Ministry for Foreign Affairs of Finland

2020 Annual Report on Evaluation – Selected highlights

Introduction

The year 2020 was a very special year for all of us as the Covid-19 pandemic changed our reality, and its ongoing impact continues to influence all aspects of our lives. **Covid-19 had its effects also to evaluation functions all over the world:** planning and implementation of evaluations have been adjusted, some evaluations have been postponed and new evaluation initiatives have risen.

The most important task of the Development Evaluation Unit in the Ministry for Foreign Affairs of Finland (MFA) is to provide the MFA with **useful and timely information and recommendations to improve development policy and cooperation.** In addition, we value international cooperation, which is an excellent way to learn and influence and which benefits the whole MFA.

> ***"Peer Reviews allowed cross-agency learning that can be beneficial for the broader development evaluation community."***
> **Peer Review Report**

In 2020, **three policy level evaluations** were completed. In addition, we conducted a **Peer Review of evaluation functions** together with Switzerland and Ireland and contributed to the Peer Review of the World Food Program (WFP) as an expert. We also participated in several **joint evaluations and promoted evaluation capacity development** e.g. with Global Evaluation Initiative (GEI), Eval SDGs, Nordic+, EvalPartners, Multilateral Organisation Performance Assessment Network (MOPAN), COVID-19 Global Evaluation Coalition, UNICEF and International Institute for Environment and Development (IIED).

The 2020 Annual Report on Evaluation showcases the spectrum of evaluation activities over the past year within the Development Evaluation Unit. Below are some selected highlights from the report that is available in Finnish on the MFA's website.

Peer Review of Evaluation Functions in Ireland, Switzerland and Finland

Ireland, Switzerland and Finland conducted a Peer Review of their evaluation functions as encouraged by the OECD-DAC Network on Development Evaluation (EvalNet). The advantage of combining the Peer Reviews was that it allowed not only findings, conclusions, and recommendations related to each of them, but also cross-agency learning.

The **UNEG (UN Evaluation Group) norms independence, credibility and utility, guided the Peer Review.** This Peer Review benefited from the evaluation units of same size and responsible for similar tasks.

The Peer Review was useful both for learning and for the development of evaluation function. According to the Peer Review, the Development Evaluation Unit is independent and excercises its function **with high degree of independence.** In the MFA **the evaluation culture is good and evaluations are of high quality, useful and meet the international norms and standards for evaluations.** However, the quality of decentralized, project-level evaluations need further improvements by e.g. enhancing evaluation capacity and ensuring sufficient human resources for planning, implementation and follow up of evaluations.

The Peer Review **praised the evaluation help desk services** provided to the other units in the MFA as well as the **consultative process to prepare the annual evaluation plan.**

There is always room for improvements. The Peer Review concluded that the **usefulness of evaluations is put at risk due to the overambitious scope and complex methodologies.** This leads to lengthy and complex evaluation processes and long reports. The Development Evaluation Unit could thus **pay attention to the relevance and timeliness of evaluations.** The Unit could also **diversify its portfolio of evaluation products** through conducting some less complex and expensive evaluations, employing less-costly evaluation methodology and redesigning evaluation reports.

MFA's evaluation function was further commended by the Center for Global Development (CGD) that **ranked Finland as the 8th on the Quality of Official Development Assistance (QuODA).** Finland's best performance was on the **evaluation dimension where Finland ranked high due to the strength of its system for evaluation and results-based management.**

Evaluation of Finnish Development Policy Influencing Activities in Multilateral Organizations

This independent evaluation assessed **how Finland influences its multilateral partners and their operations in order to advance the international development agenda.** The evaluation looked at the various influencing activities by the MFA and their effectiveness and relevance. The evaluation covered 23 multilateral partners of the MFA and nine of them were analysed in more depth. The evaluation, started in June 2019, was based on a framework designed to decipher the multilateral influencing activities by the MFA as well as the related results.

Finland is punching above its weight in the thematic areas where the country is considered a leader.

The evaluation revealed that **Finland was consistently perceived to be "punching above its weight"** in areas where it is considered as a thematic leader and a country "walking the talk". Finland is seen as a **credible advocate and has built a reputation as a thematic leader, especially in gender equality, the rights of persons with disabilities, education, technology and innovation.**

"Finland is a highly regarded and constructive partner."
World Bank Vice President, Development Finance

Existing good practices for influencing multilaterals at the MFA

- Working consistently and over long periods of time towards strategic influencing goals;
- Working through different channels and fora, coordinated, at the same time;
- Engaging in informal interactions;
- Building and maintaining personal relationships;
- Working together with like-minded partners (especially the Nordic Group), and forging new alliances;
- Building a profile and reputation;
- Establishing a deep understanding of each of the Multilateral, its operations, and the global context it operates in; and
- Engaging in effective information exchange and communication among MFA staff in Helsinki and abroad, including learning from relevant projects Finland funds at Multilaterals.

According to the evaluation, Finland also **engaged in a range of other influencing activities** than influencing through the governing bodies, funding allocations or staff placements, both directly and indirectly. This was most frequently done through **coordination and relationship management. MFA staff are the key drivers for change but are limited in numbers and affected by rotation.**

The MFA's approach to managing influencing has been effective for organisational learning and reporting to Parliament but has not yet significantly affected how multilateral influencing is implemented in practice. The **MFA**

could be working closer with Finns who are working in multilateral organizations. In the future, more strategic approach is needed along with allocating more resources to multilateral activities.

Evaluation of Country Strategy Approach in Fragile Contexts

Finland's development cooperation with its long-term partner countries is planned and implemented under a Country Strategy approach, which was expanded to apply to all programmable cooperation in 2012. The purpose of the Country Strategy evaluation launched in March 2019 was to **assess the applicability and feasibility of the Country Strategy approach in fragile contexts,** over the period 2012-2019, given their specific challenges and requirements. The evaluation drew evidence from the experience of Country Strategies in four countries, namely **Afghanistan, Myanmar, occupied Palestinian territory, Somalia** and in one region, i.e. the "Strategy for Development Cooperation and Humanitarian aid in response to the conflicts in **Syria and Iraq**" was included to draw wider findings and conclusions.

Despite the challenging circumstances, results were achieved by creating possibilities for peacebuilding.

The evaluation acknowledged that the four countries and one region featured in this evaluation **are diverse in terms of the root causes, sources and effects of their fragility but the challenges related to the implementation of the cooperation are, to a large extent, common.** Despite the challenging circumstances, **results were achieved by creating possibilities for peacebuilding. The MFA was recommended to enhance efforts in supporting the peace processes** as Finland has a good reputation in the field.

According to the evaluation, **policy dialogue priorities were relevant and geared to statebuilding,** while the development cooperation could be more closely linked to the medium term policy objectives, including peacebuilding.

The main learning is that **country strategies need to be more flexible** so that they can be adapted to changing circumstances. Also, the **funding needs to be resilient and possible risks need to be monitored sensitively.** Finally, the **analytical basis** of Country Strategies **in terms of conflict and fragility needs to be improved.** The evaluation encouraged the MFA to **continue and strengthen the Human Rights Based Approach and its practical implementation.**

The evaluation results were used in planning the new Country Strategies for 2021-2024. The recently approved strategies now consist of two parts, the first including the strategic goals and the second part covering the development policy and cooperation related Country Programme.

Evaluation of Economic Development, Job Creation and Livelihoods

The evaluation examined how Finland's support has contributed to strengthening the economy, creating jobs and improving livelihoods in partner countries. It assessed **how development policy objectives had been achieved, what were the strengths and weaknesses of the assistance provided, and what are proposed measures to strengthen development cooperation in this field.** The evaluation focused on the period 2016-2019 and consisted of several components such as Country Case Studies for Kenya, Tanzania and Zambia; analysis of private sector instruments and analysis of specific thematic areas.

Existing good practices for strengthening the economy in partner countries

- Having comprehensive approach and defining long-term development policy objectives;
- Setting result targets for development policy priorities, especially for reduction of poverty;
- Defining clearly and coordinating the role of donor country's private sector;
- Selecting donors' priorities: geographical areas, sectors, themes, crosscutting objectives, approaches;
- Choosing main methods and modalities of cooperation;
- Coordinating cooperation effectively in donor organisations;
- Having relevant monitoring, evaluation and learning system in place to measure and learn from results.

The evaluation pointed out that the cooperation to support economic development, job creation and livelihoods has been **relevant for partner countries' needs and in line with Finnish development policy objectives.**

This cooperation It has also **produced many success stories,** e.g. in energy sector as well as in the thematic

areas of innovation, taxation and women's economic empowerment (WEE). Finnfund proved also to be a Private Sector Instrument (PSI). There were though also shortcomings and **achievements were in some instances fragmented, and not all opportunities for operational development were exploited.**

The evaluation acknowledged that the MFA has strengthened the coherence of its development cooperation in recent years by defining development policy priorities and linking to them the objectives of the country strategies. However, the **lack of strategic leadership**, notably in a form of a comprehensive policy and strategy, to strengthen economic development and private sector engagement, **has negatively affected the portfolio's coherence, and its effectiveness.** In addition, **gaps in between the different PSIs** from the perspective of companies, NGOs and other partners **limit building effective business cases for contributing to the development goals.**

Overall, the MFA has been active in developing new instruments and approaches for leveraging private sector knowledge, financial resources and technology for development. Consequently, **the interest of Finnish private sector towards emerging markets has increased.**

The evaluation encourages the MFA to **develop a comprehensive, coherent and actionable Policy for Economic Development and Private Sector Engagement.** In addition, it recommends **to develop practical Private Sector Instrument Guidelines to accompany the Policy.** It further suggests making **implementation of the portfolio of economic development, job creation and livelihoods more holistic** by adopting for instance an ecosystem or other systemic approach to programming.

Ongoing and upcoming evaluations

Ongoing evaluations:

- Mapping of Finland's Peacebuilding Efforts
- Evaluation on Water Diplomacy
- Evaluation on Development Cooperation Carried out by the Department for Russia, Eastern Europe and Central Asia, including the Wider European Initiative (WEI)
- Evaluation on the Transition Process of Finnish-Vietnamse Cooperation in 2008-2020
- Metaevaluation of Project and Programme and Centralized Evaluation 2017-2020

Upcoming evaluations to be started in 2021

- Finland's Development Policy influencing in the EU
- Evaluation on Humanitarian Assistance
- Response of Finnish Development Policy and Cooperation to the Covid-19

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For the full annual report and evaluation reports, see MFA's website.