

Evaluation

FIDIDA: An Example of Outsourced Service 2004–2008



Evaluation report 2008:4

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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Paula Hirstiö-Snellman

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PREFACE

During recent years, the Ministry for Foreign Affairs of Finland (MFA) has aimed to develop more efficient and more effective modalities of project administration. One way to do this has been to outsource parts of the functions. However, the ambition to streamline project administration needs to be balanced with the requirements of the Finnish and EU legislation on public procurement.

The NGO Liaison Unit of MFA started in 2004 a pilot project of outsourcing the appraisal of disability project proposals. FIDIDA – the Finnish Disabled People's International Development Association – was engaged to this task. The cooperation has continued ever since and included new functions – e.g. follow-up of disability projects and training and guidance of NGOs running disability projects.

After four years of cooperation the project has now been evaluated against the objective of improving the effectiveness and efficiency of NGO project administration and of guidance to possible future outsourcing of activities and functions.

The main conclusions of the evaluation indicate that the original goal of decreasing the work load of the NGO Unit did not materialise as the present legislation does not allow outsourcing of decision-making powers. However, during the project the quality of disability projects did improve and the total number increased of disability projects accepted by the MFA. The recommendations of the evaluation include some practical proposals for the future outsourcing. The main question of delegating decision-making in financial matters cannot be solved by the model used in the FIDIDA project.

Helsinki, 29 September 2008

Aira Päivöke
Director
Evaluation and Internal Auditing of Development Cooperation



ACRONYMS

MFA	Ministry for Foreign Affairs of Finland
FIDIDA	Finnish Disabled People's International Development Association
KEPA	Service Centre for Development Cooperation

FIDIDA:lle Ulkoistettujen Palvelujen Evaluaatio 2004–2008

Paula Hirstiö-Snellman

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TIIVISTELMÄ

Evaluaation tarkoituksena oli selvittää, miten onnistuneesti kansalaisjärjestöhankkeiden hallinnointiin kuuluvaa hankehakemusten arviointia ja seurantaa voidaan ulkoistaa. Kyseessä on yhteistyö Vammaisjärjestöjen kehitysyhteistyöyhdistys ry:n (Finnish Disabled People's International Development Association, FIDIDA) kanssa vuodesta 2004 alkaen, mikä käsittää vuosittain keskimäärin 22 hakemuksen arvioinnin, 40 hankkeen vuosiraportin tarkastuksen, kaksi seurantamatkaa kentälle ja lisäksi vammaisjärjestöille suunnattua koulutusta ja neuvontaa.

FIDIDA on tuottanut sovitut palvelut ajallaan ja ne ovat helpottaneet vammaishankkeista vastaavien virkamiesten työtä hanketuen päätöksentekoa valmisteleivassa prosessissa mutta eivät ole tuoneet toivottua ajansäästöä. Syynä tähän on ennen muuta ministeriön päätöksenteon luonne, mikä edellyttää esittelevältä virkamieheltä omakohtaista perehtymistä projekteihin. Myös monet muut ministeriön virkamiehet osallistuvat hanketuesta päättämiseen. Päällekkäisen työnteon vuoksi nyt evaluoitu projektimalli ei ole kustannustehokas tapa kehittää pienhankehallintoa. Yhteistyö FIDIDAn kanssa on edellyttänyt ministeriöltä odotettua enemmän aikaa ja vaivaa muun muassa siksi, että järjestö on nähnyt roolinsa projektissa enemmän vammaispolitiikan ajajana kuin konsulttina.

Arviointi suosittelee hallinnon rationalisoinnissa siirtymistä pois yksittäisten projektien tasolta suurempiin kokonaisuuksiin. Mikäli hankehallinnon tukipalveluja ostetaan jatkossakin, evaluointi suosittelee nykyistä spesifimpää konsultin roolin, mandaatin ja menettelytapojen määrittelyä.

Avainsanat: ulkoistaminen, kansalaisjärjestöt, vammaisjärjestöt

FIDIDA: Ett Exempel på Outsourcing av Tjänster 2004–2008

Paula Hirstiö-Snellman

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ABSTRAKT

Utvärderingens syfte var att undersöka hur framgångsrikt man kan utkontraktera bedömning och uppföljning som en del av administrationen av medborgarorganisationsprojekt. Utvärderingen behandlar samarbetet med Handikapporganisationernas utvecklingssamarbetsforening (FIDIDA) sedan 2004, som består av i genomsnitt 22 projektbedömningar årligen, 40 uppföljningar av årsrapporter och två inspektionsbesök samt rådgivning och utbildning för medborgarorganisationerna inom projektet.

FIDIDA har lyckats med att producera de överenskomna tjänsterna inom ramen för tidtabellen, vilket har underlättat beredningen av beslut om projektstöd, men organisationen har inte märkbart lyckats minska tidsåtgången i fråga om arbetet. Detta beror närmast på beslutsfattandeprocessen som används vid utrikesministeriet, vilken kräver att projektet utvärderas personligen av den ansvariga tjänstemannen. Många andra tjänstemän vid ministeriet deltar också i beslutsfattandet. På grund av det överlappande arbetet är det utvärderade projektformatet inget effektivt sätt att utveckla administrationen av små och medelstora medborgarorganisationer.

Samarbetet med FIDIDA har krävt mer tid och arbete från ministeriets sida än väntat, eftersom FIDIDA har sett sin roll som handikappolitisk aktör snarare än konsult. Utvärderingen ger vid handen att det kan löna sig att överföra outsourcingen av tjänster från projektnivå mot större helheter och lösningar som verkligen kan stöda beslutsfattandet vid ministeriet utan att splittra det. Det är också viktigt att konsulten förstår sin roll och finner sig i den.

Nyckelord: outsourcing, medborgarorganisationer, organisationer för handikappade

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ABSTRACT

The purpose of the evaluation was to examine how successfully appraisal and follow-up as a part of the administration of NGO projects can be outsourced. The evaluation deals with cooperation with the Finnish Disabled People's International Development Association (FIDIDA) since 2004, comprising yearly an average of 22 project appraisals, 40 follow-ups of annual reports and two monitoring field trips and the provision of advice and training for the NGOs in the project.

FIDIDA has succeeded in producing on time the agreed services, which have facilitated the preparation procedure for decision making on project support, but they have not managed to significantly reduce the time spent on the work. This is mainly due to the nature of the decision-making procedure in the Ministry for Foreign Affairs of Finland (MFA), which requires personal assessment of the project by the presenting officer. Many other officers in the Ministry also participate in the decision making procedure. Because of the double work involved, the project format evaluated is not an efficient way to develop the administration of small and medium-sized NGOs. Cooperation with FIDIDA has required more time and effort from the Ministry than expected, because FIDIDA has seen its role more as that of a disability policy maker than that of a consultant.

The evaluation suggests that the Ministry moves the outsourcing of services from the project level towards larger entities. When supporting services are bought to facilitate project administration, the role, the mandate and operation procedures of the consultant should be clearly defined.

Key words: outsourcing, non-governmental organisations, disability organisations

YHTEENVETO

Suomi käytti vuonna 2008 kehitysyhteistyöhön 830.4 milj.euroa, joista arviolta 9% kanavoitiin kehitysyhteistyöhön kansalaisjärjestöjen kautta. Yli 200 kansalaisjärjestöä toteuttaa tänä vuonna lähes 900 hanketta 88 maassa ja alueella. Tässä projektissa arvioidun hankehallinnon piiriin kuuluvat pienten ja keskisuurten kansalaisjärjestöjen toteuttamat vammaishankkeet. Vuonna 2007 pienten ja keskisuurten järjestöjen vammaishankkeita oli 50 ja niitä rahoitettiin kehitysyhteistyövaroista 2.5 milj.eurolla.

Ulkoasiainministeriön Kansalaisjärjestöyksikkö on vuodesta 2000 alkaen etsinyt keinoja rationalisoida hankehallintoa. Siihen ovat vaikuttaneet hallituksen tuottavuusohjelma, kehitysyhteistyövarojen kasvu ja kehitysyhteistyön muotojen ja vaatimusten lisääntymisen tuomat haasteet hankehallinnolle. Vammaishankkeet valittiin hallinnon ulkoistamiskokeiluun, koska ministeriön tiedossa oli sopiva yhteistyökumppani, Vammaisjärjestöjen kehitysyhteistyöyhdistys ry (Finnish Disabled People's International Development Association, FIDIDA), seitsemän vammaisjärjestön muodostama klusteri, joka on perustettu vuonna 1989. FIDIDA toimii vammaispolitiikan ja kehitysyhteistyön parissa.

Ministeriön ja FIDIDA'n yhteistyö alkoi vuonna 2004 pilottiprojektilla, jossa FIDIDA'lle ulkoistettiin vammaishankkeiden hankehakemusten arviointi. Sopimus tehtiin vuodeksi kerrallaan kolmena perättäisenä vuotena. Sopimuksen piiriin tulivat myös vammaishankkeiden monitorointi vuosiraporttien perusteella ja muita toimintoja. Vuoden 2006 tarjouskilpailussa ministeriö etsi hallinnon ulkoistamisen sijaan konsulttia tuottamaan kansalaisjärjestöyksikön hankehallintoa palvelevia tukipalveluja: hankehakemusten arviointi, hankkeiden toteutumisen seuranta vuosiraporttien perusteella, monitorointimatkat valittuihin kohteisiin, koulutus ja henkilökohtainen järjestöjen neuvonta.

Evaluaatio kattaa ministeriön ja FIDIDA'n yhteistyön vuosina 2004–2008. Evaluaatio perustuu seuraaviin aineistoihin: relevantit asiakirjat, keskeisten yhteistyötahojen henkilökohtaiset haastattelut ja sähköinen kysely, joka tehtiin hankehallinnon piirissä olevien kansalaisjärjestöjen edustajille. Henkilökohtaisesti haastateltiin ministeriön kansalaisjärjestöyksikön ja laaturyhmän edustajia sekä sosiaalialan neuvonantajaa samoin kuin FIDIDA'n toimiston työntekijöitä ja hallituksen jäseniä.

Evaluaation keskeinen kysymys liittyy siihen, onko kansalaisjärjestöjen kehitysyhteistyöhankkeiden hallintoon liittyvä hankehakemusten arviointi ja hankkeiden seuranta onnistunut ministeriön kannalta toivotulla tavalla kun kyseiset palvelut on ostettu FIDIDA'ltä. Onko ulkoistamisen hallinnointi ministeriössä ollut tyydyttävää?

FIDIDA'n tuottamien palvelujen laatu ja määrä on ollut hyvä. FIDIDA on tuottanut vuosittain keskimäärin 22 hankearviointia, tarkistanut keskimäärin 40 hankkeen vuosiraporttia ja tehnyt yhteensä 6 monitorointimatkaa kentälle vuosina 2004–2008 ja ar-

vioinut niiden yhteydessä 35 ministeriön rahoittamaa vammaishanketta. Hankearvioinnit ja projektien seuranta on vastannut laadultaan niille asetetut kriteerit.

Ulkoistamiskokeilu ei ole kuitenkaan vähentänyt toivotulla tavalla vammaishankkeiden hallinnointiin liittyvää työmäärää. Tämä johtuu ensisijaisesti ministeriön päätöksentekoprosessista, mihin osallistuu useita eri osastojen virkamiehiä, jotka perehtyvät henkilökohtaisesti päätettäviin asioihin. Tämä koskee myös kansalaisjärjestö-hankkeiden tukipäätösten tekoa ja hankkeiden toteutuksen seuranta. FIDIDA'n hankehakemuksista ja vuosiraporteista tekemät lausunnot ovat hyödyttäneet lähinnä kansalaisjärjestöyksikköä ja siellä vammaishankkeista vastaavan virkamiehen työtä mutta ne eivät ole vapauttaneet häntä perehtymästä hankkeisiin ja muodostamaan niistä omaa arviotaan. Tästä syystä kaksinkertainen työ FIDIDA:ssa ja ministeriössä on ollut väistämätöntä. Muiden ministeriön virkamiesten kuten laaturyhmän työhön FIDIDA-pilotti ei ole vaikuttanut. Laaturyhmän jäsenet antavat lausuntonsa vammaishankkeiden tukipäätöksiä varten riippumatta siitä, onko heidän käytettävissään FIDIDA'n tai jonkin muun tahon lausuntoja kyseisistä hankkeista. Tästä näkökulmasta katsottuna projekti ei ole ollut kustannustehokas tapa rationalisoida hankehallintoa. Hankkeen tuoma lisähyöty kansalaisjärjestöjen toiminnan laadun kehittämisessä (neuvonta ja koulutus) saattaa kuitenkin osaltaan nostaa hankkeen kustannus-hyötysuhdetta.

Hankkeen tehokkuutta vähentää puolestaan se, että ulkoistamiskokeilun hallinnointi on vaatinut ministeriöltä odotettua enemmän aikaa ja vaivaa. Tämä on johtunut suurelta osin ministeriön ja FIDIDA'n vammaishankkeiden rahoituspäätösten tekoon liittyvistä erilaisista näkemyksistä. FIDIDA pyrkii siihen, että sen hankehakemusten rahoituksesta tehtyjä suosituksia noudatetaan ministeriössä. Ministeriön mukaan tukipäätöksiin vaikuttavat FIDIDA'n lausuntojen ohella lukuisat muutkin tekijät. Ministeriön mukaan FIDIDA'n antama suositus joistain hankehakemuksista on saattanut olla hyvä vaikka lopullinen tukipäätös onkin eronnut suosituksesta.

Mikäli ministeriö jatkossa ostaa tukipalveluja kehitysyhteistyön määrärahojen hallinnoinnin tueksi, ministeriön tulisi määritellä konsultin rooli ja mandaatti selkeämmin kuin nyt arvioidussa projektissa FIDIDA'n kanssa. Projektin nimi ja tavoitteet samoin kuin yhteistyön muodot ja toiminnan tuloksia mittaavat indikaattorit tulee määrittää entistä yksiselitteisemmin. Yhteistyötä tulee arvioida määräajoin ja erityisesti silloin kun Ministeriön toimintapolitiikan muutokset aiheuttavat muutoksia sopimukseen konsultin kanssa.

Kumppanuussopimukset antavat Ministeriölle mahdollisuuden rationalisoida hankehallintoaan siirtämällä sen projektitasolta ohjelmatasolle. Molemmissa edellä mainituissa tavoissa hallintoa voidaan rationalisoida ja kehitysyhteistyön laatua parantaa siirtämällä järjestöjen tukihakemus- ja hankeseurantalomakkeet ja muut keskeiset työkalut sähköiseen muotoon.

SAMMANFATTNING

Anslagen för utvecklingssamarbete uppgår till 830,4 miljoner euro i Finland år 2008. I år allokeras cirka 9 % av dessa anslag genom icke-statliga medborgarorganisationer. Mer än 200 medborgarorganisationer genomför närmare 900 projekt i 88 olika länder och regioner. År 2007 genomfördes 50 handikappprojekt av 20 medborgarorganisationer som ingick i den här gruppen i 20 länder. Projektens totala volym uppgick till cirka 2,5 miljoner euro.

Sedan år 2000 har enheten för medborgarorganisationer vid utrikesministeriet sökt metoder för att rationalisera administrationen av medborgarorganisationsprojekt. Arbetet baserar sig på regeringens produktivhetsprogram, de allt större anslag som allokeras till utvecklingssamarbetet och de ständigt växande utmaningarna som utvecklingsarbetet medför för administrationen av projekt och program. Handikappprojekten identifierades som en potentiell projektgrupp för outsourcing, eftersom det fanns en lämplig aktör inom sektorn: Handikapporganisationernas utvecklingssamarbetsförening (FIDIDA), som grundades 1989 av flera organisationer för handikappade och redan aktivt medverkade i utarbetandet av handikappolitiken och utvecklingen av samarbetet.

Samarbetet mellan utrikesministeriet och FIDIDA inleddes år 2004 med ett pilotprojekt i syfte att prova på outsourcing av en kärnprocess inom projektadministrationen, dvs. utvärderingen av små och medelstora medborgarorganisationers stödansökningar för handikappprojekt. Uppföljning av årliga projektrapporter och andra funktioner lades till under de tre år pilotprojektet pågick. En anbudstävling anordnades år 2006, utan att nämna något om outsourcing av administrationen av handikappprojekt. Anbudstävlingen avsåg vissa stödtjänster som definierats av utrikesministeriet: utvärdering av projektförslag, uppföljning av projektgenomförande utifrån årsrapporter, inspektionsbesök i vissa länder samt utbildning och personlig rådgivning för medborgarorganisationer.

Utvärderingen omfattar samarbetet mellan utrikesministeriet och FIDIDA från år 2004 till idag. Den består av granskning av relevanta dokument, individuella semistrukturerade intervjuer med de huvudsakliga intressenterna och en e-postenkät riktad till medborgarorganisationerna inom projektet. De huvudsakliga intressenterna som intervjuades personligen är personalen vid enheten för medborgarorganisationer vid utrikesministeriet, representanter för utrikesministeriets kvalitetsteam, senior rådgivare vid utvecklingspolitiska avdelningen samt FIDIDAS kontorspersonal och styrelse.

De centrala frågorna i utvärderingen är: om outsourcing av bedömning och uppföljning av handikappprojekt har lyckats på förväntat sätt ur utrikesministeriets perspektiv då tjänster har anskaffats från FIDIDA, om funktionerna som utkontrakterats varit tillräckligt effektiva för att tillfredsställa ministeriets behov och om administrationen av åtgärden har varit tillfredsställande ur utrikesministeriets perspektiv.

FIDIDA har lyckats väl med att leverera de överenskomna tjänsterna. FIDIDA har

producerat i genomsnitt 22 förslag årligen, följt upp i genomsnitt 40 rapporter årligen, gjort inspektionsbesök till sex länder under perioden 2004–2007 och följt upp totalt 35 handikappprojekt som finansieras av utrikesministeriet i dessa länder. Utvärderingen och uppföljningen av projekten har varit av god kvalitet, dvs. uppfyllt överenskomna kriterier.

Åtgärden har inte minskat ministeriets arbetsbörda på förväntat sätt. Förväntningarna var i alla fall orealistiska från första början och tog inte i beaktande den formella beslutsfattandeprocessen och andra administrativa processer vid ministeriet, som gör det svårt eller till och med omöjligt att utkontraktera individuella funktioner, medan den huvudsakliga processen blir kvar vid ministeriet.

FIDIDAs utvärdering och uppföljning av projekten har underlättat den ansvariga tjänstemannens arbete med handikappprojekten, men har inte befriat tjänstemannen från uppgiften att själv analysera projekten. Överlappande arbete har därför varit oundvikligt. Tjänstemannen anser att FIDIDAs utlåtande om varje projekt (utvärdering av projektförslaget och rekommendation om finansiering) är jämförbar med andra expertutlåtanden som anskaffas under beredningen av beslut om projektstöd.

Arbetsbördan för många andra tjänstemän vid utrikesministeriet, exempelvis kvalitets-teamet, har inte minskat, eftersom de utvärderar handikappprojekten oberoende av och utöver FIDIDAs utlåtande. Med tanke på det överlappande arbetet är projektet inte särskilt effektivt. Projektgenomförandet vid FIDIDA kräver också en rätt komplicerad process och stora personalresurser.

En av de mest värdefulla fördelarna med projektet är att den feedback, rådgivning och utbildning som medborgarorganisationerna erbjuder är ett effektivt sätt att förbättra kapaciteten då de arbetar med pågående medborgarorganisationsprojekt. Administrationen av åtgärden har varit mer tidsödande och problematisk än väntat vid ministeriet. FIDIDA ser sambandet mellan organisationens rekommendationer för finansiering och besluten om projektstöd som fattats av utrikesministeriet som det viktigaste kriteriet för arbetets framgång. FIDIDA har svårt att acceptera att det kan finnas omständigheter utanför organisationens kontroll som inverkar på ministeriets finansieringsbeslut.

Om utrikesministeriet fortsätter att anskaffa stödtjänster bör organisationen som anlitas vara en konsult som klarar av att arbeta i den roll som definierats i kontraktet. Samarbetets innehåll, projektets namn, målsättningar och innehållet i stödtjänsterna bör vara mycket klart definierade, liksom också instrumenten för mätning av arbetets framgång. Om projektet inte fungerar som väntat skall en halvtidsöversyn göras och projektet omdefinieras i enlighet med resultaten av översynen. Man kunde med fördel utarbeta IT-baserade verktyg och blanketter som kan användas av ministeriet och medborgarorganisationerna för ansökan om projektstöd, utvärdering och uppföljning. En möjlighet att garantera korrekt administration av potentiellt växande utvecklingsanslag med mindre personal i framtiden är att utvidga och utveckla modellen med partnerorganisationer och/eller att söka innovativa metoder för projekt- och programledning.

SUMMARY

The allocation for development cooperation in 2008 in Finland is 830.4 million euros and this year approximately 9% of these funds are being allocated through non-governmental organizations. More than 200 NGOs implement nearly 900 projects in 88 individual countries and areas. In 2007 there were 50 disability projects being implemented by 20 NGOs belonging to this group in 20 countries. The total volume of these projects was about 2.5 million euros.

Since 2000, the Unit for NGOs in the Ministry for Foreign Affairs of Finland (MFA) has been looking for ways to rationalize the administration of NGO projects. The grounds for these efforts lie in the Government's productivity programme, the increasing funds being allocated to development cooperation and the changing challenges presented by development work to project and programme administration. Disability projects were identified as a potential cluster to be outsourced since there was a suitable actor in the field, the Finnish Disabled People's International Development Association (FIDIDA), formed in 1989 by seven disabled people's organizations, already actively involved in policy work and developing cooperation.

Cooperation between the MFA and FIDIDA started in 2004 with a pilot which involved outsourcing one core activity of project administration, i.e. appraisal of the disability project support applications of small and medium-sized NGOs. Follow-up of annual project reports and other activities were added during the three pilot years.

A tendering competition was announced in 2006 with no mention of outsourcing the administration of disability projects. The competition concerned a set of support services defined by the MFA: Assessment of project proposals, follow up of project implementation based on annual reports, monitoring trips to certain countries, and training and personal advice given to NGOs.

The evaluation covers cooperation between the MFA and FIDIDA since 2004 up to the present. The evaluation consists of a review of the relevant documents, semi-structured person-to-person interviews with the main stakeholders and an e-mail questionnaire survey targeted at the NGOs in the project. The main stakeholders interviewed personally are staff from the Unit for NGOs in the MFA, members of the MFA Quality Group, the Senior Social Development Advisor, FIDIDA office staff and the Board.

The key questions posed in the evaluation are: whether outsourcing appraisal and follow-up of disability projects has, from the point of view of the MFA, succeeded in the expected way when services have been purchased from FIDIDA, whether the effectiveness and efficiency of the outsourced activities have met the needs of the Ministry and whether the administration of the intervention has been satisfactory from the point of view of the MFA.

The performance of FIDIDA in terms of producing the agreed services has been good. FIDIDA has produced an average of 22 proposals a year, monitored an average of 40 reports a year, made field trips to six countries during 2004–2007 and monitored a total of 35 disability projects funded by the MFA in those countries. The assessment and follow-up of the projects has been of good quality, i.e. fulfilled the criteria agreed on.

The intervention has not decreased the work load of the Ministry in the expected way. Expectations were, however, unrealistic and did not consider the nature of the formal decision making procedure and other administrative procedures in the Ministry, which make it difficult, if not impossible, to outsource individual activities while the main procedure remains within the Ministry.

The assessment and follow-up of projects by FIDIDA has facilitated the work of the officer in charge of disability projects, but has not freed him from making his own analysis of the projects. Double work has thus been unavoidable. The opinion of FIDIDA on each project (an assessment of a project proposal and a recommendation for its funding) is, from his point of view, comparable to other requested expert opinions in the procedure of preparing project support decisions.

The work load of many other officers in the MFA, for instance the Quality Group, has remained unchanged, as they assess disability projects regardless of and in addition to the availability of the opinion of FIDIDA. From the point of view of overlapping activities, the efficiency of the project is rather poor. The implementation of the project in FIDIDA also requires a rather complex procedure and a great deal of human resources.

One of the most valuable benefits of the project is the fact that the feedback, advice and training given to NGOs are effective in capacity building when they are based on ongoing projects of NGOs. Administering the intervention has been more time-consuming and problematic than expected in the Ministry. FIDIDA regards the degree of correspondence between its recommendations for funding and the actual project support decisions made by the MFA as the most important criteria for the success of its work. FIDIDA has had difficulties in accepting the fact that there may be reasons beyond its control that affect funding decisions made by the Ministry.

If the MFA decides to continue purchasing support services, the contracted organization should be a consultant operating in the role defined for it in the contract. The substance of cooperation, the project name, the objectives and the content of support services should be very clearly defined, as well as indicators for measuring the success of the work. It would be useful to develop computer-based tools and forms used for project support application, appraisal and monitoring by the Ministry and NGOs.

One possibility for assuring proper administration of potentially growing development funds with less staff in the future is to expand and develop the model of partnership organizations and/or to look for innovative methods of project and programme management.

1 INTRODUCTION

1.1 Purpose of the Evaluation

The aim of the evaluation is to gain an insight into the significance of the appraisal and follow-up of development projects by NGOs in the disability sector, implemented by FIDIDA as part of the outsourcing process of the MFA. The question is whether this type of model for outsourcing works for the MFA and the stakeholders involved.

1.2 Objective

The evaluation aims at producing information, which contributes to improving the effectiveness and efficiency of the appraisal and the follow-up of development projects in the NGO sector.

1.3 Scope of the Evaluation and the Main Questions

The evaluation covers the cooperation between the MFA and FIDIDA in project appraisal and follow-up since 2004 (start-up of the pilot project, Phase I) until the present. FIDIDA's own development projects are not covered by this evaluation.

The evaluation aims at answering the question of whether outsourcing appraisal and follow-up of disability projects has, from the point of view of the MFA, succeeded in the expected way when the services have been purchased from FIDIDA. In other words, has the quality of outsourced activities met the needs of the Ministry? Has outsourcing reduced the use of human resources in the Ministry in the expected way and has it been cost-effective? Has the administration of the intervention been satisfactory from the point of view of the MFA? Have other objectives added to the project during the pilot been achieved? Has the project made some other contributions to the stakeholders, which would otherwise not have been achieved?

1.4 Evaluation Methods

The evaluation consists of a review of the relevant documents, semi-structured person-to-person interviews with the main stakeholders and an e-mail questionnaire survey targeted at the NGOs that since 2004 have applied for funding from the MFA for disability projects. The main stakeholders interviewed personally are staff from the Unit for NGOs in the MFA, members of the MFA Quality Group, the Senior Social Development Advisor, FIDIDA office staff and the Board members (Annex 2).

1.5 Analysis of the Data

The activities of FIDIDA are weighted against the contracts signed between the MFA and FIDIDA and subsequent supplementary memoranda about modalities in applying the contract. The specific criteria used in this evaluation are effectiveness and efficiency of the work by FIDIDA.

Effectiveness is assessed in terms of the quantity and quality of the appraisal of project proposals and of follow-up of annual reports. The effect of outsourcing on the work load of the Unit for NGOs in project administration is the third measure of effectiveness.

The indicator for *quantity* is the number of projects assessed and annual reports checked. The indicators used for *the quality of appraisal* are whether the criteria for a 'good' NGO project according to the NGO Development Cooperation Guidelines and A Development Co-operation Manual for Non-Governmental Organizations have been used by FIDIDA and whether the disability relevance of the projects has been assessed.

The effectiveness of advice and training (activities agreed on during the pilot) provided by FIDIDA for NGOs is assessed through the subjective experiences and opinions of the NGOs that have received advice and participated in training since 2004.

Efficiency is assessed in terms of the money spent by FIDIDA on producing outsourced services.

2 DESCRIPTION

2.1 Introduction of the Intervention being Evaluated

The total allocation for development cooperation in Finland in 2008 is 830.4 million euros, and approximately 9% of these funds are allocated through non-governmental organizations. More than 200 NGOs implement nearly 900 projects in 88 individual countries and areas.

About two thirds of the MFA's NGO funding is channelled through partnership organizations. Presently ten organizations have a partnership agreement, which means that they receive programme support from the MFA for a fixed term and take care of project administration themselves.

Small and medium-sized NGOs receive project-based funding directly from the MFA. The administration of these projects in the Ministry is described in the next chapter. The evaluated intervention deals with projects from this group, more particularly, the disability projects.

In addition, some Finnish funds go to non-governmental work in developing countries through three foundations, which do not implement their own projects but distribute funds through applications to organizations in developing countries that operate in their sectors.

2008	Number of Projects	Euros
Partnership NGOs	375	42.5 million
Small and medium-sized NGOs	244	22.2 million
NGO Foundations	280	3.8 million
Total	880	68.5 million

The funds given in the above table are governmental funds for development cooperation. NGOs are also expected to contribute towards the project costs with their own funding.

The MFA also finances the work of the Service Centre for Development Cooperation (KEPA) and the Finnish NGO Platform to the EU (KEHYS) by a sum of about 5.4 million euros. Altogether, support for the Finnish NGOs amounts around 74 million euros in 2008.

Disability Development Projects

The projects in the evaluated intervention are disability projects implemented by small and medium-sized NGOs. In 2007 there were 50 disability projects being implemented by 20 NGOs belonging to this group in 20 countries. The total volume of the projects was about 2.5 million euros. This means that one out of five non-governmental projects is disability-specific. Promotion of the rights of people with disabilities is one of the cross-cutting themes in Finnish development cooperation, and 70% of all Finnish disability-specific development cooperation is implemented through the NGO sector.

2.2 Administration of Projects of Small and Medium-sized NGOs in the MFA

In order to understand the nature and challenges of outsourcing activities related to the administration of NGO projects, the formal decision making and the preparation procedure related to project support as well as the procedure for the monitoring and supervision of projects, are described here.

2.2.1 Decision-making Procedure for NGO Project Support

Finnish NGOs may apply for financial support from the MFA for their development co-operation projects by using the forms prepared by the Ministry. After project

applications have been received and registered in the MFA, the documents are sent to the Unit of NGOs, which is in charge of preparing decisions related to NGO project support. The final decision on the financing of these projects is made by the Minister.

Each officer in the Unit for NGOs is in charge of a certain number of NGOs, which means that he or she prepares decisions for project support for those organizations. The responsibility for the majority of disability projects has been entrusted to one officer. The preparation procedure consists of various phases. The officer in charge forms his own opinion of the projects and, if needed, requests an opinion on them from one of the advisors in the Ministry, embassy staff or experts outside the Ministry. He also discusses the proposals with his colleagues in the Unit for NGOs in view of the total amount and quality of applications and the amount of funds available for the year. As a result of this, the presenting officer submits either a favourable opinion or an adverse opinion on the funding of the project.

The next step in the procedure is to request an opinion on project support applications from the Development Assistance Quality Group. The Group represents the expertise of 11 departments of the MFA dealing with development assistance and ensures that the proposed projects are in line with the Finnish Development Policy Programme, strategies and guidelines and that the projects fulfil the criteria of coherence, quality and sustainability of aid. The members of the Quality Group have at their disposal concise summaries of project applications, the favourable or adverse opinion of the presenting officer about each project and the opinion of FIDIDA where disability projects are concerned. The presenting officer from the Unit for NGOs presents the cases briefly to the meeting.

The Quality Group may request an expert opinion on some issues of interest to them concerning the project support applications. On the basis of all the information available, the Group issues a favourable or an adverse opinion on funding each project with or without reservations.

The presenting officer decides whether to consent to the opinion of the Quality Group when he writes the project proposals in the form of a draft proposal for the final decision making. This is being done in cooperation with the Head of the Unit for NGOs, who presents the proposal to the Minister for a final decision. The opinion of the Quality Group is attached to the proposal. Once the decision has been made, the Unit for NGOs informs each applicant of the decision concerning its application.

2.2.2 Monitoring the Use of Project Support

Monitoring of projects takes place in the Unit for NGOs mainly through annual project reports submitted to them by NGOs. A more in-depth analysis of NGOs including financial analysis, field visits by the Unit and other measures will be occasionally made.

2.3 Reasons and Phases of Intervention

Since 2000, the Unit for NGOs has been looking for ways to rationalize the administration of NGO projects. During the first years of the century, the productivity programme launched by the Government encouraged the Ministry to outsource activities, as recruiting new staff was not feasible. In 2005, the policy concerning the Unit for NGOs was changed, the capacity of the Unit was strengthened by recruiting new staff and, consequently, the outsourcing of activities was discouraged. However, the need to rationalize the work performed in the Ministry has remained, to enable the MFA to cope with the new modes and substantive challenges of development cooperation.

In 2004, when **Phase I** of the pilot project started with FIDIDA, the Unit for NGOs was understaffed, having only a few officers and interns to manage the increasing load of projects stemming from an increase in the funds allocated for development cooperation. At the same time there was a growing demand to improve the quality and effectiveness of NGO projects. No new staff, however, was foreseen due to the Government's productivity programme. There was an urgent need to outsource activities simply to get things done, not to save money or to free human resources for other tasks, in the words of a senior officer from the MFA. Framework contracts started only a year earlier with partnership NGOs contributed to this end, but there still remained the administration of more than 200 projects implemented by 200 small and medium-sized NGOs to be outsourced. There were plans to establish a foundation for outsourcing the administration of these NGO projects, or alternatively to strengthen the capacity of the Unit for NGOs.

Disability projects were identified as a potential cluster to be outsourced since there was a suitable actor in the field, the Finnish Disabled people's International Development Association (FIDIDA), while there was no disability expertise in the Unit for NGOs at that time.

FIDIDA is a cluster formed in 1989 by seven Finnish disabled people's organizations: the Finnish Association of People with Mobility Disabilities, the Finnish Association of the Deaf, the Finnish Federation of Hard of Hearing, the Finnish Association on Intellectual and Developmental Disabilities, the Finnish Federation of the Visually Impaired, the Threshold Association and the ABILIS Foundation. FIDIDA lobbies in Finland for the mainstreaming of disability issues in international development cooperation and also implements some development projects in the South, receiving funding for these activities from the MFA. The evaluated cooperation with the MFA in the years 2004–2008 has covered approximately 40% of FIDIDA's overall yearly budgets. FIDIDA is a member of IDDC (the International Disability and Development Consortium).

A feasibility study was made in Dec 2003–March 2004 on potential cooperation between the MFA and FIDIDA, and the agreement on the first year of a three-year pilot was signed on May 19, 2004.

Phase I was called *Funds for forming a cluster of the NGOs implementing disability projects*. The original objective of the project was, on the basis of the interviews and the documents, to have FIDIDA assess disability project applications and on the basis of the assessment, to make recommendations in favour or against funding the projects. The outcome of the appraisal work is 'the official opinion of FIDIDA', which contains both a summary of the assessment of the project proposal and the recommendation for funding the project. This is used in the decision making procedure of the Ministry in allocating funds for development cooperation in small and medium-sized NGOs.

Two criteria were defined for the success of outsourcing the assessment of the project proposals: It must clearly reduce the time spent on project administration by the Unit for NGOs, and project appraisals must have the required quality. FIDIDA was not given a set of fixed criteria for assessing project proposals, but it was asked to develop the criteria for 'a good disability project' based on the NGO Development Cooperation Guidelines and A Development Co-operation Manual for Non-Governmental Organizations as well as on the disability relevance of the project.

The first contract included the appraisal of all disability project applications sent to the Ministry by the end of May, 2004.

FIDIDA was allocated funds for establishing a secretariat and for creating the criteria and the procedure for appraisal work. The Action Plan for 2004 written by FIDIDA also includes the following activities: Identifying experts to whom FIDIDA can turn for advice and opinion, informing the NGOs about the pilot, following the procedure for outsourcing in the NGO sector and making plans for more comprehensive outsourcing of the administration of disability projects, which might be forthcoming in the near future.

Phase II of the pilot was signed in 2005 (Jan. 31) and was called *The outsourcing of the administration of disability projects to FIDIDA*. Even though the project name in Finnish refers to 'full outsourcing', the agreement talks about potential outsourcing of disability projects as part of a more comprehensive outsourcing of NGO project administration. The mandate of FIDIDA was expanded to include follow-up of the annual reports of disability projects (starting from 2003), monitoring trips to two countries annually and, as a result of negotiations between the MFA and FIDIDA, personal advice and training for NGOs to improve the quality of their projects. FIDIDA was also expected to participate in the procedure for revising the guidelines for NGO project preparation. The purposes of Pilot II were defined as 'procuring disability expertise for the administration of NGO projects in the Ministry' and 'improving the quality of NGO projects.' The contract was made for one year only due to the uncertainty of the situation in the Ministry concerning future policy on outsourcing.

In June 2005, new policy guidelines were issued in the Ministry, cancelling outsourcing efforts as too expensive. Instead, the Unit for NGOs was strengthened; new staff were recruited, both generalists and development experts, who would remain in the Unit on

a more permanent basis. Discussions were held between the Ministry and FIDIDA on the continuation of cooperation. The Unit for NGOs pointed out that double work, i.e. the same work done by both FIDIDA and the Ministry is not feasible and should be avoided. FIDIDA proposed a plan of action for the next year, and after some consideration it was approved by the Ministry.

The contract for **Phase III** was signed in 2006 (March 2) with the same name and objectives as Phase II: *The outsourcing of the administration of disability projects to FIDIDA*. The Unit for NGOs emphasized that the objective of the project is capacity building of NGOs and also producing services that reduce the Unit's work load.

In July 2006 a **tendering competition** for the production of support services for disability development projects was announced. The competition concerned a set of support services defined by the MFA: Assessment of project proposals, follow up of project implementation based on annual reports, monitoring trips to certain countries, and training and personal advice provided for NGOs.

A **consultancy contract** was signed on Nov. 22, 2006 for 2007–2008, with an option for 2009, as a result of FIDIDA winning the tendering competition for the project: *Production of support services for disability projects funded through development cooperation in the NGO sector*. The purposes of the project are to provide disability expertise to the Ministry and the NGOs, quality improvement of disability projects and capacity building of the NGOs implementing them, and the production of support services for the Ministry relating to the administration of disability projects. The activities described in ToR are the same as those carried out during Pilot III, but for the first time they are called 'supporting services', which they have in fact been since the first year of the pilot.

2.4 Organization of the Intervention

Until Phase I of the pilot, FIDIDA had a one-person office (Coordinator), which was strengthened first by recruiting two Project Officers and later one more. FIDIDA also moved to a larger office and acquired more equipment. During the first year of the pilot, a set of tools was developed by the staff for assessing project applications. They are based on the Guidelines of the MFA for NGO project planning and on the expertise of the disability organizations concerning disability and development issues.

Tools

The tools for project assessment include a technical description of the project, a kind of checklist called '*a profile sheet*', with a categorization of the disability focus of the project developed by FIDIDA. Projects are divided according to their focus into the following categories: Organizational Development, Awareness and Advocacy, Accessibility, Rehabilitation, Income Generation and Education.

A more analytical description of the project called '*The assessment sheet*', several pages long, lists both technical and substantial aspects of the projects to be assessed: the capacity of the organization, partners, beneficiaries, the 'goodness' (quality) of project planning, the economic, institutional and social sustainability of the project and the relevance of the project in terms of Finnish development policy and objectives, including cross-cutting themes.

The final output of the appraisal procedure is designated '*The official opinion of FIDIDA*'.

The opinion sheet includes both a summary of the in-depth background analysis of the project proposal and the recommendation for project funding. It is sent to the MFA and to the NGOs whose project applications have been assessed. This sheet summarizes the results of the analysis according to four criteria: Partnership, Relevance, Disability-specific criteria and Sustainability. Each criteria is operationalized by 3–5 factors, which are discussed in the text. The length of this concise summary is five pages. The last and the most important item at the end of the sheet is 'Conclusions and Recommendations'. FIDIDA recommends one of the following alternatives, which are described as 'three baskets': 1) Full support recommended, 2) Support recommended with certain reservations. An amount of support to be given to the project is proposed. 3) No support recommended.

(For their own use FIDIDA has developed a tool for numerical rating of the project, where the highest rating is 16 points. Each basket has a cut point, i.e. the total number of points given to a project determines into which basket it falls.)

Appraisal procedure

The procedure for assessing project proposals and giving the MFA an opinion on their funding has four phases: After the project proposals come to FIDIDA from the Ministry, each proposal is assessed thoroughly by one programme officer, who drafts an opinion on the basis of his analysis. Another programme officer also goes through the project document and comments on the draft written by the main evaluator. A recent arrangement has made it possible for FIDIDA to request an opinion, in cooperation with the Unit for NGOs, from an expert in the Ministry in Helsinki or in one of the embassies. The draft assessment sheet made by the secretariat is taken to the Board of FIDIDA to be discussed and decided on (Chairman and 6 members). According to FIDIDA, the Board is the decision making body, and the secretariat works under the Board. Ownership of the Board is valued. Member organizations represent different areas of specialty in the disability sector and each organization wants to make sure that its special area is correctly understood and dealt with in the procedure. The Board members are given copies of the original project proposals and the draft proposals made by the office team before the meeting. As a result of the discussions in two or more Board meetings and after some changes made to the drafts, FIDIDA issues its official opinion on each project to the Unit for NGOs in the MFA. In order to avoid the situation where a Board member would be assessing the application(s) of its own

NGO, the person in question is asked to leave the meeting as being disqualified to participate in decision making. In the years 2005–2007 representatives from two non-member organizations were invited to participate in the decision making procedure with the Board.

According to FIDIDA, the assessment of the project for the official opinion sheet is written so as to help the NGO to improve the quality of its projects and at the same time to give the MFA the information it needs in its decision making procedure. In 2004–2006, with the consent of the Ministry, FIDIDA submitted the official opinion sheet to the NGO at the same time as the document was delivered to the Unit for NGOs. In 2007, the practice was changed at the request of the MFA so that the official opinion sheet is now sent to the NGO only after the funding decision has been made in the Ministry. FIDIDA also discusses the proposal and the decision made with the NGOs.

Project Monitoring

The procedure for follow-up of ongoing projects is much simpler than the procedure described above for assessing project proposals. The checklist for going through annual reports of disability projects has been given to FIDIDA by the MFA. The same list is used in the MFA for all other projects. Missing data in the annual reports is identified and the NGOs concerned are asked to provide it. The implementation of the project(s) is discussed with the NGO in face-to-face meetings, or by phone and e-mail, according to needs. Monitoring trips are made to two countries per year selected together with the MFA. All disability projects in the selected countries are visited, and a report on the trip is submitted to the Ministry. An officer from the Unit for NGOs participates in the monitoring trip, when possible. The NGOs whose project sites have been visited receive feedback about their project after the trip.

Advice and Training

FIDIDA gives the NGOs feedback about the quality of their project applications and the reasons for receiving/not receiving financial support from the Ministry. Should there be problems in the implementation of the project on the basis of the annual report or a monitoring trip to the project site, FIDIDA gives the NGOs feedback and advice on the matter. Discussion of a problematic project may require several meetings, phone calls and e-mails.

FIDIDA organizes a day-long training session on relevant themes twice a year for NGOs running disability projects.

3 KEY FINDINGS

3.1 Overall Progress of the Implementation of the Project

The pilot for outsourcing first one core activity (assessment of project proposals) and then a second core activity (follow-up of projects) in the administration of disability projects to FIDIDA had only recently been set up and was in its early stages in 2005, when the outsourcing policy in the Ministry was reversed. The pilot being implemented in cooperation with FIDIDA was nevertheless continued. According to some interviews, the main justification for the project was to provide the Ministry with disability expertise in the form of project assessments. During the past four years, the title of the project has been changed by the Ministry three times, but only since 2007 has the title: *Production of support services for disability projects funded through development cooperation in the NGO sector* been consistent with the nature of the project since its beginning.

From the evaluation perspective it appears that there are at least two projects to be evaluated instead of one, all intertwined. The focus of one project is to provide the Ministry with support services in the disability sector (in the interest of the MFA), and the focus of the other project is to improve the quality of disability development projects (in the interest of FIDIDA). This has clearly affected the implementation of the project and makes it difficult to measure the progress made. For other challenges faced in administering the intervention, see Chapter 6. One can say that the cooperation between the MFA and FIDIDA has served to advance many useful issues, but has not succeeded in developing a functioning model for outsourcing, which was its original objective.

4 EFFECTIVENESS

4.1 Appraisal and Follow-up of Projects

Quantity

FIDIDA has, every year and in due time, produced the outputs agreed on with the MFA.

The number of applications assessed during 2004–2007 is 86, ranging from 17–26 per year, an average of 22 applications a year. About one fifth of them are 'new' in the sense of coming from organizations that have not previously had a disability project. An average number of annual reports monitored by FIDIDA is 40 reports a year. FIDIDA has made field trips to six countries during the project period and monitored altogether 35 disability projects funded by the MFA in those countries.

Quality

FIDIDA has checked that the project applications and annual reports fulfil the formal requirements of the Ministry. FIDIDA has submitted the document (Opinion) to the MFA for each project proposal, including the assessment on the proposal and a favourable or an adverse opinion on its funding. FIDIDA has also submitted a follow-up report to the MFA for the annual report of each project.

The criteria used by FIDIDA in assessing project proposals and in the follow-up of annual reports correspond well to the criteria used by the officers in the Ministry, and they are also in line with the official guidelines of the MFA. FIDIDA reports even more data to the MFA than expected, for example data obtained in monitoring the implementation of previous disability projects run by the NGO now re-applying for funds from the MFA. The Unit for NGOs has been the party to benefit most from the appraisal of project applications, in terms of disability criteria, as the Unit has been lacking in disability expertise until very recently.

4.2 Advice and Training

Quantity

The numerical target for training sessions organized by FIDIDA is two training sessions annually, which FIDIDA has in fact realized. There is no numerical target in the contracts regarding advice and feedback provided by FIDIDA for the NGOs. Annually, FIDIDA is in personal contact with the NGOs 2–3 times per project on average.

Quality

The quality of FIDIDA's advice and training to NGOs is assessed through the subjective experiences and opinions of the NGOs that have received advice and participated in training since 2004. The majority of NGOs interviewed answered 'Yes' to the following survey question: *Has advice and feedback given to you by FIDIDA (assessment of project proposals, monitoring annual reports, monitoring trips to the field) been useful to you in various stages of your projects?* (For more survey results, see 7.2.)

The evaluator had a chance to attend one training session on indicators, which was of good quality. KEPA produces (with the funding from the MFA) more or less similar training on the same issues available to all NGOs throughout the year. The question arises whether it makes sense to organize additional, often overlapping training for the NGOs running disability development projects. It would be more cost-effective to provide all the training through KEPA, and this would also contribute to the policy of mainstreaming disability work into all development activities rather than training the NGOs running disability projects as a separate group. According to FIDIDA, separate

training is needed in order to discuss disability issues in greater depth and to build contacts among the NGOs.

Impact of the Intervention

The scope of this evaluation does not include assessing the impact of the intervention. This would require a longer time span and different methodology. The assessment by an officer in the Ministry and by FIDIDA is that the quality of disability projects has improved during the last four years, which at the same time predicts greater impact for the projects. The number of applications falling in the 'To be financed' basket has steadily increased. Another indicator of quality development in disability projects is the fact that the number of disability projects in the policy making category has increased during the past few years. There are many potential reasons for this development, some of which may arise from the evaluated intervention itself. It is assumed that especially the feedback given to the NGOs about the strengths and weaknesses of their projects and advice on how to improve them has contributed to the improvement in the quality of the projects.

4.3 Effects on Work Load

The effects of the intervention on the work load of the Ministry have been mixed. The appraisal of project proposals and follow-up of annual reports by FIDIDA has saved a certain amount of time, mainly for the officer in charge of disability projects in the Unit for NGOs. On the other hand, administering the intervention has consumed more time than expected in the Ministry throughout the past four years.

The appraisal of projects by FIDIDA has, during the past few years, somewhat reduced the work load of the officers in charge of administering disability projects, but double work relating to this core activity cannot be avoided due to the nature of the formal decision making procedure in the Ministry. From the point of view of the officer in charge of disability projects, the opinion of FIDIDA (including a summary assessment of the project proposal and a recommendation for its funding), is comparable to other requested expert opinions in the procedure of preparing project support decisions.

According to the officer in charge, thorough background work by FIDIDA saves his working time, but does not free him from making his own appraisal based on the original documents of each project. Being the presenting officer means that he needs to be able to justify his favourable or adverse opinion concerning funding the project to his colleagues, the Head of the Unit for NGOs and to the Quality Group. Sometimes the reasons given by FIDIDA for supporting a certain project help him to provide arguments in preparing the final draft proposal for decision making. However, there are also other factors affecting the final decision on project support besides the technical and substantive issues covered by FIDIDA. (Decision making procedure in the MFA, 2.2.1)

Follow-up of annual reports of projects has saved more time for the Unit for NGOs than the appraisal work. This is due to the fact that project monitoring takes place only in the Unit for NGOs and does not involve officers from other departments.

The intervention has reduced *time spent on contacting NGOs* in routine matters, such as requesting missing information and documents for project proposals and annual reports. Apart from this, the effect of the project on time spent on communicating with NGOs is hard to measure, as it is not structured but depends solely both on the officer and the NGO in question.

The cooperation with FIDIDA has reduced the need to request an opinion on disability projects from the Senior Social Development Advisor in the Ministry or the experts of International Development Collaboration at STAKES. Thus one can say that the work load of the Senior Social Development Advisor has decreased somewhat as a result of the purchasing of support services from FIDIDA.

Administering the intervention has consumed more time than expected in the Ministry throughout the project period. Routine chores such as copying applications and dozens of annual reports on the initial stages of the project have meant additional work for the officers of the Unit for NGOs. Meetings with FIDIDA to negotiate the contracts and the annual work plans, operational meetings approximately four times a year to discuss various aspects of project implementation and ad hoc meetings called to discuss the funding decisions made by the Ministry have taken up a great deal of time for the officers and one or several Heads of Units of the MFA. Some different orientations towards crucial issues in cooperation are discussed in Chapter 6.

5 EFFICIENCY

This chapter attempts to answer the question as to whether the work of FIDIDA in the intervention has been cost-effective. The average annual cost in FIDIDA for this project is 143 462 euros, which makes 65 210 euros per person (2.2 persons employed in the project). The output produced with the amount of 143 462 euros consists of an average of 22 applications assessed per year, an average of 40 annual reports monitored, contacts with the NGOs relating to the above, including feedback and advice given as needed, two training workshops and two monitoring trips to the field per year.

Whether this is cost-effective or not depends on knowing the cost of the same amount of work done in the Ministry. According to a recent calculation by the MFA (April 2008), the total annual cost per officer working in development coordination is 83 745 euros. This sum includes salary and maintenance costs in the Unit for NGOs, but not the cost of work of every person devoting some of their working time to NGO projects, such as the members of the Quality Group. There is no figure available that would

measure only the costs of working time spent on disability projects, and therefore the final calculations of the cost-effectiveness of the intervention is left to the Ministry. In the worst case scenario, the total annual cost of 143 462 euros can be added as such to the administration costs of disability projects in the Ministry, since for the reasons explained in section 4.3, most of the work performed by FIDIDA is also done in the Ministry.

Additional costs incurred for the intervention can be justified by the need to try out and develop different interventions in order to find a way to efficiently and effectively manage the administration of small and medium-sized NGO projects. One of the added benefits of the project has been the achievement of more intensive and focused capacity building of the NGOs running disability projects than before. The question remains, however, whether the same benefits could have been achieved at less cost by some other strategy.

6 DIFFERENT VIEWS ON PROJECT IMPLEMENTATION

Cooperation between the MFA and FIDIDA has faced some challenges arising from the different definitions of the project objectives and roles of the actors, and also as a result of the different ways of operating based on the different cultures of these organizations.

Different Views on the Objectives

The original objective of the project from the point of view of the Ministry was to produce support services to be used in the procedure for making funding decisions on disability projects and in monitoring the use of these funds by the Ministry.

FIDIDA has, since the beginning of the project, chosen to call it '*The Quality Project*' – in the Action Plans, Annual Reports and other project documents. The official title of the project, which appears in the contracts, is referred to only in parenthesis, for instance in FIDIDA's minutes on the working meeting held with the MFA on Sept. 15, 2005.

The Annual Report 2004 describes the pilot project as an essential part of the policy work of FIDIDA: 'The objective of the pilot project is to promote the human rights of disabled persons, to strengthen the empowerment of people with disabilities and to ensure that disabled people participate in the development of any programme designed to benefit them.' The appraisal and follow-up of projects, monitoring trips and advice and training provided for NGOs are seen as quality improvement in the first place, and only in the second place as supporting services to the Ministry.

Different Views on the Roles

The way in which FIDIDA sees its role in relation to the Ministry and the NGOs is expressed in the Annual Report 2007 as follows: “FIDIDA does policy work for the Ministry relating to disability projects, and produces support services for the NGOs with a view to improving the quality of their projects.”

From the point of view of the Ministry, FIDIDA is a consultant organization, whose role is to produce services agreed on in the contract, and the role of the Ministry is to decide how to use these services. Most difficulties in this respect have been encountered in situations where recommendations made by FIDIDA for project funding have not been fulfilled by the Ministry.

Different Views on Funding Decisions

When the project support decisions are published towards the end of each year, FIDIDA compares the decisions made by the Ministry with the recommendations made by FIDIDA (Full support recommended/ Support recommended with certain reservations/ No support recommended).

FIDIDA regards the degree of correspondence between its recommendations and the actual project support decisions as the most important criterion for the success of its work in the project, as it is vitally important to FIDIDA in pursuing policy goals and in gaining and maintaining legitimacy in the eyes of other NGOs. In 2004 (Pilot I) the funding decisions of the Ministry were consistent with the recommendations made by FIDIDA, and there were only slight differences in 4 out of 24 projects, concerning the amount of funds allocated to these four projects. In 2005 (Pilot II) there were major differences between the FIDIDA recommendations and the funding decisions in 4 out of 17 projects, in 2006 (Pilot III) in 16 out of 26 projects. In 2007 (Consultancy contract) there were differences in 2 out of 19 projects, but the differences were not significant.

The Board of FIDIDA described this in terms of trust. The shared experience of the Board was that especially the ‘dark year’ of 2006 showed that there was not yet sufficient trust in FIDIDA on the part of the MFA. The situation in 2007 proved that the situation is improving and that there is more trust in FIDIDA.

The fact that there have been differences between FIDIDA proposals and decisions made by the Ministry has led to a great deal of frustration on the part of FIDIDA, especially concerning the situation in 2006, when the gap was the widest. FIDIDA has reacted by demanding explanations and justifications for the decisions made from Ministry, which has meant many meetings and extra work for the Ministry. In order to reach a full consensus with the Ministry on funding decisions, which is the goal of FIDIDA, the following proposals have been made: better access to the information available in the Ministry that is relevant to making funding decisions, the use of more

standardized criteria in project assessment on both sides, and more joint meetings between NGOs and the Ministry.

FIDIDA agrees that decision making concerning disability project funding takes place in the Ministry, but does not accept that certain 'vague' criteria, according to their own definition, relating to development policy or other considerations, should affect the decisions made. This, according to FIDIDA, is 'bad management', which needs to be 'cured' by complete openness and explicit, standardized criteria which are to be used by all as the basis for decision making. In fervently defending its funding recommendations for disability projects, FIDIDA takes on the policy role and puts aside the consultancy role.

According to the law it is not possible to transfer decision making function concerning project support and monitoring of the use of these funds outside the Ministry, but support services can be purchased to facilitate these functions. The law gives the Ministry permission but also the obligation to use their judgement in decision making, in addition making use of other information available. FIDIDA has a restricted amount of background information available relevant to the making of funding decisions, and its recommendations are based for the most part on the project proposals. Relevant information accumulates over the years, but one small organization cannot hope to compensate the global outreach of the MFA. The Ministry does not share the view that the criterion for 'goodness' of project assessment and funding recommendations by FIDIDA is that its recommendations are followed. Many of the opinions given by FIDIDA have been of good quality, even though the funding decisions have not agreed with the recommendation.

This dilemma, more than any other factor in the cooperation between the MFA and FIDIDA, has worked against the achievement of good outcomes from the project for the Ministry. This issue has been discussed with FIDIDA throughout the project, but the situation has not changed significantly.

Different Views on Sharing Information with NGOs

The different operating cultures of FIDIDA and the MFA are seen, among other things, in the way they share information with NGOs. According to its own definition, FIDIDA pursues 'a policy of openness' in relation to NGOs. This means e.g. that each NGO has the right to obtain information concerning their projects at the same time as it is given to the Ministry. FIDIDA followed this procedure during the first years of the pilot with the consent of the Ministry. Some problems emerged when some organizations took FIDIDA's recommendations as a promise of receiving the funding and started to make preparations for project implementation. In some cases even the project documents were passed on by the NGO to their partners in the South.

The Ministry's practice is not to give out any documents during the decision making procedure, and FIDIDA was later (in 2007) required to discontinue this practice, which they agreed to do.

Problems in Documentation

The key documents regarding the cooperation between the MFA and FIDIDA are not always written in a clear and professional manner and in agreement with both parties. An example of this is the minutes of the operational meeting on Sept. 15, 2005. Both parties wrote their own version of what was discussed and agreed on at the meeting.

It is often difficult to see which organization and which person have written the documents, whether the minutes of a working meeting or an appendix to a contract. Documents written on the official paper of the Ministry are unambiguous, but there is no indication as to who has written many of the appendices attached to them. Dates are also missing from the appendices. The use of different names for the same project is confusing. The Ministry should have ensured that the official name of the project is used in all documentation. Annual reports do not necessarily follow the agenda of the contracts or define the objectives and outputs in the same manner, which makes the analysis of the documents time-consuming.

Other Problems in Cooperation

The planning of the project by MFA prior to its launching could have been improved. Pilot I was launched in a great hurry and a great deal of time had to be spent on clearing certain matters up after the project had been started. FIDIDA often found it difficult to obtain answers to questions relevant to assessing project proposals, for instance, about the standard practice of the Ministry in paying conference trips as part of project support.

Another example of situations where FIDIDA felt that they were being denied information was on occasions when FIDIDA was not allowed to request an opinion from embassy staff. The Ministry gave the following reasons for this policy: FIDIDA itself is regarded as a specialist organization and is expected to issue an opinion on the projects falling within the contract, based on its own knowledge. The Ministry wanted to avoid a situation where the embassies were asked to give an opinion on the same project by both the Ministry and FIDIDA. The embassies were not to issue an opinion to FIDIDA free of charge, and FIDIDA was to be required to pay for this service. FIDIDA did not accept the Ministry's decision and demanded that it be re-considered. An agreement was reached, according to which FIDIDA can request an opinion from an embassy jointly with the Unit for NGOs.

7 ADDED VALUE OF THE PROJECT

7.1 Significance of the Implementation of the Project to FIDIDA

FIDIDA describes the benefits gained as a result of this project in the following way:

“FIDIDA has learned more about project planning and management, including financial management, about implementation of disability projects and about the socio-political and cultural contexts of development projects in the field. FIDIDA has passed on this information to other non-governmental organizations in the course of giving them advice and training.

The project has given FIDIDA new possibilities to gain contacts with non-member NGOs running disability projects, with the Partnership NGOs and with the divisions of the MFA dealing with non-governmental projects. The members of FIDIDA who are represented on the Board and participate in assessing the projects have got to know each other’s projects well, which has increased their commitment to FIDIDA. They have also gained a broader picture of disability projects in the NGO sector, which is useful in view of potential joint projects in the future. The project has strengthened the expert status of the organization in society, and FIDIDA has received an increasing number of requests to give lectures on disability issues and to participate in working groups, for example. FIDIDA has once or twice been asked by an embassy to give an opinion on the use of local development funds. Staff members of FIDIDA also lecture on disability and development in the context of training courses for international recruits.”

The Board of FIDIDA discussed the implementation of the project and the future of FIDIDA at the Board meeting in May 2008. In addition to overall positive views of the significance of the project to FIDIDA, some critical opinions were expressed. According to one opinion, which was seconded, the project has isolated disability projects from other development cooperation. This is contradictory to the FIDIDA’s aim of promoting the mainstreaming of disability work in development.

According to another opinion, the use of the criteria developed by FIDIDA for assessing project proposals has allowed different disability projects to be handled in an objective way, but the concern was expressed that it has also raised the quality standard for disability projects to a much higher level than for other NGO projects. This is seen as counterproductive to the goal of having more disability projects funded by the Ministry. The idea was therefore put forward and seconded that disability projects should be returned to the position they were in previously, among all other non-governmental projects.

A concern was also expressed that implementing this project consumes far too much of time and energy in FIDIDA, at the expense of policy work, which is its main responsibility.

7.2 Significance of the Project to NGOs

Since 2004, 32 NGOs have applied at least once for project support from the MFA for at least one disability development project. Since personal or group interviews with these NGOs were impossible due to time constraints, a survey was carried out in order to obtain their views on the effects of the intervention.

The questionnaire was sent by e-mail to 32 NGOs, 16 of which participated in the survey (50%). Two organizations could not be reached at all, one organization was unwilling to answer since none of the project staff were left, and 13 NGOs simply did not return the questionnaire even after the follow-up letter. One reason for not answering may have been the short time left for returning the questionnaire, i.e. 1.5 weeks, but only 8 working days, due to a special mid-week holiday in the middle of the week.

The questionnaire was planned so that there were different questions for those that had run disability projects both before the FIDIDA project and during it, and for those NGOs that had ongoing projects only during the FIDIDA intervention. The questionnaire was semi-structured. The respondents were asked, for instance, whether the training provided by FIDIDA was useful to them, and the following open-ended question asked them to describe in their own words how/why they had found the training useful or not. The main activities of FIDIDA covered in the questionnaire are: Appraisal of project proposals, Monitoring of projects, Contacts of the NGO with the Ministry, Contacts with FIDIDA, Advice and feedback given by FIDIDA, Training, Assessment of the areas of expertise of FIDIDA.

The results are presented in three groups: 1) Members of FIDIDA (N5) that have run disability projects before the year 2004 and after that year. 2) Non-member organization (N 9) that have run disability projects before 2004 and after that year. 3) Non-member organizations (2) that have run disability projects only after 2004.

7.2.1 Member Organizations that have run Disability Development Projects before and after 2004

The number of respondents in this group is five. In interpreting the results it is important to remember that all of them belong to the Board of FIDIDA and participate in assessing project proposals and making recommendations for their funding. They have also participated in developing the tools for assessment of the project proposals.

The unanimous experience of the respondents is that *appraisal and follow-up* of their own projects have improved since 2004 and that they have received more advice and feedback than before, which has been useful. *Training* is also considered to have been useful. All in all, the intervention has helped them to improve their project planning and implementation. Most of the respondents were satisfied with the amount of communication with FIDIDA.

The number of contacts with the officers in the Unit for NGOs has remained the same or increased according to the NGOs, and the respondents find this satisfactory. The majority of the members are of the opinion that FIDIDA has fully adequate expertise in issues relating to project management and development cooperation and in disability issues. Expertise in socio-cultural and political settings in developing countries and the number of international contacts is seen as fairly adequate.

Four out of five respondents (NGOs) agree fully or almost agree that the opinions on project support given by FIDIDA are objective and that the assessments made are useful for the NGOs.

In open-ended questions the following negative experiences and views were given of the FIDIDA's involvement in project administration. It has isolated disability projects from other development work, which does not promote mainstreaming. Another concern is that FIDIDA applies higher standards in assessing disability projects than does the Ministry in assessing other NGO projects. According to one comment, FIDIDA does not have wide enough expertise in the whole range of disability issues, and a view was expressed that FIDIDA has too restricted a view of the different ways of implementing projects. Some respondents feel that FIDIDA is not sufficiently neutral to perform this kind of task.

7.2.2 Non-member Organizations that have run Disability Development Projects before and after 2004

The number of respondents in this group is nine. They are usually running 1–2 disability projects in addition to other development projects. Before 2004 all their different projects were administered by the Unit for NGOs, but since 2004 disability projects have been assessed and monitored by FIDIDA.

According to four respondents, *appraisal* of their project proposals has improved since 2004. The experience of three respondents is that it has remained the same, and according to two respondents, there have been negative changes. One reason given for negative changes is that the criteria used by FIDIDA in assessment are too demanding and too narrow in substance, which rules out many projects from receiving support. The amount of bureaucracy and the number of meetings have also increased as compared to the time before the intervention.

Six out of nine respondents consider that follow-up of their disability projects has improved during the FIDIDA intervention, while others think that it has remained the same.

Eight NGOs out of nine say that they have received more *feedback and advice* than before, and all of them consider the feedback to have been useful. Seven respondents consider that the *training* provided by FIDIDA has been useful for them, while two do not find it useful due to the topics, which are irrelevant to them.

In the open-ended questions the respondents write that feedback and advice given to them by FIDIDA has helped them to correct and avoid mistakes and to focus their projects better. One reason given for feedback not being considered useful is the fact that FIDIDA had insufficient knowledge of the field circumstances of the project. Those who have found training useful mention the thematic approach to training and networking with other NGOs as positive aspects.

Half of the respondents say that they have as much contact with *the officers in the Unit for NGOs* as before and three consider that the number of contacts has decreased. One NGO was concerned about the FIDIDA project leading to fewer opportunities for his organization to be in contact with the Unit for NGOs. According to this respondent, it is very important for the NGO to be able to discuss projects with the officers of the MFA from a wider perspective (development policy, country framework) rather than narrowing the discussions down to certain pre-set criteria. In the respondent's experience from earlier years, some innovative ideas were developed in the field because the Unit for NGOs saw the potential of a project that otherwise might not have passed a very rigorous set of criteria.

The number of contacts with FIDIDA are seen in this group as often suitable, too frequent or too rare. The reason for wanting more contacts, according to one respondent, is that FIDIDA and the Unit for NGOs do not always seem to know what their roles are in relation to the NGOs. One respondent writes that the reason for not contacting FIDIDA as often as needed is that it is easier to turn to KEPA for advice, since KEPA is neutral and only provides technical assistance, whereas FIDIDA is not neutral also assessing the capacity of the NGOs for making funding proposals to the Ministry.

The majority of the respondents feel that FIDIDA's project management, disability expertise and expertise in development cooperation is fully adequate and their expertise in socio-cultural and political settings in developing countries is sufficient or almost sufficient. Most of the respondents are unable to assess whether FIDIDA has sufficient contacts with international actors.

The majority of respondents agree fully that the official opinions given by FIDIDA on project proposals are objective and useful to the NGOs.

7.2.3 Non-member Organizations that have run Disability Development Projects starting 2004

The number of respondents in this group is two. They have positive experiences of FIDIDA assessing their project proposals, monitoring the projects and receiving feedback and advice from FIDIDA. They find training sessions useful. The respondents feel that they have had sufficient contacts with the Unit for NGOs and with FIDIDA in matters relating to their disability projects.

They consider that FIDIDA has sufficient knowledge in project management and sufficient or almost sufficient knowledge in development cooperation and in disability issues. The respondents do not know about FIDIDA's knowledge of situations in developing countries or contacts with international actors. Both respondents agree fully or almost agree that the opinions of FIDIDA concerning the project proposals are objective, and both consider that they are relevant to the NGOs.

Table 1 Opinions of the member-organizations and of other non-governmental organizations participating in the survey on FIDIDA's areas of expertise.

N 16	Fully Sufficient % (N)	Somewhat Sufficient % (N)	DK	Somewhat Insufficient % (N)	Fully Insufficient % (N)
Disability expertise.	63 % (10)	25 % (4)		13 % (2)	
Expertise in development cooperation.	56 % (9)	38 % (6)	6 % (1)		
Expertise in project management.	81 % (13)	13 % (2)		6 % (1)	
Expertise in socio-cultural and political settings in developing countries.	25 % (4)	38 % (6)	25 % (4)	13 % (2)	
Contacts with international actors in the disability field.	13 % (2)	38 % (6)	44 % (7)	6 % (1)	

7.2.4 Summary of Survey Results

According to the survey, the members of FIDIDA express the most positive thinking about their own organization. Other NGOs are the most critical, especially those of them that have run disability projects before the pilot started and have some point of reference with which to compare the present administration.

The majority of the NGOs participating in the survey consider that the feedback and advice given to them by FIDIDA on their own projects has been useful. Training has also been useful for most respondents.

FIDIDA is seen to have sufficient expertise in the areas of project management, in disability issues and in development cooperation. Knowledge of different cultural and socio-political contexts where development projects are implemented is regarded as less strong in FIDIDA. The number of FIDIDA's contacts with the international network of actors is not known to the respondents.

Half of the respondents (58%) agree fully that the opinions issued by FIDIDA concerning project assessment and recommendation for funding are objective, while one fifth (19%) almost agree with the statement and others either do not know (13%) or disagree (13%).

8 CONCLUSIONS AND RECOMMENDATIONS

8.1 Conclusions

The original objective of the pilot project of MFA with FIDIDA in 2004 was to outsource some time-consuming activities in the administration of NGO projects, the first assessment of disability project proposals and then follow-up of the projects, in order to facilitate the procedure for making funding decisions in the Ministry and for monitoring the use of these funds. The model of implementing the project was developed in FIDIDA in close cooperation with the Ministry. FIDIDA was able in a short notice to produce appraisals of the disability project proposals of the year and to go through annual reports of the projects.

After the pilot, in 2007, the name of the project was changed to better correspond to the activities performed than earlier project designations. Activities comprising appraisal of project proposals, follow-up of projects and more recently included activities such as capacity building of NGOs by giving them feedback, advice and training and monitoring trips to selected countries have been designated *Production of support services for disability projects funded through development cooperation in the NGO sector*.

According to the evaluation, no transfer of administration to FIDIDA, including decision making functions relating to disability projects, has taken place. The MFA regards FIDIDA as a consultant organization, whose role is to produce the supporting services agreed on in the contract, and the role of the Ministry is to decide how to use these services.

The performance of FIDIDA in terms of producing the agreed services has been good. FIDIDA has produced an average of 22 proposals a year, monitored an average of 40 reports a year, made field trips to six countries during 2004–2007 and monitored a total of 35 disability projects funded by the MFA in those countries. The assessment

and follow-up of projects has been of good quality, i.e. it has fulfilled the criteria agreed on in early phases of the project.

The effectiveness of the intervention in reducing the Ministry's work load has not met expectations, which were unrealistic to start with. The measures taken did not consider the nature of the formal decision making procedure in the Ministry, which makes it difficult, if not impossible, to outsource individual activities while the main procedure stays in the Ministry.

Assessment and follow-up of projects by FIDIDA has facilitated the work of the officer in charge of disability projects, but has not freed him from making his own analysis of projects based on the original documents. Double work is thus unavoidable. From his point of view, the opinion of FIDIDA on each project (an assessment of the project proposal and a recommendation for its funding), is comparable to other expert opinions requested in the procedure of preparing project support decisions.

The work load of many other officers in the MFA, for instance the Quality Group, has remained unchanged, as they assess disability projects regardless of and in addition to the availability of FIDIDA's opinion. The implementation of the project in FIDIDA requires a rather complex procedure and a large input of human resources.

Additional costs incurred by the MFA due to the intervention can, however, be justified by the need to try out and develop different interventions for the administration of small and medium-sized NGO projects. One of the most valuable benefits of the project is the fact that feedback, advice and training provided for NGOs are effective in capacity building, when they are based on ongoing projects of the NGOs.

Administering the intervention has been more time-consuming and problematic than expected in the Ministry. This is mainly due to the different orientation of the MFA and FIDIDA towards project objectives, the roles of actors and ways of operating.

According to the Ministry, many opinions given by FIDIDA have been of good quality, even though the actual funding decisions may have differed from them. This dilemma has, more than any other factor in the cooperation between the MFA and FIDIDA, worked against the good outcomes of the project for the Ministry.

8.2 Recommendations

One of the aims of the evaluation was to produce information, which contributes to improving the effectiveness and efficiency of the appraisal and follow-up of development projects in the NGO-sector.

The model where these services have been bought from a consultant has been tested since 2004. The following modifications are recommended to this model:

- * The Ministry should make a thorough analysis of the situation to define, which tasks related to project appraisal and follow-up can and need to be done in the Ministry and what can be outsourced. *The Final Report, Renewal at 90, Developing a Better Ministry for Foreign Affairs (Nov 2007)* prepared in the Ministry proposes structural and operational alternatives for better management of the processes in the Ministry, including development cooperation. A recommendation made in the report, which might be useful in the administration of NGO projects is to identify core functions and processes that should be taken care of by the Unit for NGOs and support processes that could be provided through internal services, which would facilitate their eventual outsourcing.
- * The role and the mandate of the consultant needs to be clearly defined. The organization producing support services for the MFA should be able to act as a consultant and to operate in the role defined for it in the contract. If the consultant wants to influence the development policies and other criteria used by the Ministry in funding decisions, for instance, they should use other channels of policy making than the project for this purpose.
- * The definition of the nature of cooperation and its limits, the project name, the objectives and the content of support services should be very clearly defined, as well as indicators for measuring the success of the work.
- * Administration could be facilitated greatly by further development of the tools and forms used for project support application, appraisal and monitoring, both by the Ministry and by the NGOs. The forthcoming computer-based system available to all partners concerned will make a great difference to the efficiency and effectiveness of project management.
- * The NGOs interviewed in the evaluation expressed the need for project-based guidance for improving the quality and effectiveness of the projects. It is recommended that MFA will look for ways to increase the availability of this type of services for NGOs. A proposal was given by some NGOs that the consultant giving project-based assistance should, for the sake of objectivity, be separate from the consultant assessing the capacity of the NGO and its project proposals for funding purposes.
- * One possibility for ensuring proper administration of potentially growing development funds with less staff in the future is to expand and develop the model of partnership organizations, where administration of individual projects is managed by the NGO, and funding decisions, monitoring and potential political guidance by the Ministry takes place on the programme level.

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ANNEX 1 TERMS OF REFERENCE

Terms of Reference:

FIDIDA in the process of outsourcing the administration of NGO funds for development cooperation

1. Background

FIDIDA is the Finnish Disabled People's International Development Association. It is composed of seven member organizations: The Finnish Association of People with Mobility Disabilities, The Finnish Association of the Deaf, The Finnish Association of Intellectual and Developmental Disabilities, Threshold Association, Abilis Foundation, The Finnish Federation of the Visually Impaired and The Finnish Federation of Hard of Hearing. The main goal of FIDIDA is to promote human rights and to improve the living conditions of disabled people in society in developing countries. Equal rights and participation of disabled people is the starting point of all activities of FIDIDA.

In order to fulfil its goal FIDIDA acts as the service and collaboration organ for its member associations and the Ministry for Foreign Affairs of Finland (MFA) in issues concerning disability and development co-operation, gathers and distributes information and provides training on issues concerning disability and development in developing countries as well as lobbies for the mainstreaming of disability issues in international development cooperation. FIDIDA also implements projects of its own in developing countries.

The NGO Unit of MFA Department for Development Policy has for years striven to decrease bureaucracy and rationalize its work e.g. by different ways of outsourcing the appraisal of development projects. Since 2004 FIDIDA has worked as a partner for MFA in appraising proposals of disability projects. During the years 2004–06 a pilot project in three phases was carried out with FIDIDA. The work included preparing the appraisal statements, shaping the criteria for good disability projects, inspection work of annual reports of projects 2003–2006, counselling and training for Finnish organizations, and follow-up trips to projects. The project ('Quality assurance programme for disability projects') has been continued for the years 2007–2008. During this process some twenty organizations have implemented disability projects, and the number of projects is a bit more than forty. Six of the organizations have been member organizations of FIDIDA with about 25 projects.

FIDIDA gets funding for its activities in disability and development policy from the development cooperation funds of MFA. The own share of funding for FIDIDA, 7.5 % of the total project budget, is funded through member organizations. The quality assurance programme is part of the outsourcing project of MFA and its costs are fully covered by MFA funds. The share of the quality programme in FIDIDA's budget for

the year 2008 is about 38 %, while disability policy costs form about 25 % and international development projects about 22 % of it.

2. The purpose and objectives of the evaluation

The purpose of the evaluation of FIDIDA is to get an insight on the significance of the appraisal and follow-up work of development projects of NGOs in the disability sector carried out by FIDIDA, as part of the outsourcing process of MFA. This insight is necessary for the completion and future development of the outsourcing process.

A special objective of the evaluation is the overall improvement of effectiveness and efficiency of the appraisal and follow-up of NGO projects.

3. The scope of the evaluation

The evaluation will cover the cooperation between FIDIDA and MFA in project appraisal and follow-up since the year 2004 (beginning of pilot project, phase 1). FIDIDA's own development projects will not be covered by the evaluation. The evaluation work will be carried out as desk work in Helsinki.

4. Evaluation issues

The focus of the evaluation will be on the assessment of the effectiveness, efficiency and added value of the outsourcing activity.

Effectiveness:

- * How have the objectives of FIDIDA's pilot project and quality assurance programme ("*the appraisal projects*") been defined and to what extent they have been achieved?
- * What has been the significance of the implementation of the appraisal projects to FIDIDA?
 - Financially? – Professionally? – In terms of own capacity development?
 - In terms of building a contact surface with the MFA?
- * What has been the significance to FIDIDA's member organizations?
- * What has been the significance to non-member organizations?
- * What has been the significance to MFA?
 - Financially? – In terms of work load and administrative burden? – In terms of building a contact surface to the stakeholders in disability sector?
- * How do different parties see the objectivity of the appraisal process?
- * Has there been policy-level consequences / impacts (negative or positive, direct or indirect, short-term or long-term)?

Efficiency:

- * Has the use of financial and human resources in the appraisal projects been in balance with the results of the activities?
- * Has the efficiency of resource use changed along with the years?

Added value:

- * What has been the added value of the appraisal projects to FIDIDA?
- * What has their added value been to FIDIDA's member and non-member organizations?
- * What has their added value been to MFA?
- * What has been the added value to the advocacy and enhancement of the disability sector in general, in Finland and internationally?

5. Methods, expertise required and time schedule

The work will be carried out as desk study in Helsinki. As the methods, document analysis and interviews of different stakeholders (separately and in groups) will be used. Stakeholders will include staff from MFA NGO Unit and MFA Quality group, FIDIDA and its member organizations as well as from a couple of non-member organizations which have applied for project funding to disability projects.

The work will be carried out by one expert. Thorough expertise in development cooperation and administration of aid in general, and that of NGO-aid in particular, as well as disability policies are required. Also evaluation experience is necessary. Good knowledge of Finnish language is required.

The total time reserved for the work will be 20 working days. The work will start 7th of April, 2008 and the draft final report will be handed in to MFA Evaluation Unit by 20th of May, 2008. The final report will be finalized in three days after the comments of MFA and FIDIDA.

6. Reporting

The final report shall include a summary with main findings, conclusions and recommendations, preferably also in a table format. The structure and the lay-out of the report will follow the Evaluation Guidelines (2007) and MFA instructions and it shall include separate sections for findings, conclusions and recommendations. The analysis and results shall be evidence-based. The recommendations must be action oriented as to facilitate the decision-making of the MFA with regard to the value and significance of the outsourcing instrument and its further development. The EU quality control sheet completed on behalf of the evaluator must be included. The final report shall be subject to approval of the Ministry.

7. Mandate

The evaluator is entitled and expected to discuss with pertinent persons and organizations the above and any other matters relevant to the assignment. However, the evaluator is not authorized to make any commitments on behalf of the Government of Finland.

Helsinki 26.3.2008

Aira Päivöke
Director
Unit for Evaluation and Internal Auditing

ANNEX 2 LIST OF PEOPLE INTERVIEWED

Ministry for Foreign Affairs

Kirsi Aarniva, Programme Officer, Unit for Non-Governmental Organizations
Pasi Hellman, Deputy Director General, Department for Development Policy
Kaija Kouvonon, Programme Officer, Unit for Non-Governmental Organizations
Matti Lahtinen, Senior Officer, Unit for Non-Governmental Organizations
Leo Olasvirta, Director, Unit for Non-Governmental Organizations
Kari Toiviainen, Counsellor, Department for Development Policy
Ronald Wiman, Senior Social Development Advisor, Unit for Sectoral Policy

FIDIDA

Tuija Halmari, Director
Elina Savo, Development Coordinator

Board members

Pekka Ala-Jaakkola, Financial Manager, Finnish Association of Hard-of-Hearing Association
Taija Heinonen, Executive director, Abilis-foundation
Anu Kaivonen, Secretary for international affairs, vice board member, Finnish Federation of the Visually Impaired
Kalle Könkkölä, Executive director, Threshold
Anja Malm, Chief of international department, Finnish Association of the Deaf
Marja Pihkala, Chief of social and organisational department, Finnish Association of people with Mobility Disabilities
Laura Poussa, Secretary for international affairs, Association of people with Mobility Disabilities

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