events, meetings and visits anticipated during the next reporting period. It is hard to over-state the utility of these reports, for incoming personnel as well as for evaluators, in presenting a time-line of events and actions that summarise the historical development and current status of large parts of the country programme, including some of the key influences that have shaped it.

Regarding the quality of the reports from Managua, an important area where questions have arisen is in relation to descriptions of the economic and especially the political situation since 2007. This is because the wording of these reveals an unsympathetic view of the FSLN and its leadership, as well as scepticism over the policies, programmes and accomplishments of the government. Opinion is sharply divided among observers both at the embassy and the MFA over whether or not these accounts are fair and accurate. These reports are often the sole source of information for MFA personnel about Nicaragua, however, especially when not balanced by knowledgeable desk officers because of high rates of staff turnover. In these circumstances, anything other than scrupulous accuracy and balance carries with it the risk of distorting any decision that may be made concerning the future of the country programme. Thus, in a small embassy team the performance of each individual can be very influential, whether positively or negatively. In principle, options for remedying potential harm from personal bias include: (a) introducing greater collective responsibility for all parts of all reports; (b) encouraging minority reporting by embassy personnel who disagree with particular assertions or points of view; and (c) more frequent independent evaluations of the social, political and economic circumstances prevailing within each country (for example, just prior to each episode of bilateral consultations).

Programming and added value

It will be clear from the above that key aspects of country programming during most of the period of this evaluation has been a *joint* responsibility of the embassy and ASA, with the embassy taking additional lead responsibilities in identifying interventions, in liaising with government and other donors, and in monitoring and reporting. As summarised in Section 5.5, in 2007 there was the trial of a programming process based on a CAP that was elaborated jointly by ASA and the embassy. According to the CAP and its financial frame, the share of the country programme to be dedicated to the rural development sector was to be raised, while the overall volume of the country programme was to be increased (partly to better address environmental issues), but the MFA froze the planned budget increase in 2009, in response to concerns over governance issues (Section 3.6). The close dialogue between ASA and the embassy continues to date, with much unofficial exchange of information concerning the future of the country programme in 2010-2011.

There is an impressive degree of continuity in sector-wide programming between the 2003-2006 and 2007-2011 eras, which correspond to the Bolaños and Ortega presidential eras in Nicaragua and to the eras of the consecutive Minister of the Environment and Development, and Minister of Foreign Trade and Development in the MFA, both transitions being linked to profound changes in leadership style and policy. Based on Sections 3.4 and 3.5, and the evaluation criteria scores in Sections 4.3 and 4.14, it seems that a particular combination of instruments in the health/gender and rural development sectors has been strategically effective and sustainable, with Finland and Nicaragua having designed and implemented distinctive and well-institutionalised SWAp that are robust to contextual change. The instruments concerned in this ‘four-pronged’ approach comprise the SWAp itself (aligned directly to government plans, priorities and institutions), sectoral budget support (to amplify and enable government participation in the SWAp), multi-donor basket funds (to ensure meaningful donor coordination based on shared spending decisions, and to support themes of importance to donors that also complement or supplement government activities) and specific projects to test, pilot or supplement actions in areas of particular importance to Finland or that make use of specific Finnish added value (FAV).

A number of questions arise over this finding, concerning especially the degree of conscious design involved originally, the main sources of influence over the design (including the embassy, the MFA, other donors, the government, NGOs, and individuals associated with them), and the specific, time-bound (or process-bound) decision points involved. To explore these matters it was necessary to interview witnesses of the events of the period when the SWAp first came into being in 2004-2006. Based partly on the account of the then Rural Development Adviser (RDA), the following points can be made:

- An individual who had previously worked at the Nicaragua desk in Helsinki was appointed Ambassador to Nicaragua in September 2004.
- The RDA was transferred from MFA to the embassy in May 2005. She and the Ambassador has previously been working on the country programme for Nicaragua, and were equally familiar with the workings of the MFA, while both had been encouraged by the MFA to be innovative in developing a new SWAp. This coincided with the process of decentralising decision-making power to the Embassies that allowed a greater degree of independence in the formulation of programmes.
- At the time, the World Bank was taking the initiative on a rural development SWAp and, although it later retired, its presence contributed to there being enough potential financing available to justify a sector-wide approach, when combined with the active interest of Finland, Switzerland, Sweden and later Norway.
- It proved important that the actors should have a good knowledge of project management cycles and decision-making processes at their own headquarters, to allow the timing to be matched for the participation of different donors (Section 5.5 on the timing challenge in joint programming).
- It was also crucial to the long process of negotiation and adaptation involved

that the embassy had available a particular consultant with long-term experience in Nicaragua, good negotiating skills and a willingness for the embassy to act as a low-profile catalyst.

- Thus the successful design and establishment of at least the rural development SWAp is attributable largely to the special combination of persons at the embassy and the trust and responsibility given to them (by MFA to the Ambassador, by the Ambassador to the RDA, and by the RDA to the consultant).

The change of government in 2007 in Nicaragua becomes relevant because new challenges then arose which impacted all three SWAps and eventually ended the G/D SWAp. Here the following observations can be made:

- It was important that there was a continuity of strong leadership by the Minister of Agriculture during the process of growing ownership and reorganisation of government and sectoral institutions by the government itself, thus allowing the rural development SWAp to adapt to new arrangements without being drawn into political debates at the municipal level (this also applied to the health/gender SWAp), as happened in the G/D sector where the resulting tensions led to a direct management take-over by the embassy and its swift closure.
- A significant factor in the survival of the rural sector programme from one government to the next was advocacy work by the donor group that was financing the joint fund, which involved their making presentations on the sector programme and its principles to all parties contesting the 2006 election.
- Effective coordination between the rural development and G/D SWAps proved impossible, partly because of the many institutions involved and the work-load at the embassy, and partly because of the immature institutions at the local level that were then coming into existence.
- A change of Ambassador, Minister Counsellor and RDA in 2008 caused a loss of institutional memory, which weakened knowledge on how to operate and handle political change in the Nicaraguan context, especially in relation to the G/D SWAp, while key personnel at the MFA also changed at about the same time with a new Finnish government and minister.

Non-embassy sources draw attention to several more recent cases that illustrate how important is the role of the embassy in supervising the development cooperation programme. These include:

- detecting an important missing element (M4P) in the workplan of PROPEMCE, and commissioning its re-design;
- assessing and rejecting (for good reasons) a renewable energy project in RAAS before taking it over from Iceland; and
- ordering a revised implementation plan for FOMEVIDAS, saving it from closure and improving its performance.

Observers also note that the embassy has a number of experienced officials who are particularly good at finding ways to move things along behind the scenes, reading between the lines, and knowing who to talk to, which are key skills in a politically-turbu-

lent and bureaucratic environment. The embassy is also perceived as having a very positive role in several of the joint funds, while its role in supporting civil society forums is considered strategic though not without political risks. Finnish added value is also noted in a particular way that the embassy has of doing business through negotiation management, policy dialogue, and distinctive tools, approaches, processes and procedures. Observers contrast the flexible, responsive and targetted actions of the Finnish programme with, for example, the ponderous procedures of the EC. All of this adds up to the need for, and the current presence of, a capable, well-resourced and autonomous embassy which can offer flexibility and the ability to adapt to changes. On the other hand, there is the sense that the work-load per person-month may have increased over the last few years, a factor mentioned by MFA & EFM (2008), though this could not be verified quantitatively from the data reviewed here.

4 APPLYING THE EVALUATION CRITERIA

4.1 Relevance

Environment. Finnish support to the environment sector was highly relevant, since this is an extremely biodiverse country with large areas of natural forest threatened by an expanding agricultural and ranching frontier and by mining, infrastructure and unplanned settlement, with all the usual associated problems of pollution, while its environmental institutions were and remain rather weak. This programme was, however, closed down in 2007. A consultancy report was commissioned beforehand on how to mainstream environmental concerns in the rural development programme (EFM 2006c), but we have seen little evidence that this resulted in effective action. The Nicaraguan dimensions of the regional forestry programme FINNFOR are only weakly relevant to environmental protection, but may contribute to building capacity for sustainable forest management oriented to production. Abandoning the environment sector may seem contrary to the 2007 Development Policy, with its insistence on equal attention being given to social, environmental and economic themes in a sustainable development context.

- **Country programme score:** ‘a’ (but closed).

Health and gender. The health sector programme was fully responsive to the NHDP, which was elaborated by government in 2007-2008. Challenges in this sector were pervasive, especially in rural areas, in the period 2003-2011, and Finland’s support to the MINSA and the municipalities seems highly relevant and well appreciated by beneficiaries, although some have commented on the administrative work-load of the projects and on the need to give priority to the most needy municipalities. The relevance of Finnish efforts may have increased with the closure of other donor programmes in the country.

- **Country programme score:** ‘a’.

Rural development. Widespread and persistent rural poverty in Nicaragua and national, Finnish and global commitments to reduce it all make the sector programme inherently relevant. The rural development sector programme was also fully responsive to the government's NHDP, but prior to this it was rather inconsistent with the policy of the Bolaños government, which was premised on the idea that wealth created in pre-selected clusters of private companies in locations with optimal conditions for their performance would inevitably 'trickle down' to the poor. Thus the relevance of the rural sector programme increased after the change of government in 2007, because it is now aligned more closely with the new government's priority of reducing poverty through a broader approach to rural development involving food, forests, and agro-industry. Although both Finland and Nicaragua see the role of the private sector as vital to creating wealth in rural areas, there are differences between them on the role of the state in nurturing private enterprise.

- **Country programme score:** 'a/b'.

Governance. In a decentralised context, the relevance of building capacity among local governments can be high, but where control of those governments becomes important to central government conflicts may arise because the donor is essentially competing with central government for influence. The Finnish municipal support projects ran into a difficulty of this sort between the Bolaños and Ortega eras: i.e. they remained relevant but became harder to do, and (except for the more technical ICT project, which itself had problems harmonising with the new government's ideas on state-initiated modernisation) were closed down. Much the same could be said of the other aspect of governance, clean elections and the rule of law, except that their relevance increased in the Ortega era because of the government's apparent willingness to cut judicial, procedural and constitutional corners in its efforts to consolidate its power, part of the motivation for which may come from an unwillingness to be bound by laws passed by former governments.

- **Country programme score:** 'a' (from Finland's point of view), 'd' (from that of the current government).

4.2 Efficiency

The country programme's model of how to implement development cooperation changed in the period 2005-2007. The earlier model involved projects and programmes implemented and directed by technical assistance (TA) teams with counterpart organisations and superficial control by local personnel. This approach was perceived as efficient but only weakly sustainable. The later model tended to place government personnel in charge, with international TA in a purely advisory role. This approach was perceived as yielding one or other of two outcomes, either being non-functional (e.g. because of excessive bureaucracy), or weakly functional but somewhat sustainable. However, other factors were at work in the same period, since the new approach also involved sector-wide programmes alongside multi-donor basket funds, sectoral budget support, pilot or specific projects, and (for a time) general budget sup-

port, and this approach has apparently yielded good results in the health/gender and rural development sectors. Meanwhile, the MFA initiated a process of decentralising management to the Managua embassy, giving space for a more locally-adapted strategy (Section 3.9).

- **Country programme score:** ‘b’ for health/gender and rural development SWAPs, ‘c’ for other components.

4.3 Strategic effectiveness

The four-pronged approach used by the country programme in recent years seems to be strategically effective in the health/gender and rural development sectors. In the former there is a national programme aligned to the health ministry’s multi-year programme, supported by a multi-donor fund, a joint fund on gender equity and rights that finances CSO projects which contribute to similar objectives as the ministry programme and/or the National Strategy on Sexual and Reproductive Health, and a useful peer-education project. In the rural development sector there are national-level programmes on food supplies, rural agro-industries and forestry implemented through four government institutions and supported by multi-donor codes of conduct and basket funds, and also a valuable capacity-building project on agro-biotechnology. In the governance sector, however, the four-pronged approach has had limited strategic effectiveness in the Ortega era due to contradictions between donor and government.

- **Country programme score:** ‘a/b’ for health/gender and rural development SWAPs, ‘c’ for other components.

4.4 Impact

The opinions and specific evaluations sampled by the team suggest that aspects of the country programme have had significant impacts, ranging from health, gender and youth empowerment, to agriculture in certain locations, with the likelihood of influence at a national level because of the institutionalisation of methods. Even the governance programme on elections and rule of law has had an impact to judge from the hostility of the present government. Otherwise, the conditions attached to general budget support are unlikely to have had much impact because of the short duration of bilateral participation, except via the effect of encouraging macro-economic stability measures that ensured creditworthiness (though these may have been taken for other reasons). Determining the impact of Finland’s contribution to budget support or basket funding is hard to judge as it is shared with other participants in the modality.

- **Country programme score:** ‘b’.

4.5 Sustainability

Aspects of the country programme have been institutionalised within various government ministries and agencies (e.g. MAGFOR, IDR, MINSA) yielding good sustainability especially in agriculture and health. The overall country strategy on aid effectiveness and alignment was based on the use of common funds, the sustainability of which has been jeopardised by the withdrawal of several key donors. Financing mechanisms that depend on recurrent budget decisions cannot be described as self-sustaining, but then these joint funds were never designed to generate revenue or recover costs. Other aspects of the country programme, especially those in the area of governance, require the continued goodwill of government to persist and this is currently compromised although could be restored.

- **Country programme score:** ‘a’ for health/gender and rural development SWAs, ‘c’ for other components.

4.6 Coordination

Several donors including Finland have given much attention to coordination, often making use of *ad hoc* and thematic round-tables which tended to remain active for extended periods but yielded few concrete results. Coordination improved greatly following the introduction of the various common funds, presumably because they produced spending decisions relating to funds for which aid officials were responsible, rather than just meeting notes. This point can be generalised from donor coordination to both SWAs and regional programmes, since in all cases participants are likely to pay attention only when they can see a direct relationship between their use of time (e.g. for meetings) and their receipt of financial resources (e.g. budgets) or other rewards (e.g. professional recognition). Finland has shown leadership in some common funds and has served others as a facilitator and intermediary with government at difficult times, a role that is widely appreciated by other donors. The embassy also has its own coordination mechanisms for bilateral negotiations and implementation of specific programmes, with satisfactory results. Among European countries which are still present (i.e. Spain, France, Italy, Luxembourg, Germany, Finland and Switzerland) there are monthly meetings of Ambassadors, and of Heads of Cooperation, which are convened by the EU Delegation since the Lisbon Treaty (which was signed in 2007 and entered into force in 2009). Canada and Japan participate in the coordination system, but Taiwan, Russia and Venezuela do not. Involvement in Nicaragua by the USA is diverse, and involves not just United States Agency for International Development (USAID) but also the departments of the Treasury, Agriculture and Defence, while there is also an agreement with the Nicaragua Coast Guard to combat drug trafficking. This is said to have deterred drug traffickers from making long sea voyages, in favour of short journeys from place to place along the coast, and this unfortunately gives local people more opportunity to become involved in using or trading in drugs. Meanwhile the multilateral donors and IFIs all have their own country strategies and priority areas, and their own relationships with government and the pri-

vate sector, and these are not necessarily coordinated with each other or with the bilaterals. Overall, our assessment is that there has been patchy coordination among donors, sometimes good and sometimes not, but always with Finland doing its best at both the country and the regional level.

- **Country programme score:** ‘b’.

4.7 Complementarity

Internal complementarity is adequate within the sectoral programmes, which also applies to external complementarity except in the governance programme. There are some cases of complementarity between sectors, for example cooperation between the ICT project and the Health SWAp (in which ICT provided telecommunications systems for use between MINSA, hospitals, SILAIS and municipal Health Centres) and the Rural Development SWAp (in which ICT developed a computerised cattle-branding register in collaboration with MAGFOR, municipalities and the National Police). These are rare, however, even when activities take place in the same territory, which may be related to the culture of some stakeholder institutions (e.g. IDR, INIFOM), that have a long history of executing stand-alone projects and dealing directly with the financier in each case. The embassy is taking steps to improve complementarity (e.g. by mapping all country programme activities) while looking for opportunities to participate in existing regional programmes, which would potentially improving performance in the areas of coordination and connectedness.

- **Country programme score:** ‘a/b’ for SWAps, ‘b/c’ for other components.

4.8 Compatibility

Considerable effort has gone into establishing between donors and government the principles of alignment, harmonisation, aid effectiveness and coordination. This involved three years of dialogue in the case of the National Development Plan, which defines 11 special themes for discussion with donors, some of which (e.g. rural development, health, education) are easier to make progress on than others. The country programme is compatible in general and sectoral terms with the policies expressed in the more recent NHDP and in sectoral plans and policies particularly in rural development and health. There is much less compatibility in the areas of good governance and modernisation of municipal administrations, and there is currently reduced political dialogue in the governance sector for reasons elsewhere explained.

- **Country programme score:** ‘b/c’.

4.9 Connectedness

The reliability of the benefits that Nicaragua receives through ALBA is an important connectedness issue, and this applies especially to government-to-government sup-

port from Venezuela which could be jeopardised by a change in political or economic priorities in Caracas. Nicaragua also remains vulnerable to commodity price volatility and to the flow of remittance payments. There is also the fact that foreign direct investment from most sources (including Finland) typically requires there to be a satisfactory rule of law environment (e.g. covering ownership rights, taxation, and the enforceability of contracts), so question-marks over the rule of law and the fact that Nicaragua has not yet signed a comprehensive agreement on the protection of the rights of investors are both connectedness issues. Similarly, the decisions that Nicaragua makes on the rule of law and other aspects of governance including NGO participation can impact on Finland's public policy, which has already altered the flavour of development cooperation between the two countries and could lead to its termination. Outside the political and short-term macroeconomic spheres, the effects of climate change could undermine any gains made in rural development and jeopardise investments in the rural sector, which would have knock-on effects on urban poverty and sustainability.

- **Country programme score:** 'c/d'.

4.10 Coherence

There is an implicit lack of coherence between Finnish stakeholders with an interest in continuity (e.g. the University of Helsinki, which benefits from agro-biotechnology training contracts, and those involved with rural development and health/gender sector programmes) and those who endorse policy purity in the matter of good governance and the rule of law. It is unknown what Finnish commercial interests in Nicaragua may be at risk of any change. There are also numerous coherence issues within and among Nicaraguan institutions both governmental and non-governmental, although within government there is strong pressure to cohere around the NHDP, and various multi-sectoral and multi-institutional planning entities have been established to promote this.

- **Country programme score:** 'c'.

4.11 Finnish added value

The role of FAV in aid effectiveness is currently being evaluated in research using case studies in Nepal, Nicaragua and Tanzania. The mid-term report (Koponen, Suoheimo, Rugumamu, Sharma & Kanner 2011, 29) notes that the "transformation of Finnish aid from technical to more value-based assistance is very visible in Nicaragua", and also validates some of the other observations reported here (e.g. on the value clashes between the FSLN leadership and the donor community, and the poor dialogue between civil society and government). Pending their full report, we observe that technical competencies and interests in which Finnish people and institutions typically stand out include the areas of governance (including decentralisation and the application of information technology), health care (with particular attention to women's

needs), sustainable land use (forestry and agriculture, and the use of biotechnology) and renewable energy. These map well onto the country programme's G/D, health/gender and rural development SWAp, as well as the regional programmes FINNFOR and EEP. The values and priorities that consistently guide Finnish concerns include gender equality and sexual and reproductive health, all given special attention in the health/gender SWAp and other instruments, and rural poverty reduction which animates the rural development SWAp. Other perennial Finnish concerns, for human rights, equality and democracy, and the empowerment of civil society, have been present since the beginning of the country programme and have increased in emphasis since 2008. There is also a Finnish tendency to work cooperatively with others, for example by promoting inclusive consultation and planning, by employing aid modalities that are essentially supportive of civil society, by acting as a moderator between the donor community and governments, and by emphasising harmonisation and co-ordination among donors. All these features are represented within the country and regional programmes in which Finland and Nicaragua participate. It can finally be noted that Finland did not follow other European countries in a hasty withdrawal from Nicaragua, and that this is consistent with expectations if it is considered that one aspect of FAV is a cultural feature which may be described as perseverance in the face of adversity (*siksi* in Finnish).

- **Country programme score:** 'a'.

4.12 Partner satisfaction

The particular government partners of Finland in the health/gender and rural development sectors have expressed their satisfaction with the relationship, albeit with a preference for the common fund dimension and some reservations regarding the administrative load of individual projects. Other government entities have expressed strong dissatisfaction with aspects of the governance programme, and generally with the preference of traditional donors to leave Nicaragua rather than adapt to a new role through dialogue on terms set by government. Notwithstanding these positions, Nicaraguan government entities do show interest in an ongoing partnership based on dialogue and mutual respect. Moreover, there is likely to be much stronger satisfaction among non-governmental partners and local beneficiaries (often including local government) of the various projects and programmes, and this has probably been under-sampled in this evaluation. On the Finnish side of the partnership, opinions have become polarised over interpretations of the Sandinist programme and specific government actions.

- **Country programme score:** 'b/c' (but probably 'a/b' before 2007, and currently varies between 'a' and 'd' according to institution and stakeholder).

4.13 Programming logic

The logic of the country programme and its four-pronged approach was apparently originally based on a country strategy formulated with little Nicaraguan government input, in response to policy guidance from Helsinki and the decentralisation of functions to the embassy (Section 3.9). Later a number of tools were designed and used to consolidate the country programme, including those for diagnostic assessments and evaluations, together with the use of external advisors. To accompany the processes involved, the MFA and the embassy were very proactive in problem solving, analysis, auditing common funds and promoting joint actions with other donors. The programming logic of the health/gender and rural development SWAp is impeccable, while that of the GBS and governance/human rights interventions reveals more *ad hoc* adaptation based on selected aspects of policy and reaction to the perceptions of government actions than is compatible with a high score for this criterion.

- **Country programme score:** ‘a’ for health/gender and rural development SWAp, ‘c’ for GBS and governance/human rights components.

4.14 Replicability

The four-pronged approach involving institutionalised sector-wide programmes, sectoral budget support, basket funds and pilot projects seems eminently replicable as well as likely to yield results that would score highly on other criteria (especially strategic effectiveness, impact, sustainability and coordination). Much would still depend on other factors and choices, however, including the selection of tools such as peer education that lend themselves to replication, the choice of themes that are particularly relevant to each country’s particular circumstances, and investment in human resources.

- **Country programme score:** ‘a’ for the health/gender SWAp, ‘a/b’ for the rural development SWAp, ‘c’ for other components

5 ANSWERING THE RESEARCH QUESTIONS

5.1 The evaluation matrix

A number of evaluation questions were posed in the ToR. These were unpacked into research questions in an evaluation matrix in the Inception Report, with the aim of guiding the evaluation towards answers that would meet the MFA’s need for clarity on particular issues (Section 1.2). The answers for the Nicaragua country programme are given in the following sections.

5.2 Meeting the priorities of Nicaragua and Finland

Research question 1.1: How and to what extent did programme activities meet the priorities of Nicaragua?

There are differences to the answer between the Bolaños era (2001-2006) and the Ortega era (2007-2011), and also according to sector, theme and modality (i.e. GBS, environment, health/gender, rural development, G/D, governance/rights, LCF and NGO/CSO cooperation). All would have scored moderately well in the former, except perhaps rural development because of a lesser government interest in poverty and a greater emphasis on 'trickle-down' benefits from investment through pre-selected clusters of private companies in particular locations. In the latter period, however, GBS would not have met government priorities because of the increased attention to conditionality, and its partial suspension due to perceived non-compliance. Meanwhile: environment would have been a priority but was phased out; health/gender continued to be in line while rural development increasingly matched government priorities; and the governance, rights and some NGO interventions became increasingly contradictory to central government priorities even if local government continued to appreciate working with those NGOs.

Research question 1.2: How and to what extent did programme activities meet the priorities of Finland?

Again there are differences to the answer between the Bolaños and Ortega eras, which partly match and partly invert the answers to research question 1.1. Health/gender and rural development would have well matched Finnish priorities in both, while the matches for GBS and G/D were both adequate in the first but unsatisfactory in the second (in GBS because weaknesses were identified and not corrected, and in the second because of the abandonment of decentralisation plans and the increased politicisation of municipal governments). On the other hand, the governance/rights, LCF and NGO interventions increasingly matched Finnish priorities in the second period (although LCF was closed, its resources were redeployed to the others).

Research question 1.3: How and to what extent did policy dialogue help enable development?

Again there are differences to the answer between the Bolaños and Ortega eras. Policy dialogue seemed smoothly integrated with effective programming in the first period (though with some delays around the GBS modality) but the links seemed to deteriorate in the second, with less meeting of minds and more divergence of opinion, priority and action, leading up to the 2009 dialogue which accomplished little. Even so, government representatives claim to remain committed to dialogue and development cooperation, provided that this is on the government's terms (which may or may not be unreasonable depending on the point of view). If dialogue were to be successful in aligning cooperation with the new government's priorities, where it shows considerable energy and effectiveness, then development would be strongly enabled.

5.3 Modalities and the Paris Declaration

Research question 2.1: How do the various modalities rate in Paris Declaration terms?

Pre-2007, the GBS modality was aligned to a Poverty Reduction Strategy Paper because of IMF insistence on it being prepared before offering loans, and BSG determination to await it before offering GBS. The reformulation of development priorities after 2007, through the National Development Plan and NHDP, led to delays during which time donor dissatisfaction with governance issues had time to surface. Nevertheless, given that the government's plans were in line with donor priorities, GBS should have been consistent with the Paris Declaration principles of ownership, alignment, harmonisation (because of coordination through the BSG) and mutual accountability (because of PAM monitoring and financial accounting). Effectiveness would have been harder to assess or address, either in general (because of the high-level nature of the intervention) or for any donor participant (because of the common funding involved). Nevertheless, the lower sensitivity among IFIs to governance issues has allowed them to continue with the modality, which is broadly compliant with Paris Declaration principles.

The health/gender, rural development, pre-2007 G/D and pre-2008 environment SWAps all seemed to anticipate the Paris Declaration in their initial designs, and over time came to comply increasingly with all its principles of ownership, alignment (compatibility), harmonisation (coordination), management for results and mutual accountability. As with the GBS modality, problems arose not because of compliance with the Paris Declaration but because the Finnish government unilaterally cancelled the environment programme, and found government efforts to own the G/D, governance/rights, and NGO/CSO interventions increasingly at odds with its own principles from 2007 onwards. The Finnish policy resulting from this to reduce aid overall and to spend a greater proportion through NGO and private partners was not in line with the Paris Declaration in principle, but the result was more complex in practice as the share of Finnish ODA going to government rose from 58 to 68 percent between 2008 and 2010, with SBS replacing GBS in taking 45 percent of disbursements as the health/gender and rural development SWAps continued and grew (EFM 2010b).

5.4 The cross-cutting themes

Research question 3.1: How and to what extent are the cross-cutting themes mainstreamed in development cooperation?

The cross-cutting themes are conventionally listed as comprising good governance, democratic accountability, rule of law, human rights, gender equality, HIV/AIDS, and the proper functioning of political parties and parliaments, with environmentally sustainable development as a parallel objective. Putting the last first, following the closure of the environment programme, efforts were made to consider how to mainstream environment in the rural development SWAp and in the GBS mechanism, but little

evidence was found that this was done effectively. Environmental issues are among the areas where investigative journalism may be supported through the LiD theme of the TAP. Otherwise, environmental matters (biodiversity, climate change) are implicit in NIFAPRO and explicit in the regional programmes FINNFOR (forests) and EEP (renewable energy).

Aside from HIV/AIDS, which is an area supported through the FED and is covered indirectly through the health/gender SWAp, the other CCTs have since 2007 become much more central themes of the Finland-Nicaragua country programme than was previously or is usually the case. This also applied to the G/D theme before 2007, when a wholesale effort to build the capacity of local government began, only to founder later. The CCTs have thus become the mainstream of the country programme rather than merely being 'mainstreamed', with substantial resources going into democratic accountability (including election monitoring), rule of law, human rights and gender equality. Gender equity and sexual health are fully integrated within the health/gender SWAp, supplemented by sectoral projects such as SARED and also the FED, while the rural development SWAp has projects such as PROPEMCE that emphasise gender. Other support for gender issues and for the governance/rights agenda has grown since 2007 and has generally been directed through NGO/CSO channels, where non-governmental partners gather and publish information in the name of transparency, and campaign (directly and through the law and media) for reform. The reason for this is the concern over the deteriorating appearance of government regarding governance/rights, rule of law and NGO/CSOs themselves since 2007.

Research question 3.2: To what extent has paying attention to cross-cutting issues contributed to achieving the aims of development cooperation?

Finnish-funded NGO/CSO pressure over governance/rights and the rule of law clearly has the potential to contribute to achieving the aims of Finnish development. This may be undone, however, if these efforts provoke such a reaction from government, and counter-reaction by donors, that aid programmes are closed. This poses the dilemma of whether it is best to leave or to remain engaged in a country where certain human rights are being compromised, so as to be able to do what one can, witness events, and await better times. Gender is being strongly resourced and advanced by the national and regional Finnish interventions, both as an aim in itself and as an enabling factor for other development improvements, though further analysis is needed on the impacts of this and especially on how and how much women's empowerment and participation contribute to the over-arching goal of sustainable, poverty-reducing economic development.

5.5 Translating policies into activities

Research question 4.1: What processes are used to translate development policy into activity designs?

Bilateral consultations in Nicaragua occurred in 2002, 2004, 2006 and 2009, but programming took place within the four-year rolling financial planning process for operationalising successive development policies, which is fixed to the government term between parliamentary elections (i.e. 2003-2007, 2007-2011 and 2011-2015). This means that there is a mismatch between financial and operational planning, so it is common for country teams to have interventions that extend beyond the timeframe of the overall programming document, even though the latter defines the strategic emphasis of cooperation. It also means that there are only limited windows for joint programming with other donors. Thus the current description of joint multi-annual country strategy programming from an MFA perspective is as a “good policy not applicable in current environment”, since issues must first be addressed that are “related to programming cycles and practices/mechanisms (at both HQ and country level)” (Research question 6.17; Kilpeläinen 2010, 12).

The 2004 Finnish development policy guided country programming towards three priority sectors, and the use of the GBS and LCF modalities, as endorsed in the 2004 bilateral consultations. The 2005 decentralisation pilot facilitated a response by the embassy team to in-country donor and government interest in developing three relevant SWAps, which were then designed by the embassy team in consultation with government and other donors (Sections 3.9 and 6.1), and this was ratified in the 2006 bilateral consultations. The 2007 Finnish development policy led to the joint formulation by the embassy and MFA of the CAP in 2008, confirming the earlier priorities which were by then being implemented. Thereafter, with the limited success of the 2009 bilateral consultations, one of the SWAps became untenable due to political stresses, GBS was ended and the G/D SWAp and LCF modality were largely replaced by other instruments.

5.6 Finnish added value in programming

Research question 4.2: Is Finnish added value reflected in the selection of modality and activity design?

Perennial Finnish concerns include those for gender equality, sexual and reproductive health, accountable and decentralised governance, human rights, equality and democracy, poverty reduction in deprived rural areas, and the empowerment of civil society. These values give rise to special interests that clearly animate the embassy-designed G/D, health/gender and rural development SWAps, as well as several programmes related to human rights and civil society support. Thus it seems fair to say that FAV is well represented in country programming, and therefore in the selection of modality and activity design.

5.7 Strengths and weaknesses of the country programme

Research question 5.1: What are the main strengths and weaknesses in the co-operation programme in Nicaragua?

The main strengths comprise the institutionalisation of the health/gender and rural development SWAp respectively within MINSA, and MAGFOR, IDR, INAFOR and INTA, while maintaining an ability to explore and test new and additional ideas through innovative or strategic projects such as VOZJOVEN and NIFAPRO. The main weaknesses have included a vulnerability of the basket funds used for sectoral support to the unanticipated and uncoordinated withdrawal of other contributors, and in the case of the G/D SWAp and the governance/rights and NGO modalities a vulnerability to central government policy shift (although a related strength lies in the continued ability to support NGO partnerships with local government). This policy shift, however, and the failure so far to correct it through policy dialogue, represents a significant weakness that could threaten the whole country programme.

Research question 5.2: Can strengths and weaknesses in cooperation programmes be traced to strengths and weaknesses in policy or in the mechanisms that translate policy into practice?

The strengths are we believe traceable mainly to competence and experience present among the embassy team throughout the evaluation decade, with policy enabling rather than determining the resulting programmes. The weaknesses are attributable mainly to antagonisms of ideology and style between government and donors, including Finland which has however stayed longer and (notwithstanding some negative remarks by government informants) may have tried harder than others to tolerate these differences.

Research question 5.3: Can best practice examples be identified?

The health/gender and rural development sector programmes appear to contain and comprise examples of best practice, which are assessed as having good strategic effectiveness, impact, sustainability and coordination, and as potentially highly replicable to other circumstances where a similarly long-term, multi-donor commitment can be made. The Finnish role in advancing joint donor coordination also suggests itself as a best practice.

Research question 5.4: Can worst practice examples be identified?

The following might be considered a cluster of connected worst practices in the Nicaragua country programme: (a) the long pause in country consultations after the failure to achieve agreement in the 2009 session, when the critical need was for continual dialogue to build mutual understanding; (b) the refocusing of the governance programme towards a provocative rights agenda, while simultaneously creating both aid dependency and political isolation among NGOs; and (c) an apparent willingness by the embassy rightly or wrongly to be considered hostile to the FSLN government, rather than acting more properly as a critical friend, partner and counsellor.

Research question 5.5: Were development instruments complementary with one another and coherent with policy?

The suite of development instruments used in Nicaragua in 2003-2011 (i.e. bilateral, multilateral, GBS, NGO, LCF and ICI, but not the Concessional Credit, Development Research or North-South-South Higher Education modalities) seem to have been employed synergistically, and with good regard for complementarity and policy coherence.

6 CONCLUSIONS OF THE EVALUATION

6.1 Putting policy into practice

The central question for this evaluation concerns whether strengths and weaknesses in cooperation programmes can be traced to strengths and weaknesses in policy or in the mechanisms that translate policy into practice. These matters were discussed with reference to the roles of the embassy in Section 3.9 and further addressed briefly in Sections 5.5 and 5.7. The latter answers can be expanded by mentioning the following points.

- The 2004 policy called for rationalising the number of sector programmes in each country, and in Nicaragua three priority sectors were confirmed through bilateral negotiations in 2004 and 2006: rural development, health/gender and G/D. The last may have been very attractive at the time because of what seemed to be an opportunity to improve the performance of decentralised local government (Section 3.6). It was also agreed in these consultations that environment and the disability programme would be closed in 2006-2007, with environment being treated thereafter as a cross-cutting issue. This decision was taken before the 2007 development policy, which identified environmental sustainability as one of three fundamental dimensions of sustainable development, and a later decision might have had a different outcome. In any case, there seemed to have been no weakness in the environment programme, which was urgent and necessary, and its closure contributed to the continuation of weak environmental management, with serious long-term consequences such as the decline in forest area from about 35 percent in 1995 to 26 percent in 2009 (Table 5).
- By the time the 2007 policy was being operationalised in 2007-2008, the first serious problems in the G/D sector were starting to emerge as it became clear that the new government had very different ideas on local governance from the old one. This might have led to a reversal of the earlier decision, but it was decided to stay with the governance programme instead. It is open to question whether by then it should have been clear that the government's 2006 decentralisation plan was not going to be implemented. It is also open to question whether the change of personnel at the Managua Embassy, and the associated

loss of institutional memory mentioned in Section 3.9, contributed to a failure to find a way for decentralisation to continue on favourable terms despite a difficult government attitude, and whether the near-simultaneous change of government and personnel in Helsinki allowed the whole process to continue without being noticed or queried.

- In any case, by 2008-2009, the policy decisions had been made to close the G/D programme, not to restore the environment programme or to take on other priorities of the NHDP, but rather in favour of a governance/rights agenda, while cancelling general budget support and directing funding increasingly to non-governmental actors and channels, including some known to be provocative to government.
- From the above it may be questioned whether down-grading environment and prioritising certain governance and rights themes is a sign of incoherence between policy and programming, although since all these (and much else besides) are contained somewhere in the 2007 policy the issue is more to do with the choice of which to prioritise. The fact that the chosen priorities were not those preferred by the partner government is more significant, raising questions about the quality of dialogue and partnership with government. There may also be a potential sign of weak policy implementation in the changes of 2007 that led to closure of the G/D programme, and there may be lessons to learn from this (e.g. that multiple personnel changes at embassies should be staggered rather than simultaneous).
- Otherwise, the way in which the rural development and health/gender SWAp were established, developed and maintained is also interesting, as it shows how important personalities and personal attributes can be (Section 3.9). This applied both on the Finnish side (e.g. the way in which the former Ambassador, RDA and Consultant shared visions and divided responsibilities) and the Nicaraguan one (e.g. the continuity and leadership of the Minister of Agriculture). Other factors were also important, such as the interest of the World Bank at a critical time, and the advocacy work of the donor group during the 2006 election campaign. While Finnish policy at the time may have been for the decentralised embassies to explore SWAp modalities in an innovative way, implementation largely depended on such serendipities in practice.

6.2 Matters of performance

Table 8 summarises the findings of Section 4, giving scores for the 14 evaluation criteria for the country programme as a whole and/or for components of it.

In the 2010 synthesis evaluation of 22 Finnish development cooperation activities (Caldecott *et al* 2010), five criteria stood out as those for which Finnish activities consistently received high scores, these being relevance, coherence, partner satisfaction, compatibility and FAV. While performance of the Finnish country programme in Nicaragua up to 2006 seems to have been consistent with the expectations raised by

Table 8 Country programme scores for evaluation criteria.

Criterion	Notes and scores (where 'a' = <i>very good</i> , 'b' = <i>good</i> , 'c' = <i>some problems</i> , and 'd' = <i>serious deficiencies</i>)
Relevance	Environment (a); health/gender (a); rural development (a/b); governance/human rights (a).
Efficiency	Health/gender (b); rural development (b); other components (c).
Strategic effectiveness	Health/gender (a/b); rural development (a/b); other components (c).
Impact	(b).
Sustainability	Health/gender (a); rural development (a); other components (c).
Coordination	(b).
Complementarity	Health/gender (a/b); rural development (a/b); governance (a/b); other components (b/c).
Compatibility	(b/c).
Connectedness	(c/d).
Coherence	(c).
Finish added value	(a).
Partner satisfaction	(b/c), varies by institution.
Programming logic	Health/gender (a); rural development (a); other components (c).
Replicability	Health/gender (a); rural development (a/b); other components (c).

Source: Sections 4.1 to 4.14.

these findings, three (partner satisfaction, coherence and compatibility) have deteriorated markedly since then, and only the remaining two (relevance and FAV) seem to have continued in a satisfactory way. It is notable also that the health sector SWAp, and probably also the rural development sector SWAp, score well on replicability, complementarity and programming logic, which are three of the five criteria to which the 2010 synthesis study consistently awarded the lowest scores (the others being connectedness and efficiency).

Moreover, good scores were awarded to the country programme according to the four criteria which the 2010 study found more typically to indicate mediocre performance (i.e. strategic effectiveness, impact, sustainability and coordination). While some

of the criteria are defined slightly differently in the two studies, the Nicaragua country programme does seem to stand out since its political-economy context changed in 2007, with relatively strong performance continuing in relevance, FAV, replicability, complementarity, programming logic, strategic effectiveness, impact, sustainability and coordination, but unusually weak performance in partner satisfaction, coherence, compatibility, connectedness and to a lesser extent efficiency.

This all implies two things: first that Finland and Nicaragua have designed and implemented good, distinctive, well-institutionalised SWAps that are robust to contextual change; and secondly that since 2007 there has been a breakdown in shared vision with at least some parts of government (due to the factors described in Sections 3.2, 3.6 and 3.7), and stress on the whole system due to the sudden and uncoordinated departure of a number of key donors and the incipient debate about whether Finland should join them. In addition, although efficiency is seldom entirely satisfactory in any aid project (so is not of great significance here), the vulnerabilities of the country programme indicated by a low connectedness score are unusually strong and diverse in Nicaragua post 2006.

6.3 Matters of partnership

The partnership between Finland and Nicaragua began with a Sandinist government for which there was strong political sympathy in Finland and other European countries, and one that urgently needed support in reducing poverty. That government was pluralistically tolerant of all but its direct foes, was ratified in a clean election, and had considerable commitment to meet development challenges and (partly through volunteerism) a significant capacity to do so. After war and national near-bankruptcy, Finland continued the partnership even though the three successor governments tended to have less commitment to reducing poverty, to national ownership of the development process, or indeed to clean elections. Now there is a fifth government, again Sandinist, with similar policies to those of the first, and Finland is still there. This remains so, despite some political turbulence reflecting a hardening of political attitudes in Finland, and the inexperience of the FSLN government in interacting with foreign partners in a world that has changed greatly since it last held power in the 1980s. These factors led to tensions and over-reactions between Nicaragua and various of its partners which, combined with financial crises in Europe and improvements in Nicaragua's development status, led to the withdrawal of several traditional donors after 2008.

It is interesting to note the behaviour of some of these donors in this context. Norway, for example, had been cooperating with Nicaragua for 27 years, initially through Norwegian NGOs which created the conditions for establishing an embassy and an ODA programme. By the late 1990s, observers were considering Norwegian involvement as a best-practice example in terms of long-term results, and prevailing relations with government remained good. Yet in October 2010 the decision was made in Oslo

to withdraw from the country without consulting the embassy, and communicated to the embassy on a Friday before the announcement was made to the Norwegian media the following Monday. Diplomats observed that embassy staff tried to understand this in terms of the dilemmas between development, foreign and aid policy (which had once been handled separately but no longer are), while expressing disappointment that political decisions had entered a non-political partnership focused on reducing poverty and supporting civil society, and that institutional memory did not appear to have been taken seriously in decision making.

Meanwhile, other diplomats comment on the lack of coherence between what is said at an international level, for example on the environment as a priority, and in the Paris Declaration and EU Code of Conduct on the best way to establish, maintain and implement cooperation relationships, with donors instead setting political conditions and leaving their 'partners' without warnings or exit plans. For example, the EU Code of Conduct states that "Responsible exit from a sector entails a well planned and managed process with the full participation of the partner country and with the change/redeployment process being well communicated to all stakeholders" (EU 2007, Guiding Principle 2), a stricture that would presumably also apply to exit from a country. These observers do acknowledge that political matters can be considered, but note that they can sometimes be used, as Sweden did in Nicaragua, to conceal other reasons. They also draw attention to the inconsistencies that arose when Denmark withdrew from Nicaragua, citing the 2008 election fraud, even though Denmark remained as a donor in other countries with much poorer governance, and they ask whether criteria exist to rationalise such decisions, and if so how they were applied in this case.

With Finland still present in Nicaragua but considering its options, this would be a good time to reappraise criteria for national partnerships, a process in which fundamental priorities would be defined, adjusted, reconfirmed or replaced, and criteria established for making choices when values and priorities clash. Above all, a clear vision is needed of the over-arching purpose of development cooperation, for example "the greatest benefit for the greatest number of the most vulnerable people" (Caldecott *et al* 2010, 111). Such a vision need say nothing about the choice of what to target in any given case, from among such options as health, water, food, business, family planning or climate change, but it should logically include the time dimension in order to encompass inter-generational equity. There is also a need for a clear statement of why a partnership-based approach is the best way to deliver those benefits, what compromises may or may not be allowed in the interests of each partnership, and how such decisions can be made consistently. It would also be helpful to know in advance at least approximately the indicators of benefits accruing from the partnership that could not be obtained in any other way.

6.4 Matters of principle

Three priority sectors were identified in the 2004 and 2006 bilateral consultations: health/gender, G/D, and rural development, giving rise to ideas for three SWAps. All three represent choices that are consistent with Finnish values and special interests, in women's health, local government, and rural poverty reduction. The programme that flowed from the 2007 Finnish development policy through the CAP, which emphasised the three SWAps and the LCF and GBS modalities, only reconfirmed the earlier decisions made in line with the 2004 policy. It was eclipsed by national political events after 2007, and the elements that survived (i.e. the health/gender and rural development SWAps) did so because they were in line with the FSLN development agenda, and had strong allies in government at central and local level. Other elements (i.e. the G/D SWAp and GBS) ran into difficulty, and parts were substituted by investments in civil society that replaced LCF and later proved problematic and counter-productive. Thus the influence of the 2007 Finnish development policy in Nicaragua was very limited relative to the FSLN government's own ideas.

As a result of all this, Finland is now faced with a dilemma over the future of its partnership with Nicaragua. Leaving aside the question of the validity of the Sandinist critique of development cooperation (which is not unique in the view that aid can at times be both debilitating to recipients and manipulated by donors for political and commercial purposes), the key question now is whether Finland will continue a full-scale partnership or some other kind of relationship, perhaps with a reduced or redirected flow of ODA, or one mainly embedded in a regional programme. Relevant to such decisions would be Nicaragua's need for ODA in light of its improving economy and the support it receives from Venezuela, and the constraints on Finland's ODA budget at a time of economic difficulty.

We observe that there are a number of reasons why Finland should not be in a hurry to leave a development cooperation partnership with Nicaragua, notably that the successful SWAps are an important best practice to be learned from, and that Finnish help is still needed by vulnerable stakeholders, many of them now abandoned by other donors. Any continuation in Nicaragua would, however, need to be fully negotiated and agreed with government, hopefully with both sides coming to appreciate each other's points of view. This may be hard to do, although the government's position seems to have softened lately, but emphasising instead a regional programme should not be seen as an easy way out. Regional actions are also hard, and require all participants to value their special role in targeting trans-frontier, multi-country, region-wide and policy-relevant challenges that can best or only be addressed at a regional level. They must also be sensitive to issues of sovereignty, international rivalry and ideological difference between the partners, so they should be based on attentive dialogue with participating governments.

7 RECOMMENDATIONS

The following recommendations are made in respect of the Nicaragua country programme, several of which also have more general applicability:

- (1) In 2005 a decentralisation pilot allowed the embassy to take the lead in responding to the interests of government and other donors in developing G/D, health/gender and rural development SWAps, all of which were appropriate and well-formulated (even though the G/D SWAp later failed due to a change in political context). Successful outcomes often result from multiple circumstances, in this case Finnish development and decentralisation policies, donor and government interest, and the deployment of suitable personnel at the right time.

Division of labour between embassies and headquarters should deliberately reflect the need to track, identify and react to local opportunities and conditions, and assign appropriate responsibilities to the embassies.

- (2) Of the three SWAps, two enjoyed continued government support while the G/D SWAp effectively set donors in competition with central government for influence at the local level, when the embassy's capacity to manage this was reduced due to the simultaneous transfer from the embassy of three key staff.

Staff changes at embassies should deliberately be staggered to avoid excessive loss of capacity and institutional memory, especially when political conditions are turbulent.

- (3) The breakdown of consensus with government in the G/D sector led to alternative funding of NGO/CSOs through which to promote good governance, and the embassy small-grants scheme was closed to make way for the new funding instruments. Funding of NGO/CSOs instead of government annoyed the latter, damaged the relationship between civil society and government, and created aid dependency among NGO/CSOs. These problems are considered unlikely to have arisen from continued use of the LCF modality.

Civil society should never be supported as a substitute for government, problems with government should be addressed through adequate dialogue, and the risks of creating aid dependency and vulnerability in civil society organisations should be appreciated.

- (4) The bilateral consultations in 2009 achieved limited results, against a background of declining common understanding between the Finnish and Nicaraguan sides. One consultation in six years (2006-2011) is clearly inadequate to maintain a partnership, especially at a time of political and policy change.

Consultations should be held at least every two years and more often still after a regime change in a partner government, and they should be supported by new evaluations of the political economy of the country concerned.

- (5) Reporting by the embassy since 2005 has been comprehensive and useful, but concerns exist over the objectivity of accounts of political developments since 2007. In a small embassy team the performance of each individual can be very influential, whether positively or negatively.

Options should be considered for minimising personal bias in reporting, such as introducing greater collective responsibility for all parts of all reports, or allowing minority reporting by embassy personnel.

- (6) There is concern dating to before 2002 over high staff turnover rates affecting the Nicaragua desk and others in MFA headquarters; reasons for this have been sought by MFA but not yet conclusively found. Sustained, frequent staff turnover at headquarters geographical departments undermines their capacity to perform necessary roles within the established division of labour system.

Options should be explored to reduce staff turnover rates, such as minimum terms of appointment to key positions, and the use of long-term consultants with contractual penalty clauses to deter early departure.

- (7) The health/gender and rural development SWAs achieved high scores on the criteria of relevance, strategic effectiveness, sustainability, complementarity, FAV, programming logic and replicability. These successful SWAs are beneficial to Nicaragua and poor Nicaraguans and contain useful lessons for the donor community worldwide.

Dialogue with government should be renewed, with a view to the continuation of the country programme based on a shared vision with government, and focused efforts by Finland to document fully and publish findings on the SWAs.

- (8) For various reasons including friction with government in Nicaragua, there is a tendency for donors to seek to substitute Central America regional programmes for national partnerships with Nicaragua. Regional actions are not easy, however, since they require all participants to value their special role in targeting trans-frontier, multi-country, region-wide and policy-relevant challenges that can best or only be addressed at a regional level, and they must also be sensitive to issues of sovereignty, international rivalry and ideological difference between the partners.

Support for regional actions should target those which contribute to Nicaragua's needs, which make full use of Nicaraguan contributions, and which help fill gaps in Nicaragua's sustainable development priorities, which emphasise the things that only regional partnerships can do, and which are based on careful discussion and pre-testing of ideas with government.

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EVALUATION TEAM

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Fred van Sluijs (Core Expert) is a Dutch rural sociologist with broad experience in related fields, including food security, nutrition, alternative development models and trials, social development and primary health care systems, mainly in Latin America. He has led and participated in work on 'Peace Laboratories' in Colombia, regional co-ordination of agricultural research for food security, agricultural innovation and climate change adaptation in the Andean Region, and he coordinated the Forum of Co-directors of rural development projects in Central America (all for the EC). He has also worked on the policies and processes of decentralisation, local and municipal development, the privatisation of financial and non-financial assets, and the facilitation of 'south-south' exchanges for capacity building. A skilled negotiator, he has extensive experience in conflict resolution and post-conflict reconstruction, human rights programmes, and reintegration and reconciliation processes, including resettlement and the return of refugees and displaced people, with an emphasis on the position of women, youth, indigenous communities and other vulnerable groups.

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Dr Anu Lounela (Researcher) is a Finnish anthropologist with extensive field experience in Indonesia and consultancies in development cooperation management. Her background is in curatorship, research, university teaching and course design, information management and the coordination of non-governmental programmes. She is an expert on environmental conflicts and global-local relations, including climate change debates. She is fluent in Finnish, English, Swedish and Indonesian, and has published widely on development and environmental change.

ANNEX 1: TERMS OF REFERENCE

Ministry for Foreign Affairs of Finland
Office of the Under-Secretary of State
Evaluation of Development Cooperation (EVA-11)

Annex B

EVALUATION OF COUNTRY PROGRAMMES BETWEEN FINLAND AND NEPAL, NICARAGUA AND TANZANIA (89889101)

1. Background

About 10 years have elapsed since the last comprehensive evaluation of entire development cooperation programmes in the long-term partner countries of Finland. In the autumn 2010, a questionnaire was launched to the embassies of Finland and to the respective units of the regional departments of the Ministry for Foreign Affairs of Finland to establish the best possible point of time to carry out these evaluations. The responses indicated that in 2011 it would be desirable to include three country programme evaluations in the work programme of the centralized evaluation (EVA-11), namely those of Nepal, Nicaragua, and Tanzania.

When thinking about the scope and the approach of this evaluation, the fact that regular evaluations are carried out on each individual bilateral development intervention was well recognized. Moreover, it was noted that the joint assistance strategies are regularly reviewed and from time-to-time jointly evaluated by the respective partners. Similarly, the sectoral aid programmes and the budget support have their mechanisms of annual or bi-annual reviews and audits and evaluations. Also the multilateral system and the EU have their own annual tri-partite or other review mechanisms and evaluations at the decentralized and centralized levels of the organizations.

Thus, in this country cooperation programme evaluation the major focus will be at the more strategic level, taking into account the international and national frameworks, including the Millennium development goals, the Paris Declaration, the countries' own development plans *cum* poverty reduction strategies and goals, and the overall development policy goals of Finland and how through the programming these goals have been translated into practical action.

2. Framework for the Evaluation Process and the Product

The overall technical evaluation framework constitutes of the OECD/DAC development evaluation Principles (1991) and Quality Standards (2010). The Final Product, the evaluation reports individually for each of the three country cooperation pro-

grammes will also adhere to the European Commission's quality standards of evaluation reports. The overall guidance will be provided by the Evaluation Guidelines of the Ministry for Foreign Affairs of Finland of 2007, "Between past and Future" (<http://www.formin.finland.fi>).

3. Scope of the Evaluation

The country programme evaluations will cover the years from 2002 to 2010 of Finland's support, so that the starting point will be the last country programme evaluations which took place in 2000-2001. The focus of the current evaluation will be at a strategic level. The individual interventions will be utilized to update and validate this process. The evaluation will include all the development cooperation instruments of the bilateral cooperation, and the multilateral and the EU cooperation, and how Finland has been able to utilize wider frameworks. Similarly, the Finnish contribution to the joint cooperation strategies and instruments will be looked at and also Finland's overall role in the policy dialogue with the government and as a member of the group of the European Union, and any other specific involvement at the coordinative or policy level. The actual programming process and how results of policy dialogue and policies are transmitted through the programming to practical implementation and results will be a central dimension of this evaluation.

The earlier evaluations of the country programmes (Nepal and Nicaragua) will be used to assess, how the lessons learned have been taken into account in the programming and the cooperation overall, and what has been the influence of general trends and changes in the aid architecture on Finnish country programme portfolio and cooperation modalities.

In the period of time covered by this evaluation, the development policies of Finland have changed in 2004 and 2007. The evaluation will look at the changes in these policies as compared with the 2001 policy paper, and the effects of these changes at the country level. Significant changes have also taken place in the international scene, including the adoption of the Paris Declaration in 2005.

The scope of information sources will include the partner government's development assistance strategies, Finland's development policies during 2000-2011 sectoral strategies, guidance on cross-cutting themes, possible country analyses or reviews, evaluations and results assessments, development cooperation plans, agreed minutes of bilateral and other consultations, proceedings of sectoral instrument reviews, programmes and project documents and reports, annual plans at country programme level and at sectoral / intervention levels, agreements, assessment memoranda and alike.

The development cooperation management systems, the distribution of tasks, and guidelines of the Ministry for Foreign Affairs of Finland will need to be looked at, in-

cluding the sectoral and project planning guidelines, norms and guidance on individual development instruments, development dialogue and negotiations, and administrative instructions.

Similarly, the key documents of the European Union, including EU's Code of Conduct, the Common Framework on Country Strategy Papers, and the European Consensus for Development will be perused. The documentation shall constitute one source of information, complemented by interviews of primary knowledge holders at different levels.

In addition to the specific documentation on Finland's relations to the particular country, the evaluation will look at a limited selection of other donors and their country strategies and programmes. For the context analyses basic information can be derived from recognized international organisations' up-dated publications and statistics.

4. Purpose of the Evaluation

The purpose of the evaluation is to draw lessons from the past eight (8) years of cooperation in Nepal, Nicaragua, and Tanzania.

It is expected that the evaluation will bring to the fore issues and recommendations which the decision-makers in the regional departments of the Ministry, the embassies of Finland in the respective countries may utilize. The evaluation will also benefit the development policy-making overall.

Moreover, evaluation *per se* is a tool for accountability. Thus, the evaluation will also inform the general public, parliamentarians, academia, and development professionals outside the immediate sphere of the decision-makers in development policy of what has been achieved by the use of public funds.

5. Objectives of the Evaluation

The objective of the evaluation is to build a comprehensive overall independent view on the achievements and the contribution of the Finnish development cooperation support to the development process of the three countries. The evaluation will offer recommendations for the development partnerships from policy dialogue and programming to practical cooperation levels. Similarly, the evaluation will provide recommendations with regard to Finnish added value in development partnership.

The specific objectives of the evaluation will be to seek answers to the following major evaluation questions:

- a) How does the Finnish development cooperation programme comply with and adhere to the country's own development and poverty reduction strategies and the development Policy of Finland and its poverty reduction and sustainable development goals? Has the policy dialogue between Finland and the partner country been able to further the creation of enabling environment for development?
- b) Are the modalities of development cooperation conducive to the effective implementation of the Paris Declaration? The three countries included in this evaluation are at different stages in the implementation of the principal goals of the Paris Declaration, for example in Tanzania harmonization and coordination has advanced well, and joint financing instruments are significant. Thus in the finalization of the specific questions to each of the three countries, it is important to extrapolate the evaluation questions and the scope to the specific situations in those countries.
- c) What are the major mechanisms of enhancing, programming and implementing the cross-cutting themes of the Finnish development policy in the cooperation context and what are the major results?
- d) What is the process of transforming the development policy into practice? Does the selection of the development sectors, instruments, and activities in which Finland is involved, correspond to the special value added that Finland may bring in to the overall context of external development funding in a country, including other donors?
- e) What are the major achievements and possible failures in the last eight (8) years' of the cooperation policy in the context of the partner countries, and in the implementation of the cooperation programme? Any best or clearly un-successful practices identifiable? Have the selected development instruments been complementary and their use coherent with the policies?

6. Evaluation Criteria

The evaluation will use the development evaluation criteria, *relevance, effectiveness, efficiency, sustainability and results/effects in the longer-term, and the additional criteria of coordination, cooperation, coherence and Finnish value added*. The criterium "impact" has deliberately been left outside, because the purpose of this evaluation is not to scrupulously examine each individual intervention, but rather the entire programme that these interventions constitute. An evaluation matrix will be constructed and included in the inception report which will attribute these criteria to the specific evaluation questions in section 5, questions [a)-e)]. In items 1-5 below, some elaboration is done of the different dimensions of the evaluation criteria which should be kept in mind in the compilation of the evaluation matrix. The evaluation matrix shall take into account also the specific features and situations of each of the three individual partner countries, Nepal, Nicaragua and Tanzania, and the cooperation modalities of Finland therein.

In the following some dimensions of the evaluation criteria are elucidated. The list below is by far not exhaustive, but should be further elaborated in the evaluation matrix of the inception report:

1. The *relevance* should be looked through the overall national poverty reduction goal/plans and how it is reflected into the different levels (policy dialogue, overall plans/strategies, operational planning and programming, programme and intervention documents, annual implementation plans, reports, reviews, assessments and evaluation of implementation and results) of cooperation and selection of cooperation instruments, including the budget support and sector-specific development strategies, down to project and intervention levels. What has been the basis of development programme planning?
2. Similarly, the assessment of *effectiveness* should include the context and its challenges and enabling factors, including the economic, political, and development situation, and whether the strategic level informs and influences the planning and implementation of development interventions. What is the value of the Finnish programme as a contributing factor in development in the country? What are the modalities used to integrate the cross-cutting themes in the policy level, in the programming, and in the practical activity level? What are the most effective ways for concrete results of development and concrete results in terms of cross-cutting themes? Modalities of effective dialogue and its practical value?
3. *Efficiency* and *cost-efficiency* relate to the working modalities. Issues, such as leadership and the role of the partners in development, alignment, harmonization, and accountability will be looked at, and the ways of Finland's contribution be assessed.
4. What are the *cooperation* and *coordination* mechanisms and measures to ensure internal *coherence* in policy and decision-making through to the local implementation, in other words, is there a clear from policy to practice chain? What is Finland's role in all this? Is there *coherence* in terms of policy dialogue and agreements and their relation to the results of the implementation of cooperation? Moreover, is there *external coherence* and *modalities* to securing *coherence* between the different partners in development, including the donor community?
5. *Sustainability* in its three dimension, economic, ecological and social, is a leading theme in the latest (2007) development policy of Finland. This criterium shall be looked at in terms of connection between policy level and practical level implementation as well as at the level of the results of the implementation of development interventions at some extent. Are the modalities used at the different levels such that they further the sustainability goal or are they conducive to that goal? Involvement of wider circles of the society, namely the private sector, civil society actors and groups, and other traditional and non-traditional donors? Is

there any *complementarity* to secure the sustainability of results? How are the global challenges, such as climate change, probability of natural disasters, growing competition of natural resources, food and water, and like, been featured in from the policy dialogue to implementation? Partner government's budgetary allocations and plans to secure cooperation results?

6. *Finnish value added*: Are there specific areas / sectors or themes or functions, where Finland is involved such, in which Finland's value added becomes best utilized? Are any concrete results identifiable in which Finland has distinctively contributed to discernible policy change or development results? Any indication of longer-term effects of achievements?

7. Approach, Sequencing and Deliverables, and Modality of Work and Methodology

Approach

As explained above the evaluation will be forward looking. The approach and working modality will be participatory and elaborated further in the inception report.

This evaluation looks at the development programmes at the whole of programme level, trying to assess the contributions of Finland within the development plans of a country and as one of the development payers in that context. Yet, it is necessary that the evaluation will examine Finland's policy level and practical level development efforts also within the context of the other donors and development contributors. It is important that the evaluation recognizes the domestic efforts of the countries concerned, and how Finland, among donors, contributes towards the partner government's goals.

The evaluation will not only look at the extent of achieving the set objectives and goals, but also at the cooperation modalities used in trying to identify successful practices and less successful ones. The country programme evaluations will outline the total ODA expenditure of Finland in the countries concerned by this evaluation. It will also assess Finland as one of the overall contributors to the development of the country.

The situations in the three countries, Nepal, Nicaragua and Tanzania are different in many respects. The approach and the way of conducting the evaluations in each of these countries, must be based on the situation analyses derived from the preliminary phase.

Sequencing of the Evaluation Process and Deliverables

The reporting specified below is organized so that each of the three target countries, Nepal, Nicaragua and Tanzania will finally have reports of their own.

The evaluation will be sequenced into phases and respective deliverables, namely

1. *Kick-off meeting* of the evaluation shall be organized, most likely during the week 13 of 2011 (starting 28.3.2011). The objective of this meeting is to discuss through the evaluation process, reporting, and the administrative matters. The contracted service provider to this evaluation will present a brief *start-up note* to EVA-11 on how the evaluation team intends to approach the evaluation task and the issues contained in the terms of reference. This start-up note will constitute the basis for the inception phase.
2. *Inception phase*: Production of a work plan with the evaluation matrix constituting the Inception report. The inception report will peel open the general questions into specific research questions, respective indicators and judgment criteria, and indicate what sources of verification will be used. The methodology will be explained, including the methods and tools of analyses, scoring or rating systems and alike. The Inception report will also suggest an outline for the final report, which will be used in the other reports, following the established overall structure of the Evaluation reports of the Ministry. The structure will be the same for each of the individual three country reports. – The Inception Report should be kept short and concise, no more than 20-25 pages, annexes excluded. The Inception report shall be submitted in three (3) weeks from the start up of the evaluation.
3. *Preliminary phase* will include perusal of document material and preparation of explicit questions for the first interviews in Finland and potential other stakeholders outside the target countries. During this phase, the evaluation team will acquaint themselves with the overall framework and context analyses of the country/-ies.
4. There will be a *desk report* produced at the end of the preliminary phase, which will include specific questions and issues for each of the countries to be studied during the field visit phase taking into account the differences in the overall situations of the countries. The evaluation matrix will be complemented after the preliminary phase, if need be, with the country specific questions. The desk report will include a brief work plan for the field phase. – The desk report is subject to approval by EVA-11 prior to the field visit. The desk report may be submitted as one report with clear sections for each of the countries or as three separate country reports. The report(s) should be kept concise and clear. It should be submitted no later than nine (9) weeks after the kick-off meeting.
5. *Field visit* to each of the three countries will take place in June 2011. The purpose of the field phase is to reflect the results of the preliminary phase against the policy and programming situation in the field, and to make further assessments as may be required, and to fill in any gaps of information. Also the involvement of other donors, bilateral and multilateral, the EU commission, will briefly be assessed.

Additional note to the Field visits item: The best possible time for the field visit in Nepal and Tanzania are in September 2011. It is thus preferable that the field visit be scheduled at that time, and subsequently the report of the Nepal and Tanzania country programme evaluations will be available with a corresponding delay.

As for the timing of the field visit to Nicaragua, it must take place in June, as field visits there are no more desirable after August 2011.

Text above in bold is an addition to the original Annex B published.

The preliminary results of the field visit will be presented, supported by *power point*, to the staff of the respective Finnish embassy, and also to EVA-11 after return from the field. The latter can also be done over a conference call arrangement.

6. After the field visit further interviews and document study in Finland may still be needed to complement the information.
7. *Final reporting:* The draft final report for each of the three countries separately will be prepared, combining the preliminary and the field phases and the possible further interviews and document study. The draft final report will be subjected to a round of comments by the parties concerned. It should be noted that the comments are meant only to correct any misunderstandings not really to rewriting any part of the report. As mentioned in item 2, the draft final report will follow the same format of the final report with abstracts, summaries, references, and annexes.
8. A special effort should be done by the evaluation team to produce a concise and informative report, which is easily legible also to non-specialists in development. The editorial and linguistic quality must be ready-to-print. The final report is due no later than 30.09.2011.

A policy brief – A draft of the policy brief will be submitted together with the draft final report, no later than 29.08.2011, and in its final form no later than 30.09.2011.

A policy brief is a meta-summary paper (a maximum of 5-10 pages) will be prepared, which draws together the results of the three country programme evaluations from the particular angle of lessons learned and overall general non-country-specific recommendations and good practices.

The Inception report, draft desk reports, draft final reports, the final reports and the summative policy brief are subject to being approved by EVA-11.

It should also be noted that the final reports shall be subjected to a peer review of internationally recognized experts. The views of the peer reviewers shall anonymously be made available to the service provider contracted to perform this evaluation.

Modality of Work and Methodology

The evaluators will be provided with a selection of document material either as hard copies or saved on a flash drive, but this material is not all inclusive. The evaluation team must be prepared to use the archives of the Ministry and also the internet, and any other means, including contacts with the consultancy companies, to acquire additional material they may need (pls. see also section 8.).

As for the interviews in the Ministry, the evaluators will provide to EVA-11 in advance the interview questions and identify the groups of interviewees, for EVA-11 to inform in advance those concerned. The actual logistics of organizing the interviews and appointments remain the task of the evaluation team. EVA-11 will issue a circular in the Ministry and the respective embassies informing of the forthcoming evaluation in the Ministry and in the Embassies to facilitate smooth contacts later on by the evaluation team.

A tentative outline of the proposed timetable is included in section 10.

In the inception report, the evaluation team shall include a description of analytical methodologies, as well as in the other reports. It is not adequate to say that something has been “analysed”, but it needs to be elaborated, how, and what tools have been used, possible scoring systems, and what benchmarking has been deployed to arrive at the results described. If results are only a perception of the team, it should be said so.

8. Expertise required

Overall Qualifications of the Evaluation Team

The evaluation of the three country programmes shall be organized so that all three are carried out by one team as a parallel process. This process is, however, subject to the stability of the situation in all of the countries concerned by this evaluation. It is suggested that the team includes the overall team leader working with other three members of the core team. One additional country specific team member per country, will be based and working in the respective country. The country level team thus includes one member of the core team and one local member. A junior assistant may also be included. He/she should have adequate working experience to be able to do document search and to analyze documents written in the Finnish language.

The evaluation of country programmes of three long-term partner countries of Finland (Nepal, Nicaragua and Tanzania) requires senior expertise in overall international development issues, development instruments, and players in the global scene, sol-

id experience in evaluation of comprehensive development programmes and themes, hands-on longer term experience at the field level achieved for instance by serving in the partner country's administration and/ or in the implementation of development programmes through bilateral arrangements and/or in the international organizations. The competencies of the three core members of the team and the team leader shall be complementary.

The country specific team members, one in each of the countries, shall have extensive experience in that particular country, and preferably originate from there. They will also have proven evaluation experience and be knowledgeable of the development scene of their country.

A more detailed requirements of the competencies of the evaluation core team and the country specific members, are included in the Instructions to Tender, which constitutes Annex A of the Invitation to Tender, to which these terms of reference constitute Annex B.

The core team shall include both female and male experts.

All team members will have a minimum of MSc or equivalent academic qualifications.

Document retrieval

It is necessary that there is a capable junior team member who is working in Helsinki and is charged with the task of searching the archives in various places, retrieving the documentation, doing some document analyses, and organizing travel and meeting logistics. There shall be no charges for accommodation or per diems payable for the junior assistant team member.

Skills and proficiencies

The entire team needs to have good writing and communication skills, and excellent command of both written and oral English. At least the junior team member will need to be fluent also in written and oral Finnish. One team member, and the locally recruited team member in Nicaragua, should be fluent in Spanish. In Tanzania and Nepal the locally recruited experts would preferably master the prevalent respective languages used in the administrations of these countries.

Quality Assurance

In addition to the evaluation team, the service provider will nominate two persons, external to the team, who are responsible for the quality of the substance content of the reports, the language, and the editorial quality of the evaluation reports. The quality control experts are not members of the team, but their CVs must be presented in the tender dossier and their roles explained. They must have earlier proven experience in quality assurance tasks, and be senior of their stature. The quality assurers will fill in the EU Commission's evaluation report quality grid with their assessment of the final reports. The quality grid will be surrendered to the Ministry at the time of submitting the final reports. The grid will also be made available to the peer reviewers.

9. The budget

The total budget of the country programme evaluation of the three long-term partner countries of Finland, namely Nepal, Nicaragua and Tanzania, will be no more than 570.000 euro, VAT excluded. It is estimated that one country programme evaluation will cost no more than 190.000 euro (VAT excluded), which is divided approximately so that the 90.000 euro (VAT excluded) be used for the desk study phase and the 100.000 euro (VAT excluded) for the country study and the finalization of the reports and the policy brief.

10. The Time table

It is estimated that the evaluation will start during the 13th week of 2011 (starting 28.3.2011). The desk study and interviews will be conducted so that the inception report shall be available within three (3) weeks, and the draft desk report within nine (9) weeks from the start up of the evaluation. The time for the visits will be June 2011. The draft final reports (one for each of the countries) and the draft summative final policy brief shall be available by 29 August 2011. The draft final reports are subjected to a round of comments by the respective embassies and other relevant stakeholders. The comments shall be considered by the evaluation team in the finalization of the reports. The final reports shall be submitted no later than 30 September 2011.

It should be noted that should the political or security situation deteriorate in any of the countries concerned in this evaluation, it may be necessary to alter the time scheduling of the field visit. Moreover, due to June being a holiday season in Finland, including in the Embassies of Finland in the respective countries, some of the key interviewees may not be available in June in person, and thus, telephone interviews may need to be conducted before or after the field visits.

There will be a public presentation of the evaluation results organized in Helsinki, after completion of the evaluation, sometime in October 2011. The option of organizing special presentations also in the countries concerned by this evaluation will be kept open and the team should feature such an option in their plans. The materialization of this option is subject to approval by the respective embassy of Finland in each of the three countries.

The overall time table is quite tight, which means that the evaluation team must be prepared to devote their full attention to perform this evaluation. The time table featured above must be kept.

11. Mandate and Authority of the Evaluation Team

The evaluation team is expected to perform their evaluation task in accordance with the terms of reference taking into account also the cultural considerations in each of the countries visited. The team will make the contacts necessary, but it is not allowed to make any commitments on behalf of the Government of Finland or on behalf of the Governments of the partner countries.

Helsinki, January 11, 2011

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