Evaluation

Finnish support to development of local governance

Evaluation report 2012:5

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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PREFACE

Finland has supported the North South Local Government Cooperation Programme (NSLGCP) of the Association of Finnish Local and Regional Authorities (AFLRA) in African countries for more than ten years. Also programmes of direct or indirect support to decentralization of powers to local level and local governance support cooperation programmes have been supported in the same countries over the years. However, the Finnish support to this sector had never before been evaluated in a wider scale.

At the point of time when a profound evaluation of the AFLRA programme was required, it was decided to look at the local governance support from a wider perspective, from the perspective of decentralization of powers at the central government level, as well as from the local governance level. In this way, the fairly comprehensive NSLGCP programme was also put in its proper context in the five countries included in this study, namely Kenya, Tanzania, Namibia, South-Africa and Swaziland.

One and the same evaluation team undertook the two sections of this evaluation, the NSLGCP and the ten other programmes selected for the evaluation.

This printed report contains the results of the wider context, and the report on the evaluation of NSLGCP is appended to it as a case-study.

Helsinki, 16.03.2012

Aira Päivöke
Director
Development Evaluation

ACRONYMS AND ABBREVIATIONS

ACBF	African Capacity Building Foundation
AFLRA	Association of Finnish Local and Regional Authorities
AIDS	Acquired Immune Deficiency Syndrome
ALAN	Association of Local Authorities in Namibia
ALGAK	Association of Local Government Authorities in Kenya
BCM	Bridging and Coordination Mechanism
BTC	Belgium Technical Cooperation
CB	Capacity Building
CBG	Capacity Building Grant
CBO	Community Based Organisation
CD	Capacity Development
CDF	Constituency Development Fund
CDG	Capital Development Grant
CG	Central Government
COFISA	Cooperation Framework on Innovative Systems between Finland and South Africa
CSO	Civil Society Organisation
DA	Department of Agriculture
DAC	Development Assistance Committee
Danida	Danish International Development Agency
D-by-D	Decentralisation by Devolution
DDC	Directorate of Decentralisation Coordination & District Development Committee
DESEMP	District Economic and Social Empowerment Programme
DFID	Department for International Development
DFRD	District Forum for Rural Development
DP	Development Partner
DPC	Development Policy Committee
DPIC	Decentralisation Policy Implementation Committee
DST	Department of Science and Technology
EC	European Commission
EQ	Evaluation Question
ET	Evaluation Team
EU	European Union
EUR	Euro, European Union Currency
FCM	Federation of Canadian Municipalities
FiSNDP	Finnish Support to the Namibian Decentralisation Process
FrSNDP	French Support to the Namibian Decentralisation Process
FN	Förenta Nationer (in Swedish text)
GGP	Gender and Governance Programme
GIZ	Gesellschaft fur Internationale Zusammenarbeit
GJLOS – RP	Governance Justice Law and Order Sector Reform Programme

GoK	Government of Kenya
GoT	Government of Tanzania
HIV	Human Immunodeficiency Virus
HR	Human Resource
ICT	Information & Communication Technology
IGFTS	Inter-Governmental Fiscal Transfer System
JC	Judgement Criteria
KRA	Key Result Area
KfW	Kreditanstalt fur Wiederaufbau
LADEP	Limpopo Agricultural Development Project
LATF	Local Authorities Transfer Fund
LED	Local Economic Development
LG	Local Government
LGA	Local Government Authorities
LGCDG	Local Government Capital Development Grants
LGDG	Local Government Development Grant
LGR	Local Government Reform
LGRP	Local Government Reform Programme
LPDA	Limpopo Department of Agriculture
LIMAS	Lindi and Mtwara Agri-Business Support Project
MC	Minimum Condition
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
MIG	Municipal Infrastructure Grant
MKUKUTA	Poverty Reduction Strategy Tanzania
MoFA	Ministry of Foreign Affairs of Finland
MOFEA	Ministry of Finance and Economic Affairs
MoU	Memorandum of Understanding
MRLGHRD	Ministry of Regional, Local Government, Housing and Rural Development
MTEF	Mid-term expenditure Framework
MTR	Mid-Term Review
MTS	Medium Term Strategy
NGO	Non-governmental Organisation
NSLGCP	North South Local Government Cooperation Programme
OECD	Organisation for Economic Cooperation and Development
PACT	Partnership for Capacity Building in Africa
PFM	Public Finance Management
PM	Performance Measures
PMO-RALG	Prime Minister's Office - Regional Administration and Local Government
PMU	Project Management Unit
PS	Permanent Secretary
PSRDS	Public Sector Reform and Development Secretariat
PSRP	Public Sector Reform Programme

RBM	Results Based Management
SALGA	South African Local Government Association
SANSI	South African National System of Innovation
Sida	Swedish International Development Assistance
SKL	Swedish Association of Local Authorities and Regions
SMART	Sustainable, measurable, achievable, relevant and time-bound (indicators)
STPP	Short Term Priority Programme
SWAP	Sector Wide Approach
ToR	Terms of Reference
TSH	Tanzania Shilling
UK	United Kingdom
UM	Ulkoasiainministeriö (in Finnish text); Utrikesministeriet (in Swedish text)
UNDP	United Nations Development Programme
UN	United Nations
WB	World Bank
YK	Yhdistyneet Kansakunnat (in Finnish text)

Evaluointi Suomen tuesta paikallishallinnon kehittämiseksi

Olsen BO, Nyamweya P, Meyer M, Christensen JP ja Sola N

TIIVISTELMÄ

Evaluointi tarkasteli Suomen paikallishallinnon ja hallinnon hajauttamisen kehitysyhteistyötä. Tarkastelun kohteena oli Suomen Kuntaliiton ohjelma Pohjoisen ja Etelän kuntien yhteistyöstä (NSLGCP) ja kymmenen muuta kehitysohjelmaa. Työ sisälsi asiakirjojen analysointia ja haastatteluja Suomessa, Keniassa, Namibiassa, Etelä-Afrikassa, Swazimaassa ja Tansaniassa.

Suomen ulkoasiainministeriö (UM) painottaa kehitysyhteistyössään omistajuutta ja harmonisointia. Evaluointi totesi, että yhteistyö on tukenut kumppanimaiden politiikkaa. Paikallishallinnon tuen eri aspektien vaikutusta ja kestävyyttä oli kuitenkin vaikea osoittaa useistakin syistä. Yksi ongelmista oli NSLGCP:n heikko indikaattoritason raportointi. Toinen ongelma oli se, että kymmenen muuta ohjelmaa eivät kohdentuneet paikallishallintoon. Sen sijaan ne keskittyivät kansallisen politiikan kysymyksiin keskushallinnon kautta toteutettujen ohjelmien avulla. Paikallishallinto-ohjelmista viisi liittyi paikallispolitiikan tukemiseen, hyvään hallintoon, hajautettuun palvelutarjontaan, paikalliseen maaseutukehitykseen sekä hajautetun hankeyhteistyön suunnitteluun ja toteutukseen.

Evaluointi suosittelee, että UM kehittäisi järjestelmällisen lähestymistavan paikallishallinnon tukemiseen osana Suomen kehitysyhteistyöpolitiikkaa. Suosituksesta voidaan päätellä, että tulisi kehittää yhteinen strateginen näkemys. Tämä tarkoittaa paikallishallintoa koskevan tietämyksen lisäämistä kaikissa edustustoissa, sekä päätoimipaikoissa että teknisellä tasolla. Lisäksi paikallishallinnon kysymysten parissa työskentelevien pitäisi saada tehostettua, tarpeisiin perustuvaa koulutusta, jotta heidän paikallishallinnon kysymysten organisatorinen ymmärryksensä paranisi. Kohdennettu koulutus voisi luoda parempia yhteyksiä sektoriohjelmien ja hankkeiden välille ja edistää kehitysprosessin paikallista kapasiteettia ja omistajuutta.

Avainsanat: paikallishallinto, hajauttaminen, palvelutarjonta, omistajuus

Utvärdering av Finlands stöd för utveckling av lokal förvaltning

Olsen BO, Nyamweya P, Meyer M, Christensen JP och Sola N

ABSTRAKT

I utvärderingen bedömdes Finlands stöd för lokal förvaltning och decentralisering. Undersökningen omfattade Finlands kommunförbunds NSLGCP-program (North-South Local Government Cooperation Programme) och 10 andra program. Dokumentanalyser och intervjuer genomfördes i Finland, Kenya, Namibia, Sydafrika, Swaziland och Tanzania.

Utrikesministeriet i Finland (UM) betonar ägarskap och harmonisering i utvecklingsbiståndet. Bedömningarna vid utvärderingen bekräftade insatsernas relevans med avseende på Finlands politik och samarbetsländerna. Däremot var det av flera skäl svårt att fastställa effekterna och hållbarhetsaspekterna för lokala förvaltningar. Ett problem med NSLGCP-programmet var den begränsade rapporteringen av indikatorer. I fråga om de övriga programmen var problemet att de inte var inriktade på lokal förvaltning utan på nationella politiska frågor inom ramen för centralt genomförda program. Fem av programmen handlade om stöd till politiska åtgärder, god samhällsstyrning, decentraliserade tjänster, lokal landsbygdsutveckling och decentraliserat projektsamarbete vid planering och genomförande.

Utvärderingen rekommenderar att UM utvecklar en systematisk ansats för stödet till lokal förvaltning som en del av Finlands utvecklingspolitik. Detta innebär utveckling av samstämmiga politiska riktlinjer på området och att öka kunskapen om lokal förvaltning på ministerienivå och teknisk nivå genom ambassaderna. Dessutom bör personer som arbetar med frågor kring lokal förvaltning ges utbildning utifrån deras behov för att öka organisationens insikt om dessa frågor. Fokuserad utbildning skulle kunna skapa bättre sammanlänkning av sektorsprogram och -projekt och främja lokal kapacitet och ägarskap i utvecklingsprocessen.

Nyckelord: lokal förvaltning, decentralisering, tjänsteproduktion, ägarskap

Evaluation of Finnish support to development of local governance

Olsen BO, Nyamweya P, Meyer M, Christensen JP and Sola N

ABSTRACT

The evaluation assessed Finnish support to local governance and decentralisation. It examined the North-South Local Government Cooperation Programme (NSLGCP) of the Association of Regional and Local Authorities of Finland and 10 other programmes. Document analysis and interviews were conducted in Finland, Kenya, Namibia, South-Africa, Swaziland and Tanzania.

The Ministry for Foreign Affairs of Finland (MoFA) emphasizes ownership and harmonization in development assistance. The current assessment confirmed the relevance of the interventions to the policies of Finland and the cooperation countries. However, the impact and sustainability of aspects of local governance were difficult to ascertain for a number of reasons. One issue was that the NSLGCP had weak reporting at the indicator levels. A second issue was that the 10 other programmes did not address local governance; instead they addressed national policy issues through centrally implemented programmes. Five of the local governance programmes related to aspects of policy support, good governance, decentralised service delivery, local rural development and decentralised project cooperation in both design and implementation.

The evaluation recommends that MoFA develop a systematic approach to local governance support as part of Finnish development policy. This recommendation implies that a coherent policy statement on this topic should be developed. This means enhancing, throughout the embassies, knowledge of local governance, both on a headquarters and technical level. Furthermore, those working with local governance issues should receive enhanced needs-based training to increase the organisational understanding of local governance issues. Targeted training could create better linkages between sector programmes and projects and promote local capacities and ownership of the development process.

Key words: local governance, decentralisation, service delivery, ownership

YHTEENVETO

Taustaa
Ulkoasiainministeriö on tukenut paikallishallinnon hankkeita ja ohjelmia monissa Afrikan maissa kuluneiden kymmenen vuoden aikana. Kunnista on tullut tärkeitä kumppaneita YK:n vuosituhannen kehitystavoitteiden saavuttamisessa, koska niillä on yhä merkittävämpi rooli palveluntarjoajina myös kehitysmaissa. Monilla kunnilla on kuitenkin ongelmia sekä taloudellisten että inhimillisten resurssien ja kapasiteetin kanssa, joten niiden on vaikea tarjota tehokkaasti palveluita, joista ne ovat vastuussa. Tämä on taustana Pohjoisen ja Etelän kuntien yhteistyöohjelmalle (NSLGCP), jota Suomen kuntaliitto hallinnoi ja ulkoasiainministeriö rahoittaa, sekä kymmenelle paikallishallinto-ohjelmalle tai -hankkeelle, joita ulkoasiainministeriö rahoittaa Keniassa, Namibiassa, Etelä-Afrikassa, Swazimaassa ja Tansaniassa.

Tutkimuksen tämän osan tarkoitus on arvioida laajemmin Suomen tukea kahdella alalla: 1) paikallishallinto ja hajauttaminen Keniassa, Namibiassa, Etelä-Afrikassa ja Tansaniassa, ja 2) hyvän hallinnon ja paikallishallinnon edistäminen valtavirtaistettuna tavoitteena Suomen kehitysyhteistyössä. Kymmenen valitun ohjelman ja hankkeen arvioiminen, jossa evaluoidaan paikallishallinnon tason tukea kehitykselle, toimii kontekstina tai vertailukohtana NSLGCP:lle. Tämä arviointi auttaa ulkoasiainministeriötä arvioimaan NSLGCP:n erityispiirteitä ja sen suhteellista hyötyä sekä tekemään päätelmiä siitä, miten paikallishallinnon tukea tällä hetkellä toteutetaan.

Metodologia
Evaluointityöryhmä kuuli monenlaisia sidosryhmiä pääosin elokuussa ja syyskuussa 2011. Tutkimukseen otettiin mukaan kaikki keskeiset ulkoasiainministeriön työntekijät, jotka toimivat NSLGCP:n, politiikan kehittämisen, sukupuolten tasa-arvon, maaseudun kehittämisen ja paikallishallinnon parissa. Lisäksi kaikkia kuntaliiton ja useimpia suomalaisia yhteistyökoordinaattoreita haastateltiin Helsingissä. Kenian, Namibian, Etelä-Afrikan, Swazimaan ja Tansanian kenttämatkojen jälkeen, kun jokaisen 16 yhteistyötahon luona oli käyty (muutamissa tapauksissa haastattelut tehtiin puhelimitse Namibiassa), evaluointityöryhmä teki yhteenvedon NSLGCP-hankkeiden ja -ohjelmien tuloksista ja suosituksista. Lisäksi haastateltiin hallitusten ja Suomen edustustojen virkamiehiä näissä maissa, jotta saatiin vahvistettua tulokset ja opetukset useimpien paikallishallintoa ja hajauttamista tukevien ohjelmien osalta.

Evaluointityöryhmän arvioinnin tekemistä rajoitti johdonmukaisuuden puuttuminen kymmenen paikallishallinnon ja hajauttamisen ohjelman tai hankkeen valikoimassa. Tämä vaikeutti Suomen paikallishallinnolle antaman tuen kokonaisarviointia, koska yhteistä analyyttista perustaa tai taustaa oli vaikea löytää. Evaluointityöryhmä päätti käyttää interventiologiikkaa, jonka mukaan paikallishallintoon ja hajauttamiseen osoitettu tuki voidaan ryhmitellä seuraavasti: (i) politiikka- ja institutionaalinen tuki, (ii) hyvä (paikallinen) hallinto, (iii) palvelujen hajauttaminen, (iv) paikallinen (alueellinen) ja maaseudun kehitys ja (v) hajautettu yhteistyö. Tämän ryhmittelyn perusteella eva-

luointityöryhmä teki päätelmiä Suomen paikallishallinnon alalle antaman tuen yleisestä johdonmukaisuudesta ja asianmukaisuudesta tarkastelluissa maissa.

Tulokset ja päätelmät

Monissa avunantajaorganisaatioissa paikallishallintoa koskeva johdonmukaisuus ja sen yleinen tuntemus on vähäistä. Nämä samat ongelmat näkyvät Suomen ulkoasiainministeriön lähestymistavoissa. Yhtenä esimerkkinä vaikeuksista ohjelmien ja hankkeiden arvioinnissa voi tarkastella niihin sisältyvää diskurssia. Epäselvyyttä on liittynyt monien tärkeiden käsitteiden käyttöön, kuten paikallinen kehitys, paikallinen taloudellinen kehitys, lähialuekehitys, paikallinen aluekehitys, alueellinen kehitys, paikallinen inhimillinen kehitys, paikallinen kestävä kehitys sekä paikallishallinto, valtiotasoa alempi hallinto ja paikallisviranomaiset. Vaikka hajauttaminen ja paikallishallinto ovat eri prosesseja, prosessien keskinäistä dynamiikkaa ei myöskään ole aina täysin ymmärretty.

Yksi Suomen kehitysyhteistyötä ohjaavista periaatteista on johdonmukaisuus. Kehityspolitiikan johdonmukaisuus edellyttää, että strategiat ja toimet kaikilla politiikan aloilla tukevat järjestelmällisesti köyhyyden poistamista ja kestävää kehitystä ja että ne sovitetaan yhteen kansallisten prioriteettien kanssa. Johdonmukainen politiikka pyrkii saavuttamaan kansainvälisesti sovittujen ja kansallisesti hyväksyttyjen sopimusten tavoitteet ja edistää kestävän kehityksen toteuttamista kokonaisvaltaisesti ja yhdenmukaisesti. NSLGCP:n evaluoinnin keskeinen tulos oli, että useimmilla yhteyksillä on poliittista merkitystä, kun tavoitteet ja tulokset sopivat periaatteessa sekä kumppanimaan kuntien että Suomen yleisen kehitysyhteistyöpolitiikan yleisten politiikkojen ja strategioiden piiriin. Useimpien hankkeiden ja ohjelmien osalta päädyttiin samaan tulokseen. Eri hankkeiden ja ohjelmien analysoimisessa evaluointityöryhmä kuitenkin totesi, että puolet niistä kohdistuu suoraan paikallishallintoon ja hajauttamiseen, ja keskittyy kokonaisvaltaisesti ja järjestelmällisesti köyhyyden vähentämiseen ja vuosituhannen kehitystavoitteisiin. Näissä hankkeissa ja ohjelmissa työskennellään tavoitteellisesti kapasiteetin kehittämisen, institutionaalisten uudistusten ja paikallisten sidosryhmien todellisen, laajan osallistumisen tukemiseksi. Tämä ei kuitenkaan tarkoita, etteivät muut ohjelmat ja hankkeet olisi kokonaisvaltaisia institutionaalisiin ja poliittisiin kysymyksiin puuttumisessa. Ne vain on kohdennettu kansalliselle tasolle eikä niissä puututa paikallishallintoon sinänsä.

Aineisto osoittaa selvästi, että sellainen paikallishallinnon työ, joka on toteutettu keskushallinnon ylivallan alaisuudessa (tai ilman yhteisön omistajuutta), ei ole johtanut odotettuihin tuloksiin. Ohjelmien arviointi yhteistyömaissa kuitenkin osoitti, että paikallinen omistajuus on osa Suomen lähestymistapaa hajauttamisen ja paikallishallinnon tukemisessa. Suomella on edelleen ohjelma- ja hankelähestymistapa, ja siten se pyrkii kuromaan umpeen eroa keskushallinnon ajaman uudistusprosessin ja paikallisemman, tarpeisiin ja paikalliseen omistajuuteen perustuvan lähestymistavan välillä.

Useat tutkimukset ja kentältä saatu näyttö osoittavat, että Tansaniassa kuluneiden kymmenen vuoden aikana tarjottujen palvelujen määrässä ja kattavuudessa on tapah-

tunut parannusta, erityisesti terveys- ja koulutussektoreilla (IEG 2008; JICA 2008). Paikallishallinnon yksiköille myönnettyjen avustusten ja erilaisten korirahastojärjestelyjen lisääntyminen on osaltaan laajentanut palveluja. Tämä on kuitenkin merkinnyt myös sitä, että paikallishallinnon yksiköiltä vaaditaan entistä enemmän hyviä ja vakaita varainhoito- ja hankintajärjestelmiä, jotta ne voivat asianmukaisesti hyödyntää kasvavia rahoitusvirtoja paikallistasolla ja vastata niistä.

Yksi hajauttamisen suurimmista riskeistä on se, että se saattaa lisätä epätasa-arvoa, jos budjettivastuun hajauttaminen ei ole tasapainossa kaikkialla maassa. Tietyt seudut, alueet tai kunnat, joita on jo tuettu, saattavat olla paremmassa tilanteessa kuin köyhemmät seudut ja alueet, ja siten tulevat mahdollisesti hyötymään jopa lisää epätasapainoisesta budjettivastuun hajauttamisprosessista. Resurssien myöntämisen erot tietyn maan hallintoalueiden välillä voivat olla hyvinkin merkittäviä. Tämän takia on ryhdyttävä tasapainottaviin toimenpiteisiin, jotta budjettivastuun hajauttaminen ei suurenna kehityseroja.

On tärkeää huomioida, että tasapuolisemman budjettivastuun menetelmiä voivat ohjata monet periaatteet ja että huomioitavien seikkojen pitäisi perustua todelliseen tilanteeseen kentällä. Tansaniassa paikallishallinnon uudistamisohjelman (LGRP) ja valtionosuusjärjestelmien kehittämisen (CDG) järjestelmän kautta annettu tuki sekä Suomen tuki Namibian hajauttamisprosessille (FiSNDP) ovat selvästi esimerkkejä siitä, miten hallitus ja jotkin avunantajat, Suomi mukaan lukien, ovat tavoitteellisesti puuttuneet kaikkiin näihin kysymyksiin.

NSLGCP:tä myös kritisoidaan. Evaluoinnissa todettiin, että ohjelman puitteissa annettava tuki on hajanaista, ja siksi on vaikeaa nähdä, millaisia pysyviä vaikutuksia ohjelmalla on kokonaisuudessaan. Erittäin suuret siirtokulut suhteellisen pienestä tukisummasta ja suuret hallintokulut yhteistyön molemmissa päissä eivät paranna tätä kuvaa. Tämä käy selvästi ilmi myös kenttätyön tuloksista. Ohjelman kasvavaa budjettia on käytetty vierailujen lisäämiseen yhteistyökuntien välillä, joten ohjelmaan on tullut mukaan enemmän paikallishallinnon virkailijoita. Lisäksi on investoitu pienimuotoiseen infrastruktuuriin ja laitteistoon. Vierailujen lisäämisen tuloksia ja vaikutuksia on kuitenkin vaikea havaita, ja ohjelma on pysynyt lähes samanlaisena kymmenen vuotta.

Opetukset
Suomen Keniassa ja Tansaniassa tukema yhteisohjelmalähestymistapa on myönteinen esimerkki siitä, miten näitä kestävyyskysymyksiä voidaan käsitellä rahoittamalla yhteisesti kapasiteetin kehittämistä, investointeja ja toimeenpanokustannuksia. Kun Kenian ohjelmissa on keskitytty ainoastaan keskushallinnon kysymyksiin, Tansanian ohjelma on malliesimerkki koordinoidusta ja harmonisoidusta lähestymistavasta paikallishallinnon ja hajauttamisen tukemisessa. Jos toimintakykyisten paikallishallinnon järjestelmien kehittäminen on ensisijainen tehtävä, kehitysyhteistyötä tekevien maiden ja järjestöjen desentralisaatio-politiikoissa tarvitaan pitkän aikavälin institutionaalista näkemystä. Tällainen pitkän aikavälin näkemys on ratkaisevan tärkeä, koska desentralisaatio-prosessi on erittäin poliittinen, hauras ja riskialtis.

Lisäksi on keskityttävä enemmän institutionaalisiin kysymyksiin. Tämä merkitsee sekä keskittymistä niihin sääntöihin, jotka vaikuttavat hallinnon eri tasojen, yksityissektorin ja kansalaisyhteiskunnan toimijoiden käytökseen, että keskittymistä näitä sääntöjä toimeenpaneviin organisaatioihin. Tämä laajempi agenda on lisännyt keskittymistä paikallishallinnon, tilivelvollisuuden ja kapasiteetin kehittämiskysymyksiin paikallistasolla, mikä puolestaan vaikuttaa huomattavasti hankkeiden suunnitteluun ja poliittiseen vuoropuheluun. NSLGCP:n ja muiden ulkoasiainministeriön tukemien paikallishallinto-ohjelmien ja -hankkeiden kohdalla on puutetta analyyseistä ja arvioista, mikä vähentää ohjelmien vaikutusta.

Bakgrund

Utrikesministeriet (UM) har gett stöd till projekt och program för lokal förvaltning i ett antal afrikanska länder under de senaste 10 åren. Lokala myndigheter (LG) spelar en allt viktigare roll i tjänsteproduktionen, inte enbart i de utvecklade länderna utan också i utvecklingsländerna, och har därför blivit en viktig samarbetspartner i arbetet för att uppnå FN:s millennieutvecklingsmål (MDG). Många lokala myndigheter stöter dock på problem, såväl ekonomiska som personalmässiga, när det gäller kapacitet och resurser för effektiv tjänsteproduktion. Detta är bakgrunden till North South Local Government Cooperation Programme (NSLGCP), som finansieras av UM och administreras av Finlands Kommunförbund, och för de 10 program/projekt kring lokal förvaltning som stöds av UM i Kenya, Namibia, Sydafrika, Swaziland och Tanzania.

I samband med detta var utvärderingens mål att göra en bredare bedömning av Finlands stöd inom två områden: 1) lokal förvaltning och decentralisering i Kenya, Namibia, Sydafrika och Tanzania och 2) främjande av god samhällsstyrning och lokal förvaltning som ett genomgående syfte i Finlands utvecklingssamarbete. Bedömningen av hur de 10 programmen och projekten stöder utveckling av den lokala förvaltningen utgör en bakgrund för jämförelser med NSLGCP. Genom denna bedömning blir det enklare för UM att bedöma NSLGCP-programmets nisch och komparativa fördelar samt dra slutsatser av hur stödet till lokal förvaltning för närvarande implementeras.

Metodik

Utvärderingsgruppen (ET) konsulterade en stor del av intressenterna, främst i augusti och september 2011. En enkät omfattade all relevant UM-personal som arbetar med NSLGCP, utveckling av politiska åtgärder, jämställdhetsfrågor, landsbygdsutveckling och lokal förvaltning. Dessutom intervjuades alla Kommunförbundets samordnare och merparten av Finlands samordnare för det aktuella utvecklingssamarbetet i Helsingfors. Efter fältbesöken i Kenya, Namibia, Sydafrika och Tanzania i september sammanfattade ET observationerna och rekommendationerna angående NSLGCP-projekten och -programmen i och med att alla 16 samarbetslänkar hade besökts (i ett fåtal fall genomfördes telefonintervjuer i Namibia). Dessutom intervjuades regeringstjänstemän och tjänstemän på Finlands ambassader i länderna för att fastställa utfall och lärdomar av de flesta stödprogrammen för lokal förvaltning och decentralisering.

Utvärderingen försvårades av den bristande samstämmigheten i urvalet av de 10 programmen/projekten kring lokal förvaltning och decentralisering. Detta hämmade en övergripande bedömning av Finlands stöd till lokal förvaltning eftersom det var svårt att finna en gemensam analysgrund eller bakgrund. ET valde att tillämpa en insatslogik där stödet till lokal förvaltning och decentralisering kategoriseras på följande sätt: 1) stöd för politiska åtgärder och institutionellt stöd, 2) god (lokal) samhällsstyrning, 3) decentralisering av tjänster, 4) lokal (regional) utveckling och landsbygdsutveckling och 5) decentraliserat samarbete. Utifrån denna kategorisering drog ET slutsatser om

den övergripande samstämmigheten i Finlands stöd och stödets betydelse i frågor som gäller lokal förvaltning i de granskade länderna.

Observationer och slutsatser

Många givarorganisationer har liten kontinuitet och insikt i fråga om lokal förvaltning. Liknande problem finns i UM:s ansats. Ett exempel på svårigheten att bedöma programmen/projekten är diskursen i dem. Många viktiga begrepp används på ett tvetydigt sätt, däribland lokal utveckling, lokal ekonomisk utveckling, lokal områdesutveckling, lokal territoriell utveckling, regional utveckling, lokal mänsklig utveckling och lokal hållbar utveckling och lokal förvaltning, regional förvaltning och lokala myndigheter. Likaså har man inte alltid till fullo förstått dynamiken i decentralisering och lokal förvaltning, eftersom dessa utgör olika processer.

En av de vägledande principerna i Finlands utvecklingspolitik är samstämmighet. Samstämmig utvecklingspolitik förutsätter att strategier och åtgärder inom alla politikområden stöder hållbar utveckling och utrotning av fattigdom på ett systematiskt sätt och att dessa anpassas till nationella prioriteringar. Samstämmig politik fokuserar på att uppnå mål som anges i internationellt och nationellt accepterade överenskommelser och främjar hållbar utveckling på ett genomgående och konsekvent sätt. Den centrala observationen i denna utvärdering av NSLGCP är att den politiska relevansen kan ses i de flesta samarbetslänkarna eftersom målen och utfallen i princip överensstämmer med den övergripande politiken och strategin i partnerländernas kommuner liksom med Finlands övergripande utvecklingspolitik. Den politiska relevansen kan på liknande sätt ses i de flesta av de analyserade insatserna. ET observerade dock att hälften av insatserna är direkt inriktade på lokal förvaltning och decentralisering samtidigt som de fokuserar på fattigdomsbekämpning och MDG på ett genomgående och systematiskt sätt. Dessa insatser främjar på ett programmässigt sätt kapacitetsuppbyggnad, institutionella reformer och bred medverkan av lokala intressenter. Detta betyder dock inte att man inte skulle beakta institutionella och politiska frågor på ett programmässigt och genomgående sätt i de program och projekt,, som är inriktade på nationell nivå och inte alltid beaktar lokal förvaltning i sig.

Utvärderingsresultaten visar tydligt att förväntade resultat inte uppnåddes i arbetet med lokal förvaltning om det utfördes under kraftigt inflytande från centralregeringens sida eller om det saknades lokalt ägarskap. Bedömningen av programmen i samarbetsländerna visade också att lokalt ägarskap ingår i Finlands ansats som ett stöd för decentralisering och lokal förvaltning. Genom att behålla både en program- och en projektansats försöker Finland överbrygga klyftan mellan centralt drivna reformprocesser och inriktningen på lokala behov med lokalt ägarskap.

Olika undersökningar och faktaunderlag tyder på att tjänsteproduktionen i Tanzania har förbättras i fråga om kvantitet och täckning under de senaste 10 åren, särskilt inom hälsovård och utbildning (IEG 2008; JICA 2008). Upphovet till utökningen av tjänsterna har varit ett ökat bistånd till lokal förvaltning och olika samfinansieringsarrangemang. Detta har dock inneburit ökade krav och ökat tryck på god och solid eko-

nomisk förvaltning samt inköpssystem i lokal förvaltning så att medlen används och redovisas korrekt på lokal nivå.

En av de största riskerna med decentralisering är att ojämlikheten kan öka om det finns obalans i den skattemässiga decentraliseringen. Vissa distrikt, regioner och områden som hunnit få stöd kan ha ett bättre utgångsläge än fattigare distrikt och regioner och gynnas ännu mer av en obalanserad decentraliseringsprocess. Eftersom det kan finnas betydande resursskillnader mellan olika områden i ett land måste åtgärder för att utjämna skillnaderna vidtas för att undvika att skattemässig decentralisering leder till större ojämlikhet.

Här är det viktigt att observera att det finns många vägledande principer för skatteutjämning och att det alternativ som väljs bör avspegla den lokala situationen. Stödet genom LGRP-programmet (Local Government Reform Programme) och CDG-systemet (Capital Development Grant) i Tanzania och Finlands stöd till FiSNFP-processen (Namibian Decentralisation Process) i Namibia är tydliga exempel på att dessa frågor beaktas på ett programmässigt sätt av regeringen och vissa bidragsgivare, däribland Finland.

Det har även framkommit viss kritik av NSLGCP-programmet. Stödet är fragmenterat och därför är det svårt att bedöma programmets varaktiga effekter som helhet. Mycket höga transaktionskostnader för en relativt liten mängd stöd och en hel del administrativa kostnader i båda ändar av samarbetet förbättrar inte bilden. Denna bild framkom också tydligt i observationerna under fältarbetet. Den ökade programbudgeten har använts för mer besök mellan kommunerna som ingår i utvecklingssamarbetet, dvs. fler lokala tjänstemän har blivit involverade i programmet och investeringar i småskalig infrastruktur och utrustning har ägt rum. Resultaten och/eller effekterna av det ökade antalet besök är dock svåra att upptäcka och programmet har varit mer eller mindre likadant i 10 år.

Lärdomar
Den gemensamma programansats som Finland stöder i Kenya och Tanzania är ett positivt exempel på hur hållbarhetsfrågorna kan beaktas genom samfinansiering av kapacitetsutbyggnad, investeringar och kostnader för genomförande. Medan programmen i Kenya endast beaktade frågor som gäller centralregeringen var programmet i Tanzania en förebild när det gäller en samordnad och harmoniserad ansats för stöd till lokal förvaltning och decentralisering. Om utvecklingen av livskraftiga system för lokal förvaltning ska vara en prioriterad uppgift behövs en långsiktig institutionell vision för biståndsorganens decentraliseringspolitik. En sådan långsiktig vision är avgörande eftersom decentralisering är en mycket politisk, sårbar och riskfylld process.

Det behövs också starkare fokus på institutionella frågor. Detta innebär fokus på regler som påverkar beteendet hos aktörer på olika förvaltningsnivåer, i den privata sektorn och i civilsamhället och fokus på de organisationer som tillämpar dessa regler. Denna bredare agenda har lett till ett ökat fokus på lokal förvaltning, ansvarsutkrä-

vande och kapacitetsuppbyggnad på lokal nivå, vilket i sin tur får stora konsekvenser för projektplaneringen och den politiska dialogen. I fråga om NSLGCP och andra program och projekt kring lokal förvaltning som stöds av UM saknas analyser och bedömningar, vilket försvagar programinsatsernas effekter.

Background

The Ministry of Foreign Affairs (MoFA) has been supporting local governance projects and programmes in a number of countries in Africa over the past 10 years. As local governments (LGs) increasingly play a significant role in service delivery, not only in the developed world but also in developing countries, they have become important partners in attaining the UN Millennium Development Goals (MDGs). However, many local governments face problems with their capacity and resources – financial as well as human – to provide their mandated services efficiently. This is the background for the North South Local Government Cooperation Programme (NSLGCP), which is funded by MoFA and managed by the Association of Finnish Local and Regional Authorities (AFLRA), and for the 10 local governance programmes/projects supported by MoFA Kenya, Namibia, South Africa, Swaziland and Tanzania.

The purpose of this current part of the study is to make a wider assessment of Finland's support in two areas: 1) local governance and decentralisation in Kenya, Namibia, South Africa and Tanzania; and 2) the furtherance of good governance and local governance as a mainstreamed objective in the development cooperation of Finland. The assessment of the 10 selected programmes and projects in which the local governance level support to development is to be evaluated serves as the context, or comparison, for the NSLGCP. This assessment helps MoFA assess the special niche of the NSLGCP and its comparative advantage, and draw conclusions on how support for local governance is currently implemented.

Methodology

The Evaluation Team (ET) consulted a wide range of stakeholders, mainly in August and September 2011. The survey included all relevant MoFA staff working with the NSLGCP, policy development, gender issues, rural development and local governance. Furthermore, all AFLRA and most Finnish cooperation linkage coordinators were interviewed in Helsinki. After field visits to Kenya, Namibia, South Africa, Swaziland and Tanzania in September, the ET synthesised the findings and recommendations from the NSLGCP projects and programmes, as all 16 cooperation linkages had been visited. (Note that in a few cases telephone interviews were conducted in Namibia.) In addition, government and Finnish embassy officials in the above mentioned countries were interviewed to ascertain the outcomes and lessons learned for most of the local governance and decentralisation support programmes.

When carrying out the assessment, the ET was limited by the lack of coherence in the selection of the 10 local governance and decentralisation programmes/projects. This hampered the overall assessment of the Finnish support to local governance, because no common analytical ground or background could be easily found. The ET chose to use an intervention logic stating that local governance and decentralisation

support can be categorised as follows: (i) Policy and institutional support; (ii) Good (local) governance; (iii) Decentralisation of services; (iv) Local (regional) and rural development; and (v) Decentralised cooperation. Based on this categorisation, the ET drew conclusions on the overall coherence and pertinence of Finnish support for local governance issues in the reviewed countries.

Findings and Conclusions

Among many donor organisations, little consistency and common understanding of local governance exists. These same issues are reflected in the approaches of the Finnish MoFA. As just one example of the difficulties in assessing the programmes/ projects, it is helpful to look at the discourse in them. Ambiguity has surrounded the usage of many important terms, including the following: local development, local economic development, local area development, local territorial development, regional development, local human development, and local sustainable development, and local governments, sub-national governments and local authorities. Similarly, whereas decentralisation and local governance are different processes, the dynamics of both processes have not always been fully understood.

One of the guiding principles of Finland's development policy is coherence. Policy coherence for development requires that the strategies and actions in all policy areas support the eradication of poverty and sustainable development in a systematic way and that these are aligned to national priorities. Coherent policy strives to attain the objectives of internationally agreed and nationally accepted agreements and promotes the implementation of sustainable development in a comprehensive and consistent manner. The key finding of the evaluation of NSLGCP has been that policy relevance can be found in most linkages as objectives and outputs in principle fall within the overall policies and strategies of both partner country municipalities and overall Finnish development policy. Furthermore, there has been policy relevance in most interventions as objectives and outputs fall, in principle, within the overall policies and strategies of both partner country municipalities and overall Finnish development policy. However, when it analysed the various interventions, the ET found that half of them target local governance and decentralisation directly, and focus in a comprehensive and systematic way on poverty reduction and MDGs. These interventions work in a programmatic way on capacity building, institutional reforms and real broad-based participation of local stakeholders. This does not mean, however, that the other programmes and projects are not programmatic or comprehensive in addressing institutional and policy issues, but they simply target the national level, and do not necessarily address local governance as such.

The evidence clearly demonstrates that local governance work implemented under overwhelming central government domination (or the ones lacking community ownership) has not achieved the expected results. It would seem that local ownership is a part of the Finnish approach in the form of supporting decentralisation and local governance, as demonstrated through the assessment of the programmes in cooperation countries. Finland maintains a programmatic as well as a project approach, and

thereby tries to bridge the gap between a centrally driven reform process and a more local needs-oriented approach with local ownership.

Various studies and evidence from the field suggest that there has been an improvement in the quantity and coverage of the services delivered in Tanzania over the past 10 years, especially within health and education (IEG 2008; JICA 2008). The increase in grants to local governments and various basket-fund arrangements has been a source of expansion of services. But this has also meant an increasing demand and pressure on local governments to have good and solid financial management and procurement systems, so that they can properly utilise and account for the increased flow of funds at local levels.

One of the major risks of decentralisation is the risk that it could increase inequality if the fiscal decentralisation is not balanced throughout the country. Certain districts, regions or localities which have already been endowed might be better off than poorer districts and regions and therefore potentially stand to benefit even further from an unbalanced fiscal decentralisation process. This means that because resource endowment differences within a given country's constituent jurisdictions can be quite significant, equalization measures have to be taken to avoid the potential of fiscal decentralisation creating greater developmental disparities.

It is important to observe that there are many guiding principles for the formulation of fiscal equalization and that the choice of what to consider should reflect the actual situation on the ground. Clearly the support in Tanzania through the Local Government Reform Programme (LGRP) and the Capital Development Grant (CDG) system and the Finnish Support to the Namibian Decentralisation Process (FiSNDP) are examples of all these issues being addressed in a programmatic way by government and some donors including Finland.

There was some criticism of the NSLGCP as well. It was stated that support under the Programme is fragmented and therefore it is difficult to see what kind of consistent impacts the Programme has as a whole. Very high transaction costs for the relatively small amount of support and a lot of administration costs at both ends of the cooperation don't improve this picture, and this also emerges clearly from the fieldwork findings. The growing budget of the Programme has been used for more visits between cooperation municipalities, i.e. more local government officials have become involved in the Programme, and investment in small-scale infrastructure and equipment has also taken place. However, the results and/or impacts of the growing number of visits are hard to detect and the Programme has remained more or less the same for 10 years.

Lessons learnt
The joint programme approach supported by Finland in Kenya and Tanzania is a positive example of how to address these sustainability issues through joint financing of capacity building, investments and implementation costs. While the Kenyan pro-

grammes have addressed only central government issues, the Tanzania programme is a model of a coordinated and harmonised approach to supporting local governance and decentralisation. If the development of viable local governance systems is a priority task, the decentralisation policies of donor agencies need a long-term institutional vision. This kind of long-term vision is crucial because the process of decentralisation is highly political, fragile and risky.

A stronger focus on institutional issues is also needed. This means a focus both on the rules that influence the behaviour of actors at different levels of government, in the private sector and in civil society, and on the organisations that implement those rules. This broader agenda has led to an enhanced focus on local governance, accountability and capacity building issues at the local level, which in turn has strong implications for project design and policy dialogue. In the case of NSLGCP and other local governance programmes and projects supported by MoFA, analyses and assessments are lacking, and this lack hampers the impact of Programme activities.

Summary of key findings, conclusions and recommendations

Findings	Conclusion	Recommendation
The overall management of the NSLGCP and the administration of the linkages was found to be excessive with more than 40-50% of total Programme funding going to Programme management, salary compensation in the northern municipalities, paying non-municipal coordinators in both northern and southern municipalities, and adding travel, per diem, and recurrent office costs as well as compensation for technical inputs from mostly northern experts. The key problem for the ET in terms of measuring impact was and is the fact that reporting on Programme activities within each linkage almost in all cases has been narrative and not focused on reporting on logframe indicators.	The results of the field-work case studies for NSLGCP suggest that Finland's development interventions are usually in line with local needs and were generally focused on areas where Finland possessed added value such as projects dealing with environment and water sector management as well as education. But only a few of the visited linkages talked about mutual benefit in this technical exchange and that the supply driven nature of the Finnish technical support sometimes didn't match the needs or interest of the southern partner. The cooperation projects must be able to link the contribution of the Programme to poverty reduction and the UN MDGs, which have to be clearly specified in the local government co-operation processes and all activities must be designed for the achievement of that objective. This is a requirement of the Programme but seems to be too lofty objectives for a Programme, which has relatively small amounts of	If MoFA continues to support the NSLGCP it would need to reconsider the NSLGCP format. Programme management arrangements need to be spelt out clearly and fully in the design of this type of programme. The cooperation approach adopted under the NSLGCP has left too much room for interpretation of what exactly administrative costs – salaries and other recurrent costs – could be included under the Programme both in overall Programme management and also under the individual linkages.

	funding, and this funding is furthermore very fragmented.	
There has been little consistency and common understanding of local governance within many donor organisations and this is also reflected in the approaches of Finnish MoFA. Ambiguity has surrounded the usage of terms such as local development, local economic development, local area development, local territorial development, regional development, local human development, and local sustainable development, and local governments, sub-national governments and local authorities.	Decentralisation and local governance are different processes; the dynamics of both processes have not always been fully understood. Donor organisations working with decentralisation and local governance need to develop conceptual tools and understanding of how different interventions at national, regional and local levels and within in sectors relate to the local governance agenda.	MoFA should develop a decentralisation and local governance strategy paper with Finland's position on how decentralisation and local governance programming can be tackled in future and not least how local governance and decentralisation aspects are addressed and catered for together with sector programming and sector budget and general budget support arrangements.
One of the guiding principles of Finland's development policy is coherence. Policy coherence for development requires that the strategies and actions in all policy areas support the eradication of poverty and sustainable development in a systematic way and are aligned to national priorities. Coherent policy strives to attain the objectives of internationally agreed and nationally accepted agreements and promotes the implemen-	All the interventions assessed have a high degree of policy relevance and do address national strategies and programmes. Complementarities and alignment to Paris Declaration principles is achieved through joint programme funding under a basket fund arrangement in both Tanzania and Kenya, adhering to a nationally formulated strategy and programme in which the Government takes the lead. However, in Ken-	Continue to support overall decentralisation and local governance agenda in cooperation countries and participate in the spirit of Paris Declaration in joint programmes, reviews, and formulations in this area as relevant to the prevailing national process.

tation of sustainable development in a comprehensive and consistent manner.	ya and South Africa the programmes supported didn't address specific local governance and decentralisation issues such as service delivery, regional and rural development or decentralisation cooperation.	
Some of the criticisms levelled at the NSLGCP are that it seems that support under the Programme is fragmented and therefore difficult to assess impacts of the Programme as a whole. Very high transaction costs for the relatively small amount of support and a lot of administration costs at both ends of the cooperation doesn't improve on this picture, and this also emerges clearly from the fieldwork findings. Targeted interventions at local level for improved service delivery and local participation have proved hard to realise through national and sector programmes and the so-called local governance projects / programmes assessed.	Many of the Finnish embassies visited were not fully aware of the activities carried out under the NSLGCP and the impact on the local governance agenda. Furthermore, the interventions were either national or regional in focus but not necessarily focusing on the local governance agenda.	Increase the capacity at both headquarters and in embassies to deal with decentralisation and local governance issues at all levels of country cooperation and planning.
Decentralisation and community participation have often suffered from top-down approaches to development and become "supply driven" in	The evidence clearly demonstrates that local governance work implemented under overwhelming central government domination (or	MoFA should from the outset be involved in conducting in-depth problem analysis and involving the central Government, sub-national

many countries. In addition, for effective decentralisation, local communities should organize themselves to manage their own development, while local governing bodies are expected to provide overall guidance. To achieve sustainability, the challenge has been to facilitate and institutionalize a process through which rural communities themselves would establish local organisations to satisfy their own local needs.	the ones lacking community "ownership") has not achieved the expected results, as the public's commitment to project goals is a crucial determinant of outcomes. It would seem that this aspect of focusing on local ownership figures prominently in the Finnish approach to support decentralisation and local governance. Finland maintains a programmatic as well as a project approach thereby trying to bridge the gap between a centrally driven reform process and a more local "needs' oriented approach with more local ownership.	governments, local communities, non-state actors and other development partners in order to establish the initiative's potential for success.

1 INTRODUCTION

As part of the overall evaluation of the North-South Local Government Coopera-
tion Programme (NSLGCP) the evaluation was asked to also conduct an assessment
10 selected programmes/projects in which the local governance level support to de-
velopment will be assessed to serve as the context or comparison for NSLGCP. The
understanding of the assignment is that the local governments in Finland have an
important contribution to make to the overall Finish development policy by contrib-
uting to poverty reduction, combating environmental threats, equality, rule of law,
human rights, good governance and conflict prevention in support programmes/
projects between North and South. To this end the Ministry for Foreign Affairs of
Finland (MoFA) created a support programme for the Association of Finnish Lo-
cal and Regional Authorities (AFLRA), which has been implementing a number of
north-south cooperation programmes in Africa (Kenya, Namibia, South Africa, Swa-
ziland and Tanzania as well as Ghana and Mozambique). The NSLGCP assistance has
as its main objectives:

1) that the programme must respond to expressed needs for cooperation,
2) have tangible results which are identifiable, and
3) the results must show some value added drawn from current implementation
    modality, which is based on the use of Finnish experts.

The main idea behind the programme was that cooperation between local govern-
ments and local government officials in both the North and the South would be a
useful, efficient and effective means for increasing the capacity for improved and in-
creased service delivery in the local governments in developing countries. The ration-
ale is that it will enable transfer of expertise and know-how from the Finnish local
governments to add value to the overall Finnish development cooperation and to the
attainment of the global development objectives as formulated in the Finnish De-
velopment Policy Programme "Towards a just and sustainable world community"
(MoFA 2007a). The policy points out that many developing countries are facing in-
creasingly serious problems caused by migration from rural areas to big cities. The
policy refers to the Nordic model of local and regional development and the EU co-
hesion policy as examples of how local and regional development can and should be
promoted. Regional policy is envisaged to support sustainable socio-economic devel-
opment by eliminating and preventing poverty in rural areas and big cities, in which
strengthening local governance, decentralisation, transparency, accountability and
participation at the local government level is a means to this end.

The analyses of this wider development context was considered necessary in order
for MoFA to be able to assess the special niche of the NSLGCP and its comparative
advantage, and for the Ministry to be able draw conclusions on the current imple-
mentation modality in the wider development context. This issue being of particular
importance as there has been some ideas put in the fore for developing the NSLGCP
into a development instrument specific to local governance development. The feasi-

bility and realism of such an idea will therefore be more thoroughly examined against the overall assessment of the Programme and its implementation.

The purpose of this current part of the study is to make a wider assessment of Finland's support to local governance and decentralisation in Kenya, Namibia, South Africa and Tanzania and to the furtherance of good governance and local governance as a mainstreamed objective in development cooperation. The assessment of the 10 selected programmes/projects in which the local governance level support to development is to be assessed to serve as the context or comparison for the NSLGCP and the wider development context was considered necessary in order for MoFA to be able to assess the special niche of the NSLGCP and its comparative advantage, and for MoFA to be able to draw conclusions on the current implementation modality in the wider development context.

2 APPROACH AND METHODOLOGY

2.1 Purpose of evaluation

The objectives of the evaluation are therefore two-fold, namely to achieve:
1) A better understanding of the value and validity of the concept of NSLGCP support among the development cooperation modalities of Finland, directed to the level of local municipalities.
2) A wider knowledge of the state-of-the-art of and the need for inclusion of the level of local government and governance development in the development cooperation programmes overall, and the special significance of local government capacity in the furtherance of the wider development policy objectives of Finland.

The evaluation team (ET) has conducted a wide stakeholder consultation process mainly in August and September 2011 including all relevant MoFA staff working with the NSLGCP, policy development, gender, rural development and local governance. Furthermore, all AFLRA and most Finnish linkage coordinators were interviewed in Helsinki. After the field visits to Kenya, Namibia, South Africa, Swaziland and Tanzania in September the ET synthesised the findings and recommendations from the NSLGCP projects/programmes as all 16 interventions have been visited (in a few cases telephone interviews were conducted in Namibia). At the same time government and Finnish embassy officials in the above mentioned countries were interviewed to ascertain the outcomes and lessons learned for most of the local governance and decentralisation support programmes.

The other part of the evaluation is the evaluation of 10 selected programmes in which the local governance level support to development was to be assessed to serve

as the context or comparison for the AFLRA's programme in the African countries where the NSLGCP is active, namely in Kenya, Namibia, South Africa and Tanzania. The evaluation period for the 10 selected local development programmes was from 2005 onwards. The analysis of this wider development context was considered necessary in order for MoFA to be able to assess the special niche of AFLRA's programme and its comparative advantage, and for MoFA to be able to draw conclusions on the current implementation modality in the wider development context.

2.2 Methodology, data collection and analysis

Given this, the design and its corresponding methodological framework, is about understanding what has worked under which conditions, so that lessons can be drawn, i.e. patterns identified and relationships understood, and applied to future support efforts. This means that the overall goal of the assessment is to focus on improving interventions, or one might say that the focus is more on overall Finnish contribution rather than attribution in the selected programmes.

The case countries for evaluation/assessment have been pre-selected by the MoFA but the assignment requires that both qualitative and quantitative methods of data collection and analysis be carried out. The ET has developed a set of evaluation questions (EQ), their related judgement criteria (JC) and the indicators needed to answer the EQs. In each case country report a short summary of overall linkage cooperation is included and the answers to the EQs and JC through discussion of the indictors have been attempted. The evaluation matrix (Annex 2) shows the evaluation framework to assess the outcome of the NSLGCP over the past 10 years and for the assessment of the 10 projects/programmes.

Literature review
The ET has reviewed all relevant background documentation for the NSLGCP in terms of programme documents, mid-term reports, annual and semi-annual reports, budget and expenditure statements, and has furthermore reviewed and assessed other documentation related to the NSLGCP. The ET has also sourced documentation on the 10 local governance programmes and has tried to extrapolate findings, recommendations and lessons learned from mid-term, final and programme evaluations of the Finnish support programmes/projects. A thorough review of data, a review of project/programme documentation including progress reports and evaluations, regular monitoring data, and review of the outputs of the projects itself has been carried out (Annex 3).

Interviews
Finally, the ET has had extensive interviews with all NSLGCP stakeholders in Finland and the partner countries through field visits. This includes discussing key aspects of this evaluation in interviews with stakeholders both programme related but also stakeholders with knowledge of the wider local governance issues being addressed –

such as the participating municipalities, Finnish embassies, and partner government officials. One week of interviews was also carried out in Finland with key officials of the MoFA and AFLRA as well as coordinators of participating Finnish municipalities (Annex 4).

The following are the main elements of the interview methodology that was used:
- Semi-Structured 'Insider' Individual Interviews: Individual direct personal and group interviews with selected key stakeholders in Helsinki and in the target evaluation countries.
- Semi-Structured 'Outsider' Stakeholder Interviews: interviews with some few selected stakeholders (both donor and government) in the five evaluation countries that work in related fields as MoFA and AFLRA to ascertain their views on the outcomes/outputs of the Finnish programmatic/project aid.

The evaluation/assessment has, therefore, applied a mixed-methods approach to data and information collection. Sources of information have been documentary, verbal and direct observation. This has allowed for data collection methods that have been chosen according to sources and used to gather sufficient and appropriate evidence, i.e. findings of fact, to allow for analysis and evaluation, i.e. lessons learned and conclusions, as well as meaningful contextual knowledge to support useful recommendations to the MoFA. The findings and the analysis of the findings, of these interviews is the basis for the conclusions drawn and recommendations made in the following chapters.

The ET started its work by collecting documents and setting up meetings with MoFA key staff for the 10 programmes / projects identified as the target for the data collection for these 10 programmes / projects. The 10 selected programmes / projects are within Governance, Local Governance, Decentralisation and Agricultural Development in four of the five cooperation countries where NSLGCP has established cooperation interventions. Furthermore, 1 of the 10 programmes is a regional capacity building programme, which has been more or less dormant for the past 3 years. The selected programmes/projects are listed in Table 1.

2.3 Limitations and intervention logic

One of the limitations faced by the ET in carrying out this assessment of Finnish support to local governance has been that we could not find a specific "red thread" in the selection of the 10 local governance and decentralisation programmes/projects. This hampers the overall assessment of the Finnish support to local governance as no direct common analytical ground or background can be found for the selected programmes/projects. However, in the European Commission Tools and Methods series from 2007, "Supporting decentralisation and Local governance in third countries", this reference document proposes five models for entry points for EC support to decentralisation and local governance. The ET has chosen to use this intervention logic

Table 1   Selected Ministry for Foreign Affairs of Finland's programmes/projects.

Kenya	• Public Sector Reform Programme • Kenya Gender and Governance Programme • Support to Governance, Justice, Law and Order Sector
Tanzania	• Finnish Support to the Local Government Reform Programme • Local Government Capital Development Grant • District Economic and Social Empowerment Programme
Namibia	• Capacity Building for Local and Regional Authorities in Namibia
Regional Africa	• Support to African capacity building foundation
South Africa	• Limpopo Agricultural Development Programme • Cooperation Framework on Innovation Systems between Finland and South Africa

as the background upon which to assess the Finnish local governance support and to draw conclusions on its overall coherence and pertinence to local governance issues in the reviewed countries. Table 2 summarises the local governance and decentralisation logic in terms of possible interventions.

While there is in table 2 a mix between approaches and instruments (direct or indirect support to decentralisation and instruments like multi-annual micro projects) it also pertains to type of actors (decentralised cooperation) and has some degree of overlapping (notice between the categories 2, 4 and 5), the analysis as such is useful in terms of focusing on what type of intervention can be used for local governance and decentralisation support. Typically decentralisation programmes/projects distinguish between three types of support:

1) Direct support to decentralisation processes in partner countries as part of state reform.
2) Indirect support to decentralisation and local authorities through sector programmes (i.e. education, health).
3) Specific geographic programmes and schemes aiming at reinforcing decentralised cooperation initiatives and/or policy dialogue capacities of local authorities.

The entry point on direct policy support to decentralisation is distinguished from the other two in that the intervention supports primarily a top-down approach, i.e. with a reform process lead by the central government. This reform addresses the entire set up for affecting decentralisation down to regional and local levels. The entry point on "sectoral" decentralisation selects key sectors as the focal points for support and focuses on how sectoral responsibilities, authorities and resources are devolved to re-

Table 2   Decentralisation and local governance – entry points of European Commission's support.

Entry point	Focus
Policy support and institutional development	• Overall support to the formulation, implementation and monitoring of a national decentralisation policy • Projects and programmes targeting policy and institutional reform at the macro country level as well as local • Government capacity building (including through budget support modalities)
Good governance including local governance	• Support to local democracy and elections • Enhanced participation of local actors in policy processes • Empowerment of local governments; civil society strengthening
Decentralisation of services	• Support to the decentralisation of services in health, education, water & sanitation, (rural) infrastructure and transport sector, generally related to sector reform • Programmes targeting poverty alleviation • It also builds local authorities' capacity to deliver, manage and maintain services • In some countries, budgetary support or capital investment facilities are provided to municipalities
Local (regional) and rural development	• Capacity building activities to improve local and rural government structures' ability to promote participatory community planning and rural economic development • In some of these programmes particular attention is given to spatial planning and area-based development • Local economic development, urban development and community participation • Support to decentralised actors (including local authorities)
Decentralised cooperation and multi-annual micro-projects	• Support to decentralisation in countries recovering from conflict (with a strong governance focus) • Improvement of sustainable urban management in cities by enhancing local good governance and administration, urban growth planning and the efficiency of key services

Source: European Commission 2007.

gional and local levels and on capacity of the latter. Development of sector policies are often more important than support to the decentralisation process as such. Finally, the entry point on local / regional development focuses on strengthening development at local level and fostering local governance and local economic development. All of these approaches have basically two broad objectives namely; (i) Good governance at local level and (ii) Improved locally delivered services.

3 FINNISH DEVELOPMENT POLICY

3.1 Evolution of Finnish development policy

Finland's development policy is formulated, planned and implemented by MoFA in cooperation with other ministries, non-governmental organisations, the private sector and Finnish society as a whole. The essence of the policy is guided by the Government's development policy programme. The Government has also appointed the Development Policy Committee (DPC) during October 2003 and again in 2007. The DPC is an advisory body on Finland's development policy, which monitors and evaluates activities in various policy sectors that have an effect on developing countries. The DPC steers Finnish development policy by giving statements, evaluating the quality and effectiveness of development policy and monitoring the level of public funding for development aid. The Government Resolution on Development Policy 2/2004 (MoFA 2004) provides a general framework to the work of the Committee. The following landmarks of Finland's development policy since 1998, relevant to this evaluation, are summarised below:

1998: "The primary goal of Finnish policy on relations with developing countries is to promote peace, cooperation and welfare, and to combat threats to these values in a world of deepening interdependence between nations." The development policy aims at: "1) Promotion of global security; 2) Reduction of widespread poverty; 3) Promotion of human rights and democracy; 4) Prevention of global environmental problems; and 5) Promotion of economic dialogue" (MoFA 1998).

2001: The 1998 development policy objectives were taken a step further during 2001 with the publication of *Operationalisation of Development Policy Objectives in Finland's International Development Cooperation*, which identifies measures to further enhance the practices of development cooperation. "Such measures include the introduction of clearer criteria for selecting partner countries and instruments of cooperation, elaboration of Finland's objectives and strategic tools in multilateral development organisations, and consolidation of the economic and administrative resources available for international development cooperation." International development cooperation has been defined as follows: "The Government's aim in development cooperation policy will be to strengthen preparedness in developing countries to prevent conflicts and to

improve security and well-being. The Government is committed to a comprehensive policy of reducing poverty, combating global threats to the environment and promoting equality, democracy and human rights in the developing countries. Finland participates in the resolution of the debt problem of the world's poorest countries. The Government will increase its appropriations for development cooperation and aims to reach the level recommended by the United Nations when the economic situation so permits." The document also identifies measures to further enhance the practices of development cooperation. "Such measures include the introduction of clearer criteria for selecting partner countries and instruments of cooperation, elaboration of Finland's objectives and strategic tools in multilateral development organisations, and consolidation of the economic and administrative resources available for international development cooperation" (MoFA 2001).

2004: The following main principles/concepts of Finland's new development policy are announced:
- "Commitment to the values and goals of the UN Millennium Declaration.
- Broad national commitment and coherence in all policy areas.
- Commitment to a rights-based approach. This means that the realisation of the rights of the individual as defined by international human rights agreements is taken as the starting point in Finland's development policy.
- The principle of sustainable development.
- The concept of comprehensive financing for development.
- Partnerships for development. Partnerships based on participation by the public and private sectors and civil society, both at the national level and internationally, are a sine qua non for development.
- Respect for the integrity and responsibility of the developing countries and their people. States themselves bear responsibility for their own development. Finland's contributions are directed towards supporting each country's own efforts.
- Long-term commitment and transparency. Finland adopts predictable long-term solutions, and communicates all activities and plans in a transparent manner. This applies both to the financing and the contents of policy.

The Development Policy document summarises that: "The main goal of Finland's development policy is to contribute to the **eradication of extreme poverty** from the world. Activities that help to achieve this goal include prevention of environmental threats, promotion of equality, human rights, **democracy and good governance** as well as increasing worldwide security and economic interaction, which originally became part of Finland's policy in development cooperation in the 1990s. Finland is committed to a rights-based approach and to the principles of **sustainable development** in its development policy. Finland bears its own share of the responsibility for creating the global partnership called for by the Millennium Declaration, in which developing countries are committed to the reduction of poverty and in which they themselves bear the main responsibility for developing their own societies, while industrialised countries are committed to supporting this process by means such as development aid, trade and private sector investment" (Emphasis added) (MoFA 2004).

2007: In accordance with the new development policy, the most important objective is to eradicate poverty in compliance with the Millennium Development Goals (MDGs), set in 2000. It states that: "Eradication of poverty is possible only if both the developing and industrialised countries pursue economically, socially and ecologically sustainable policies" (MoFA 2007a). Box 1 summarises the Finnish development policy in a nutshell.

Box 1   Finnish development policy of 2007 in a nutshell.

Key objective: eradication of poverty and promotion of sustainable development
- Millennium Development Goals (UN General Assembly 2000)
- Sustainability: economic, ecological and social development
- Priorities
- Climate and environment issues
- Prevention of crises
- Support for peace-building processes

Consideration of the production and consumption habits of the industrialised countries

Humanity policy: attention to the future of mankind

Cross-cutting themes in development policy
- Improvement of the position of women and girls and promotion of equality
- Promotion of the rights of children, persons with disabilities, indigenous peoples and ethnic minorities
- Combat against HIV/AIDS

Source: MoFA 2007a.

3.2 Status of implementation of Paris declaration

The Paris Declaration was signed by most donor and recipient governments in 2005, and represents the overarching framework under which future development aid should be delivered. The Paris Declaration emphasizes five main principles that have been mutually accepted by over 90 governments as being critical to the delivery of more effective development assistance. These include:

1) Partner countries exercising effective leadership over the development policies, and strategies and coordinating development actions;
2) Donors base their overall support on partner countries national development strategies, institutions and procedures;
3) Donors actions are more harmonized, transparent and collectively effective;
4) Donors and partners are accountable for development results; and
5) Managing resources better and improving decision-making for results.

Finland has together with other Nordic countries actively been supporting the intentions of the Paris Declaration from 2005. Progress under the Declaration has recently been assessed and the situation on the overall indictors is given in box 2.

Box 2   Aid effectiveness 2005-10 overview of overall progress.

Substantial progress
- The proportion of developing countries with sound national development strategies in place has more than tripled since 2005.
- High-quality results-oriented frameworks to monitor progress against national development priorities are in place in one-quarter of the developing countries first surveyed in 2005, with statistics related to the Millennium Development Goals becoming increasingly available.

Moderate or mixed progress
- While non-state actors are more involved in the design of national development strategies in many developing countries, there are still challenges to providing an enabling environment for civil society activities in some others.
- Efforts to improve support for capacity development have been mixed. While donors met the target on coordinated technical co-operation, support for capacity development often remains supply-driven, rather than responding to developing countries' needs.
- Over one-third of all developing countries participating in the 2011 Survey showed an improvement in the quality of their public financial management systems over the period 2005-10. At the same time, one-quarter of them saw setbacks in the quality of these systems.
- Donors are using developing country systems more than in 2005, but not to the extent agreed in Paris. In particular, donors are not systematically making greater use of country systems where these systems have been made more reliable.
- Overall, donors did not make progress in further untying aid across the countries participating in the 2011 Survey.
- There are some promising examples of efforts to improve transparency around aid.

Little or no progress
- Aid for the government sector is not captured systematically in developing country budgets and public accounts.
- Little progress has been made among donors to implement common arrangements or procedures and conduct joint missions and analytic works.
- Aid is becoming increasingly fragmented, despite some initiatives that aim to address this challenge.
- The medium-term predictability of aid remains a challenge in developing countries because donor communication of information on future aid to individual developing country governments remains isolated rather than being the norm.
- Most developing countries have yet to implement through mutual (government-donor) reviews of performance that benefit from broad participation.

Source: OECD 2011.

The overall assessment of Finnish application of the Paris Declaration principles shows that Finland from 2007 to 2010 has improved on alignment of its aid to recipient country priorities, stagnation on the sue of recipient country PFM systems and the use of parallel implementation units but direct regression building national capacities by coordinated support. The findings for the indicators for Finland show a picture of below average performance of the Finnish development cooperation and it's alignment. Finland belongs to better performing half of the EU in ranking (just squeezing at 7/15 on the EU scorecard). In total Finland scores above the EU average on 3 indicators but below EU average on 6 indicators. Finland remains with a number of challenges in terms of increasing the participation in programme based approaches with other donors and less on individual projects and relying more on country systems, which is of interest for the MoFA in terms of evaluating the NSLGCP and the approach applied under the 10 programme/project interventions that are to be assessed under section 2 of this evaluation.

4 DONOR APPROACHES TO SUPPORT DECENTRALISATION AND LOCAL GOVERNANCE

Donor approaches and support modalities to local governance and decentralisation has evolved tremendously over the past 10-15 years. A comprehensive review of evaluation studies (OECD 2004) identified key lessons learned and good practice cases on donor support to decentralisation and local governance and provided guidance for donors and partner countries towards improving programmes supporting decentralisation and local governance. The study put forward the following recommendations:

- Improve co-ordination between donors and partner governments: Integrate support programmes more effectively with partner governments' own policies and plans; support partner governments in preparing implementation plans that outline prioritised areas needing donor support; and establish joint government-donor forums for reviewing and implementing reforms in order to make donor support more effective and sustainable.
- Enhance co-ordination between donors: Establish forums for co-ordination and dissemination of information as well as systems for basket funding when appropriate in order to ensure that donor programmes are better coordinated.
- Ensure sustainability of donor support: Donors are recommended to formulate exit strategies and plans for up-scaling or institutionalisation of programme activities in the early stages of a programme, to provide effective feedback from programme activities to national policy –makers, to ensure that support to other areas in not undermining support to decentralisation and to design programmes in a holistic way taking into consideration LGs relations with central government (CG) as well as civil society.
- Strengthen poverty focus: In providing support to civil society organisation, donors need to ensure that service delivery support targets underprivileged groups,

including the poor, stimulate bottom-up and enhance LG-civil society interaction at the lowest echelon of the LG system.

- Financial development and sustainability of local governments: Donor programmes need to strengthen local government capacity, exercise economic autonomy and to ensure that incentives for improved local government performance are not restrained by intergovernmental fiscal transfer systems. At the same time, they need to be designed in a holistic way taking into account reforms of LG tax systems, assignments, types of taxes and tax sharing agreements.

The 'Survey on Support to Local Governance and Decentralisation' commissioned by the OECD Informal Donor Working Group in 2006 showed clearly that these recommendations are still valid and that there is considerable need for further improvements in programme design, aid modalities and cooperation and coordination to make donor support more efficient and sustainable. The study pointed out that the dominating approach is still the classical aid modality of project approach, which implies that partner countries are often confronted with a confusing number of responsible spoke persons, multiple administrative procedures and a multitude of differing decentralisation approaches. The common issues and tentative lessons have been summarised as:

- Decentralisation is considered as integral part of poverty reduction strategies and thus part of sector support programmes in key sectors such as education, health, agriculture, water, roads etc where local governments often are given substantive functions for service delivery in many partner countries. At the same time, it is recognised that some sector programmes are not implemented fully in compliance with national stated decentralisation reform objectives.
- The programmes that provide comprehensive support to all key aspects of decentralisation reforms (policy, legal, political, fiscal and human resource management aspects) are few, but those identified are most often supported jointly by several donors through basket funding or similar arrangements and are anchored around some form of national country owned decentralisation strategy.
- Even when joint programmes are supported it is often found that donors continue with separate discrete area based programmes. The rationale from aid harmonisation perspectives is not clear, but in part explained by donors desire to have "local presence" which partly will feed into donor agencies knowledge of practical local development experiences and partly feed into its accountability to its citizens where tax payers would like some explicit demonstration of how their aid contributions are utilised and impact on select areas.
- Decentralisation and local governance is in part considered integral part of wider democratisation and good governance strategies. All donors realize this and some are increasingly seeking to integrate decentralisation into wider Good Governance programmes.
- Problems of aid harmonisation within donor support to decentralisation and local governance is hampered by the fact that decentralisation and local governance are very broad concepts and interpreted differently within different departments of the same donor organisation.

- Efforts by International Organisations to generate lessons and good practices for support to decentralisation and local governance are not well-disseminated or internalised in donor organisations (Olsen & Tidemand 2006).

Furthermore, the survey pointed to the fact that donor coordination mechanisms have been established in most developing countries and have evolved with regard to their relevance and their formal mandate over the last 10 years. Existing mechanisms range from informal groups meeting irregularly and focussing on exchange of information to highly formalized set-ups with clearly defined roles, rules and responsibilities both on the donor as well as on the partner countries side, and this is often in reference to the Paris Declaration Principles, in particular to effective coordination of development actions by the partner governments.

Within decentralisation and local governance the survey also highlighted the problems related to the multitude of individual projects supported by different donors, leading to overlap, lack of coordination or even conflicting programme design. Furthermore, these donor-supported programmes are quite often not in line with the relevant country strategies for decentralisation and local governance. This can be partly due to the fact that a number of countries have only recently elaborated specific decentralisation policies and reform programmes to which the donor -support should be aligned. Donor support often shows large variances with regard to the modalities and points of entry in their approach. This can refer to the funding modality (budget support, basket funding and programme/project support), to the entry level (national or local) as well as to the different partners (central or local government, civil society, others) involved in programme management and implementation.

4.1 EU policy on decentralisation and local governance

Most donors do not have a specific policy on decentralisation and local governance and this includes Finland. However, for most of the last 10 years the EU has increasingly been engaged within domestic and international processes of decentralisation and local governance. Due to Finland's strong engagement in the EU collaboration it is worth mentioning here just briefly what are the key statement, policies or communications that have been issued over the past 10 years in regard of decentralisation and local governance. Several general policy and guiding documents have over the years signalled EC commitment to support decentralisation and local governance issues:
- The European Commission Communication on Governance and Development [EC COM (2003) 615] recognises the importance of "decentralised power sharing" as well as the need to involve "municipal and other decentralised authorities in national dialogue processes on governance".
- The EC Communication on Governance in the European Consensus on Development: Towards a harmonised approach within the European Union ([EC COM (2006) 421] recognises the existence of "different levels of governance (local, national, international)" as well as "the key role that local authorities can play in achieving the MDGs".

- The EC Reference Document (European Commission 2007) is the most comprehensive guidance document on decentralisation. It "seeks to provide strategic and operational guidance on: (1) how best to support processes of decentralisation and local governance in third countries, (2) how to ensure that EC sector strategies (e.g. in health and education) take into account and (indirectly) reinforce ongoing decentralisation processes. The document discusses the rationale for support to decentralisation, main concepts and definitions of terms, dimensions of decentralisation, guiding principles for design and implementation of support programmes, key issues in design of interventions, key issues for implementation of support, assessing outcomes and impact and finally a discussion of how to enable the EC to work more effectively with decentralisation and local governance issues.

- The EC Communication "Local authorities: Actors for Development" [EC COM (2008) 626] underlines that Local authorities in the Partner Countries are also of paramount importance as they can be key actors for enhancing local governance and in delivering public services, in particular in the context of decentralisation. This document targets local associations and local governments in the EU area and how they can more effectively work with local governance issues: "Areas where LG's could have a comparative advantage range from implementing local democracy (entailing the devolution of powers to elected local bodies enjoying relative autonomy) and local governance (involving a shift from an only vertical accountability dimension to a horizontal and downward accountability, connected with principles of participation, transparency and accountability, in which civil society plays a crucial role) to a new paradigm of local (economic) development (in which local governments play a catalytic role) and territorial (regional) planning which integrates local development into a broader spatial context and stimulates synergies between different actors from private and public sector."

- The "European Charter on development cooperation in support of Local governance" of 2008 sets out principles and modalities for better effectiveness in cooperation in support of local governance and decentralisation in partner countries. It was launched during the European Development Days of Strasbourg on 16 November 2008. The Charter proposes a framework for more coherence and complementarily in the actions of the different actors supporting local governance. It also gives guidelines on applying the global principles for aid harmonisation (Paris Declaration and Accra Agenda for Action) at local level.

- Finally, the recent EC programming guide for strategy papers (programming fiche on decentralisation issued January 2009) gives guidance on how to address decentralisation in strategy papers. The guide presents a very clear definition of decentralisation that emphasises decentralisation to elected local governments. It refers to the three interlinked dimensions of decentralisation (political, administrative and fiscal) as well as it suggests 6 "critical pillars" for a successful support to decentralisation processes: (i) Political will; (ii) The existence of a basic legal framework, which clearly stipulates the division of roles, responsibilities and resources between actors of different tiers of government; (iii) Financial resources to undertake assigned functions; (iv) Human resources in local governments; (v)

Mechanisms for political accountability; and (vi) Existence of central institutional arrangements to steer the decentralisation process.

4.2 What is local governance and decentralisation?

For this evaluation it is important that the ET makes an analytical distinction between Local Governance and Decentralisation. The title of the evaluation is 'Finnish support to local governance', however, as pointed out in the Terms of Reference (ToR; Annex 1) decentralisation is a crucial focus area for many of the MoFA programmes that the ET is being asked to evaluate. The following definition of local governance is the most pertinent that the ET could find:

> *Local democratic governance: it is a decision-making and implementation process of public policy that, around local governments (elected in contexts of decentralisation), encourages an equal participation of all stakeholders of a territory (State, citizen civil society, private sector), reinforces accountability towards citizens and responsiveness to social demands in seeking for the general interest (European Charter on development cooperation in support of local governance 2008).*

Our point of departure is that local governance emphasises the need to look beyond the narrow perspective of legal frameworks and local government entities to include the variety of formal and informal relationships between different actors in development (e.g. local government, the private sector, associations, de-concentrated agencies, Civil Society Organisations) that shape and influence the output and effectiveness of political and administrative systems at a sub-national level.

There is a large degree of synergy and coherence between supporting national governance process and local governance, as many of the aspects are in fact the same. Therefore, it is necessary to work with "good governance" principles at local levels to strengthen local governance processes.

The main differences between decentralisation and local governance are in the actual actors participating in the process and the mode of interaction between governments and civil society. Decentralisation pertains to public sector institutional and organisational reforms and processes and the support thereof, whereas local governance pertains more to supporting the creation of an enabling environment within which multi-stakeholder processes including public and private sector as well as civil society for effective local development processes.

Local governance issues can be pursued even without decentralisation. However, decentralisation reinforces and legitimises local governance processes when correctly done. There is not one single definition of decentralisation but the World Bank for instance uses the term "decentralisation" to describe a broad range of public sector reorganisations:

> ***Decentralisation*** *is the transfer of authority and responsibility for public functions from the central government to intermediate and local governments or quasi-independent government organizations and/or the private sector, which is a complex multifaceted concept. Different types of decentralisation should be distinguished because they have different characteristics, policy implications, and conditions for success.*
>
> Definitions follow the World Bank Institute Decentralisation Briefing Notes (Litvacic & Seddon 2004).

There is a broad agreement to this statement, although it may be debated whether "privatisation" rightly should be included or the term reserved exclusively for transfer of functions and powers within the public sector itself.

There are basically three types of decentralisation themes within the public sector:

- Political decentralisation is the transfer of political power and authority to subnational levels such as elected village councils and state level bodies. Where such transfer is made to a local level of public authority that is autonomous and fully independent from the devolving authority, devolution takes place.
- Fiscal decentralisation involves some level of resource reallocation to local government, which would allow it to function properly, and fund allocated service delivery responsibility, with arrangements for resource allocation usually negotiated between local and central authorities.
- Administrative decentralisation involves the transfer of decision-making authority, resources and responsibilities for the delivery of selected public services from the central government to other lower levels of government, agencies, and field offices of central government line agencies. The most radical form of administrative decentralisation is devolution with local government having full responsibility for hiring/firing of staff and assigning authority/responsibility for carrying out tasks. De-concentration is the transfer of authority and responsibility from one level of the central government to another with the local unit accountable to the central government ministry or agency, which has been decentralised. Delegation, on the other hand, is the redistribution of authority and responsibility to local units of government or agencies that are not always necessarily branches, or local offices of the delegating authority, with the bulk of accountability still vertical and to the delegating central unit.
-

Finally, divestment or market decentralisation transfers public functions from government to voluntary, private, or non-governmental institutions through contracting out partial service provision or administration functions; deregulation or full privatisation can also be considered but is often not included among the three above mentioned decentralisation types.

5 FINDINGS FROM 10 LOCAL GOVERNANCE PROGRAMMES

5.1 Short description of Finnish support to local governance programmes/projects

As already mentioned under the methodology section, there doesn't seem to be any specific criteria for how the 10 local governance programmes/projects were selected. The following analysis is therefore, a reflection of this lack of consistent approach to what a local governance programme/project actually consists of. The analysis has been put into perspective by including a short description of the developments regarding decentralisation and local governance in the respective countries in question. The analysis carried out so far by the ET has shown that 5 out of the 10 programmes selected by MoFA do not have any, or relatively little, to do with local governance support in the sense outlined under section 4 above. While the support rendered through these programmes often can be considered as national, or even regional in approach, they do seem to lack a specific focus on local level governance issues.

5.2 Programmes in Kenya

5.2.1 Background to decentralisation and local governance in Kenya

With the attainment of independence in 1963, Kenya inherited a dual administrative structure consisting of Local Authorities and de-concentrated administration of Central Government Ministries. Until today this dual structure forms the framework for local governance and decentralised service delivery. However, it is important to note that at the time of independence, Local Authorities were relatively powerful and well functioning institutions, much fewer in number than the current number of 175, and having a reasonable own revenue base supplemented with grants from Central Government. The Local Government Act, first issued in 1963, described a wide range of activities that Local Governments (LGs) were allowed to undertake. Although there were very few services that LGs were obliged to carry out, they were actually able to deliver a broad range of relatively high quality services.

Soon after independence, however, a process was put in place, initially driven by civil servants and later by politicians, to centralise power by the national government and to take away major powers and functions of LGs. This was done e.g. through the transfer, in 1970, of responsibility for primary education and health (apart from a few urban councils), and for minor and secondary roads to the respective central ministries; the abolition of Graduated Personal Tax in 1974, taking away a major source of revenue. This was followed, in the 1980s and early 1990s, by a sub-division of LGs, making many of them unviable entities. Meanwhile, the central government ministries, notably the Ministry of Local Government, obtained a tight control over LGs through appointment of all senior staff and approval of budgets.

Through the 1970s and 1980s, both the various sector ministries and the structure of Provincial Administration (running from the Office of the president down to the sub-locations), became stronger, whereby the latter, apart from its traditional role of overseer of law and order, also became the coordinator of development. During these two decades, the sector ministries became the major service providers, working through offices at the province, district and local level, directly managing delivery of services. Development committees such as the District Development Committee, under the stewardship of the District Commissioner (part of Provincial Administration), were formed to coordinate development at lower levels. They were, however, not given much authority over funding and remained relatively 'toothless' to coordinate the line ministries.

In July 1983, after the failed coup d'état in 1982 and attempts to create an opposition party, the government adopted the District Focus for Rural Development (DFRD) as its main strategy to decentralise planning, financing and management of rural development activities. These functions were delegated to field agents of various sector ministries. The Office of the President, through the Provincial Administration, implemented the strategy with support from the Ministry of Planning and National Development. In each district, the District Development Committee (DDC) was charged with the responsibility of coordinating the planning, implementation and monitoring of development activities in the district. Also because of project funding for districts at the time, the DDCs were also expected to coordinate development initiatives by other players such as the private sector, development partners, NGOs and CBOs.

Although the DFRD was presented as a policy to empower districts, many observers have later characterised the policy as a formalisation of a system of service delivery through sector ministries (as opposed to the system of service delivery through LGs), and in a way, it was a means for the central government and the bureaucratic apparatus to consolidate its power. From a civil servants perspective, the DFRD was quite successful, not the least because resources were available, mainly through district projects, for the DDC to perform a useful planning and implementation role. Later, by the end of the 1980s and early 1990s, when these funds dried up, most DDCs gradually became defunct.

Over the years, the creation of new funding and service delivery channels, without cancelling or reframing the systems previously in place, has led to the current situation of a multiplicity of parallel systems of services delivery at the local level. Broadly, four different systems can be distinguished as follows:
1) The Central Government systems with on the one hand the 'district system', which is in fact the central government line of command ('law and order'), and the 'sector system', with the line ministries on the other hand, both supported through the national budget.
2) The Local Government system, funded through local revenues and the Local Authorities Transfer Fund (LATF).
3) The 'NGO-type system' under which public sector resources are channelled to

local communities, whilst largely bypassing the Government planning and administrative system, as is e.g. practiced by the EU funded Community Development Trust Fund.

4) The Constituency system with various types of funds, including the HIV/AIDS fund, the Bursary Fund, the Road Fund, but since 2003/04, notably the Constituency Development Fund (CDF), being made available at the constituency level10 through a system that is a blend of both the various government systems as well as the NGO-type system.

At district level and below, the central government operates a two-pronged system, consisting of the district administrative system with the various administrative units (district, division, location, sub-location), part of Provincial Administration, and the sector system with the de-concentrated sector ministry field offices. All officers in the Provincial Administration as well as for the sub-national level offices of the sector ministries are appointed by central government.

Under the district system, at the lowest administrative level, that is the sub-location, there is an assistant chief who reports to the chief, who heads a location. The chief, in turn, reports to the District Officer, who heads a division (often the same as a constituency), who reports to the District Commissioner. The District Commissioner, finally, reports to the Provincial Commissioner who heads the province and who is directly answerable to the president.

Under the sector system, ministries (such as health, education and agriculture) allocate and disburse funds, received under the national budget system, to their field departments to finance either annual work plans or projects and programmes. The resources can often be traced to the community level through the various public service delivery units such as schools, health facilities, water schemes and roads. All payments under the sector system are processed through the office of the district accountant, upon request of the district offices of the sector departments.

Over the past few years various sectors such as education and health and agriculture have started promoting establishment of community level representative structures in an effort to enhance participation in decision-making concerning development and service delivery issues. These include the school management committees and the health facility management committees, which are charged with the responsibility of managing the service delivery at various delivery points. They, however, also include district structures, such as District Health Forum, or District Farmer Forum, meant to undertake tasks of planning, resource mobilisation, implementation and monitoring tasks in addition to providing oversight for resource utilisation. In general, however, effective popular participation is still at its initial stages.

5.2.2 The governance justice law and order sector reform programme

The Governance justice law and order sector reform programme (GJLOS-RP) has as its objective to focus on strengthening the Governance Justice Law and Order sector institutions for efficient, accountable and transparent administration of justice. The programme applies a Sector-Wide Approach (SWAp) to reforms in the sector, which involves a wide array of governance and justice institutions. There were over 30 government departments implementing activities in the programme, which has so far been implemented in three phases.

The Short Term Priorities Programme (STPP) was a package of the first year of support by development partners and the Kenya Government to the 5-year GJLOS-RP. The objectives of the STPP were to:
• Provide a common and strategic platform for the on-going government reform initiatives in the sector.
• Identify reform priorities for the GJLOS institutions that development partners could in the short term coherently support with the limited resources that were available.
• Rapidly mobilise additional resources from development partners that could complement the limited resources allocated by government.

The Medium Term Strategy (MTS) was aimed at deepening and consolidating reforms in the sector, and its overall goal was improved quality of life for the people of Kenya, especially the poor, marginalised and the vulnerable. Its main purpose was improved Governance, Justice, Law and Order.

The Bridging and Coordinating Mechanism (BCM) was designed to bridge the transition period between the end of MTS in 2009 and commencement of another major phase of GJLOS expected in 2011. The objectives of the BCM were:
• To maintain the focus and momentum for sector-wide reform in the rule of law and justice sector.
• To establish structural and strategic mechanisms to restore the rule of law and justice systems.

GJLOS has provided opportunities for participating institutions and incentives for committed public servants to step up and use the reform space to make a concrete contribution to the reform agenda. Skills acquired in participatory planning and budgeting has been applied more broadly and this is a noteworthy contribution by GJLOS to the broader public service reform process. The reform and results focus is also credited for preparing the GJLOS institutions and enabling them to appreciate and to embrace (more readily than other government departments) other public sector reforms, especially performance contracting and the Rapid Results Initiative. GJLOS needs to take a long-term view and strategise effectively around constraints to meet the challenges. The programme has tried to meet the challenge of reform (e.g. new

legislation in line with key human rights objectives) as distinct from deliverables in a work-plan (e.g. a draft bill) in a creative and sustained manner, addressing issues from different angles. Total Finish contribution to the programme throughout this period has been about EUR 1.7 million but with only a 60% disbursement rate.

From the perspective of participating donors the GJLOS remains highly relevant particularly in the current political context in Kenya and the introduction of the new Constitution provides GJLOS with a strong anchor, and affirms and expands the objectives of the GJLOS. It has raised the benchmarks of public service, which will require GJLOS to be people-centred, strike the right equilibrium between demand by citizens and supply by government institutions, and adopts international best practices, and norms, and principles in international law. The new structure of governance also has far-reaching implications for GJLOS, particularly within the context of the proposed devolved governments under the new revised Constitution. The devolved governments are the units for service delivery. Besides, there are provisions on security (with strong civilian oversight) and human rights (which are expanded considerably), and for a Judiciary that has been greatly reorganized. How GJLOS 'services' will be delivered at the county level by either government – as guided by constitutional mandates – will be one of the new issues the programme will have to grapple with, and in a manner that avoids conflict and asymmetries of standards. Indeed one of the main weaknesses of the previous phases of GJLOS has been its inability to cascade to local levels, and the general lack of awareness of GJLOS reforms at the local levels.

5.2.3   Gender and governance programme

The Gender and governance programme (GGP) is a successor to the Engendering Political Processes, a programme whose mandate was to support women to effectively participate in Kenya's political processes, and whose lessons and good practices GGP implementation would greatly benefit from. The GGP has been implemented in phases. GGP's phase-II was implemented in the period leading up to the December 2007 general elections and consequently the major focus of the programme was on supporting initiatives and actions that would put women in positions of elected governance and also to support the elected women to position themselves immediately after post elections. GGP II had four objectives:
1) To support Constitutional, Legal, Policy and Institutional reforms for gender equality, non-discrimination and the equal participation of women in all governance structures in Kenya.
2) To increase options, choices and capacities for Kenyan women in order to enhance women's organizing, leadership, influencing and participation for gender equality, human rights and democratic governance.
3) To strengthen positive images of women in leadership within communities.
4) To strengthen the knowledge and capacities on women CSOs on gender and governance and position them to spearhead and transform policies, programmes and resource allocation as well as provide empowerment support actions to women in Kenya.

The overall goals of the current GGP phase-III are enabling Kenyan women and men to access services and opportunities and exercise their rights equally. GGPIII aims to achieve the following outcomes:

1) Increased number of Kenyan legal frameworks, laws and policies at national and local levels that promote and protect women's human rights.
2) Women participate in governance and decision-making processes at national and local levels and actively lobby for women's issues.

GGP II was implemented using the following strategies:

1) Advocacy & Research based policy dialogue that was aimed at reforming the institutional barriers (Constitution, Electoral, Legal, Media etc) that preclude women's access to governance.
2) Campaigns to change attitudes about the value of women's leadership.
3) Building capacities of women and strengthening their power of numbers as a key constituency/voting bloc through organising, in principles of transformative leadership and in shaping decisions that promote and protect women's human rights and security in their respective communities as leaders and as aspiring leaders.
4) Documentation of processes, lessons learned and achievements and the dissemination of such knowledge.
5) Experimental activities to provide women with practical support to overcome institutional barriers to equal participation in governance, in particular in politics.

The GGP III Programme works to contribute to the attainment of its objectives by working through three components:

1) Institutional Capacity-Building: GGP III interventions provide support to prompt institutional reform priorities through capacity-building, technical assistance, advocacy, and lobbying.
2) Community Sensitization and Support to Civil Society: Through this component, GGP III Programme focuses on awareness creation among the public and women in particular on legal, policy and institutional reforms processes and the achieved results of improved gender responsive delivery. Additionally, it strengthens the ability to unify women to push for a common platform in realization of gender responsive development and service delivery.
3) Promoting Gender-Sensitive Results-Based Programme Management: Through this component, GGP III consistently build the capacity of its partners and provide technical expertise at all levels to promote the development and use of gender-sensitive results-based programme management methods and correct reporting on progress of reform processes, thus increasing and exposing government accountability in this regard.

Although GGPII ostensibly set out to embrace governance concerns the targets set were biased towards representation and the question of numbers. Whilst numbers are a noble and critical goal in the Kenyan context, this is an inadequate focus on its own

for governance programme. Numbers are a means to an end, but within GGP they appear to have become an end in themselves. Particularly now given that the numbers of women in decision-making in Kenya is set to increase given that the new constitutional framework guarantees and safeguards gender equity and affirmative measures for women in decision making, there is need for sophistication of thinking as to how to advance both women and gender equality via engaging and accessing power at programme level. Towards this end GGPIII now focuses on providing technical support to government institutions and national gender machineries in achieving equal access of women to goods and services, and civil society organisations in holding duty bearers accountable. It is also focusing on developing institutional capacities to contribute to citizen-oriented quality policy, programme and services with budget allocations through which women are assured equal opportunities and access. By working with both the duty-bearers and the rights-holder, the GGP III will also work to create state (government) and public accountability for implementing and enforcing policies and laws protecting women's rights in all areas. Total contribution of Finland has been EUR 1,5 million up to end 2009.

5.2.4 Public sector reform programme

The Public sector reform programme (PSRP) aimed to support, coordinate and promote the institutionalization of Result Based Management (RBM) and other public sector reforms throughout the public service for the delivery of efficient, effective and ethical targeted *'Results to Kenyans'*. It had five strategic objectives:
1) Institutionalization of the RBM approach in the public service to achieve the national goals and development targets.
2) Creation of an enabling environment for RBM to achieve national goals, and developmental targets by strengthening the role of the centre of government in creating an enabling environment for public service to perform and achieve set targets.
3) Development of the capacity of leaders in the public service to champion change in the implementation of RBM and to mainstream the application of values and ethics in the public service.
4) Development of an Information, Communication and Education strategy for disseminating *Results to Kenyans.*
5) Development of a longer-term public service reform strategy (2009-2014) including developing a national vision and "branding Kenya" towards the achievement of national priorities in the medium to long term.

Five components implemented the programme:
1) Performance Management and reporting on Results for Kenyans component that established a Results Office to monitor and report on Government performance in the delivery of national goals/ priorities and specifically.
2) Public Service Reform and Development Coordination component, which created linkages with other public sector reform initiatives to facilitate coordination and more efficient service delivery.

3) Transformative Leadership, Ethics and Capacity building for Results component which was undertaken as part of within Ministry/institution support as well as through Kenya Institute of Administration and other Government Training Institutions.
4) Information, Education and Communication Component which was to keep all stakeholders regularly informed on gains made in the achievement of development targets and other national priorities.
5) The Programme Management Unit component consisting of Administration, procurement, accounts and personnel functions of the programme.

The PSRP was implemented from 2006 to 2008. Until April 2008, the Public Service Reform and Development Secretariat (PSRDS) under the Cabinet Office managed the Programme. The PSRDS within the Office of the Prime Minister managed the programme. The Kenyan Government and several development partners funded the PSRP through a basket fund arrangement including credit and grants. Six development partners contributed to the basket fund (UK, Sweden, Canada, Denmark, Finland, and UNDP) and the basket was managed by UNDP. The UNDP basket funding for the programme was USD 5.4 million in 2006, 10.7 million in 2007 and 5,6 million in 2008. The Government of Kenya is currently formulating its objectives and developing its plans for the next stage of these reforms, thereby continuing the process of embedding RBM practices and to align the Kenyan public service with the longer-term goals espoused by Kenya's Vision 2030.

Some of the lessons learnt that are relevant to local governance are:
• When opportunities for the practical application of RBM principles such as Rapid Results Initiatives or Performance Contracts are introduced early in the process, the momentum and eventual sustainability of the reforms are strengthened when public servants learn to apply the training they have received, use various performance management tools, and implement new policies reinforcing their commitment and enthusiasm; and when the public can see tangible improvements in service delivery and will be more supportive and engaged in the initiative. Stable, long-term leadership and support from the top is also essential to drive and sustain the RBM reform process.
• Public sector reform initiatives intended to generate improved service delivery to citizens will be more credible and successful if they pay particular attention to the needs of historically marginalized groups and communities, especially women, youth, and the rural poor. Administrative reforms need to be seen to contribute to fundamental development challenges such as poverty reduction, gender equality, and rural development if they are to receive popular, national, and international support. With the new constitution there is now a need to develop and circulate guidelines for bringing the devolved levels of government on Performance Contracting.

5.3   Programmes in Tanzania

5.3.1   *Background to decentralisation and local governance in Tanzania*

The current phase of local government reforms has been ongoing in Tanzania since 1995; major legal reforms took place around 1997 that significantly reduced the previous all important de-concentrated regional administrations, in subsequent years (1999) legalisation was passed that enabled elected local governments to play a more significant role in local service delivery. A major donor funded (joint basket funded) local government reform programme (LGRP) started in 2000 to deepen the reforms through further legislative reviews, capacity building, and establishment of local financing modalities. The main institutional responsibility for implementation of the reforms within the Government of Tanzania (GoT) has been assigned to the (current) Prime Minister's Office – Regional Administration and Local Government (PMO-RALG) although the office also in periods has worked as independent Ministry and as an office within the President Office. The PMO-RALG has widely been considered as too overburdened and weak to lead the reforms so a dedicated team was established with contract-hired staff within PMO-RALG to lead the reform process. The main results and challenges related to the last ten years of reform programme implementation are:

- LG capacities in terms of staffing and fiscal resources have been significantly strengthened – today around 70% of all public employees in Tanzania are employed by Districts and Municipalities and their subunits (village local governments etc).
- The LGs play a very significant role in local service delivery and the degree of fiscal decentralisation (measured as LG share of total public expenditures) is at around 25% among the highest in Africa.
- The level of local participation in LG affairs has increased significantly over the last ten years.
- The degree of autonomy of LGs has however not changed much over the decade: the central government and ruling political party exercise significant control over LGs – in particular regarding their staff (that effectively is centrally managed) just as central government exercise major controls over local budget priorities.

The first phase of the LGRP focused on the reform of the systems for LG finance, human resources and legislation. The second phase (2008-2013) put a major focus on capacity development of LGs. The National Strategy for Growth and Reduction of Poverty (known as MKUKUTA) recognised the key role of local government in providing public services; local government were identified as key actors in 80% of the cluster strategies. The LGRP did not initially include support to LGs for development funding or targeted capacity building. Therefore, in 2004 the Government introduced the Local Government Capital Development Grant (LGCDG) system, as a mechanism for providing funding to LGs for investment funding and capacity building.

The LGCDG is a system to provide discretionary grants to LGs for development and capacity building according to a formula and an annual assessment of their performance. The annual assessment measures LG capacities in key functional areas (such as planning, procurement, budgeting, financial management, revenue generation) as well as governance (transparency, accountability, participation). LGs that meet basic 'Minimum Conditions' are eligible to access the Capital Development Grant (CDG), while all LGs are given the Capacity Building Grant (CBG) that enables them to build capacity for access to the development fund.

The LGCDG system introduced an incentive for LGs to enhance performance and capacity, through the upward or downward adjustment of their annual grant allocations, depending on their performance against a set of performance measures. In this way, the Government established a link between the financing of local government, their capacity development, and their performance in key functional and governance-related areas.

5.3.2 Local government reform programme 2008-2013

The first phase of Local government reform programme (LGRP) was initiated in 1999 and continued until 2007. The vision for Local Government Reform was stated in the Local Government Reform Agenda 1996 – 2000 of October 1996. It envisaged local governments that are:
- Largely autonomous institutions
- Strong and effective institutions
- Democratically governed
- Deriving legitimacy from services to the people
- Fostering participatory development
- Institutions that reflect local demands and conditions
- Conducting activities with transparency and accountability

The vision also stated that the raison d'être for the devolution of roles and authority would be the capacity and efficiency of the local government in delivering services to the people. The first phase of LGRP saw the strengthening of LGs in operational capacities and service delivery. The support programme has components for HR, finance, legal matters, and governance and information dissemination. The LGRP has been instrumental for major achievements in LGA reform: restructuring staffing relations, increasing the capacity of the LGA staff, improving the financial management practices and increasing the overall legitimacy of the LGAs. The results in the improved or sustained service provisioning at local government levels during the last 10 years can partly be attributed to the LGRP. The main achievements of LGRP I during the ten years from 1997-2007 can be summarised as follows:
- Increased awareness on the meaning, vision, mission and objectives of Local Government Reform particularly the whole issue of Decentralisation by Devolution (D-by-D).
- Increased people's participation in planning and implementation of social economic development initiatives.

- Increased people's participation in grass root civic elections.
- Improved local government financial management as evidenced by increased clean certificates issued by the Controller and Auditor General (i.e. 62 clean certificates were issued in 2004/05 as compared to 100 clean certificates issued in 2006/2007).
- Improved Local Government Authorities own sources revenue collection (i.e. LGAs collected TSH 49,3 billion in 2005/06 as compared to TSH 79,6 billion in 2007/08).
- Introduction of a formula-based recurrent transfer system to LGs.
- Introduction of formula-driven, performance-based development transfer system known as the LGCDG System.
- Movement towards harmonization of central and sector laws to be in line with the Government Policy of D-by-D.
- Introduction and application of Opportunities and Obstacles to Development planning methodology.
- Improved central and local relations.

The second phase of LGRP is presently being implemented and will run from 2008-2013 and has as its main aim the integration of the reform into the GoT structures and consolidate the achievements of phase one. Finland has contributed EUR 6 million from 2006-2008, and EUR 10,5 million for the period 2009-2012. The implementation of the LGRP II was delayed some years due to issues of the proposed integration of the Programme activities into the mainstream of PMO-RALG. This has now been sorted out and the Programme is on-going and covers all districts in Tanzania and the new Reform Team has become operational from end 2010 onwards.

The strategic objectives of LGRP II, which derive from the major issues as identified in Chapter 2 of the GoT poverty reduction strategy (MKUKUTA), and mirror the overall programme component strategy, which is:
1) Enabling environment for D-by-D: The outcome of component 1 is an enabling institutional and political environment framework to empower LGAs through D-by-D. Strategic initiatives of Component 1 mainly concern the national level and involve various central and sector ministries. The Deputy Permanent Secretary Prime Minister's Office Regional Administration and Local Government (PMO-RALG) is coordinating this component, which requires strong coordination with the Reform Coordination Unit in the office of the Chief Secretary, President's Office Public Sector Management and Ministry of Finance and Economic Affairs (MOFEA).
2) Capacity development of LGs: The outcome of component 2 is that LGs are empowered and have the capacity to effectively lead and coordinate socio-economic development, public service delivery and poverty reduction in their areas of jurisdiction.
3) Enhanced citizen participation and accountability under Component 3 concerns the next level where D-by-D is to be implemented and the interaction between the LGs and their citizens takes place. The component addresses citizen

participation in planning, monitoring and evaluation (M&E) and the demand side of accountability.

4) Programme management and accountability is under Component 4 and concerns specific initiatives required for the management of the programme. It is intended to strengthen the capacities of key actors (managers) in D-by-D, at national, regional and LG level. It also addresses issues of harmonisation and mainstreaming.

5.3.3 *Local government capital development grants*

The LGRP did not initially include support to LGAs for development funding or targeted capacity building. Therefore, in 2004 the Government introduced the LGCDG system, as a mechanism for providing funding to LGAs for development and capacity building. The LGCDG is a system to provide discretionary grants to LGs for development and capacity building according to a formula and an annual assessment of their performance. The annual assessment of minimum conditions (MC) and performance measures (PM) measures LG capacities in key functional areas (such as planning, procurement, budgeting, financial management, revenue generation) as well as governance (transparency, accountability, participation). LGs that meet basic 'Minimum Conditions' are eligible to access the CDG, while all LGs are given the CBG) that enables them to build capacity for access to the development fund (Box 3).

Box 3   The assessment system of minimum conditions (MC) and performance measures (PM).

> The assessment of MCs and PMs takes place annually in September-October, and is managed by a consulting firm contracted by PMO-RALG. LGAs must meet a set of Minimum Conditions that measure capacity to manage grants in compliance with Tanzania's laws, regulations and administrative requirements. The set of qualitative Performance Measures evaluate LGA performance in key functional areas (financial management, development planning, procurement, project implementation, human resource development etc.), and allow for adjustment in the yearly size of the grants as a reward for good performance and sanction for poor performance.

The LGCDG system introduced an incentive for LGs to enhance performance and capacity, through the upward or downward adjustment of their annual grant allocations, depending on their performance against a set of PMs. In this way, GoT established a link between the financing of local government, their capacity development, and their performance in key functional and governance-related areas. Every year, a capacity assessment is carried out to identify those LGAs who are eligible for one of both grants (an independent consultancy firm, contracted by PMO-RALG, manages this assessment). Finland has funded the initial CDG system with a total of EUR 16.5 million (EUR 8.5 million in 2004-2007, EUR 8 million in 2008-09), and EUR 9.5 million for the period 2009-10.

The Local Government Development Grant (LGDG - previously called LGCDG) system started with the introduction of discretionary development grants in 2004/05. Beginning in 2006/07, the LGDG system was broadened to include sector-specific transfers to provide Government and Development Partner's (DPs) with a comprehensive and integrated framework for supporting local development within specific sectors, without the need to establish parallel funding mechanisms. Both the discretionary and the sector-specific transfer funds follow the same principles and modalities: they are formula-driven, performance-based, universally available to all qualifying LGAs, managed by a single technical/steering committee structure and budgeted/spent in accordance with local autonomous priorities. Over time, it is expected that as the D-by-D reforms are fully embedded into the government system, the level of development funding being allocated through sector-specific windows will decrease as the majority of development funding will be channelled as discretionary development grants.

While the LGDG mobilizes and channels development funding directly to LGs, the LGRP II (D-by-D) provides the policy, administrative and procedural oversight support to the LGDG system as well as provides support to the broader D-by-D reform framework needed to enable the LGDG funds to be effectively translated into improved governance and local service delivery. For the last several years, the LGDG funds were channelled through the LGRP framework. However, from 2008 onwards, the LGDG development funding flowing directly to LGs was channelled separately in order to prepare for the integration into the Government budgeting structure by 2013. While the system is now operational and implemented nationwide it does have some major challenges because LGDG core contributions are increasingly shouldered by basket fund DP's.

5.3.4 *District economic and social empowerment programme*

The objective of the District economic and social empowerment programme (DESEMP) was enhanced district level local economic development in Mtwara and Lindi Regions of Tanzania to reach the national growth target of 8-10% per annum in Mtwara & Lindi regions consistent with the implementation of the National Strategy for Growth and Reduction of Poverty (MKUKUTA) Cluster 1 - Promoting Sustainable and Broad Based Economic Growth. The Programme was planned to run from January 2009 to December 2012 and the total allocation from Finland was EUR 12 million and the objective was formulated as "Increased incomes and higher sustainable standard of living of the rural and urban population in the target area, primarily through establishment of fresh business initiatives, enhanced employment opportunities, and improved access of products to markets".

There were three programme components:
• Component 1: Market Access Support - creating new business opportunities by improving access to markets by developing value-chains.
• Component 2: Support to the Micro, Small And Medium Enterprise Sector - strengthening the MSME sector by delivering relevant business development services.

- Component 3: Support to Creating a Conducive Business Environment - enacting business environment reforms to create a more enabling environment for inward investment and business development.

A draft DESEMP Programme Document was prepared in July 2008 through an 18 months planning phase. The subsequent appraisal and reformulation of the Document took place in July 2009 resulting in a new draft version which was circulated among the authorities in Mtwara and Lindi regions as well as in the Ministry for Foreign Affairs of Finland. The discussions between the regional authorities and Embassy staff revealed several critical issues in the suggested implementation setup and environment. The MoFA decided to revise the design of the programme based on the following principles:
- Bringing down the number of activities and reducing the budget;
- Sequencing the work in terms of geographic area and activities;
- Carefully focusing the implementation to a more limited TA team and a small number of service provision organisations working on their real field of expertise; and
- Defining in detail the role of different players: service providers, TA, regions, districts.

A reformulation appraisal mission was commissioned to review the project document produced by a Preparatory Phase of DESEMP that was not fully accepted by the Government of Tanzania and had some points of concern raised by MoFA. The mission was asked in particular to make more reference to local plans, to align as much as possible to the existing administration, to reduce the fields of implementation and the geographical coverage, to clearly define the beneficiaries, to define responsible agencies and ownership, to focus more on sectors which are familiar to people, that are mainly related to the agricultural sector, where the population has resources that can be used for initial investments, to facilitate access to equipment and to loans to start business in these areas and support youth in practical work capability and in initial investments to set out their enterprise.

The reformulated project is now called the Lindi and Mtwara Agri-Business Support Project (LIMAS) and has as objective to increase income generation opportunities for rural communities in selected Districts of Lindi and Mtwara Regions, by improving the quality of agro-forestry production and processing, and by promoting sustainable small business development through strengthening of partnerships between the private and public business sectors. Finland has had a long-term partnership with the Lindi and Mtwara regions since the early 1970s. Thus, significant human capital and financial resources have been invested in participatory learning and local democratic governance, in line with the GoT's local government legislation. Finland intends to continue support to Mtwara and Lindi Regions, aligned with the GoT's on-going national and decentralised reform processes. DESEMP produced a number of studies and economic analyses, including a comprehensive Baseline Survey on Poverty and Vulnerability, to provide background information on the social and economic situa-

tion of the population of the two regions, and three detailed market and value-chain studies, to review the potentials and priorities for local economic development from community-owned and/or community-managed natural resources in the agriculture, forestry, fisheries and wildlife sub-sectors. LIMAS aims to continue supporting the rural sector of the two regions, through entrepreneurship promotion and market access facilitation and it is to be implemented through local government structures and administrations. The proposed activities fall within the Government's National Agricultural Sector Development Programme and are linked to the LGRP.

5.4 Programme in Namibia

5.4.1 Background to decentralisation and local governance in Namibia

With independence in 1990, Namibia inherited a centralized system of governance. Government functions were administered from the national government based in the capital city (Windhoek), which was responsible for service delivery. The Republic of Namibia is a unitary state. Administratively, it is divided into three tiers, with separate spheres of responsibility – central, regional and local. The central government consists of the President and the two Houses of Parliament: the National Assembly and the National Council.

The Namibian Constitution Act 1 of 1990 makes provision for the establishment of sub-national governments with a view to empower regional and local forms of governance. Article 102 of the Constitution provides that the country to be divided into regional and local units. In keeping with this constitutional requirement, the Regional Councils Act of 1992 and the Local Authorities Act of 1992 have been promulgated. Both Acts provide for, inter alia, the establishment of Regional and Local Authority Councils and define the rights, powers, duties and functions of such councils. A common feature in respect of Regional and Local Authority Councils is that they both have substantial fiscal powers and have to adhere to established procedures, systems and regulations in the day to day handling of financial matters. Taxes and fees may be levied according to Sections 30 and 33 of the Local Authorities Act and the Regional Councils Act respectively. During 1995, the Traditional Authorities Act, 17 of 1995 was promulgated. The main objective of this Act was to recognize the role of traditional leaders in the government, and empower them to effectively contribute towards national development (Government of Namibia1990; 1992a; 1992b; 1995).

The Cabinet approved the Namibian Decentralisation Policy in 1996, adopted by the National Assembly as a National Policy in 1997, and launched as the Decentralised Programme for Namibia in March 1998. The Decentralisation Enabling Act No 33 of 2000 came into operation on 5 March 2001 and provides and regulates the decentralisation of functions to regional councils and local authorities. The Government has adopted the policy of decentralisation to achieve national goals like improved

public service provision and equal economic, cultural and social development across the country. These goals are set out in Vision 2030, the National Development Plan I and II and ruling party's 2004 Election Manifesto. Priority areas like primary health care, primary education, rural water supply, community development and environmental issues have been identified for decentralisation to regional councils and local authorities, with the aim of moving service provision, planning and decision making as close to the end users and taxpayers as possible (Government of Namibia 2000a).

In 2000, another legal instrument for the decentralization process was enacted, i.e. the Trust Fund for Regional Development and Equity Provisions Act, 2000. Its main purpose is to provide regions and local authorities with technical and financial assistance for development projects and the implementation of decentralization. A High Level Delegation Readiness Audit was conducted in 2008/2009 in all thirteen Regional Councils to determine the progress made with regards to their readiness to take on the additional functions and responsibilities. Although general challenges such as inadequate infrastructure/offices and housing; insufficient human and material capacity; limited understanding of the concept; benefits and challenges of decentralisation; limited financial resource base and different legal provisions for human resource management were identified, all thirteen Regional Councils met the generic readiness criteria over which they have control and are ready to receive the delegated functions (DPIC Secretariat 2009).

Since the adoption of the Decentralisation Policy in 1997 full decentralisation has only been implemented for functions in the building maintenance and education sectors, exclusively to the regional level. Decentralisation processes are ongoing in all ministries affected by decentralisation but it is noted that the process is too slow, which ultimately inhibits the provision of service delivery at the local and regional levels. Currently the Directorate of Decentralisation Coordination (DDC) in the Ministry of Regional and Local Government, Housing and Rural Development (MRLGHRD) is the custodian of the decentralisation process. It further appears that the DDC is facing additional challenges, many of which appear to relate to the structural nature of the decentralisation implementation coordination, which inhibit efficient execution of their tasks and consequently slow down the decentralisation process (ALAN/SKL International Partnership 2010).

5.4.2 *Finnish support to the Namibian decentralisation process*

The overall objective of the Finnish support to the Namibian decentralisation process (FiSNDP) programme was to achieve improved public service delivery and governance at regional and local levels and reduced regional development inequalities in accordance with the decentralisation policy of the Government of Namibia and in line with the development issues of Namibia as defined in National Development Plan 2. The purpose of the programme project was defined as follows: The line ministries involved in the decentralisation process in Namibia, as well as the thirteen regional councils, have the structures, capacity and will to implement the decentralisa-

tion process through a strengthened Directorate of Decentralisation Coordination. Four key results areas aligned to the strategic targets of the decentralisation strategy were formulated:

1) The Directorate of Decentralisation Coordination has the capacity to drive and coordinate the decentralisation process in Namibia by providing management direction, coordination, consulting, training and research.

2) Ministerial Action Plans for decentralisation prepared for each function to be delegated in accordance with the Decentralisation Enabling Act, 2000, and guidelines provided by the Ministry of Regional and Local Government, Housing and Rural Development.

3) Regional councils meet minimum requirements and accompanying plans for delegation, and take on the management of staff, functions, assets and funds as stipulated in the Decentralisation Enabling Act and line ministerial action plans.

4) Financial decentralisation under devolution supported through the development of an intergovernmental fiscal transfer system for both recurrent and development grants.

The project was implemented according to four Key Result Areas (KRAs):

KRA 1.The Directorate of Decentralisation Coordination has the capacity to drive and coordinate the decentralisation process in Namibia by providing management direction, coordination, consulting, training and research.

KRA 2: Ministerial Action Plans for decentralisation are prepared for each function to be delegated in accordance with the Decentralisation Enabling Act, 2000, and guidelines provided by the Ministry of Regional and Local Government, Housing and Rural Development.

KRA 3: Regional councils meet minimum requirements and accompanying plans for delegation, and take on the management of staff, functions, assets and funds as stipulated in the Decentralisation Enabling Act and line ministerial action plans.

KRA 4: Financial decentralisation under devolution supported through the development of an intergovernmental fiscal transfer system for both recurrent and development grants. FiSNDP was operational for four and a half years from October 2004 to April 2009, which included a 13 months extension phase.

The Project completed by April 2009 and the total Finnish spending was EUR 5.4 million. FiSNDP has not been subject to an external evaluation after it was completed in 2009. The Government of Namibia has been pursuing its decentralisation policy since 1996, which is embedded in the overall national development plan, which includes sustainable development goals. The policy has clear objectives and includes a two-phased action plan foreseeing a two-step approach to devolution developed by the Ministry of Regional and Local Government and Housing in 1997: *A Decentralisation Policy for the Republic of Namibia: Decentralisation, Development and Democracy*, and supported by the *Decentralisation Enabling Act No. 33 of 2000*. Phase one is basically functional de-concentration to the regions eventually succeeded by phase two with functional devolution to the local councils. In principle, all dimensions of decentralisation are being addressed, including functions, fiscal framework, planning and budg-

eting framework, staffing and capacity development and reform oversight, but actual accomplishments are meagre with little outcome at the regional and local level apart from training and CB activities.

Local governments do not take part in any sort of formalised budgeting process with central government. Municipal revenues primarily rest on user payments and it is a prerequisite in the local government act that functional devolution to Part I and II municipalities only takes place if functions can be sustained by own-revenues (Local Authorities Act No. 23 of 1992). Without assistance from central government, developing and sustaining service deliveries in poor communities is very difficult, even for a well-managed city like Windhoek. This would also be the challenge for NSLGCP when supporting new municipal services, which may end up being non-sustainable (unfunded).

While FiSNDP has provided a lot of training, there are few examples of support to local government HR *structures*. One would be the work on the councillor's handbook, which is an important tool. The project has also made some achievements is supporting ministerial action plans for decentralisation, which also involves planning of staff transfer. But so far little of this has been executed at sub-national level. Based on the programme documentation, additional reports including the outcome evaluation of the French FrSNDP (Heeren & Joas 2010) and interviews with key stakeholders, the most important lessons learned are:

- The programme was in line with Finnish as well as Namibian development policies. From a technical point of view, FiSNDP appears to have delivered key inputs to the reform process in Namibia, including piloting of key functions for decentralisation/de-concentration to the regional councils, a pilot Inter Government Fiscal Transfer System (recurrent grants) for water supply and education and extensive training and capacity building for the regional councils.
- Despite favourable Namibian policies and strategies on decentralisation, the FiSNDP appear to have been implemented in a non-conducive environment with a slow moving, non-consultative reform process showing very little progress. This is a serious threat to FiSNDP impact, which according to the Namibian local government associations is practically non-existent on the ground at local level.
- The slow progress of the reform threatens to erode programme achievements even further. E.g. the evaluation team learned that piloting of rural water management has stalled after completion of the programme. The piloted grants system has also not been implemented and present municipal planning can be described as 'crisis management'.
- FiSNDP has been implemented along with the French FrSNDP, both having similar objectives. Cooperation has been mutual and synergies exploited, but in today's perspective this is hardly in accordance with Paris Declaration targets of joint funding and joints programmes and minimisation of transaction costs. However, both programmes were formulated prior to 2005.
- While FiSNDP objectives have been embedded in a favourable national decentralisation policy and strategy setting, there seems to be very little political backing

for actual implementation of the reform, which takes place in a non-consultative manner without dialogue with sub-national stakeholders. Hence, the outcomes of FiSNDP at the sub-national level have so far been minimal and programme impact could, in time, erode further if the slow reform process continues.

5.5 Programmes in South Africa

5.5.1 Background to decentralisation and local governance

The South African Constitution adopted in 1996 established three levels of government: a national government, nine provincial governments and 284 local governments. The main aim of decentralisation in South Africa is to improve the efficiency of service delivery by aligning sub-national government expenditure with regional and local priorities.

The Constitution defines the major functions and powers of various levels of government. Major functions of the national government include protection services, higher education, national roads, public works, water affairs, foreign and home affairs and policy functions. Provincial governments are responsible for school education, health, social welfare, housing and provincial roads. However, while provincial governments are responsible for implementation of these functions, the national government is responsible for policy. Moreover, with the exception of roads provinces do not have significant exclusive budgetary functions. Local government receives significant grant funding directly from central government through funds such as the Municipal Infrastructure Grant (MIG) and other instruments. LG functions consist mainly of user fee-based services such as electricity, water and sanitation besides provision of other public goods like municipal and household infrastructure, streetlights and garbage collection.

It is important to note that the South African Constitution obliges the three levels of government to work cooperatively. Accordingly, numerous intergovernmental bodies, such as the Budget Council and the Budget Forum, have been established in order to facilitate consultation and cooperation in the budget process. It is also worth noting that all the public servants employed by the national and provincial governments have uniform terms of services and that they are highly unionized. The timeline of major policies and legislation in South-Africa is given in Box 4.

According to the analysis carried out by the Government itself in the 2009 State of Local Government Report there have been a number of other government initiatives and programmes to advance service delivery and institutional support. These include the former Planning and Implementation Management Support Centres, the Integrated Sustainable Rural Development Programme and Urban Renewal Programme nodal programmes, the Integrated Development Planning analysis and the Bucket Eradication Programme, Siyenza Manje, the Ilima project (Old Mutual), and the do-

Box 4   A timeline of major policies and legislation in South-Africa.

1993	Local Government Transition Act
1994	Democratic Elections
1996	New Constitution
1998	White Paper on Local Government
1999	Local Economic Development (LED) Fund
2000	Municipal Systems Act, LED Guidelines
2002	Draft LED Policy
2005	Policy Guidelines for Implementing LED
2006	National Framework for LED (2006-2011)
2007	Project Consolidate
2009	State of Local Government in South Africa Report, Local Government Turnaround Strategy
2011	Jobs Fund

nor supported Consolidated Municipal Transformation Programme as well as Local Economic Development programmes. The Government also undertook a Policy Review on Provincial and Local Government. Numerous other smaller programmes and projects have also taken place, largely in the local sphere of government.

According to the same report whilst all of the support programmes have assisted in specific ways, it is still clear that a number of stubborn service delivery and governance problems have been identified in municipalities over a number of years. These remain consistently at the forefront of government's developmental challenges. These priority areas include:
- Huge service delivery and backlog challenges, e.g. housing, water and sanitation;
- Poor communication and accountability relationships with communities;
- Problems with the political administrative interface;
- Corruption and fraud;
- Poor financial management, e.g. negative audit opinions;
- Number of (violent) service delivery protests;
- Weak civil society formations;
- Intra- and inter-political party issues negatively affecting governance and delivery; and
- Insufficient municipal capacity due to lack of skills.

5.5.2   Cooperation Framework on Innovation Systems between Finland and South Africa

Cooperation framework on innovation systems between Finland and South-Africa (COFISA) was a joint programme between DST (Executing Agency: Department of Science and Technology) and MoFA and the objective of the programme was to strengthen the South African National System of Innovation (SANSI) in order to alleviate poverty and promote economic growth. The strategic aim of COFISA was to transfer the approach of stimulation of innovation in Finland to a South African context.

COFISA consisted of four components:

1) *Enhancement of the SANSI at the National Level*: This component aimed at improving planning and delivery of national SANSI policy and enhanced coordination, collaboration of SANSI stakeholders to stimulate learning about innovation and improve policy impacts.

2) *Province Level Implementation of the SANSI*: At a provincial level, the aim was to strengthen collaboration between key stakeholders: universities, research institutes, provincial and municipal governments, and industry, and to pilot a well-functioning and sustainable support structure for enabling and promoting innovation for greater economic growth within the three target provinces. Further, the programme supported collaboration between national and provincial level stakeholders in the understanding that the provincial systems of innovation are integral components of the SANSI.

3) *Piloting Rural Innovation Mechanisms*: In a rural context, objectives were to pilot rural innovation through training and other support mechanism to build human capacity, reduce poverty and enhance economic development in rural areas. This approach was based on the application of the scientific method, and equitable use of information and communication technology. This piloting was implemented in the provinces of Gauteng, Western Cape and Eastern Cape. The "*Piloting of Rural Innovation Mechanisms*" was linked and integrated with DST's existing poverty alleviation programme.

4) *Innovation in Sub-Saharan Africa*: In the context of the subcontinent, the objective was to strengthen South Africa's regional role by sharing the experiences gained in this programme with other African countries to stimulate the formation of functional national and regional systems of innovation.

COFISA was commenced in September 2006 and terminated in February 2010. This included a one-year extension funded within the original budget frame. The total Project funding was EUR 4 million with Finland spending EUR 3 million and DST providing EUR 1 million. The COFISA programme has not been subject to an external evaluation after it was completed in 2010. However, a narrative report was published by COFISA and DST (Greenwood, Day & James 2010) that in general paints a positive picture of the project and in detail tries to explain the achievements of COFISA within national, provincial and local approaches to innovation.

The provincial and local governments of the three target provinces appear to have been actively involved in COFISA activities (although not programme management) playing some sort of coordinating or supporting role within local economic development and sustainable planning. This in particular comes forward in the narrative evaluation report with regard to 'fore sighting' and links to strategic, participatory planning in a local government context (Greenwood *et al* 2010, p. 46ff). These activities appear to have created genuine interest in the target local governments and even demand for support to local government planners beyond the target provinces.

In general, however, the documentation available is not particularly explicit with regard to the programme interface with the sub national government level and how COFISA activities are linked to the mandates and activities of the provinces and local governments. Nor does it identify potential entry points to ongoing local government reform activities targeting the roles of local government within local economic development, strategic planning, participation, poverty alleviation, community based development activities. Several of the methodologies introduced by COFISA do seem relevant for local governments, though, and could e.g. provide valuable information to the discussion of local government's role and opportunities within local economic development, which according to one recent meta study appear to be restricted in most countries and perhaps even overrated (Scott 2009, pp. 10-14). The available documentation on COFISA, however does not allow for such analysis. This then raises the question as to why the project was included in the first place as an example of local governance support by the MoFA in South Africa.

5.5.3 *Limpopo agricultural development project*

The Limpopo agricultural development project (LADEP) focused enhanced sustainable income generating activities of smallholder farmers through Integrated Natural Resource Management techniques. The project was implemented according to four components:

I   Integrated Rural Management Planning;
II   Integrated Rural Development;
III   Institutional Strengthening; and
IV   Coordination of Development Resources

Since the first phase was characterised but under spending and slow implementation a Phasing-out Phase was agreed upon. The overall objective of the programme remained the same, while the purpose of the phasing-out period was: Economical and ecological sustainability of agricultural micro-enterprises in the Limpopo province is improved. This purpose was to be achieved through the following results:

Result 1: The capacity of Limpopo Department of Agriculture in producing and delivering information related to agribusiness micro-enterprises is strengthened.

Result 2: The quantity and quality of production is improved in agricultural micro-enterprises.

Result 3: Agricultural micro-enterprises managed according to business principles.

Result 4: The groups' ownership of their agribusiness is improved.

Result 5: Natural resources used and managed in a sustainable way in agribusiness
production.

The Department of Water Affairs and Forestry implemented the original Community
Development Programme in the Northern Province, Phase I, in 1997-2001. LADEP
programme Phase II commenced in January 2002 after a gap between the first and
second phase. Phase (III) Phasing–Out Phase - "Work with farmers, not for farmers".
The phasing-out Phase ended in 2009 with the closure of the programme.. Some of
the issues during implementation were:

The Department of Agriculture (DA) lacked capacity in terms of qualified personnel
taking into account the tasks assigned to it. Although the number of staff was high,
the performance capacity did not meet the expected standards. The skills required
for effective rural enterprises do not exist widely among the rural communities. This
situation was well known and the Limpopo Department of Agriculture (LPDA) was
committed to work to overcome it. The programme showed flexibility and responded
to this by including an institutional capacity building component during the phase-
out phase (Result 1).

- It was further noted that the coordination between the different projects facilitat-
ing the harmonisation of approaches has not been very structured. There have
been active but mainly informal discussions. The staff from different develop-
ment interventions have been discussing the issues on various occasions acciden-
tally and often in the corridors when they happen to meet. A decision was made
by the Department of Agriculture to have organised and structured coordination
between the externally funded projects. Again, the programme showed flexibil-
ity and responded to this challenge in that the General Manager for Farmer Sup-
port in the DA chaired regular coordination meetings. This improved the effec-
tive utilisation of external resources by the DA and also increased peer-learning
opportunities.

- The component of Integrated Rural Management Planning during phase II can
be seen as relevant in its aim to strengthen the institutions and communities to
take the responsibility of their own future and to improve the service provision
through networking. However, taking into account the primary needs of rural
population in the target area, the LADEP programme staff capacity and the lim-
ited financial resources available to the programme, the relevance of this compo-
nent at the operational level was assessed not to be very high. The lesson here is
that this component would deserve much more attention to produce good tangi-
ble results in that it could be a theme for a project of its own.

5.6 Regional African programme

5.6.1 The Africa capacity building foundation

The Africa capacity building foundation (ACBF) is an autonomous Foundation, established in 1991, with a membership that includes the African Development Bank, UNDP, the World Bank (WB), the International Monetary Fund (IMF) as well as 34 African and non-African Governments. The Foundation was established for the purpose of building capacities needed for policy analysis and economic management. The stated mission of the Foundation is to be the leading African institution in a partnership to build sustainable capacity for good governance and poverty reduction in Africa. As such, ACBF has been given the responsibility for developing and coordinating processes that lead to capacity in the countries, funding activities and institutions to deliver such capacity, networking existing entities including economic and research entities as well as governments to achieve results in capacity, as well as mobilizing funding and technical resources and managing its own projects and programs in the critical areas of capacity needed for Africa's development. This broad mandate, embedded in the constitution of ACBF, gives it wide reach and arena for action.

ACBF is based in Harare, Zimbabwe, and currently finances Projects and Programmes in 40 African countries and supports 26 regional organizations and initiatives. The Secretariat of the Foundation is managed by a full-time Executive Secretary who is competitively selected and appointed for a term of 4 years and can serve a maximum of two terms. ACBF operates primarily as a grant-making institution, with the bulk of its budget provided to selected organizations and institutions for their implementation in line with its mandate to support capacity building for development in Africa. ACBF is financed entirely from grants that are provided through 2 main channels – through the World Bank's Development Grant Facility and through a Multi-Donor Trust Fund for which the World Bank is the trustee with responsibility for disbursement to ACBF, but no supervisory responsibility for funded activities.

The organization of the ACBF consists of a Board of Governors, an Executive Board, and an Executive Secretary. The Board of Governors is made up of representatives of African governments who contribute to the Foundation, sponsoring agencies of the ACBF, which are the African Development Bank, the World Bank, and the United Nations Development Programme, and other bilateral and multilateral donors. The Board of Governors is the principal policy- making body of the Foundation. Each government and institution that contributes to the African Capacity Building Fund is eligible to appoint one representative to serve as a governor on the Board of Governors and may also appoint an alternate. The Board of Governors meets annually and has responsibility for decisions concerning ACBF's broad policies, including but not limited to reviewing from time to time, the activities of ACBF in the context of the annual report of ACBF's activities presented to it by the Executive Directors, and in particular, measures to ensure continuity of its operations and the mobilization of resources for ACBF.

Until January 2000, ACBF interventions focused on building and strengthening capacity for macroeconomic policy analysis and development management, its initial niche in capacity building. In 2000, this focus was expanded as a result of the integration of the Partnership for Capacity Building in Africa (PACT) initiative into the Foundation's fold. PACT aims at mobilizing greater support for capacity building in Africa. The expansion broadened the Foundation's scope to cover the following areas:

–   Support to projects and programs designed to strengthen the core public sector and its interface with the private sector and civil society in order to enhance their contributions to good governance, poverty reduction and sustainable development.

–   Support to regional initiatives in the areas of training, policy analysis, applied policy research, trade policy development and negotiations as well as policy advocacy.

–   Support for the emergence of institutional frameworks for country ownership and coordination of capacity-building activities as well as for participatory development.

–   Knowledge generation and sharing for the transformation of the Foundation into a knowledge-based institution and to support the emergence of knowledge-based economies in Africa.

6 MAJOR FINDINGS ON THE EVALUATION OF NSLGCP

6.1 Programme background

The main objective behind the NSLGCP was and is that cooperation between local governments and local government officials in both the North and the South would be a useful, efficient and effective means for increasing the capacity for improved and increased service delivery in the local governments in developing countries. A further aim was that transfer of expertise and know-how from the Finnish local governments to the southern local government would add value to the overall Finnish development cooperation, and to the attainment of the global development objectives as formulated in the development policy. The main aim of this policy is to eradicate poverty and to promote sustainable development in accordance with the MDGs, which were set in 2000. Finland promotes economically, socially and ecologically sustainable development, and places particular emphasis on climate change and the environment whilst it also stresses crisis prevention and support for peace processes. The programme document 2008-2010 (MoFA 2007b) defines the objectives, components and the management structure of the Programme. According to the programme document, the overall objective of the NSLGCP is:

> *To strengthen the capacities of local governments to provide basic services and to promote good governance and local democracy, all by taking into consideration the principles of sustainable development.*

The purpose of the Programme is:

> *The Programme aims through co-operative relationships between Finnish and Southern local governments to build the capacity of the local governments to provide basic services, to advance good governance and administrative practice as well as to promote participatory democracy and sustainable social, economic and environmental development.*

Finland is a highly decentralised country, where just under half of the national budget is spent through LGs on various service delivery and infrastructure projects. AFLRA is a member organisation of all LG's in Finland, having 300 employees in the main organisation and a turnover of about EUR 30 million annually. In 1999 the first request was sent to the MoFA for the project. A questionnaire was forwarded to all at that time 465 (now there are 336 municipalities in Finland). About 70 showed interest but none of them had any money to fund interventions. The first visits were made to South Africa, Tanzania and Ghana. The AFLRA Programme went from a pilot phase in 2002-2004 to 3 continuous programme implementation phases namely, 2005-2007, 2008-2010 and 2011-2013.

From the beginning the NSLGCP was managed by AFLRA and the approach under the NSLGCP is for Finnish municipalities to work directly through cooperation linkages with municipalities / districts in Finnish development cooperation countries in Africa. This means facilitating the exchanges and capacity building work without necessarily working with the local government associations in the concerned countries. The aim of proposing this support programme in the beginning to the MoFA was to build on the expertise available at LG level in Finland and see how this could contribute to assisting African LGs with their respective challenges. It is useful to note that the NSLGCP originally focused on one-on-one local government exchanges and capacity building issues, but in addition, over recent years the need to include some grant funding for minor investment projects for beneficiary countries has been found to be necessary.

The NSLGCP is currently in its fourth programme period (2011-2013). It has undergone previous mid-term reviews (Virtanen *et al* 2007; Uusihakala *et al* 2009), and the preparation of the present programme document was influenced by the recommendations of the 2009 Mid-Term Review. The entire lifetime of AFLRA's programmes (2000-2011 and extended up to 2013) is one of the two main focus areas of this evaluation. The last mid-term review in 2009 highlighted three main areas, which should be the focus of future programming: (1) Responding to expressed needs for cooperation, (2) Having tangible results which are identifiable, and (3) Their results showing some value added drawn from current implementation modality, which is based on the use of Finnish experts. The raison d'être of NSLDCP is that the local governments in Finland have an important contribution to make to the overall Finnish development policy of contributing to poverty and addressing crosscutting issues such as environmental threats, gender equality, rule of law, human rights, good governance and conflict.

Funding agreements between the AFLRA and the MoFA have been renewed every 3 years since 2001. The overall funding has been EUR 1.17 million (pilot phase) 2002-2004; EUR 3.95 million 2005-2007; EUR 5 million from 2008-2010 and finally EUR 7 million in the latest phase from 2011-2013.

During this period the Programme was divided into three components:
1) Cooperation activities between LGs in Finland and in Africa;
2) Knowledge and information generation and dissemination to enhance quality of cooperation, and to increase demand for cooperation in Finland; and
3) Management and administration services to for the programme and the linkages.

The NSLGCP has established 17 cooperation linkages between municipalities in Finland and municipalities in the cooperation countries. The ET looked at 16 linkages (the Ghana linkage was excluded since it did not form part of this evaluation – Annex 5) and with whom in-depth interviews, both in Finland and in cooperation countries, have been carried out during the field phase.

The programme management had after some critique during the MTR in 2009 begun to emphasise a more results oriented approach after the first two phases were considered to have been too unfocused and with many scattered activities with little impact. An external consultant helped AFLRA to systematise the introduction of best practice and training material for log-frames and focus on SMART (Specific, Measurable, Attainable, Relevant and Time bound) indicators and a lot of training has been carried out to introduce this throughout the linkages.

The Finnish embassies in the various cooperation countries have not always been fully involved with the linkages but in recent years they have been asked to comment on the applications. Embassies are also not always visited during the annual exchange visits but this is often due to the distance involved between the municipality and the capital city. AFLRA have for some time expressed a need for a wider geographical scope for the linkages and not being bound by focusing on Africa and the need to have a Finnish embassy in the linkage country. Furthermore, the 3-yearly formulation of a new programme document and the yearly application format for every linkage is seen by AFLRA as a very bureaucratic way to handle the implementation of activities and they have often requested a system where 3-year funding frameworks are approved through the application process. The Supervisory Board consisting of MoFA and AFLRA officials meet twice a year.

6.2 Summary of findings

6.2.1 Findings on relevance

The key finding of the evaluation of NSLGCP was that to a degree policy relevance can be found in most linkages as objectives and outputs in principle fall within the overall policies and strategies of both partner country municipalities and overall Finnish development policy. However, in the analysis of the various linkages the ET only found that very few activities have anything to do with systematic poverty reduction and MDG work in as far as it concerns issues of capacity building, institutional reforms and real broad-based participation of local stakeholders. It seems that targeting MDGs and poverty alleviation in a programme that has so little direct funding for services makes it somewhat futile to think that these more limited resources could have much of an impact. Simply working with, and through local governments in the developing countries does not constitute poverty reduction and targeting more systematically capacity building issues would probably have been more worthwhile. This type of capacity building work, however, needs careful planning, analysis and execution over and above what has been demonstrated as key elements of the cooperation within each linkage.

6.2.2 Findings on efficiency

The overall management of the NSLGCP and the administration of the linkages was found to be excessive with more than 40-50% of total Programme funding going to Programme management, salary compensation in the northern municipalities, paying non-municipal coordinators in both northern and southern municipalities, and adding travel, per diem, and recurrent office costs as well as compensation for technical inputs from mostly northern experts. The linkage cooperation have to some degree suffered from lack of efficiency of budget implementation, reflecting slower than expected planning process as well as delays in actual implementation. This was found both during the 2007 and 2009 MTRs. It seems that existing systems in the Southern local governments and their weaknesses have not always been properly assessed and made use of. Using and strengthening existing channels of financial (and other) administration in the partner institutions is one of the key principles of Finnish development co-operation, and should be followed when feasible. It wasn't clear from the many visits with southern partners if proper financial management procedures were followed in the handling of NSLGCP funds.

The NSLGCP reporting, application, and budget formats have evolved and improved over the full programme period. Especially later versions of the annual reports and the project MTR reports have a lot of information and data. However, while this is often linked to the intended objective or result of the cooperation almost none of the reports reviewed seem to report on indicators as specified in the Programme Document or the cooperation agreement log-frames. A lot of funds have been spent on training and formalising this log-frame approach under the Programme. This has

been confirmed through the field visits and the document review. Why then is the log-frame methodology not consistently applied throughout the twinning cooperation reports? The answer to this question lies maybe in the fact that the log-frame approach is too complicated or too far removed from the daily practices of both northern and southern partners, and that reporting on the indicators is not taken seriously enough. It could be that a more limited and practical approach would have worked if just reporting on some limited key indicators had been agreed on from the start.

6.2.3 Findings on effectiveness

There is no doubt that a lot intended outputs have been achieved under many of the linkages demonstrated through the activities in supporting environmental training at school level in Kenya and in Tanzania, the many exchange visits from especially southern municipalities to Finland, and key issues within ICT, environment, local economic activities and social protection. Some of the programme purposes and outputs have been reached and a number of intended outputs but also a lot of activities never got implemented as the linkages focused on too many components and activities that simply couldn't be reached through the limited funding. Activities are, as shown in many linkages, very scattered and lot of small budgets for incremental activities leaving the impression of activities that fit the purpose of the linkages and not the purposes of the southern municipalities.

The results of the fieldwork case studies also suggest that Finland's development interventions are usually in line with local needs and were generally focused on areas where Finland possessed added value such as projects dealing with environment and water sector management as well as education in all the visited countries. It seems that some of the southern partners have received advice and inputs from the northern partners on relevant technical and social issues. But only a few of the visited linkages talked about mutual benefit in this technical exchange and that the supply driven nature of the Finnish technical support sometimes didn't match the needs or interest of the southern partner (Tshwane and Bojanala linkages in South Africa come to mind as examples of this situation) and therefore e.g. in Tshwane the coordination of the linkage has been moved to an entity outside the municipality all together.

6.2.4 Findings on impact

The key problem for the ET in terms of measuring impact was and is the fact that reporting on Programme activities within each linkage almost in all cases has been narrative and not focused on reporting on log-frame indicators. Therefore, impact is all but impossible to measure and to discuss. If one is to discuss some impact than the exchange visits exposed personnel from the municipalities to new cultures, better understanding of globalization and issues of global concerns, this cannot be disputed. This might in future shape peoples' thinking on how best to approach development issues and problems both at local and international levels. So the greatest impact might be for the involved persons in the linkage cooperation (limited number of civil

servants, some politicians, coordinators) but it ultimately remains personalised and not institutionalised. It is also likely that the linkage cooperation will create opportunity for joint business ventures, but there was no evidence of this having taken place. Linking the cooperation interventions with other related projects or programmes in the cooperation countries could have added more value to the development efforts, and avoided duplication of efforts, but this was also not done.

6.2.5   Findings on sustainability

As with the findings of the impact section the question of sustainability is linked to the low financing levels and the fact that EUR 100,000 per linkage per year is too low for the amount to have any sustainability per se. The linkage cooperation will only continue as long as NSLGCP funds it. This is clear from interviews with nearly all stakeholders. Beyond project termination, project results must be sustainable within the means and capacity of municipalities. This has not been the principle whereby many of the activities of NSLGCP have been implemented. Sustainability is not only linked to monetary inputs, but also to capacity building / development of staff versus organisations (focusing on more permanent municipal staff like teachers and fire fighters seems more relevant then municipal staff).

The key question of the linkages having a specific end date is one that is linked to analysis of an exit strategy and sustainability after cooperation termination but nowhere in any linkage was there any discussion of a before and after scenario and a possible end date for support. Development work is normally limited and focused on a reasonable time frame and not work without an end date. The ET didn't find any evidence of this at all in the NSLGCP documentation.

7 CONCLUSION AND LESSONS LEARNED

7.1 Conclusion

The ET set out to try to answer two central questions in regard of Finnish support to local governance in the cooperation the four cooperation countries and from its support to the municipal NSLGCP. Are there any achievements at the local governance development level that may be attributed to support by MoFA programmes and to what extent has coherence been achieved in terms of Finnish development policies and partner countries, and activities implemented at the local governance level?

To be able to look more systematically at these questions these will be answered by looking at the 5 intervention logics developed by the EC and outlined in the methodology section (Table 2), and relate these to the findings of what is implemented under the Finnish support to local governance. There has been little consistency and com-

mon understanding of local governance within many donor organisations and this is also reflected in the approaches of Finnish MoFA. Ambiguity has surrounded the usage of terms such as local development, local economic development, local area development, local territorial development, regional development, local human development, and local sustainable development, and local governments, sub-national governments and local authorities. Similarly, whereas decentralisation and local governance are different processes, the dynamics of both processes have not always been fully understood. Some of these issues will be discussed in the following sections.

7.1.1 Policy support and institutional development

One of the guiding principles of Finland's development policy is coherence. Policy coherence for development requires that the strategies and actions in all policy areas support the eradication of poverty and sustainable development in a systematic way and are aligned to national priorities. Coherent policy strives to attain the objectives of internationally agreed and nationally accepted agreements and promotes the implementation of sustainable development in a comprehensive and consistent manner. In Kenya for all three programmes GJLOS, GGP and the PSRP in all interventions there seems to be a high degree of coherence and alignment with Government policies and reform agenda, and a focus on national institutional development. Especially, when it comes to the GJLOS and the PSR programmes they are implemented by the GoK ministries and agencies themselves. Finland has participated in all relevant sector-working groups and been active in all. Complementarities and alignment to Paris Declaration principles is achieved through joint programme funding under a basket fund arrangement in all 3 programmes with several other donors and adhering to a nationally formulated strategy and programme in which the GoK takes the lead. GoK expects to take over implementation responsibilities and financial management in the coming phase using GoK procedures for GJLOS and perhaps also the PSRP. However, none of the programmes supported in Kenya address specific local governance and decentralisation issues such as service delivery, regional and rural development or decentralisation cooperation.

In Kenya Finland have supported the Constitutional Review and Reforms under GJLOS that has led to new devolved structures. Under separate funding support was availed to the Committee of Experts and the Interim Independent Electoral Commission that has facilitated local elections and the work on the revised Constitution. However, none of the 3 GoK programmes have targeted local government issues in any serious or coordinated fashion. This is probably a reflection of the, until recent, prevailing very centralised functioning of sector ministries in Kenya with a very limited role of districts in service delivery. However, the new revised Constitution of 2010 should be the start of a reform of the public sector and increase the focus on decentralisation levels of government. In Kenya's previous Constitution, there was no provision for any form of devolution or reference made to the local government system. The only mention of local government was in the provisions vesting trust lands in the county councils. A local government was however in place. The Local Government

Act established a full-fledged system of local councils headed by a minister. Further provisions were made in the Act establishing local government, boundaries, constitution of authorities and elections, proceeding general administration and committees, powers, duties, functions and finances. The Public Service Commission appointed officers seconded from the Ministry of Local Government who were responsible for running the local authorities. This arrangement was often a source of conflict in the local authorities, as the Government officials owed no allegiance to the elected councillors. Local authorities were largely funded by the central Government even though they had their own revenue sources but often at very low levels. The PSRP with its aim of results based management throughout the civil service and performance contracting is making it easier to reward public servants on merit and performance but was focused on the central level civil service.

The Development Partners in Tanzania have committed themselves under the LGCDG Memorandum of Understanding (MoU) to: (i) To establish an agreed disbursement schedule, in order to assist the PMO-RALG in implementing the LGCDG system; (ii) To make funding available in a timely manner, on the basis of agreed programmes and budgets, through bilateral or other agreements with the Government of Tanzania, to be used exclusively to finance the LGCDG system. The total amount is to be agreed upon between the partners, according to the agreed needs of the LGCDG system and availability of funds; (iii) To facilitate the management of the LGCDG system by adhering to the general principles for budgeting and reporting set out in the Common Basket Fund Terms of Reference and the Programme's Financial Management Manual, irrespective of whether the funding is inside or outside the Common Basket Fund mechanism; (iv) To respect the GoT's primary role in the management and implementation of the LGCDG system, and to support the GoT's co-ordination efforts; (v) To provide constructive inputs to the dialogue on the management and implementation of the LGCDG system; (vi) To generally support the Decentralisation by Devolution policy and the local government reform processes; and (vii) To inform the partners of any condition that interferes, or threatens to interfere, with the successful implementation of the LGCDG system, so that the partners jointly can take necessary actions.

The major donors over the last 10 years for the LGRP and the CDG are the EU, WB, Belgium Technical Cooperation (BTC), DFID, Irish Aid, GIZ, KfW, the Netherlands, Sida, and Finland. For the LGRP and the CDG it is clear that Finland has played a very constructive and coordinating role in the implementation of these reforms in Tanzania, and that these are seen as models of coordinated and coherent support to decentralisation and local governance. One indication of achievement and progress was in May 2006 when the Coordinating Block Grant Implementation Team adopted a Terms of Reference to transform itself into a permanent inter-ministerial Local Government Finance Working Group. The Local Government Finance Working Group is chaired by the PS, Ministry of Finance and co-chaired by the Deputy Permanent Secretary (PS), PMO-RALG, with members from the key ministries. The Group is responsible for (1) Monitoring and Analyzing Local Government Finances, (2) Re-

porting on LG finance, (3) Advising on application of Intergovernmental Transfer Formulas, (4) Advising the allocation formulas, conditions and procedures. The lead donors of the LGRP are also participating and Finland has been amongst them for the last 5 years.

In Namibia the FiSNDP has been contributing to important reform areas such as ministerial action plans for functional decentralisation (plans for first phase pilot deconcentration to the regions), piloting of a IGFTS which would introduce central government transfer of development and recurrent grants to the sub-national level and plenty of training and capacity development for central and local (regional) government civil servants. While FiSNDP objectives have been embedded in a favourable national decentralisation policy and strategy setting, there seems to be very little political backing for actual implementation of the reform, which takes place in a non-consultative manner without dialogue with sub-national stakeholders. Hence, the outcomes of FiSNDP at the sub-national level have so far been minimal and programme impact could, in time, erode further if the slow reform process continues.

The results of the fieldwork case studies for NSLGCP also suggest that Finland's development interventions are usually in line with local needs and were generally focused on areas where Finland possessed added value such as projects dealing with environment and water sector management as well as education. However, it seems that a lot of the linkages have received advice and inputs from the northern partners on relevant technical and social issues. But only a few of the visited linkages talked about mutual benefit in this technical exchange and that the supply driven nature of the Finnish technical support sometimes didn't match the needs or interest of the southern partner (Tshwane and Bojanala linkages in South Africa come to mind as examples of this situation). The cooperation projects must be able to link the contribution of the Programme to poverty reduction and the UN MDGs, which have to be clearly specified in the local government co-operation processes and all activities must be designed for the achievement of that objective. This is a requirement of the Programme but seems to be too lofty objectives for a Programme, which has relatively small amounts of funding, and this funding is furthermore very fragmented. The OECD developed a set of guidelines back in 2001, and stated that the aim of development partners working together on poverty reduction are as outlined in the statement below.

> "Development co-operation will support goals and priorities as set out in national strategies for sustainable poverty reduction, which should be country-driven, participatory, comprehensive and results-oriented. To ensure ownership and sustainability, the development community should be moving from agency-driven to country-led activities, creating space for partnership through integrated programme, project and sector-wide support. Key priorities for supporting the implementation of partner strategies include resources for capacity-building, institutional reform and broad participation of local partners" (OECD 2001, p. 12).

The key finding of this evaluation has been that policy relevance can be found in most interventions as objectives and outputs in principle fall within the overall policies and strategies of both partner country municipalities and overall Finnish development policy. However, in the analysis of the various interventions the ET found that half target local governance and decentralisation directly and in a comprehensive and systematic way focusing on poverty reduction and MDGs. This means working in a programmatic way in as far as it concerns issues of capacity building, institutional reforms and real broad-based participation of local stakeholders. This does not mean that the other programmes and projects are not programmatic or comprehensive in addressing institutional and policy issues but they simply target the national level and do not address local governance as such.

7.1.2 Good governance including local governance

Finnish development policy emphasises effectiveness, division of labour between donors, and developing countries' ownership. Decisions related to the content of development cooperation are made jointly with the partner countries and increasingly with other donors. Together with its partner countries and other donors, Finland aims to identify the areas in which it has a comparative advantage. This is the case for most of the interventions assessed but a number also fall outside this category since they are standalone project initiatives.

For the GGP in Kenya the programme had a good goal of women's participation in politics, but the activities started too late and this affected the impact. It was also limited to physical protection of women candidates. After elections the programme retreated from the national level and paid more attention to the local level and NGOs participation, with the result that the national government withdraw its participation. More dialogue should have been created with the national level institutions e.g. the Gender Commission. The GGP ends in 2012 and a new joint UN Agencies programme on gender equality is planned to take over.

From the summary of the findings from the linkages it is safe to say that the crosscutting issue of environment is by far the issue that has been dealt with in most linkages. This goes from environmental management issues in Kenya, South Africa, Namibia and Tanzania to environmental issues being introduced in curriculum of primary schools in Kenya and Tanzania – all seemingly relevant activities and with a degree of impact. However, the issue of governance is hardly addressed anywhere in the linkages and certainly not in a systematic way.

As demonstrated in the linkages in South Africa that have a higher degree of technological sophistication some relevant impacts have been reported in the field of environmental management and ICT technology and management. However, what seems to hamper any longer term impact is the political commitment to the linkage from the South African side. Newly elected politicians have other priorities and this means that the interest for the linkage becomes very much supply driven. The ET's meeting with

SALGA clearly demonstrated that their policy guidance and advice to municipalities in South Africa on any cooperation linkages was the emphasis on mutual benefit and not only a focus on Finnish added value or technical support.

Participation in decentralisation and local governance directly involves two major actors, namely civil society organizations as channels of participation and local authorities as catalysts of participation. Based on experiences learned from particularly the participatory budgeting and decentralised planning, the emergence and/or reshaping of civic associations and the reform of local governments require concentrating efforts on three main aspects related to institutional incentives:

1) Any participatory institutional scheme must be highly pragmatic. It should be mostly aimed at solving specific problems, needs and priorities of the citizens. Thus, the materialization of participatory proposals into immediate and tangible benefits for the population, mostly related to urban and rural infrastructure projects, may bring about both an enhancement of the credibility and legitimacy of the entire local governance system, as well as the emergence of new civic associations. This also has an impact on development and (local) governance.

2) Socio-economic differences among members of a given community in terms of wealth, education, ethnicity, gender or social prestige may severely discourage people participation. In order to avoid it, the participatory institutions must be inclusive, and the entire participatory project must be conceived as a social learning process, which implies the need to reformulate the idea of local authority.

3) Thus, capacity-building programmes addressed at local civil servants and elected representatives must train and instruct them as 'facilitators' of the participatory process rather than as mere managers or decision-makers. By doing so, the participatory frameworks may become true 'schools of democracy and governance'.

Decentralisation and community participation have often suffered from top-down approaches to development and become "supply driven" in many countries. That is in some cases central governments and donors did not remain limited to the formulation and implementation of policies to facilitate the effective functioning of other actors. When central governments stay within their proper bounds, then local governments and communities can assume greater responsibilities and become the focal centres for local development—that is through decentralisation. In addition, for effective decentralisation, local communities should organize themselves to managing their own development, while local governing bodies are expected to provide overall guidance. To achieve sustainability, the challenge has been to facilitate and institutionalize a process through which rural communities themselves would establish local organisations to satisfy their own local needs. The evidence clearly demonstrates that local governance work implemented under overwhelming central government domination (or the ones lacking community "ownership") has not achieved the expected results, as the public's commitment to project goals is a crucial determinant of outcomes. It would seem that this aspect figures in the Finnish approach to support de-

centralisation and local governance as demonstrated through the assessment of the programmes in cooperation countries. Finland maintains a programmatic as well as a project approach thereby trying to bridge the gap between a centrally driven reform process and a more local "needs' oriented approach with more local ownership.

This means that a sense of ownership of project objectives is vital and the enabling environment should exist for local governmental institutions and community organizations to establish a collaborative partnership in undertaking the responsibility for developing a local "vision" and strategy, and for designing/planning, allocating resources, implementing and monitoring/evaluating of development activities that better cater to local needs. It is important that these different local players become the driving force towards development, develop a "sense of shared ownership", and jointly manage their development initiatives.

Traditionally, in democratic governance, accountability is maintained in a number of ways, including local elections, the presence of strong and active opposition parties, media, public meetings and formal redress procedures. Increasingly, however, discussions of governance and accountability focus on forms of broader interaction of public and private social actors, especially at the local level. Citizen participation in this sense involves direct ways in which citizens' influence and exercise control in governance, not only through the more traditional forms of indirect representation. Such participation, it is argued, will improve efficiency of public services by making government more accountable and more democratic.

Many of the local governance and decentralisation projects/programmes supported by Finland have set up their own project management units (PMUs) to bypass weak agencies or to assist in implementation where local capacities are lacking. This negatively affects project sustainability as PMUs phase out at a certain point and local institutions and communities are usually left with little improved or no capacity to follow up on operational issues. Integration of the previous LGRP PMU in Tanzania into the mainstream of PMO-RALG also failed and led to several years of poor implementation of the LGRP phase II until it was agreed to maintain a small unit outside the Ministry. Local institutions and community organisations often lack financial, human, and physical resources that hinder their effective participation in local governance projects. This lack of capacity and resources seriously hamper effective local governance and decentralisation.

7.1.3 *Decentralisation of services*

The objective of decentralisation is to bring government's service down to the population who mostly live outside the central city and are in need of the service. It is believed that through this process, all citizens are enjoying fair and equal service provided by the Government and that poverty can be reduced through the creation of employment opportunities for the people widely. It is also believed that decentralisation can make the government perform its service better, democratically, transpar-

ently and responsive to the need of the people. Within this process, powers are not only enjoyed by those officials who sit or work in the central government but fairly distributed to others as well. Nonetheless, it should be noted that decentralisation is not about something willingly, freely and easily undertaken, distributed or compromised among groups or political parties in the central government and those in the local governance. Ineffective and unorganized decentralisations process can make the situation and condition of a local government worse; it can also lead to decentralised corrupt activities from the central government to the local ones.

When it comes to the NSLGCP some of the programme purposes and outputs have been reached and a number of intended outputs but also a lot of activities never got implemented. Activities are, as shown in many linkages, very scattered and lot of small budgets for incremental activities leaving the impression of activities that fit the purpose of the linkages and not the purposes of the southern municipalities. Furthermore, the cost of implementation has been relatively high and this does not fit to the programme objectives of poverty reduction and sustainability.

Some positive outputs can be seen under various linkages, namely the training of the Fire brigade in Mwanza, the establishment of the Library in Iramba and Windhoek, trying to address the issue of orphans in Morogoro, the establishment of the Jamhuri Park in Tanga, ICT-Innovation in Tshwane, solid waste management in Ilala, and influencing the school curriculum on environmental issues in Nakuru and Nyahururu. So examples can be found of results but we have also found in Tanzania that the fire engine in Mwanza is not working and the solar panels at one dispensary in Iramba are not functional any more. This is the classical example of NGO type work where you give with good intentions but you don't ensure that the municipality is able to maintain these donations properly through their own maintenance budgets.

However, having said that, it is well known that inter-municipal cooperation, or exchange, is a multi-faceted issue. Capacity building under the NSLGCP is however loosely used as a term that can cover any activity that is related to training, travel, information sharing, networking and so on and therefore hard to pin down what exactly the cooperation linkages want to achieve with this. The cost of coordinating the relatively small amount of activities – whether training or planning or simply exchange visits - taking place under the linkages is also prohibiting as shown by the fact that often more than 40-50% of total linkage budgets consists of salaries especially to the northern coordinators. All linkages have totally unrealistic calculations (using the word calculation is already misleading) of own contribution as this is set at anything from 10-20% of total linkage costs and all that is mentioned is office space, voluntary work, meetings and so on, which cannot be easily verified and does not constitute an own contribution in the eyes of the ET. Not one single cooperation linkage has put any of its own money forward under the cooperation.

For the Finnish supported LGRP and later the CDG in Tanzania there has since 2001 been a significant increase in the amount of funds available for LGA service deliv-

ery. An indicator of this is the increase in the recurrent grants to LGAs, which more than tripled from TSH 104 billion in 1998/99 to TSH 386 billion in 2004/05. However, LGA own-source revenues and the autonomy to make discretionary decisions and priorities have diminished in recent years to the point where the viability and sustainability of the own-revenue system has been questioned. The LGA share of the total public expenditure has also remained broadly the same at about 20-25% overall national budget, which is comparatively high in comparison with other developing countries especially in the region.

Within decentralisation and local governance the change from area-based approach for local development to overall reform approach over the past 10 years in Tanzania has been instrumental in securing the new and emerging inter-governmental fiscal architecture. This has meant an increased focus on discretionary development funds, stable recurrent transfers and coordinated efforts to work with sector windows in development expenditures for LGAs. In addition to the key fiscal decentralisation activities related to intergovernmental fiscal transfers, financial management and local revenues, the DPs and the GoT have made substantial progress in encouraging and developing stronger inter-ministerial consultative mechanisms and coordination mechanisms. These consultative groups have been instrumental in designing, promoting and implementing the reform activities, simultaneously strengthening the various stakeholders involved in the local government finance system.

Various studies and evidence from the field suggest that there has been an improvement in the quantity and coverage of the services delivered in Tanzania over the past 10 years, especially within health and education (IEG 2008; JICA 2008). The increase in grants to LGAs and various basket-fund arrangements has been a source of expansion of services. But this has also meant an increasing demand and pressure on LGAs to have good and solid financial management and procurement systems to be able to properly utilise and account for the increased flow of funds at local levels.

For the DESEMP, later the LIMAS project, the problem with getting the new area based project focusing on local economic development and agricultural development integrated into the activities and plans of the local government's in Mtwara and Lindi is an indication of the problems faced by donors in remaining with separate project type assistance. Trying to stimulate local economic development in specific limited geographical areas and at the same time adhering to overall decentralisation and local governance policies and reform efforts is challenging and also sometimes runs contrary to desired outcomes. It would seem that the change in focus of the area based support to local governments in Lindi and Mtwara from decentralisation reform issues to more LED type agri-business interventions has not been easy. That reflects the challenge this represents in terms of actual service delivery mandates of local governments in Tanzania and how to integrate this into the decentralised structures.

7.1.4 Local (regional) and rural development

In regards of LADEP it is clear that for South African Government the absence of a definite policy on provincial government has generated uncertainty about the role of this sphere in reconstruction and development agenda. This is of particular importance as the advent of local democracy has presented new opportunities for state organisation and efficiency. The Department of Agriculture (DA) in Limpopo at the sub-provincial level is divided into regions. The regions are divided into districts that correspond to that of the district municipalities, with district heads supported by field personnel to operationally assist with service delivery. The function of the district heads and field personnel, based in the 6 district municipalities, is to provide extension support on operational levels and to assist with the establishment and maintenance of agricultural practices and sustainable projects. LADEP did not per se address local governance issues but was more a classical rural development type project focusing on rural livelihoods and agricultural development.

It is important to note that the phasing-out period was meant to institutionalise the models of LADEP into the DA, and tie up most of the loose ends of phase II and more importantly integrate the entire programme into the mainstream activities of the DA, by handing over the function of service delivery to the farmers and to LDA officials based at the municipal offices. In this respect, although just before the ultimate end of the programme, it played a role towards strengthening decentralisation in terms of delegation of some responsibilities from provincial to district local authorities. In terms of relevance and other criteria, the available project documents do not make explicit reference to decentralisation or local governance issues.

The Government of Namibia has been pursuing its decentralisation policy since 1996, which is embedded in the overall national development plan, which includes sustainable development goals. The policy has clear objectives and includes a two-phased action plan foreseeing a two-step approach to devolution and was put into law through the Decentralisation Enabling Act No. 33 of 2000. Phase one was basically functional de-concentration to the regions eventually succeeded by phase two with functional devolution to the local councils. In principle, all dimensions of decentralisation are being addressed, including functions, fiscal framework, planning and budgeting framework, staffing and capacity development and reform oversight, but actual accomplishments are meagre with little outcome at the regional and local level apart from training and CB activities. In reality, the reform process seems to have all but stalled. The final evaluation of the French support to decentralisation (FrSNDP) implemented in parallel with the FiSNDP is critical about the reform process and states that few achievements have been made with regard to phase one (Heeren & Joas 2010). While FiSNDP has played a crucial role in supporting the early phases of the decentralisation process, there is little political will to see the process through and programme achievements may well risk to erode further by the slow reform process. E.g. FiSNDP takes credit for support to formulation of three functional action plans within rural water management, education and works maintenance. According to the

French evaluation report, only education and works maintenance is now ready for piloting, while rural water has faltered.

In 2007/8 the PMO-RALG/LGRP, upon the instructions by the Chief Secretary, assisted five priority sector ministries in reviewing their MTEFs to assess compliance with the D-by-D policy and to identify resources, which should be transferred to LGs based on the allocation for expenditure functions under the subsidiarity principle. This exercise has given the opportunity for the GoT to re-evaluate the appropriate vertical sharing of resources between the central and local government levels. For LGRP and the CDG at the operational level, the intention of introducing performance based grant systems is to promote accountability of the LGAs, enhance their compliance with rules/regulations and bring improvement to their institutional performance in key functional areas. It is envisaged that improvements in the systems and procedures contribute to improved performance with regard to accountability, transparency, good governance, and service delivery. The ultimate aim of the annual assessment is to determine the size of the grants, provide performance incentives to LGs, identify the capacity gaps of LGs in different functional areas, and to strengthen the M&E system.

The support to LGRP and the CDG is an example of coherent donor support to a national and local development programme/strategy. The support has been both to decentralisation reform as such but also to the wider local governance issues defined as the process of decision-making at the local level, with the involvement of different actors and stakeholders, including both formal and informal. Local governance is also different from local government (and thus local government performance) as it involves other actors such as the community/civil society and the private sector and is based on the interactions between them. The strategy in Tanzania has therefore been to strengthen both decentralisation and local governance at the same time.

In Namibia local governments do not take part in any sort of formalised budgeting process with central government. Municipal revenues primarily rest on user payments and it is a prerequisite in the local government act that functional devolution to Part I and II municipalities only takes place if functions can be sustained by own-revenues (Local Authorities Act No. 23 of 1992). Without assistance from central government, developing and sustaining service deliveries in poor communities is very difficult, even for a well-managed city like Windhoek. This is also a challenge for NSLGCP when supporting new municipal services, which may end up being non-sustainable (unfunded). While FiSNDP has pioneered an IGFTS for local government, the system has not been implemented and allocation of block grants for capital investments in local development is not practised in Namibia.

For LADEP it was anticipated that during the desk study phase at least an improvement would occur in inter-governmental relations within the Limpopo Province between provincial and local/district authorities, since the programme utilised local municipalities as 'vehicles' to reach the various districts and beneficiaries. However, dur-

ing the fieldwork phase this assumption proved incorrect. Also, all training/workshop activities (which formed the bulk of the project), and oversight activities and reporting were directed at the Provincial Department of Agriculture and direct beneficiaries (mostly farmers) meaning that little was done to involve districts.

7.1.5 Decentralised cooperation and multi-annual micro-projects

There has been increased donor focus over the past 20 years on issues such as LG planning, financial management and accounting but less focus on LG's overall system of finance and sustainability. Poor intergovernmental transfer systems, where many countries have experienced an increase in donor and government transfers to LG's and a lack of attention to ensuring LG's own revenue sources. This has in the past led to multiple grant systems, modalities, accounting and reporting systems as well as several M&E systems at both national and local levels. The successful interventions in this area have often proved to be with LG incentives to improve on administrative reforms and reform of transfer systems focusing on own revenues such as user fees and taxes. One of the major risks of decentralisation is the risk of increasing inequality through fiscal decentralisation that is not balanced throughout the country. Certain already endowed districts, regions or localities might be better off than poorer districts and regions and therefore potentially stand to benefit even further from an unbalanced fiscal decentralisation process. This means that to the extent that resource endowment differences within a given country's constituent jurisdictions are quite significant, equalization measures have to be taken to avoid the ever so present potential of fiscal decentralisation perpetuating greater developmental disparities.

A number of countries have recognized this important consideration and equalization formulae have included the application of discriminatory fiscal transfers based on the poverty profile of the recipient regions/municipalities. What are important considerations to observe is that there exists many guiding principles for the formulation of fiscal equalization and that the choice of what to consider should reflect the actual situation on the ground. Clearly the support in Tanzania through the LGRP and the CDG and the FiSNDP in Namibia are examples of all these issues being addressed in a programmatic way by government and several donors in a programmatic way.

Most donors have reduced or phased out their development assistance to Namibia. Relevant support targeting local governments seem to be area-based rather that targeting system and institutions. FiSNDP was implemented simultaneously with the French FrSNDP (2004-2008), which had similar objectives, but a much smaller budget. According the outcome evaluation of the FrSNDP, there was a mutual cooperation between the two programmes and an agreed division of tasks was ensured.

In Tanzania despite over 10 years of reform most districts are still operating with limited human resource capacity, both in terms of numbers and expertise. The shortfalls in numbers are even more acute in the more remote areas of the country. A broad-

er constraint faced by local governments in attracting adequate numbers of qualified staff to deliver local government services is their lack of control over local government salaries and over hiring and firing. Providing local government's greater control in determining local government salaries - or allowing LGAs to top up the salaries of local government employees within the context of their available resources - could improve the ability of local authorities to attract and retain staff, especially in rural and remote parts of the country. In terms of the D-by-D policy, little progress has been made in taking forward the issues of human resource decentralisation. Efforts to improve incentives for attracting and retaining LG staff have been frustrated by limited progress on nationwide pay reform and the districts own revenues are additional challenges.

Furthermore, in Tanzania local governments today face the same constraints to managing human resources that were discussed early on in the LGR process. Conditions of service are set centrally; there is little discretion over the size of the establishment; councils have limited power over hire, fire and recruitment of key staff. Councils are exposed to centrally sanctioned staff transfers and parallel procedures have been put in place for the management of teachers and now also other sectors. For the purpose of capacity building, Annual Assessments have proven to be of limited usefulness, providing very little information regarding capacity building needs of the local government in question. The scoring system points at the symptoms, but not at the potential root causes. There might not be sufficient understanding to link performance gaps with realistic capacity building needs and translate them into feasible training activities, as besides the CBGs there are a number of sector linked capacity building funds that are not planned for in a holistic way.

The overall objective of the budget support under the CDG is to contribute to sustainable, viable and effective local authorities that will lead to improved public service delivery through good local governance and accelerate the poverty reduction efforts in Tanzania. The support focuses on the government in achieving the objective of the grant system of creating a uniform, transparent and performance-based system for channelling development resources to the local government levels in order to improve capacity as well as service delivery.

Capacity building has been a major focus of the reform efforts for the last 10 years now. This is the case for both structured, formal training workshops as well as extensive on-the-job training with the local planners, treasurers, accountants and internal auditors among those most targeted for various training. With all these inputs it is not surprising that the most visible improvements have been at LG level. However, the major financial reforms related to adoption of the formula-based grant systems have only been implemented in the last 4 years, making it too early to measure real impact. For example, the formula-based recurrent sector grants and the LGCDG were only introduced and implemented since FY 2004/2005, while the formula-based General Purpose Grant, which integrated the administration grant and the revenue compensative grants, was only introduced in FY 2006/07. Over the past few years the LG trans-

fers have been rather erratic with first quarter transfers often not coming before the third or fourth quarters, but there is some evidence that during the past FY transfers where on time and according to agreement.

Some of the criticisms levelled at the NSLGCP are that it seems that support under the Programme is fragmented and therefore difficult to see what kind of consistent impacts the Programme as a whole. Very high transaction costs for the relatively small amount of support and a lot of administration costs at both ends of the cooperation does not improve on this picture, and this also emerges clearly from the field-work findings. The growing budget of the Programme has been used for more visits between cooperation municipalities, i.e. more LG officials have become involved in the programme, and investment in small-scale infrastructure and equipment has also taken place. However, the results and/or impacts of the growing number of visits are hard to detect and the Programme has remained more or less the same for 10 years. This makes it difficult to see how AFLRA or participating municipalities want to develop it and what the vision for the future might be. No end date for the linkages can be found and no exit strategy is discussed anywhere in the documentation of the Programme.

One can therefore conclude that over the past ten years the NSLGCP has attempted, and in some cases succeeded, in addressing local government priorities in partner countries by having a practical hands-on approach to improved service delivery at the local level especially within education and environmental issues and several micro-projects. What is questionable is if the local governments are mandated to work with primary and secondary educational issues (in Kenya and South Africa this is the prerogative of provincial and central government). Support to local democracy, or good governance, through councillor training and exchange visits have an impact at the individual level as exposure to other system and methods can be an eye opener but the realities of local democracy and good governance are very different in sub-Saharan Africa. Most sub-Saharan countries have democratically multi-party systems in place but a single party practically often dominates these, which has been the dominating party since independence. To work with these issues in a meaningful way one has to have a good grasp of the political economy issues not only at national but also at local government level. This is something, which makes development cooperation so challenging, and one where the need for established embassy presence is paramount to guide the cooperation processes.

COFISA played a significant role in bringing a number of short-term Finnish experts to South Africa to provide technical inputs in areas ranging from regional innovation and science parks to futures thinking. Likewise, COFISA played a key role in exposing South African key players to the Finnish innovation system through a number of highly successful study visits to Finland, as already presented elsewhere in this report. Overall stakeholder feedback was very positive about these inputs, and the Finnish experts were seen as valuable resources with good listening skills and a positive approach to interacting with local players. However, the general view was that more

could have been done to ensure skills transfer and local capacity building. South African players in any future programmes of this nature should also play a much stronger role in providing contextualised learning for international experts. This extends to providing improved mechanisms for two-way learning (Greenwood *et al* 2010).

7.2 Lessons Learned

Political commitment is widely accepted as the *sine qua non* of effective democratic decentralisation, and especially of forms of decentralisation and local governance that are specifically geared to the interests of the poor. Successful pro-poor decentralisation is associated with governing parties that are politically committed to the democratic empowerment of local governments, which is not always the case in any of the visited cooperation countries. Yet it is essential to consider the wide range of issues that influence decentralisation and local governance. There is a need for a stronger focus on institutional issues, both the rules that influence the behaviour of actors at different levels of government, in the private sector and in civil society, and the organisations that implement those rules, is increasingly evident. This broader agenda has led to an enhanced focus on accountability and capacity and that this has strong implications for project design and policy dialogue. These types of analysis and assessments are lacking in the case of NSLGCP and this hampers impact of Programme activities.

Different studies point out that many problems in project implementation stem from deficient project design. One of the assessments describes the design-related problem as "poor diagnosis of problems and a pervasive optimism over possible solutions." The challenge has always been to design a strategy or programme which, though it incorporates necessary levels of information, is flexible enough to allow for adjustments during the implementation cycle. Another important factor that usually is broadly talked about at the design stage, but not always put into practice, is giving proper consideration to social, economic, and cultural peculiarities of the chosen locality. Usually, detailed location-tailored research is necessary to guide project design and implementation. It is a risk that decentralisation can reinforce existing local elite structures and that local elites capture a fledgling decentralisation process. Obviously this only reinforces the need to work with both aspects of decentralisation and local governance when trying to improve local democratic and political processes. The need for a vibrant civil society s also emphasised here. It is evident from this evaluation and assessment that not enough emphasis was put on proper programme/project design in many of the local governance interventions focusing on the proper intervention logic.

It would seem that some of these above mentioned issues have been relevant in some way or other in the assessed interventions though the focus on capacity building and local ownership has been relatively high. The joint programme approach supported by Finland in Kenya and Tanzania is positive examples trying to address these sustainability issues through joint financing of capacity building, investments and imple-

mentation costs. If the development of viable local governance systems is seen as a priority task, it logically follows that the decentralisation policies of donor agencies need a long-term institutional vision. This is due to the fact that the process of decentralisation is highly political, fragile and risky and a need for a long-term institutional perspective is crucial.

Capacity building is notoriously difficult and any programme or project addressing capacity building issues need to have a more analytical approach to this. Therefore, in future more thorough training needs assessments and capacity building options should be identified before these are funded. There is also a need to ensure that nationally developed manuals, standards and guidelines in cooperation countries are consulted and used in this process.

The log-frame approach has its limitations when applied rigidly to smaller cooperation linkages. This is clear from the evaluation of the linkages that all struggle to apply the log-frame in the design of applications and in the subsequent reporting. It would be better if reporting formats and routines already in place in both northern and southern municipalities is adapted and used for this type of cooperation.

8 RECOMMENDATIONS

Based on the findings and conclusions of this evaluation and the assessment of Finnish support to local governance in Kenya, Namibia, South Africa and Tanzania the following recommendations have been made:

1) If MoFA continues to support the NSLGCP it would need to reconsider the NSLGCP format. Programme management arrangements need to be spelt out clearly and fully in the design of this type of programme. The cooperation approach adopted under the NSLGCP has left too much room for interpretation of what exactly administrative costs – salaries and other recurrent costs – could be included under the Programme both in overall Programme management and also under the individual linkages. Municipalities should be asked for own contribution that should at least be 10% cash contribution to the cooperation linkages. This would ensure a less supply driven nature of interventions and more focus on mutual benefits. It would also lead partners to discontinue cooperation that was not in their own best interests.

2) MoFA should develop a decentralisation and local governance strategy paper with Finland's position on how decentralisation and local governance programming can be tackled in future and not least how local governance and decentralisation aspects are addressed and catered for together with sector programming and sector budget and general budget support arrangements.

3) Continue to support overall decentralisation and local governance agenda in cooperation countries and participate in the spirit of Paris Declaration in joint

programmes, reviews, and formulations in this area. This is of course linked to the country specific situation and processes.

4) Increase the capacity at both headquarters and in embassies to deal with decentralisation and local governance issues. This entails better overall knowledge of decentralised human resource management, fiscal and institutional issues as well as international best practices and local applicability.

5) MoFA should from the outset be involved in conducting in-depth local governance problem analysis and involving the central Government, sub-national governments, local communities, non-state actors and other development partners. It would imply the establishment of rigorous local governance planning frameworks, including meaningful indicators, baselines and targets and this would also involve support to sector programmes. It would also require regular monitoring and evaluation, including of unintended effects, and involving all stakeholders, in order to learn from experience.

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THE EVALUATION TEAM

The evaluation team was contracted by Dege Consult Aps., Denmark.

Team Leader Mr Hans Olsen is a public sector reform, decentralisation and governance specialist with over 20 years of professional experience with planning, implementing and evaluating donor-financed development projects overseas especially in Africa. As evaluator/formulator of public sector reform, decentralisation, local governance and public finance management projects/programmes his main experiences are: (i) Team Leader on several evaluations, appraisals and formulation missions for Decentralisation, and Local Governance Projects/Programmes in Africa; (ii) Extensive working knowledge of the African political economy and development policy, donor policies and aid modalities, and the wider development context in Africa; (iii) Knowledge and expertise in (Sector) Budget Support, public finance management, institutional analysis, and capacity building.

Core team Member Pauline Nyamweya has 20 years of experience in teaching law and legal practice, law and constitutional reform, and participation in governance and human rights advocacy. She is a Lecturer at the School of Law, University of Nairobi. She was part of the Task Force on Devolved Government in Kenya to make proposals on the implementation and provisions and role of the provincial administration under the new Constitution of Kenya. She has been undertaking independent evaluations/reviews of the Governance and Sector Reform Programmes. She has also extensive experience with evaluation of crosscutting issues such as gender issues in governance programmes. She was appointed High Court judge in October 2011.

Core Team Member Michael Meyer has in-depth knowledge of public administration reform and civil service reform, organisational development of public institutions (including policy formulation, planning, budgeting, monitoring, evaluation). Furthermore, Mr Meyer has thorough knowledge on decentralisation and local development (subsidiarity, legislation, accountability); support to local authorities (local and regional levels including municipalities); community based development (empowerment and participatory approaches, gender issues, micro-projects); local development strategies (social, economic, multi-sector) and capacity building especially in South Africa and Namibia.

Local Government Association Expert Mr Jens Peter Christiansen has 16 years of international working experience from Europe, Asia and Africa, partly as manager of development programmes in South East Asia and Southern Africa (including two assignments as programme coordinator at the Royal Danish Embassy in Bangkok and Kuala Lumpur) and since 2004 as international governance adviser working for the Local Government Association of Denmark. Through his international work, Mr. Christensen has gained wide experience within development, monitoring and evaluation of donor-funded support programmes, and he is also an experienced lecturer

and works as part time associate professor, teaching local government reforms at the political science department of the University of Aarhus.

Local Government and Decentralisation expert Nazar Sola has been extensively involved in researching and advising Local Government Authorities in Tanzania on different aspects of strategic planning, organisation structures, designing human resource systems, preparing capacity building plans and reviewing strategic plans. Mr Sola has extensive experience in the fields of local government, governance, organisational assessment and design, project evaluation, designing of human resource systems, capacity needs assessment and designing training and development programmes in Tanzania.

Evaluation of Finnish Support to Development of Local Governance

1. Background

The evaluation is composed of two sections, one of which is dealing with the cooperation via the Association of Finnish Local Regional Authorities (AFLRA) and the other section dealing with programmes directed towards local government capacity building and decentralization. The second section constitutes a wider context to the programme of AFLRA) to help understand it special added value among development cooperation modalities directed to the local governance sector. The local governments have a pivotal role in the development of local democracy and as the source of services as well as in the local economic development. There are a number of local governance development programmes initiated by the central government institutions and supported by donors. In the case of AFLRA programme the essential issue to investigate would be to see, how this programme is able to complement these other development programmes, and how the AFLRA programme could be developed, in terms of working modality, its governance, and geographic area of operation to better serve the development goals of the Finnish government in the important sector of local and regional development.

1.1. Local Government support via Association of Finnish Local and Regional Authorities - AFLRA

The Ministry for Foreign Affairs has supported the development programme of AFLRA since the inception of the concept in 2000. The budgets of the subsequent phases have been:

> 2010-2011 (18 months) 3.5 M€ and another optional 18 months 3,5M€
> 2008-2010: 5 million EURO (€)
> 2005-2007: 3,935 M
> 2002-2004: 1,17 M€
> 2000-2001 (preliminary phase): 84.463 €.

The overall duty of AFLRA is to ensure smooth implementation of the programme. The funding provided to AFLRA can be used in the overall administration, quality development and coordination, advisory, information sharing and training activities, monitoring and review/evaluation, programme development, including development of training materials, and implementation of necessary reviews, financial management, and compilation of annual and final reports. Funding can be used also to cover the immediate administrative expenses, travel, fees of experts, auditing and similar necessary activities. There is a 20% ceiling to the administrative expenses of AFLRA.

AFLRA' s role in the implementation of the programme has been that of an overall coordinator and for the participating municipalities a source of expert services in

administrative and governance matters. AFLRA also networks with other European Associations of local and regional authorities as well as with the European umbrella organization of Council of European Municipalities and Regions (CERM) and other related international organizations with regard to development and local government matters. The current programme staff in AFLRA Finland includes three and a half staff members.

The implementation activities take place between the North-South linkage partnerships between municipalities. In 2009, there were 16 of such linkages, out of which five were in Tanzania, four in Namibia, three in Kenya, two in South-Africa, one in Swaziland, and one in Ghana (Uusihalaka, Liviga & Sihvola 2009: Mid-term Review of the North-South Local Government Cooperation Programme).

The partners must be local or regional governments, which are not eligible to other forms of Finland´s development cooperation funding. The areas of co-operation may cover sector, which are under the mandate of the partner local governments, such as social services, health, education, technical infrastructure, environment, culture, library and economic development. The overall condition is that local governments contribute in their respective fields towards the overall goals of Finland's development cooperation, including poverty reduction, combating environmental threats, equality, rule of law, human rights, good governance and conflict prevention.

To avoid fragmentation, the activities in any of the cooperating local governments cannot be extended over more than three sectors. The average amount available per North-South linkage has been about 100.000 euro. All activities and associated procurement must follow the principles of good governance and laws of the respective country.

The programme focus is in Africa, despite the recommendation by the mid-term review (2009) of widening the scope into all ODA-eligible countries. Preference is given to African countries in which Finland has an embassy. In other countries, activities can be implemented by separate permission of the Ministry. A new component of cooperation between AFLRA and the southern Associations of local governments is currently at the drawing board and the final outcome of the process is subject to being approved by the Ministry.

The current agreement (decision of support) between AFLRA and the Ministry is dated 31.12.2010, which stipulates in broad terms the contents and modalities of cooperation. The actual operational plan is developed on the basis of the programme document. The division of labour between the Ministry and AFLRA is such that AFLRA, after hearing the views of the Ministry, makes the decisions on allocation of funds to the North-South linkages. Three annual discussions between the Ministry and AFLRA are held to monitor the progress made, the selection of activities and the quality assurance work performed by AFLRA. Both the Ministry and AFLRA have three representatives in these meetings.

1.2. Results of the 2009 Mid-term review of AFLRA`s programme

The mid-term reviews of (2004, 2007, 2009) the programme have assessed the over-all performance of the individual linkages and projects by the collaborating local governments. The objective of the latest mid-term review of 2009 was firstly, to analyze the capacities of the participating Finnish municipalities to perform cooperation of this kind. Secondly, the review assessed the operational practices of the programme against the criteria of efficiency, effectiveness and sustainability of results. A major message of the mid-term evaluation of the 2008-2010-programme phase was that the success of the programme depends on the quality of cooperation between the Northern and the Southern municipalities. The mid-term review identified three key areas where improvement are needed, namely:

1) The programme must respond to expressed needs for cooperation;
2) Tangible results must be identifiable, and
3) The results must show some value added drawn from current implementation modality, which is based on the use of Finnish experts.

The annexes to the mid-term review elucidate further the background to these three areas of concern. Conspicuous is, for example, that the responses to the questionnaire show low degree of demand for the individual linkages and poor degree of response to the needs of the local governments. Curiously, the programmes did not originate from the needs of the Finnish local governments either. These results undeniably raise the questions of "whose interests?" and "whose priorities?" the programme tries to respond to? What are the reasons for low interest by both the Southern and the Northern pools of municipalities? On the other hand, when looking at the survey figures in regard of usefulness of cooperation, the situation is slightly smoothened. Weaknesses in the above three key areas were largely attributed to weaknesses in the programme documents. Moreover, responsibilities of the respective parties involved have neither been clearly defined, nor have the beneficiaries been identified.

Another clear message from the 2009 mid-term review is that the programme has been too ambitions in its objectives and results setting, as compared with the resources and capacities available in the South and in the North. The programme is divided into too small individual projects, which are scattered in a number of countries and locations. This mode of operation has led to a situation where the small budgets were used for travel, the purpose, objectives and outcomes of which have not been clear at all. Controversially, the mid-term review contemplated that it might raise interest towards the programme should the geographic scope of it be widened to include all ODA -eligible countries.

The 2009 review gave seven recommendations, including that the programme should be continued with another 3-year phase. Yet, the project plans should be improved to include, among other issues, detailed description of the immediate beneficiaries and results of the planned activities. It was also recommended that the support should be planned to focus on the needs expressed by the Southern partners. It was noted that there was an overall vagueness in the expression of details of the plans, budgets, and

reports, as well as in the fee or remuneration policy, and overall system of allocation of resources. The review concluded that peer learning from similar programmes of other donors would be beneficial also in simplifying the programme guidelines. The mid-term review recommended delegation of some programme management responsibility outside AFLRA. Also the role of the Advisory Committee and the Embassies of Finland should be revisited.

1.3. Significance of local government and governance in the overall development policy and cooperation of Finland

The programme of AFLRA is not the only development modality by which Finland supports the local municipality level of governance. There are or have been targeted programmes dealing with public sector reform, decentralization, governance, and local governance, being implemented, for example, in Kenya, Namibia, and Tanzania. The long-term programme in Nicaragua has recently come to a close. In addition to specific targeted programmes on local government, many of the sector-specific development cooperation programmes supported by Finland, include significant elements of capacity development at local administrative level. A number of such programmes are implemented in countries, where the North-South local government programme of AFLRA is active.

2. The Current Evaluation
2.1. Rationale and Use of the Evaluation Results

In line with the recommendation of the Quality Assurance Group on 19.11.2010, the Ministry for Foreign Affairs of Finland decided to divide the 3-year mandate of AFLRA´s programme into two halves, so that during the first 18 months a comprehensive evaluation would be undertaken to look at the validity of the concept of this programme, its connection to the overall goals of local governance development, relevance, effectiveness and impact, and value added in terms of the overall capacity development goal and needs of the local government level in the cooperating countries of Finland. Moreover, it was considered essential to evaluate the current management structure, administrative procedures, the programme planning, and the operational machinery of AFLRA's programme, to assess its value added and efficiency as a conduit towards the greater goals of the Finnish Development cooperation, poverty reduction, building of good governance practices and capacities of the partner institutions and organizations at the local governance level. Similarly the issue of the geographic area of operation would be to be examined.

In the subsequent discussions between the respective Unit of the Ministry, responsible for the administration of AFLRA's programme, and the Development Evaluation office of the Ministry (EVA-11), it was decided to widen the scope of the evaluation to cover also the analyses of other types of local governance support either as separate support programmes or as integrated components in sectoral or other programmes. The analyses of the wider context was considered necessary in order for the Ministry to be able to assess the special niche of AFLRA' s programme and its comparative advantage, and for the Ministry to be able draw conclusions on the cur-

rent implementation modality in the wider development context. This issue being of particular importance as there has been some ideas put in the fore for developing the AFLRA programme into a development instrument specific to local governance development. The feasibility and realism of such an idea should be examined against the overall assessment of the AFLRA programme and administration as it is now.

The results of this evaluation will be used to readjust AFLRA's programme. Moreover, the results will be used in further development of local government support in programmes where the capacity of local government is of decisive significance in the furtherance of the objectives of the programmes, and in the overall context of good governance constituting one of the undeniable enabling factors for sustainable development.

The need for a wider assessment of the capacity development of local government level is supported by results recent comprehensive evaluations carried out by EVA-11, which show that local government capacity is of pivotal importance in the furtherance of the poverty reduction goal and in the protection of the most vulnerable members of the society. Moreover, the local government level development cooperation has never before been evaluated, except at the level of individual projects.

2.2. Scope of the evaluation

The entire lifetime of AFLRA´s programme [2000-2011 (2013)] is the one of the two specific focus areas of the current evaluation. The other section of this evaluation will be the selection of 10 (or so) programmes in which the local governance level support to development will be assessed to serve as the context for the AFLRA's programme.

The scope of the evaluation is planned in such a way that it will facilitate the Ministry's positioning in defining the importance of the development of the local governance, local democracy and service providers at the local level, as well as in the development of local economic development. At the central government level there are donor-supported processes of decentralization. It would be essential to examine, how the programme of AFLRA at the moment complement or how it could be developed to complement these processes. Currently there are specific interventions being implemented in the field of local governance by the support of Finland. Also in many sectoral programmes, local level governance is in a central role. The evaluation will study a selection of thematic or sectoral programmes, part of which are focused on the issue of local governance and part of which are other programmes which require local government involvement and capacity or are implemented at the local municipality levels.

The evaluation will include an intensive desk study focusing on the available documentation on AFLRA's programme and on the other programmes selected to be included in this evaluation. The document study will result in a draft report, which will also outline the issues and gaps of information that need to be examined at the field level. Already at this point of time, it is foreseen that there would be visits to four-five

African countries where AFLRA's cooperation has been going on for a longer period of time. The other programmes in which the local government level support will be examined will be chosen so that the field visits coincide with the AFLRA -component. In such a way synergies and complementarities of the different programmes and AFLRA's programme can better be studied at the field level. The countries to be visited are Tanzania, Namibia, Kenya, and South Africa, possibly also Swaziland.

The period covered in the case of AFLRA, will extend to the beginning of the cooperation, including the initial inception phase 2000-2001 and the subsequent phases of implementation. The evaluation will also study the current programme document covering the intended programme until the end of 2013. As for the other programmes to be studied, the most recent five years, or two latest phases, including an on-going one, shall be investigated (starting around 2005 to-date).

There will be an analysis of Finland's development policies concerning support to local governance and concerning the furtherance and the used modalities to promote good governance objectives at the local authorities level. Moreover, the evaluation will look at a limited number of programmes of other donors (preferably like-minded donors of Finland). The evaluation will also peruse the policy level statements at the international and the EU level of Finland concerning the issues of local governance, its significance in sustainable development and governance as a cross-cutting objective in Finland's development cooperation.

Moreover, the evaluation will assess the work of AFLRA within the context of the networks of similar associations and within the context of the European umbrella organization. The particular value of networking will be assessed against the objectives placed by the Ministry on the overall development cooperation via AFLRA.

The evaluation will assess the following levels:
1) Policy frameworks (Finland, and participating countries; global frameworks)
2) Basic concepts
3) Implementation modalities (*inter alia*, initiatives of cooperation, partners, roles and responsibilities, geographic coverage)
4) Monitoring, tools, reporting, and modalities of drawing lessons learned
5) Governance of the programmes (including, roles of different parties, decision-making)

The results on the evaluation of AFLRA's programme needs to be kept clearly as a section of its own, albeit the results will be reflected within the overall context of the wider evaluation and amalgamated in the overall conclusions and lessons learned of the final evaluation report.

The evaluation includes perusal of document material, part of which will be made available to the evaluation team as hard copies or stored in a flash drive. However, it is the responsibility of the evaluation team to ensure that further retrieval of archived

and other documents necessary will be available to the team. It should also be noted that some material might only be available in the archives of the embassies of Finland, thus becoming available during the field visits. Thus, the evaluation team should be prepared to perusal of such material in addition to that available in the headquarters of the Ministry.

Special provision to the Scope
Should the component of the local government / governance study of sectoral and theme – programmes show that a more in depth and specific further assessment would be necessary to make the evaluation study useful for the development of cooperation of local governance, the Ministry may request the evaluation to be extended to cover a wider examination of this component. However, such a decision will be taken only at the time when the preliminary results of the current desk and field phases are available for discussion. At this point of time there is a need to point out the issues and gaps, which would require further examination for a meaningful overall result of the evaluation. Should the extension of the local governance component be decided upon, the scope and budget of it may be no more than 40% of the current evaluation. A direct procurement possibility from the service provider of the initial two-thronged evaluation may be utilized, should both parties so agree.

2.3. Objectives and Purpose

<u>The purpose</u> of the first component of the evaluation is to achieve an external expert view on the performance of AFLRA's programme in terms of the origin of the programme contents, working modality, implementation, roles of partners at different levels, and decision-making, all being reflected against the objectives of the programme and within the overall context of the goals of Finland's development cooperation in local government and governance.

<u>The purpose</u> of the second component is to achieve an independent external view on a restricted scale on the state-of-the- art of Finland's support to local government capacity and to the furtherance of good governance and local governance as a mainstreamed objective in development cooperation. It will also constitute the context to the AFLRA' s programme assessment.

<u>The objectives </u> of the evaluation are two-fold, namely to achieve
1) a better understanding of the value and validity of the concept of AFLRA´s support among the development cooperation modalities of Finland, directed to the level of local municipalities;
2) a wider knowledge of the state-of-the-art of and the need for inclusion of the level of local government and governance development in the development cooperation programmes overall, and the special signifance of local government capacity in the furtherance of the wider development policy objectives of Finland.

The specific objectives for AFLRA' s component will help:
1) The Ministry decide on the future of AFLRA's programme;

2) Understand possible alternative ways of achieving the objectives of the current programme;

3) Improve the governance and decision-making of the programme; and

4) Develop the implementation to better respond to the capacity development needs of the partners.

3. Evaluation Issues and Questions

The evaluation will apply the development evaluation criteria of *relevance, effectiveness, efficiency, sustainability, impact, coordination, coherence, connectedness, coordination, complementarities, and Finnish value added.* The assessment of *crosscutting objectives* will be integrated in the assessment of any of these criteria. – In the following some introductory questions have been compiled. However, the evaluators should not restrict themselves only to these questions, but assess the programme in a comprehensive way against the purpose, objectives and specific objectives of this evaluation as stated in section 2.3. In this work the evaluators will use their specific expertise to construct an evaluation matrix with specific questions, judgment criteria, indicators and sources/ways of verification in order for them to address the issues raised.

3.1. Component of AFLRA' s programme

The programme of AFLRA will be assessed against the following criteria by using the introductory question, but not restricting only to them. The evaluators will use their own expertise to supplement the questions with additional dimensions of the criteria or even add to the criteria if deemed necessary taking also into account the levels of examination as stated in section 2.2. (Items 1-5).

Relevance

- What is the origin of the programme activities?
- Does the programme as a whole address the development needs and priorities of the local governments in the context of decentralization policies and other related reforms in the partner countries in Africa? Is the programme up-to-date as for addressing the acute issues in this field?
- Is the programme relevant to the Finnish local governments, especially in terms of their interests and strategies related to international cooperation?
- Has the situation (needs, priorities, other related processes) changed since the design and approval of the initial programme concept? Is the concept still valid? Are there alternative ways of achieving the purpose and objectives of the programme?
- Is the programme relevant with regard to the development policy programme of the Government of Finland?
- Is the current structure of the Programme the most feasible one and is the current system taking into consideration the law on Finnish state subsidies?
- Is the current geographic coverage optimal for AFLRA and for the development of local government?

Efficiency

- Is the programme management structure feasible for efficient implementation of the programme and does it ensure sufficient quality assurance and control?
- Is the programme design conducive to efficient achievement of the purpose and objectives of it?
- Has the programme been managed and administered in an efficient manner? Is the allocation of resources conducive to cost-efficient management and implementation of results?
- Are the human resources attributed to the programme used in an efficient manner?
- How well have the various activities transformed the available resources into the intended results, in terms of quantity, quality and time?
- Can the costs of the intervention be justified by the results?
- Is the programme planning efficient taking into account the average budget of 100.000 €/municipality link.

Effectiveness

- Has the programme achieved its objectives (purpose, results/outputs)?
- Is the quality and quantity of the produced results and outputs in accordance with the plans, how the beneficiaries and other intended stakeholders apply the results/outputs?
- Are the results/outputs making a contribution towards reducing poverty and inequality, and promoting sustainable development?
- Is the effectiveness (results) regularly monitored, assessed and reported against objectives, and set result targets? Does the monitoring and reporting include also the crosscutting objectives? What is the quality assurance measure exercised, and do they ensure results-oriented reporting?
- Significance of networking activities in promoting the effectiveness of the programme?
- How does the AFLRA implementation modality compare with the other modalities of local governance capacity development?

Impact

- Has progress been made towards achieving the overall objective(s) of the programme?
- What is the overall poverty, inequality and sustainability impact of the programme, intended and unintended, long term and short term, positive and negative?
- Do the indicators for the overall objective show that the intended changes are starting to take place? In whose lives are the poverty, inequality and sustainability impacts starting to make a difference?
- What are the overall effects of the intervention, intended and unintended, long term and short term, positive and negative?
- Was the programme document design conducive to results-based monitoring and identification of impacts against the set objectives, including the cross-cutting objectives of equality, HIV/AIDS, democracy, rule of law and alike?

Sustainability and Connectedness

- Does the programme concept promote the sustainability of the processes and benefits of the intervention in the long run? What are the possible strengths/ weaknesses/opportunities/threats that enhance or inhibit sustainability? The analysis shall be broken down by economic/financial, institutional, technical, socio-cultural and environmental sustainability. Will the benefits produced by the intervention be maintained after the termination of external support?
- Management systems for unexpected risks? Measures to deal with failed assumptions? Exit strategies?
- What was the role of participatory planning in this programme?
- How the cross cutting objectives of promotion of gender and social equality and human rights were integrated in the design and implementation of the programme?
- Was there any consideration of HIV/AIDS in the context of local governance/ government?
- Was the role of local governments in the acute issues such as food and water security or in the promotion of livelihoods, economic development of the poor, private-public partnerships and alike taken into account to any measure?
- Is the AFRLA implementation modality optimal as an instrument for local governance development? Could it stand as a development instrument of its own in the field of local governance and government development and capacity building?

Coherence and Complementarities

- Assessment of coherence in terms of the development policies in Finland and in the partner countries, between activities implemented at the local governance level
- Are the principles of Paris Declaration on Aid Effectiveness taken into account in the programme concepts and its implementation? If yes, how does it express itself?

Connectedness

- Context analysis of each linkage – has it been done?
- Vulnerability of achievement of objectives to changes in the implementation context?

Coordination

- Is there any mechanism of coordination of the programme with other development programmes touching upon local governance development?
- Any mechanism(s) to coordinate with other similar programmes by other donors or by the NGO-sector?

Finnish value added

- Is the programme concept such that it brings about the Finnish added value? How the Finnish value added has been concretised?

- Could any alternative support modality be considered to achieve the specific value added?

Cross cutting issues
- Is the programme concept such that it can effectively address cross cutting issues of the Finnish Development policy i.e. gender, HIV/AIDS and vulnerable groups.
- Are environmental and climate change objectives addressed effectively in the programme?

3.2. The other Section of the Evaluation

The major question to be assessed here is, whether the sectoral and theme-based programmes address overall and to which extent the level of local governance and the need for development of capacities of local governments. The following overall questions will be assessed against the evaluation criteria listed under the chapeau section 3. Also here additional criteria may be used should it be considered necessary by the evaluation experts.

The assessment will include:
- How does Finland position itself internationally and in the context of the European Union in questions pertaining to local government and governance development and its role in the overall development context? Position in the current process of Non-State Actors and Local Authorities of the EU?
- The development policy of Finland, and how it addresses the issue of local governance, decentralization of decision-making and the capacity development needs within the context of a number of sectoral and theme programmes and project interventions? Is policy guidance clear in terms of when such considerations should be taken into account?
- How are the principles of Paris Declaration being implemented at the local government / governance level?
- Project and programme plans, do they address explicitly the issue of involvement of local governance / government as contributor to sustainable development goals? Are there any specific objectives or results attributed to local government capacity development or local governance development in cases were clearly the implementation of an intervention does require action / involvement of local government, but in which the major theme and focus of activity is somewhere else?
- Do the terms of reference of intervention identification and design include assessment of the full vertical range of levels, from the high national policy level to the municipality and local governance levels? Any gaps? Participation of local governments in the identification and design process in cases where implementation touches upon the municipality and local administrative levels?
- Are there any specific role assigned to local governance in the achievement of cross-cutting objectives of development interventions, such as HIV/AIDS, gender and social equality, protection of the most vulnerable ones, and/or in the

wide global issues, such as climate change, natural disaster preparedness, food and water security, or similar?

• Are there any achievements at the local governance development level, which may be attributed to support by Finland and/or to which Finland clearly contributed in this area in any of the countries included in this evaluation?

4. Approach

The approach to the two-thronged evaluation task will be participatory and forward looking with an aim to drawing lessons from the past experience for the benefit of future planning of development cooperation. The approach will be further developed and elaborated in the inception report by the evaluators.

The lessons learned from the two sections of the evaluation will be used to construct a more comprehensive picture of the significance of the local governance level in sustainable development and poverty reduction and in the furtherance of the cross-cutting objectives, including good governance.

5. Sequencing and Deliverables

The evaluation will be sequenced into the initial, desk, and field phases, and the respective deliverables.

1) The *Kick-off meeting* of the evaluation will be organized in June 2011 (target date no later than 27.06.2011). The meeting is organized to discuss administrative matters, the evaluation process and timing, and the contents of the terms of reference. The evaluation team will prepare a preliminary *start-up-note* to this meeting, which already clarifies the initial approach and thoughts of the evaluation team. Such a note will also facilitate and expedite the formulation of the inception report.

2) *Inception phase* will follow, and will take about three (3) weeks (target date 18.07.2011). The deliverable is the *inception report*. The report is subject to being approved by EVA-11

3) The *desk study phase* will follow. The desk phase will include perusal of the material on AFLRA from the year 2000 to-date, and also on the other development interventions (estimated to be a total of 10 interventions) from around 2005, or the two latest phases of implementation.

    The desk study phase is estimated to take about six (6) weeks. It will produce a *draft desk report*, which is organized so that AFLRA's programme will constitute a clearly a separate section or part of the report, and the other intervention their own section, however, so that there will be an amalgamated *crisp synthesis of the overall results of the desk phase*.

    The draft desk report will have a particular *section of inception report and work plan for the field phase*. This section will identify the countries and the subjects of field visits and justify their choice. As indicated earlier in the ToR, synergies must be sought so that field visits for the two sections of the evaluation, the AFLRA one and the other interventions section, will target the same countries.

    The draft desk report will specify the further information needs, which must be

sought by means of interviews and through the field visit. EVA-11 will approve the desk study phase.

The delivery of the combined draft desk report / inception section for field visits will be no later than 29.08.2011.

4) *The interview phase of the evaluation* will follow the desk phase. It will take about 10 days in Helsinki. The interviews will be performed so that the evaluation team will identify the persons in the Ministry they wish to interview, and EVA-11 will inform those concerned in advance, before the actual contact for appointment will be done by the evaluation team. The evaluation team will also provide EVA-11 the specific *interview questions in advance*. EVA-11 will forward them to those to be interviewed. Group interviews of suitable combination are always preferred to save time and to ensure horizontal sharing of knowledge.

5) There will be *a discussion or a conference call* between the evaluation team and EVA-11 prior to departure for the field visits. In this discussion the evaluation team will *precise the questions and information gaps* that they will try to clarify in the field. It should be taken into account also that the embassy archives may contain valuable additional information.

Prior to the field visit EVA-11 will inform the embassies of Finland in the countries concerned of the itineraries of the evaluators and the composition of the respective teams. EVA-11 will also make introductory letters to be forwarded by the embassies to the necessary authorities for smooth running of the field trip to the evaluators.

The field trip is expected to take about three weeks, starting during the week 37, and being completed no later than the week 40. The field trip can be organized so that the evaluation team will divide itself to groups which visit different countries, but which have harmonized the approaches and questions between the sub-teams.

The *evaluators will brief the respective Finnish embassies of the most important findings*.

6) After return from the field trip, there will be a *meeting or a conference call* between the evaluators and EVA-11 to discuss the most important findings, and possible additional information needs.

For such a discussion the evaluation team *will prepare a power point presentation* of main issues.

7) The draft final evaluation report will be prepared after the field visits in two separate volumes. One, which need to be delivered without delay after the field visit, is dealing with the section of AFLRA`s programme. The other part that deals with the other interventions and an overall synthesis analysis of both sections can be delivered after the completion of section on AFLRA.

The draft final report on AFLRA`s programme should be delivered about two weeks after the return from the field trip, no later than 21.10.2011. It will be subjected to comments, which will be delivered to the evaluators by 31.10.2011.

8) After receipt of the comments, a separate final report on AFLRA´s programme will be submitted within two weeks, and no later than 14.11.2011.

9) The combined draft final report will be prepared, including the AFLRA –section and the section on the other interventions examined, as well as the overall analyses of the local governance support as elucidated by the two sections.

10) The combined draft report with the synthesis of all findings will be delivered no later than 5.12.2011. After a round of comments, which will be delivered to the evaluation team by 15.12.2011 the final combined report will be prepared.
11) The final combined report on the two sections and with the common synthesis will be delivered no later than 30.12.2011.

NOTE: The above tentative time schedule will be discussed with the evaluation team and adjustments can be made if necessary. The Ministry requires the results on the evaluation of AFLRA, however, no later than what is indicated above.

In preparing the reports, the instructions to the authors of the evaluation reports of the Ministry must be followed in the compilation of the draft final and the final reports. It is advisable that already the draft desk report will follow these instructions.

It is also advisable that the entire evaluation team will commit themselves to follow the writing instructions from the very beginning to save time and effort in the final editing of the report, which must be ready –to-print quality as delivered in its final form. Care should be taken for the references and the abbreviations to be accurate.

The reports are delivered electronically to EVA-11 in word format, except the final report, which will be delivered both in the word and in PDF formats. Instructions have been included in the contract of the service provider (contracting party) to inform the evaluation team accordingly.

The quality assurance team will assess the final report against the EU's evaluation report quality assurance criteria. The *quality assessment report* will be submitted to EVA-11 as a separate enclosure to the final evaluation report.

EVA-11 will submit the final report to an external anonymous peer review for further analysis of quality.

6. Modality of Work and Methodology

A selection of relevant document material will be provided to the evaluators by EVA-11 either as hard copies or stored in a flash drive. The evaluation ream is responsible for achieving all the documentation they deem necessary for their work.

The modality of work in the organization of interviews has already been explained above in section 5.4. Also the tentative timetable has been outlined in the previous section 5. Modern means of communication and questionnaires and telephone interviews can also be utilized instead of personally meeting with the stakeholders.

The methodology of analyses and assessments needs to be spelled out and described in the inception report. It is not adequate just to state that something is assessed or analyzed, but it must be specified, how, by which tools, benchmarks, and scoring systems.

7. Expertise required
The Core Team Experts

The evaluation team needs to have expertise in overall development policy and development cooperation, with particular experience in local government level and local governance development, capacity assessment, and cross-sectoral, horizontal and vertical comparative analyses. Field experience in developing countries is essential for the understanding of the context in which the development interventions are initiated, designed and implemented. As the field visits will be directed to Africa (where AFLRA' s programme is implemented), significant and also long-term field experience in Africa is required within the team. Sound understanding of the Finnish development policy and cooperation instruments must also be found in the team.

It is foreseen that a team of three to four experts of senor status would be able to perform this evaluation. One of the experts would need to be assigned as the team leader.

The Local Experts

The team may need to include also member(s) from the African countries to be visited. They would need to have experience in their governance structure and know the local administrative language. It should be noted that also the local experts must to comply with the overall qualifications of the expert team members. More explicit description of the qualifications of the experts is included in the Instructions to Tender (Annex A) of the Invitation to Tender published note.

The Junior Assistant

The junior member may be included in the team for the purpose of assisting the senior experts in practical and organizational matters, including the search for and retrieval of documentation, arranging the interview and travel schedules and similar.

The Quality Assurance Experts

External to the evaluation team and independent from it, a team of two quality assurance experts will be assigned. Their task is to ensure that the process and deliverables of this evaluation comply with good quality evaluation. The quality assurance experts will be of senior status and have extensive experience in development cooperation and have proven experience in quality assurance and the quality assurance criteria of development evaluations of the OECD/DAC and the EU, which can be accessed at http://ec.europa.eu/europeaid/evaluation/methodology/guidelines/gui_qal_flr_en.htm
http://www. OECD.org

The evaluation guidelines of the Ministry: Between past and future (2008) should be used as the overall guide in this evaluation. The guidelines can be found from http://formin.finland.fi

8. The Timetable

The evaluation will be carried out from 27.06.2011 to 31.12.2011. The estimated time of delivery of the various reports have been described in section 5.

9. The Budget

The total available budget for this evaluation assignment is a maximum of 300.000 euro (VAT excluded).

10. Mandates and Authority of the Evaluation Team

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

Helsinki, 28 March 2011

Aira Päivöke
Director
Evaluation of Development Cooperation

ANNEX 2: SUMMARY OF EVALUATION QUESTIONS, JUDGEMENT CRITERIA AND INDICATORS FOR SECTION 1 & 2

Evaluation Questions	Judgement Criteria	Indicators	Source
Relevance EQ 1: Does the NSLGCP address the development needs and priorities of the local governments in the context of decentralisation policies and other related reforms in the partner countries?	JC 1.1: Relevance of the programme with regard to the development policy of Finland and partner country JC 1.2: Quality of dialogue with partners and beneficiaries JC 1.3: Relevance of the NSLGCP to the partner local governments, especially in terms of their interests and strategies related to local governance	Ind 1.1.1: Appropriate consideration of Finnish and partner country priorities in project design i.e. addressing poverty/MDGs Ind 1.2.1: Extent to which implemented programmes stem from expressed needs/requests of partner institutions Ind 1.3.1: Appropriate consideration of country context, including local governance strategies, institutional analysis, risks and constraints in project design	• Policy frameworks and guidelines • Programme document • Mid-term Evaluation Report(s) • Annual and/or semi-annual reports • M&E Reports • Interviews
Efficiency EQ 2: Is the NSLGCP management structure adequate for efficient implementation of the programme, including sufficient quality assurance and control, and is it conducive to efficient achievement of the purpose and objectives?	JC 2.1: Cost-efficient management and resource allocation JC 2.2: Available resources transformed into agreed activities with intended results, in terms of quantity, quality and timeliness	Ind 2.1.1 Programme is implemented with high quality of financial management - timely disbursements, applicable procurement rules, internal monitoring and quality assurance mechanisms in place Ind 2.1.2 Programme management is staffed with adequate human resources Ind 2.1.3 Ratio of programmable to administrative costs	• Policy frameworks and guidelines • Programme document • Mid-term Evaluation Report(s) • Annual and/or semi-annual reports • M&E Reports • Interviews

		Ind 2.2.1 Overall programme progress is being monitored based on a set of clearly specified and quantified indicators, and information from monitoring is used in management decision	
Effectiveness EQ 3: Has NSLGCP achieved its objectives (purpose, results/outputs)?	JC 3.1: Projects achieve planned outputs, which lead to expected results JC 3.2 Degree to which project implementation reflects the best practice of project cycle management JC 3.3: Degree to which Finnish LGs specific expertise brought value added to the Finnish development cooperation (i.e. in areas such as ICT technology, environment and education)	Ind. 3.1.1 Degree of achievement of planned results, as measured by projects indicators Ind 3.2.1: Existence and quality of M&E tools and processes in relation to project results Ind 3.2.2: Existence of joint learning systems or systems to ensure an institutional memory (e.g. exchange of information, working groups, issues papers) Ind. 3.3.1 MoFA enabled to achieve results through NSLGCP that wouldn't have been achievable through other means of implementation	• Policy frameworks and guidelines • Programme document • Mid-term Evaluation Report(s) • Annual and/or semi-annual reports • M&E Reports • Interviews
Impact EQ 4: What are the overall effects of the NSLGCP intervention, intended and unintended, long term and short term, positive and negative?	JC 4.1: Programme impact on the quality of local governance JC 4.2: Programme impact on crosscutting issues of Finnish Development Policy (2007) such as improvement of the position of women and girls and promotion of equality and rights of children,	Ind 4.1.1: Evidence of local governance / service delivery improvements esp. for vulnerable groups Ind 4.2.1: Evidence of crosscutting issues being addressed	• Policy frameworks and guidelines • Programme document • Mid-term Evaluation Report(s) • Annual and/or semi-annual reports • M&E Reports • Interviews

	persons with disabilities, indigenous peoples and ethnic minorities		
Sustainability and Connectedness EQ 5: Will the benefits produced by the NSLGCP intervention be maintained after the termination of external support?	JC 5.1: Sustainable activities JC 5.2: Integration of cross cutting objectives of promotion of gender and social equality and human rights in the design and implementation	Ind 5.1.1: Projects address issues of sustainability both fiscal and human Ind 5.2.1: Evidence of local participatory planning addressing crosscutting issues Ind 5.2.2: Gender disaggregated numbers on project interventions / design	• Policy frameworks and guidelines • Programme document • Mid-term Evaluation Report(s) • Annual and/or semi-annual reports • M&E Reports • Interviews
Overall Assessment of MoFA Support to Local Governance and Coordination EQ 6: Are there any achievements at the local governance development level that may be attributed to support by Finland and/or to which Finland clearly contributed in the selected MoFA programmes?	JC 6.1: The projects and/or programmes address explicitly sustainable development goals through involvement of local government JC 6.2: Finnish coordination in cooperation countries pertaining to local government and governance development JC 6.3: Decentralisation and local governance outputs / outcomes in relation to fiscal, human and administrative decentralisation	Ind 6.1.1: Existence of national decentralisation policy and specific devolution process Ind 6.1.2: The role of local governments in the national budgeting process Ind 6.1.3: Participation of local governments is part of identification and design process for local government activities Ind 6.2.1: Coherence between Finnish strategies related to decentralisation / local governance and to larger sectors such as health, education, road infrastructure. Ind 6.3.1: Central, regional and local governments' shares of: total public expenditures; revenues collected to the public sector.	• Policy frameworks and guidelines • Programme documents • Mid-term and Final Evaluation Report(s) • Annual and/or semi-annual reports • M&E Reports • Interviews

Coherence and Complementarities EQ 7: To what extent has coherence been achieved in terms of the development policies in Finland and in the partner countries, and activities implemented at the local governance level?	JC 7.1 Programme concepts adhere to principles of Paris Declaration on Aid Effectiveness JC 7.2: Implemented local governance activities linked to poverty reduction and crosscutting issues JC 7.3: Clear coordination mechanism of programme / projects with other development programmes touching upon local governance development	Ind 7.1.1: Existence of a task division agreed upon among donor agencies in relation to the decentralisation agenda in a given partner country Ind 7.1.2: Finland jointly finance decentralisation / local governance programmes with EU Members States and major donors Ind 7.1.3: Sharing of information and policy analysis on decentralisation and governance issues among donors and EU Member States at the level of partner countries Ind 7.2.1: Evidence of local governance / service delivery improvements esp. for vulnerable groups Ind.7.3.1. Participation in donor groups and meetings	• Policy frameworks and guidelines • Programme documents • Mid-term and Final Evaluation Report(s) • Annual and/or semi-annual reports • M&E Reports • Interviews

ANNEX 3: DOCUMENTS CONSULTED

The African Capacity Building Foundation 2009 *ACBF annual report 2008*, 18th annual meeting of the board governors (18-19.9.2009)

The African Capacity Building Foundation 2009 *Summary of proceedings 17th annual meeting of the ACBF board of governors 26-27 June Paris, France,* 18th annual meeting of the board governors (18-19.9.2009)

The African Capacity Building Foundation 2009 *ACBF board of governor's meeting of June 2008 matters arising – tasks*, 18th annual meeting of the board governors (18-19.9.2009)

The African Capacity Building Foundation *2009 Evolving vision and strategy for ACBF 2009-2010*, 18th annual meeting of the board governors (18-19.9.2009)

The African Capacity Building Foundation 2009 *Issues note on the mid-term review of the strategic medium term plan 2007-2011*, 18th annual meeting of the board governors (18-19.9.2009)

The African Capacity Building Foundation 2009 *Note of the revision of the strategic medium term plan (SMTP) 2007-2011,* 18th annual meeting of the board governors (18-19.9.2009)

The African Capacity Building Foundation 2009*Strategic medium term plan (SMTP II) multi-year cash flow projections (narrative) resized, extension and rolling plan,* 18th annual meeting of the board governors (18-19.9.2009)

The African Capacity Building Foundation 2009 *ABCF business continuity: business continuity centre and secondary operational hub,* 18th annual meeting of the board governors (18-19.9.2009).

The African Capacity Building Foundation 2009 *Progress report on performance measurement and result-based framework*, 18th annual meeting of the board governors (18-19.9.2009)

The African Capacity Building Foundation 2010 *Corporate governance review of The African capacity building foundation (ACBF),* draft report, march 2010

The African Capacity Building Foundation 2010 *Minutes of the 18th BoG meeting, extraordinary meeting of ACBF board of governors* (25-26 March, Tunisia)

The African Capacity Building Foundation 2010 *Matters arising of from the minutes of 18th BoG meeting* (25-26 March, Tunisia)

The African Capacity Building Foundation 2010 *ACBF management action plan, BoG update* (25-26 March, Tunisia)

The African Capacity Building Foundation 2010 *Financial position of the foundation as at 31 January 2010* (25-26 March, Tunisia)

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ALFRA 2008 Advisory Committee –kokous, pöytäkirja 02/08

ALFRA 2008 Advisory Committee –kokous, pöytäkirja 03/08

ALFRA 2008 Advisory Committee –kokous, pöytäkirja 04/08

ALFRA 2008 Advisory Committee –kokous, pöytäkirja 05/08

ALFRA 2009 Advisory Committee –kokous, pöytäkirja 01/09

ALFRA 2009 Advisory Committee –kokous, pöytäkirja 02/09

ALFRA 2010 Advisory Committee –kokous, pöytäkirja 01/10

AFLRA 2011 The North-South Local Government Co-operation Programme / 2011–2013 *The North-South Local Government Co-operation Programme Association Capacity Building (ACB) Co-operation AFLRA - ALGAK – ALAN* Project Plan for June 2011 - June 2012

ALAN/SKL International Partnership (2010) Capacity Building Programme to Support Local Governance in Namibia: Position Paper of the Consultation Paper Working Group

Bertelsmann Stiftung, BTI 2010 - Namibia Country Report. Gütersloh: Bertelsmann Stiftung, 2009

Business enterprises at University of Pretoria (PTY) LTD 2003 *Micro credit or rural finance schemes for the Limpopo agricultural development programme* Department of Agriculture of South-Africa & Ministry for Foreign Affairs of Finland

COFISA 2008 *Steering committee meeting 14.11.08; COFISA financial status as at end Sept. 2008; COFISA extension activities and budget; Progress report; Steering Committee Recommendations on the evaluation report*

COFISA 2008 *Minutes of COFISA supervisory board meeting 24.11.2008*

COFISA 2008 *Progress report 3, Prepared for the 3rd meeting of the COFISA Steering Committee 290208*

COFISA 2008 *Steering committee meeting agenda 17.03.08; Work plan 2008/09; Financial status as at end January 2008; COFISA 2008/09 financial profile*

COFISA 2008 *Minutes of supervisory board meeting 20.03.08*

COFISA 2008 *Steering committee meeting agenda 27.06.08; Progress report; Minutes of the meeting; Extension of COFISA programme for 2009/2010 Financial status as at end May 2008*

COFISA 2008 *Steering committee meeting action items 14.11.08*

COFISA 2008 *Minutes of supervisory board meeting 24.11.08*

COFISA 2009 *Steering committee meeting agenda 18.03.2009; Work plan 2009/2010; Progress report; COFISA 2009/10 Financial profile quarterly projections*

COFISA 2009 *Minutes of supervisory board meeting 9.4.09*

COFISA 2009 *Minutes of steering committee meeting 18.03.09*

COFISA 2009 *Steering committee meeting agenda 2.12.09 Progress report Financial status as at end Oct 2009*

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CoPlan Consulting, Fourseas Trading Enterprises (Pty) Ltd 2004 *Mid-Term review Limpopo agricultural development programme (LADEP) phase II, april 2004*. Department of Agriculture of South-Africa & Ministry for Foreign Affairs of Finland, 63p

Deloitte 2009 *Final Independent Evaluation Report of the GJLOS – RP, December 2009* 118 p

Department of Agriculture Limpopo province 2002 *Limpopo agricultural development programme (LADEP) annual report for 2002* (march 2002)

Department of Agriculture Limpopo province 2002 *Limpopo agricultural development programme (LADEP) annual work plan for the results October 2002- December 2003*

Department of Agriculture Limpopo province 2002 *Limpopo agricultural development programme (LADEP) Quarter 4 monitoring report* (October – December 2002)

Department of Agriculture Limpopo province 2003 *Limpopo agricultural development programme (LADEP)* 3rd Quarter (July-September 2003) Monitoring Report (7.11.03)

Department of Agriculture Limpopo province 2003 *Minutes of the MFA/DFPD: Limpopo agricultural development programme (LADEP) III supervisory broad meeting* 25.11.2003; Annual Monitoring Report 2003

Department of Agriculture Limpopo province 2004 *Limpopo agricultural development programme (LADEP) workplan for the results January-December 2004*

Department of Agriculture Limpopo province 2004 *Minutes of the Steering Committee Meeting, comments to the MTR report (5.5.04)*

Department of Agriculture Limpopo province 2004 *4th Quarter (October to December 2004) Monitoring Report Draft*

Department of Agriculture Limpopo province 2004 *Minutes of the Steering Committee Meeting* (SCM3/17/11/04)

Department of Agriculture Limpopo province 2005 *First steering committee meeting (1.2.2005); LADEP work plan for the results (January-December 2005), training plan*

Department of Agriculture Limpopo province 2005 *Limpopo agricultural development programme (LADEP) second Quarter of the year (1.6.2005); Budget follow-up total year 2005 1st, 2nd and 3rd Quarters*

Department of Agriculture Limpopo province 2005 *Minutes of the steering committee meeting held on 7.8.2005; Limpopo agricultural development programme (LADEP) 3rd Quarter (July-September 2005) monitoring report; Budget structure and follow-up according to the Revised ProDoc / Sep2002, incl the two Contract Amendments Jul04 & Feb05*

Department of Agriculture Limpopo province 2005 *Limpopo agricultural development programme*

Department of Agriculture Limpopo province 2007 *Minutes of the third LADEP - POP steering committee meeting held on the 14th November 2007*

Department of Agriculture Limpopo province 2008 *Meeting of the steering committee (LADEP POP SCM/4 14.3.08) Limpopo agricultural development program;. LADEP POP work plan for 2008; Limpopo agricultural development program, phase-out phase, infrastructure development plan 2008-2009; Limpopo agricultural development program, phase-out phase, progress report 4th Quarter (October-December 2007)*

Department of Agriculture Limpopo province 2008 *Limpopo agricultural development program, phase-out phase, progress report 8th August*

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ANNEX 4: PEOPLE MET

MFA	Name & Surname	UNIT / Organisation	Designation	Date / Place
	Mr Pekka Seppälä	Development Policy, Unit for Sectoral Policy	Advisor	5.9.2011
	Mr Timo Olkkonen	Development Policy, Unit for General Development Policy and Planning	Head of the unit	5.9.2011
	Ms Eeva Alarcon	Development Policy, Unit for General Development Policy and Planning	Advisor	5.9.2011
	Mr Matti Lahtinen	Development Policy, Unit for Non-Governmental Organisations	Senior inspector	5.9.2011
	Ms Sanna-Liisa Taivalmaa	Development Policy, Unit for Sectoral Policy	Agricultural advisor	6.9.2011
	Mr Jan Koivu	Department for Africa and the Middle East, Unit for Southern Africa	Programme Officer	6.9.2011
	Mr Petri Wanner	Department for Africa and the Middle East, Unit for Southern Africa	Programme Officer	6.9.2011
	Ms Iina Soiri	Development Policy, Unit for General Development Policy and Planning	Development policy advisor	6.9.2011
	Ms Johanna Jokinen-Gadivia	Development Policy, Unit for Sectoral Policy	Good governance advisor	6.9.2011
	Ms Päivi Kannisto	Development Policy, Unit for Sectoral Policy	Gender advisor	9.9.2011
	Dr Aira Päivöke	Development Evaluation	Director	9.9.2011
	Petra Yliportimo	Embassy of Finland, Pretoria	Counsellor	12.9.2011
	Aki Enkenberg	Embassy of Finland, Pretoria	Counsellor	12.9.2011
	Anne Saloranta	Embassy of Finland, Windhoek	Chargé d'Affaires	19 & 22 Sept 2011
	Antti Piispanen	Embassy of Finland, Windhoek	Counsellor	19 & 22 Sept 2011
	Marika Mantega	Embassy of Finland, Windhoek		19 & 22 Sept 2011
	Sofie From-Emmesberger	Embassy of Finland, Nairobi	Ambassador	22.9.2011

	Theresa Zitting	Embassy of Finland, Nairobi	Deputy Head of Mission	22.9.2011
	Jussi Laurikainen	Embassy of Finland, Nairobi	Programme Officer	19.9 + 22.9.2011
	Emma Pajunen	Embassy of Finland, Nairobi	Programme Officer	19.9 + 22.9.2011
	Juho Uusihakala	Embassy of Finland, Dar es Salaam	Counsellor (Governance)	26.9.2011

ALFRA	Name & Surname	Organisation	Designation	Date / Place
	Mr Heikki Telakivi	ALFRA	Director of International Relations	7th September 2011 Helsinki
	Ms Maija Hakanen	ALFRA	Manager for Environmental Affairs	7th September 2011 Helsinki
	Ms Heli Liikkanen	ALFRA	Programme Manager	7th September 2011 Helsinki
	Ms Eeva Suhonen	ALFRA	Programme Officer	7th September 2011 Helsinki
	Ms Maiju Virtanen	ALFRA	Programme Officer	7th September 2011 Helsinki
	Ms Sinikka Mikola	Kuntaliitto	Gender Advisor	7th September 2011 Helsinki

Name of the person interviewed	Organisation	Date of the interview
Veera Jansa, International Affairs Coordinator	Vantaa Municipality	8 Sept 2011
Lauri Lapila, International Affairs Manager	Vantaa Municipality	8 Sept 2011
Timo Palander, Development Director	Lempäälä Municipality	8 Sept 2011
Tuula Petäkoski-Hult, Chair of the Municipal Council	Lempäälä Municipality	8 Sept 2011
Erkki Ottela, Development Manager	Kangasala Municipality	8 Sept 2011
Henriksson, Pasi, Project Coordinator	Hämeenlinna Region Vocational School	8 Sept 2011
Chris Eita, Executive: International Cooperation	Windhoek Municipality	19 Sept 2011
Zurilea Steenkamp	Windhoek Municipality	19 Sept 2011
Paul Vleermuis, CEO	Keetmanshoop Municipality	20 Sept 2011 (By phone)
Martin Elago, CEO	Ondangwa Municipality	20 Sept 2011 (By phone)
George Mayumbelo, Strategic Executive: Economic Development & Community Services	Windhoek Municipality	20 Sept 2011

Mariet Hayes, Librarian	Windhoek Municipality	20 Sept 2011
Ritva Nyberg, District Library Director	Vantaa Municipality	20 Sept 2011
Trudy Geises, Section Head: Youth Development Trust	Windhoek Municipality	20 Sept 2011
L. Joodt, Coordinator of Katutura SME Incubation Centre	Windhoek Municipality	20 Sept 2011
Kakune Kandjavera, CEO	Association of regional Councils	21 Sept 2011
Luc Fabre, Counsellor	Embassy of France, Windhoek	21 Sept 2011
Clifton Sabati, Acting Director	Directorate of Decentralisation Coordination, MRLGH-RD	21 Sept 2011
Jennifer Kauapirura, CEO	Association of Local Authorities in Namibia	21 Sept 2011
Werner Iita, CEO	Omaruru Municipality	22 Sept 2011
Roswhita Kaura, HR Manager	Omaruru Municipality	22 Sept 2011

Municipal Linkage	Name & Surname	Organisation	Designation	Date / Place
Haapavesi-Bagamoyo	Mr Jouko Luukkonen	Haapavesi	Mayor	8th September 2011
Haapavesi-Bagamoyo	Juliery Mtobesya	Bagamoyo DC	Town planner	13th September 2011
Haapavesi-Bagamoyo	Lucas M. Mweri	Bagamoyo DC	DPLO	13th September 2011
Haapavesi-Bagamoyo	Masamba	Bagamoyo DC	CF	13th September 2011
Hartola-Iramba	Ms Helena Mäkinen	Hartola	Coordinator	8th September 2011
Hartola-Iramba	Dorence Kalemile	Iramba DC	Coordinator	22nd &23rd September 2011
Hartola-Iramba	Peter Mwagilo	Iramba DC	DCDO	22nd September 2011
Hartola-Iramba	Eng. Rweyemamu	Iramba DC	LSK – Ag DED	22nd September 2011
Hartola-Iramba	Charles Mtaturu	Lulumbu Sec. School	Headmaster	22nd September 2011
Hartola-Iramba	Rebecca Mchome	Iramba DC	Librarian	22nd September 2011
Hartola-Iramba	Emmanuel Bwire	Iramba DC	Land officer	22nd September 2011
Hartola-Iramba	Bertha Peter	Iramba DC	VEO	22nd September 2011
Hartola-Iramba	Daniel J. Matalu	Iramba DC	Health officer	22nd &23rd September 2011

Hartola-Iramba	Yohana I. Dondi	Iramba DC		22nd & 23rd September 2011
Hartola-Iramba	Heinrich K. Kimweri	Iramba, DC	Chairperson	22nd September 2011
Hartola-Iramba	Omari Sima	Iramba Dc	Clinical Officer	23rd September 2011
Hartola-Iramba	Sara Meela	Iramba DC	Nurse Auxilliary	23rd September 2011
Hattula-Janakkala – Nyahururu	Mr Jukka Petterson	Hattula Municipality	Business Development Advisor	08.09.11 (Helsinki)
Hattula-Janakkala – Nyahururu	Mercy Wahome	Nyahururu Municipal Council	Project Coordinator, NSLGCP	16/09/2011 (Nyahururu)
Hämeenlinna-Nakuru	Ms Terhi Lahdenpohja	Hämeenlinna	Asst. Coordinator	08.09.11 (Helsinki)
Hämeen-linna-Nakuru	Hamisi Mboga	ALGAK		7/09/2011 (Helsinki)
Hämeenlinna-Nakuru	Joyce Nyambura	ALGAK		7/09/2011 (Helsinki)
Hämeenlinna-Nakuru	Gladys Pkemei	Nakuru Municipal Council	Project Coordinator, NSLGCP	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	Millicent Yugi	Nakuru Municipal Council	Municipal Education Officer	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	Sammy Ngige	Nakuru Municipal Council	Director of Environment	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	Josephine Ondieki	Nakuru Municipal Council	Education Sector Secretary, NSLGCP	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	James Kamau	Nakuru Municipal Council	Environment Sector Secretary, NSLGCP	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	Ms Marja-Leena Helkiö	Hämeenlinna	Coordinator	08.09.11 (Helsinki)
Kemi-Tanga	Dr. CV Shembua	Tanga City Council	Ag City Director	14th & 15th September 2011
Kemi-Tanga	Sabas Kasambala	Tanga City Council	Coordinator	14th & 15th September 2011
Kemi-Tanga	Amulike Mahenge	Tanga City Council	Port FP	14th & 15th September 2011
Kemi-Tanga	Edes Lukoa	Tanga City Council	City HRO	14th & 15th September 2011
Kemi-Tanga	Allen Meena	Tanga City Council	project Accountant	14th & 15th September 2011
Kemi-Tanga	Richard Lema	Tanga City Council	City Engineer	14th & 15th September 2011
Kokkola-Ilala	Mr Toni Uusimäki	Kokkola	Environmental planner	08.09.11 (Helsinki)

Kokkola-Ilala	Mr. Eric Kilangwa	Ilala MC	Municipal economist and prgramme Coordinator	26th September 2011
Kokkola-Ilala	Mr. Abdon Mapunda	Ilala MC	i/c. Environment component	26th September 2011
Kokkola-Ilala	Mr. Solomon Mushi	Ilala MC	i/c Business dev. component	26th September 2011
Kokkola-Ilala	Ms Tabu Shaibu	Ilala MC	i/c Good governance component	26th September 2011
Kuopio-Maputo	Ms Pirkko Kouri	Kuopio	Principal Lecturer at Savonia University of Applied Sciences	08.09.11 (Helsinki)
Lahti-Bojanala	Mr Karri Porra	Lahti	Director: Environmental Protection	08.09.11 (Helsinki)
Lahti-Bojanala	Ms Vuokko Laurila	BPDM	Former Project Coordinator	23.09.11 (Rustenburg)
Lempäälä-Ongangwa	Mr Timo Palander	Lempäälä	Development director	08.09.11 (Helsinki)
	Ms Tuula Petakoski-Hult	Lempäälä	Chair of the municipal council	08.09.11 (Helsinki)
Kangasala-Keetmanshop	Mr Erkki Ottela	Kangasala	Development coordinator	08.09.11 (Helsinki)
Oulu-Tshwane	Mr Marko Sulonen	Oulu	Coordinator	08.09.11 (Helsinki)
Oulu-Tshwane	Tsietsi Maleho	The Innovation Hub	Manager: Regional Innovation Systems	15.09.11 (Pretoria)
Tampere-Mwanza	Ms Katri Suhonen	Tampere	coordinator	08.09.11 (Helsinki)
Tampere-Mwanza	Wilson Kabwe	Mwanza City Council	City Director	19th September 2011
Tampere-Mwanza	Reuben Sixbert	Mwanza City Council	Coordinator	19th & 20th September 2011
Tampere-Mwanza	Joseph A. Mlinzi	Mwanza City Council	PRO	19th September 2011
Tampere-Mwanza	Julius Gulamu	Mwanza City Council	Chief Fire Officer	19th September 2011
Tampere-Mwanza	Musa Kaboni	Mwanza City Council	Fire Officer	19th September 2011
Tampere-Mwanza	Deogratias Nsangizwa	Mwanza City Council	ICT expert	19th & 20th September 2011
Tampere-Mwanza	Kaombwa Fidelis	Mwanza City Council	Forester	19th September 2011

Tampere-Mwanza	Amin Abdallah	Mwanza City Council		19th & 20th September 2011
Tampere-Mwanza	Oscar Kapinga	Mwanza City Council	Academic Officer	20th September 2011
Tampere-Mwanza	Mariam Ukwaju	Mwanza City Council	City Solicitor	20th September 2011
Tampere-Mwanza	Daniel Batare	Mwanza City Council	Health Officer	20th September 2011
Tampere-Mwanza	Juliana Madaha	Igoma P/School – Mwanza CC	Head Teacher	20th September 2011
Raseborg-Makana	Mr Borje Mattson	City of Raseborg	Immigrant Co-ordinator and Project Coordinator	08.09.11 (Helsinki)
Raseborg-Makana	Mr Peter Zamuxolo	Makana Local Municipality	Executive Mayor	29.09.11 (Grahamstown)
Raseborg-Makana	Ms R Maduda-Isaac	Makana Local Municipality	Speaker	29.09.11 (Grahamstown)
Raseborg-Makana	Ms Ntombi Baart	Makana Local Municipality	Municipal Manager	29.09.11 (Grahamstown)
Raseborg-Makana	Ms N Masoma	Makana Local Municipality	Exec. Mayoral Cllr	29.09.11 (Grahamstown)
Raseborg-Makana	Mr P Ranchhod	Makana Local Municipality	Exec. Mayoral Cllr	29.09.11 (Grahamstown)
Raseborg-Makana	Mr M Matyumza	Makana Local Municipality	Exec. Mayoral Cllr	29.09.11 (Grahamstown)
Raseborg-Makana	Ms N Gaga	Makana Local Municipality	Exec. Mayoral Cllr	29.09.11 (Grahamstown)
Raseborg-Makana	Mr D Njilo	Makana Local Municipality	Dir. Infrastructure	29.09.11 (Grahamstown)
Raseborg-Makana	Ms R Meiring	Makana Local Municipality	Dir. LED	29.09.11 (Grahamstown)
Raseborg-Makana	Mr Plaorg	Makana Local Municipality	Dir. Community Services	29.09.11 (Grahamstown)
Salo-Mbabane	Ms Terhikki Lehtonen	City of Salo	Head of International Affairs	08.09.11 (Helsinki)
Salo-Mbabane	Mr Benedict Gamedze	City of Mbabane	P.A to CEO and Programme Co-ordinator	23.09.11 (Mbabane)
Vaasa-Morogoro	Devota Nkwera	Morogoro Municipal Council	Coordinator	9th & 12th September 2011
Vaasa-Morogoro	Salum Ngola	Morogoro Municipal Council	CDO	12th September 2011
Vaasa-Morogoro	Cheka Waziri	Morogoro Municipal Council	MEO	12th September 2011
Vaasa-Morogoro	Rose Oswald	Entrepreneur	Business woman	12th September 2011

Vaasa-Morogoro	Zubeda Ramadhani	Entrepreneur	Business woman	12th September 2011
Vaasa-Morogoro	Rashid Saburi	Morogoro Municipal Council	Chair Mtaa	12th September 2011
Vaasa-Morogoro	Sakina Ramadhani	Entrepreneur	Business woman	12th September 2011
Vaasa-Morogoro	J.A. Masakuya	Morogoro Municipal Council	Municipal Economist	12th September 2011
Vantaa-Windhoek	Ms Veera Jänsä	Vantaa	Coordinator, international affairs	08.09.11 (Helsinki)
Vantaa-Windhoek	Mr Lauri Läpilä	Vantaa	Head of international affairs	08.09.11 (Helsinki)

ANNEX 5: LIST OF COOPERATION MUNICIPALITIES

Municipality in Finland	South Municipality
Haapavesi	Bagamoyo (Tanzania)
Hartola	Iramba District Council (Tanzania)
Kemi	Tanga (Tanzania)
Kokkola	Ilala (Tanzania)
Vaasa	Morogoro (Tanzania)
Tampere	Mwanza (Tanzania)
Hattula, Janakkala	Nyahururu (Kenya)
Hämeenlinna	Nakuru (Kenya)
Hämeenlinna (Education and Training	Omaruru (Namibia)
Consortium)	Keetmanshoop (Namibia)
Kangasala	Ondangwa (Namibia)
Lempäälä	Windhoek (Namibia)
Vantaa	Tshwane (South Africa)
Oulu	Makana/Grahamstown (South Africa)
Raseborg	Bojanala Platinum District Municipality
Lahti	(South Africa)
Salo	Mbabane (Swaziland)

ANNEX 6 CASE NORTH-SOUTH PROGRAMME (NSLGCP)

Evaluation of
AFLRA and the North-South Programme

CONTENTS

ACRONYMS AND ABBREVIATIONS

AFLRA	Association of Finnish Local and Regional Authorities
AIDS	Acquired Immune Deficiency Syndrome
ALAN	Association of Local Authorities in Namibia
ALAT	Association of Local Authorities in Tanzania
ALGAK	Association of Local Government Authorities in Kenya
BPDM	Bojanala Platinum District Municipality
CBO	Community Based Organisation
CAD	Canadian Dollar
CD	Capacity Development
CEO	Chief Executive Officer
CIDA	Canadian International Development Agency
COFISA	Cooperation Framework on Innovative Systems Between Finland and South Africa
CSO	Civil Society Organisation
DAC	Development Assistance Committee
Danida	Danish International Development Agency
D-by-D	Decentralisation by Devolution
DPC	Development Policy Committee
EMS	Environmental Management System
EQ	Evaluation Question
ET	Evaluation Team
EU	European Union
EUR	European Union Currency
FCM	Federation of Canadian Municipalities
GIS	Global Information System
GIZ	German International Cooperation
HIV	Human Immunodeficiency Virus
ICLD	International Centre for Local Democracy
ICMD	International Centre for Municipal Development
IDP	Integrated Development Plan
ICT	Information & Communication Technology
JC	Judgement Criteria
KS	Norwegian Association of Local Authorities
LED	Local Economic Development
LCF	Local Cooperation Funds
LFA	Logical Framework Approach
LG	Local Government
LGDK	Local Government Denmark
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
MoFA	Ministry of Foreign Affairs
MIC	Municipal International Cooperation

Mitaa	Lower Level Local Government, Tanzania
MKUKUTA	Poverty Reduction Strategy Tanzania
MPED	Municipal Partners fro Economic Development
MPP	Municipal Partnership Programme
MTR	Mid-Term Review
NGO	Non Government Organisation
NOK	Norwegian Kroner
NORAD	Norwegian Agency for Development
NSLGCP	North South Local Government Cooperation Programme
OECD	Organisation for Economic Cooperation and Development
O&M	Operation and Maintenance
PC	Personal Computer
PFM	Public Finance Management
SALAR	Swedish Association of Local and Regional Authorities
SALGA	South African Local Government Association
SEK	Swedish Kroner
Sida	Swedish International Development Agency
SMART	Sustainable, measurable, achievable, relevant and time-bound (indicators)
SME	Small and Medium Enterprise
ToR	Terms of Reference
TSH	Tanzania Shilling
UNDP	United Nations Development Programme
WB	World Bank

SUMMARY

Background

The Finnish Ministry of Foreign Affairs (MoFA) has been supporting local governance projects and programmes in a number of countries in Africa over the past 10 years. As local governments (LG's) increasingly play a significant role in service delivery, not only in the developed world but also in the developing countries, they have become important partners in seeking to attain the UN Millennium Development Goals (MDG's). However, many of the local governments face problems in relation to capacity and resources – financial and human – to provide their mandated services efficiently. This is the background for the North-South Local Government Cooperation Programme (NSLGCP) funded by MoFA and managed by the Association of Finnish Local and Regional Authorities (AFLRA).

The NSLGCP is currently in its fourth programme period (2011-2013). It has undergone previous mid-term reviews (MTR) (MoFA 2007a and 2009a), and the preparation of the present programme document was influenced by the recommendations of the 2009 Mid-Term Review. The MTR 2009 highlighted three main areas, which should be the focus of future programming: (1) Responding to expressed needs for cooperation, (2) Having tangible results which are identifiable, and (3) Their results showing some value added drawn from current implementation modality, which is based on the use of Finnish experts. The raison d'être of NSLGCP is that the local governments in Finland have an important contribution to make to the overall Finnish development policy of contributing to poverty and addressing crosscutting issues such as environmental threats, gender equality, rule of law, human rights, good governance and conflict.

Methodology

The Evaluation Team (ET) was able to compile all relevant background documentation for the AFLRA/NSLGCP in terms of programme documents, mid-term reports, annual and semi-annual reports, budget and expenditure statements, as well as other studies carried out under Programme funding. The ET had extensive interviews with the NSLGCP programme management, participating municipalities and MoFA officials in Helsinki in the beginning of September 2011. The ET has also been through all the availed documentation on the twinning arrangements in the 16 linkages and field visits to Kenya, Namibia, South Africa, Swaziland and Tanzania were conducted in September 2011 to ascertain the views of Programme stakeholders in the recipient countries.

The NSLGCP

Funding agreements between the AFLRA and MoFA have been renewed every 3 years since 2001. The overall funding has been:
- 2002-2004 EUR 1,17 million (pilot phase)
- 2005-2007 EUR 3,95 million

- 2008-2010 EUR 5 million
- 2011-2013 EUR 7million

The programme document (MoFA 2007d) defines the objectives, components and the management structure of the Programme. According to the programme document, the overall objective of the NSLGCP is:

> *To strengthen the capacities of local governments to provide basic services and to promote good governance and local democracy, all by taking into consideration the principles of sustainable development.*

The purpose of the Programme is:

> *The Programme aims through co-operative relationships between Finnish and Southern local governments to build the capacity of the local governments to provide basic services, to advance good governance and administrative practice as well as to promote participatory democracy and sustainable social, economic and environmental development.*

Findings on Evaluation Criteria
Findings on Relevance

The key finding of the evaluation of NSLGCP has been that policy relevance can be found in most linkages as objectives and outputs in principle fall within the overall policies and strategies of both partner country municipalities and overall Finnish development policy. However, in the analysis of the various linkages the ET only found that very few activities have anything to do with systematic poverty reduction and MDG work in as far as it concerns issues of capacity building, institutional reforms and real broad-based participation of local stakeholders. Simply working with, and through, local governments in the developing countries does not constitute poverty reduction. This type of work needs careful planning, analysis and execution over and above what has been demonstrated as key elements of the cooperation within each linkage. Maybe the bar could have been set lower if the Programme had focused on more modest development objectives and increased focus on MDGs in the activities supported in cooperation countries.

Findings on Efficiency

There is no doubt that the NSLGCP reporting, application, and budget formats have evolved and improved over the full programme period. Especially later versions of the annual reports and the project MTR reports have a lot of information and data. However, while this is often linked to the intended objective or result of the cooperation almost none of the reports reviewed seem to report on indicators as specified in the Programme Document or the cooperation agreement logframes. A lot of funds have been spent on training and formalising this logframe approach under the Programme. This has been confirmed through the field visits and the document review. Why then is the logframe methodology not consistently applied throughout the twinning cooperation reports? The answer to this question lies maybe in the fact that the logframe approach is too complicated and too far removed from the daily practices of both northern and southern partners. It could be that a more limited and practi-

cal approach would have worked if just reporting on some limited key indicators had been agreed on from the start.

Findings on Effectiveness

Some of the programme purposes and outputs have been reached and a number of intended outputs but also a lot of activities never got implemented. Activities are, as shown in many linkages, very scattered and lot of small budgets for incremental activities leaving the impression of activities that fit the purpose of the linkages and not the purposes of the southern municipalities. Furthermore, the cost of implementation has been relatively high and this does not fit to the programme objectives of poverty reduction and sustainability.

The results of the fieldwork case studies also suggest that Finland's development interventions are usually in line with local needs and were generally focused on areas where Finland possessed added value such as projects dealing with environment and water sector management as well as education. However, it seems that a lot of the linkages have received advice and inputs from the northern partners on relevant technical and social issues. But only a few of the visited linkages talked about mutual benefit in this technical exchange and that the supply driven nature of the Finnish technical support some times didn't match the needs or interest of the southern partner (Tshwane and Bojanala linkages in South Africa come to mind as examples of this situation).

Findings on Impact

The twinning cooperation have to some degree suffered from lack of efficiency of budget implementation, reflecting slower than expected planning process as well as delays in actual implementation. This was found both during the 2007 and 2009 MTRs. It seems that existing systems in the Southern local governments and their weaknesses have not always been properly assessed and made use of. Using and strengthening existing channels of financial (and other) administration in the partner institutions is one of the key principles of Finnish development co-operation, and should be followed when feasible. It wasn't clear from the many visits with southern partners if proper financial management procedures were followed in the handling of NSLGCP funds.

The exchange visits exposed personnel from the municipalities to new cultures, better understanding of globalization and issues of global concerns. This might in future shape peoples' thinking on how best to approach development issues and problems both at local and international levels. But it remains personalised and not institutionalised. It is also likely that the twinning will create opportunity for joint business ventures. Linking the cooperation interventions with other related projects or programmes could add more value to the development efforts and avoid duplicating efforts. Transparency about other ongoing / planned interventions, activities, budgets and sources is important if the cooperation is to supplement the efforts or fill existing gaps in technical knowhow.

Findings on Sustainability

For AFLRA sustainability is linked to low financing and the fact that EUR 100,000 per linkage is too low for the amount of needed activities. They don't seem to have any time limit on the linkages and no principal idea of how long a cooperation linkage should go on for. AFLRA would prefer that funding is continuous as an instrument like the NGO funding and not a programme approach with limited funding frames and yearly applications.

The linkage cooperation will only continue as long as NSLGCP funds it. This is clear from interviews with nearly all stakeholders. Beyond project termination, project results must be sustainable within the means and capacity of municipalities. This has not been the principle whereby many of the activities of NSLGCP have been implemented. Sustainability is not only linked to monetary inputs, but also to capacity building / development of staff versus organisations (focusing on more permanent municipal staff like teachers and fire fighters seems more relevant then municipal staff). The key question of the linkages having a specific end date is one that is linked to analysis of an exit strategy and sustainability after cooperation termination. Development work is normally limited and focused on a reasonable time frame and not work without an end date. The ET didn't find any evidence of this at all in the NSLGCP documentation.

Conclusion

There is no doubt that the NSLGCP reporting, application, and budget formats have evolved and improved over the full programme period. Especially later versions of the annual reports and the linkage reports have a lot of information and data. However, while this is often linked to the intended objective or result of the cooperation almost none of the reports reviewed seem to report on indicators as specified in the Programme Document or the cooperation agreement. The logframes with indicators exist for the Programme Document from 2005-2007 onwards but are (especially at the objective level) often statements rather than measurable indicators and have no before and after scenario that makes it impossible for an external evaluation to make any realistic assessment of Programme impact. The report format from NSLGCP/ AFLRA for cooperation partners does include reporting on objectives and activities but it seems from the documents reviewed that the logframe objectives / results / indicators are not used consistently as a reporting reference, and most reports sent by the municipalities involved with cooperation projects include a lot of narrative with very little focus on outputs/indicators.

Furthermore, the ET could not find a lot of reflection or analysis in the two MTRs regarding Programme impact on the output/indicator level and also how realistic the set goals and results are. The NSLGCP was expected to promote coherence between the official Finnish development policy and the co-operation relationships created at local level. But this could be misconstrued as paternalistic if at the same time the Programme adheres to the stated intention that the cooperation activities are based on south municipalities own priorities and challenges.

The twinning cooperation have to some degree suffered from lack of efficiency of budget implementation, reflecting slower than expected planning process as well as delays in actual implementation. This was found both during the 2007 and 2009 MTRs. It seems that existing systems in the Southern local governments and their weaknesses have not always been properly assessed and made use of. Using and strengthening existing channels of financial (and other) administration in the partner institutions is one of the key principles of Finnish development co-operation, and should be followed when feasible.

According to the Programme Document, the ultimate goal of the Programme is contribution to poverty alleviation, which "must be clearly specified in the local government co-operation processes and all activities must be designed for the achievement of that objective". While the ET appreciates the value of poverty alleviation as the main goal of Finnish development co-operation, in the context of this Programme some other goals identified for Finnish development co-operation seem to be more directly relevant. In fact, some of the more effective and sustainable partnerships are between relatively well-off local governments (e.g. Vantaa – Windhoek and Tampere – Mwanza) and operate in areas that are not directly focused on poverty alleviation. In this context other development goals, such as ensuring environmental sustainability or promoting gender equality and empowering women provide valid objectives for the respective partnerships. Focusing on these goals makes it easier to base the projects/processes on the value added of specific partners' mutual interests and specific resources. It also makes the Programme more relevant as a modality for continuing co-operation with countries that have advanced to the group of middle-income countries.

The Finnish embassies in the various cooperation countries have not always been fully involved with the linkages but in recent years they have been asked to comment on the applications. Embassies are also not always visited during the annual exchange visits but this is often due to the distance involved between the municipality and the capital city. AFLRA have for some time expressed a need for a wider geographical scope for the linkages and not being bound by focusing on Africa and the need to have a Finnish embassy in the linkage country. However, the ET does see it as paramount for Finnish development policy needs and for the wider dialogue with cooperation countries that the NSLGCP is part and parcel of the development work carried out by Finnish embassies in cooperation countries.

Recommendations
Option 1
Continue the programme but use the remaining 18 months to phase out the on-going Programme and reformulate a new Programme based on the following principles of reducing the administration of the Programme to an overall level of 7-10% for ALL administrative costs including linkage administration and overall coordination staff for the Programme should not excide 2. It could be explored if in future the administration of the Programme could be carried out by a private company and / or

semi-private entity based on competitive bidding. This does not exclude AFLRA from competing for such a management contract.

Option 2

Change the programme concept to a system like the NGO application system run by the MoFA or open up the local cooperation funds (LCF) at embassy level for this type of twinning. The stated objectives under both the LCF and the NGO frameworks are very close to the existing objectives of the NSLGCP, and it becomes a professional administration assessing the applications and successful applicants and it will have a 3-year funding window and planning window to work within.

Option 3

End the Programme by phasing it out during the remaining period 2012/13 and commence a dialogue with AFLRA and its membership on the future of Finnish municipalities in development cooperation. AFLRA would like to see this kind of development activity having a more permanent status in the MoFA funding arrangements. AFLRA also like to have a wider geographical scope for the linkages and not be bound by focusing on Africa and the need to have a Finnish embassy in the linkage country. The dialogue could also include other key development stakeholders such as CSO and NGOs so as to broaden the scope of the discussions and to cover other key areas of development assistance, which link to local governance and decentralisation. The main idea behind the dialogue is to find a common ground and understanding of the utility of this type of cooperation and what the role of various stakeholders in Finnish development cooperation see as their particular role and comparative advantage.

PART 1: AFLRA AND THE NORTH-SOUTH PROGRAMME

1.1 INTRODUCTION

MoFA has been supporting local governance projects and programmes in a number of countries in Africa over the past 10 years. As LG increasingly play a significant role in service delivery, not only in the developed world but also in the developing countries, they have become important partners in seeking to attain the UN MDG's. However, many of the local governments face problems in relation to capacity and resources – financial and human – to provide their mandated services efficiently. This is the background for the North-South Local Government Cooperation Programme funded by MoFA and managed by the Association of Finnish Local and Regional Authorities.

The main objective behind the programme was and is that cooperation between local governments and local government officials in both the North and the South would be a useful, efficient and effective means for increasing the capacity for improved and increased service delivery in the local governments in developing countries. A further aim was that transfer of expertise and know-how from the Finnish local governments to the southern local government would add value to the overall Finnish development cooperation, and to the attainment of the global development objectives as formulated in the development policy. The main aim of this policy is to eradicate poverty and to promote sustainable development in accordance with the MDG's, which were set in 2000. Finland promotes economically, socially and ecologically sustainable development, and places particular emphasis on climate change and the environment whilst it also stresses crisis prevention and support for peace processes.

This has been the overall theme of the Finnish development policy from 2001 onwards and as formulated in the Finnish Development Policy Programme "Towards a just and sustainable world community" (MoFA 2007b). The policy points out that many developing countries are facing increasingly serious problems caused by migration from rural areas to big cities. It refers to the Nordic model of local and regional development and the EU cohesion policy as examples of how local and regional development can and should be promoted. Regional policy is envisaged to support sustainable socio-economic development by eliminating and preventing poverty in rural areas and big cities, in which strengthening local governance, decentralisation, transparency, accountability and participation at the local government level is a means to this end.

The NSLGCP is currently in its fourth programme period (2011-2013). The main focus of this evaluation is then to look at the relevance, effectiveness, efficiency, sustainability and outcome of the NSLGCP. The raison d'être of NSLDCP is that the local governments in Finland have an important contribution to make to the overall Finnish development policy of contributing to poverty and addressing crosscutting issues such as environmental threats, gender equality, rule of law, human rights, good governance and conflict prevention.

The other part of the evaluation is that 10 selected programmes in which the local governance level support to development is to be assessed and to serve as the context or comparison for the NSLGCP in the African countries where the NSLGCP is active - namely in Kenya, Namibia, South Africa and Tanzania. The evaluation period for the 10 selected local development programmes is from 2005 onwards. The analysis of this wider development context was considered necessary in order for MoFA to be able to assess the special niche of the NSLGCP, and its comparative advantage/disadvantage, and for MoFA to be able to draw conclusions on the current implementation modality in the wider development context.

2. APPROACH AND METHODOLOGY
2.1 Purpose of Evaluation

As stated in the Terms of Reference (TOR; Annex1) the evaluation is composed of two parts. The first part is dealing with the cooperation that takes place through the AFLRA NSLGCP, and the second part deals with programmes directed towards local government capacity building and decentralization and a wider comparison of these against the NSLGCP. The second part constitutes a wider context to NSLGCP to help understand what special added value these intervention modalities bring to the local governance sector. The local governments have a pivotal role in the development of local democracy and as the source of services as well as in local economic development. There are a number of local governance development programmes initiated by the central government institutions and supported by donors. In the case of the AFLRA NSLGCP the essential issue to investigate is how this programme is able to complement these other development programmes, and how the AFLRA programme could be developed, in terms of working modality, its governance, and geographic area of operation to better serve the development goals of the Finnish government in the important sector of local and regional development.

The objectives of the evaluation are therefore two-fold, namely to achieve:
1)   A better understanding of the value and validity of the concept of AFLRA´s support among the development cooperation modalities of Finland, directed to the level of local municipalities;
2)   A wider knowledge of the state-of-the-art of and the need for inclusion of the level of local government and governance development in the development cooperation programmes overall, and the special significance of local government capacity in the furtherance of the wider development policy objectives of Finland.

The ET has conducted a wide stakeholder consultation process mainly in August and September 2011 including all relevant MoFA staff working with the NSLGCP, policy development, gender, rural development and local governance. Furthermore, all AFLRA and most Finnish twinning coordinators were interviewed in Helsinki. After the field visits to Kenya, Namibia, South Africa, Swaziland and Tanzania in September the ET synthesised the findings and recommendations from the NSLGCP projects/programmes as all 16 interventions have been visited (in a few cases tel-

ephone interviews were conducted in Namibia). At the same time government officials in the above mentioned countries were interviewed to ascertain the outcomes and lessons learned for most of the local governance and decentralisation support programmes.

The main idea behind the North-South Programme was that cooperation between local governments and local government officials in both the North and the South would be a useful, efficient and effective means for increasing the capacity for improved and increased service delivery in the local governments in developing countries. The rationale is that it will enable transfer of expertise and know-how from the Finnish local governments to add value to the overall Finnish development cooperation and to the attainment of the global development objectives as formulated in the Finnish Development Policy Programme "Towards a just and sustainable world community" (MoFA 2007b). The policy points out that many developing countries are facing increasingly serious problems caused by migration from rural areas to big cities. The policy refers to the Nordic model of local and regional development and the EU cohesion policy as examples of how local and regional development can and should be promoted. Regional policy is envisaged to support sustainable socio-economic development by eliminating and preventing poverty in rural areas and big cities, in which strengthening local governance, decentralisation, transparency, accountability and participation at the local government level is a means to this end.

The other part of the evaluation is the evaluation of 10 selected programmes in which the local governance level support to development is to be assessed to serve as the context or comparison for the AFLRA's programme in the African countries where the NSLGCP is active, namely in Kenya, Namibia, South Africa and Tanzania. The evaluation period for the 10 selected local development programmes is from 2005 onwards. The analysis of this wider development context was considered necessary in order for MoFA to be able to assess the special niche of AFLRA's programme and its comparative advantage, and for MoFA to be able to draw conclusions on the current implementation modality in the wider development context.

2.2 Methodology, Data Collection and Analysis

The evaluation has been based on the following evaluation criteria:

> The evaluation has applied the OECD/DAC **development evaluation criteria** of *relevance, effectiveness, efficiency, sustainability, and impact. Furthermore, issues such as co-ordination, coherence, connectedness, complementarities and Finnish value added have been assessed and discussed.* The assessment of *cross cutting objectives* of gender, environment and governance has been integrated in the assessment of the various criteria.

Given this, the design and its corresponding methodological framework should be about understanding what has worked under which conditions, so that lessons can be drawn, i.e. patterns identified and relationships understood, and applied to future support efforts. This means that the overall goal of the evaluation is focus on improving

interventions, or one might say that the focus is more on overall Finnish contribution rather than attribution in the selected programmes.

The case countries for evaluation have been pre-selected by the Client but the assignment requires that both qualitative and quantitative methods of data collection and analysis be carried out. The ET has developed a set of evaluation questions (EQ), their related judgement criteria (JC) and the indicators needed to answer the EQs. In each case country report a short summary of overall twinning linkage is included and the answers to the EQs and JC through discussion of the indictors have been attempted. The matrix below shows the evaluation framework to assess the outcome of the NSLGCP over the past 10 years and whereby to measure the programme against.

Table 1 Summary of Evaluation Questions, Judgement Criteria and Indicators.

Evaluation Questions	Judgement Criteria	Indicators
Relevance EQ 1: Does the NSLGCP address the development needs and priorities of the local governments in the context of decentralisation policies and other related reforms in the partner countries?	JC 1.1: Relevance of the programme with regard to the development policy of Finland and partner country JC 1.2: Quality of dialogue with partners and beneficiaries JC 1.3: Relevance of the NSLGCP to the partner local governments, especially in terms of their interests and strategies related to local governance	Ind 1.1.1: Appropriate consideration of Finnish and partner country priorities in project design Ind 1.2.1: Extent to which implemented programmes stem from expressed needs/requests of partner institutions Ind 1.3.1: Appropriate consideration of country context, including local governance strategies, institutional analysis, risks and constraints in project design
Efficiency EQ 2: Is the NSLGCP management structure adequate for efficient implementation of the programme, including sufficient quality assurance and control, and is it conducive to efficient achievement of the purpose and objectives?	JC 2.1: Cost-efficient management and resource allocation JC 2.2: Available resources transformed into agreed activities with intended results, in terms of quantity, quality and timeliness	Ind 2.1.1 Programme is implemented with high quality of financial management - timely disbursements, applicable procurement rules, internal monitoring and quality assurance mechanisms in place Ind 2.1.2 Programme management is staffed with adequate human resources Ind 2.1.3 Ratio of programmable to administrative costs Ind 2.2.1 Overall programme progress is being monitored based on clearly specified and quantified indicators, and information from monitoring is used in management decision

Effectiveness	JC 3.1: Projects achieve	Ind. 3.1.1 Degree of achieve-
EQ 3: Has NSLGCP achieved its objectives (purpose, results/outputs)?	planned outputs, which lead to expected results JC 3.2 Degree to which project implementation reflects the best practice of project cycle management JC 3.3: Degree to which Finnish LGs specific expertise brought value added to the Finnish development co-operation	ment of planned results, as measured by projects indicators Ind 3.2.1: Existence and quality of M&E tools and processes in relation to project results Ind 3.2.2: Evidence on the existence of performance reporting Ind 3.2.3: Existence of joint learning systems or systems to ensure an institutional memory (e.g. exchange of information, working groups, issues papers) Ind. 3.3.1 MoFA enabled to achieve results through NSLGCP that wouldn't have been achievable through other means of implementation
Impact EQ 4: What are the overall effects of the NSLGCP intervention, intended and unintended, long term and short term, positive and negative?	JC 4.1: Programme impact on the quality of local governance JC 4.2: Programme impact on crosscutting issues	Ind 4.1.1: Evidence of local governance / service delivery improvements esp. for vulnerable groups Ind 4.2.1: Evidence of crosscutting issues being addressed
Sustainability and Connectedness EQ 5: Will the benefits produced by the NSLGCP intervention be maintained after the termination of external support?	JC 5.1: Sustainable activities JC 5.2: Integration of cross cutting objectives of promotion of gender and social equality and human rights in the design and implementation	Ind 5.1.1: Projects address issues of sustainability both fiscal and human Ind 5.2.1: Evidence of local participatory planning addressing crosscutting issues Ind 5.2.2: Gender disaggregated numbers on project interventions / design

Literature review

The ET has reviewed all relevant background documentation for the NSLGCP in terms of programme documents, mid-term reports, annual and semi-annual reports, budget and expenditure statements, and has furthermore reviewed and assessed other documentation related to the NSLGCP (annex 3). The ET has also sourced documentation on the 10 local governance programmes and has tried to extrapolate findings, recommendations and lessons learned from mid-term, final and programme evaluations of the Finnish support programmes. A thorough review of data, a review of project/programme documentation including progress reports and evaluations,

regular monitoring data, and review of the outputs of the projects itself has been carried out.

Interviews

Finally, the ET has had extensive interviews with all NSLGCP stakeholders in Finland and the partner countries through field visits. This includes discussing key aspects of this evaluation in interviews with stakeholders both programme related but also stakeholders with knowledge of the wider local governance issues being addressed – such as the participating municipalities, Finnish embassies, and partner government officials. One week of interviews was also carried out in Finland with key officials of the MoFA and AFLRA as well as coordinators of participating Finnish municipalities (annex 2).

The following are the main elements of the interview methodology that was used:
- Semi-Structured 'Insider' Individual Interviews: Individual direct personal and group interviews with selected key stakeholders in Helsinki and in the target evaluation countries.
- Semi-Structured 'Outsider' Stakeholder Interviews: interviews with some few selected stakeholders (both donor and government) in the five evaluation countries that work in related fields as MoFA and AFLRA to ascertain their views on the outcomes/outputs of the Finnish programmatic/project aid.

The evaluation has, therefore, applied a mixed-methods approach to data and information collection. Sources of information have been documentary, verbal and direct observation. This has allowed for data collection methods that have been chosen according to sources and used to gather sufficient and appropriate evidence, i.e. findings of fact, to allow for analysis and evaluation, i.e. lessons learned and conclusions, as well as meaningful contextual knowledge to support useful recommendations to the MoFA. The findings, and the analysis of the findings, of these interviews is the basis for the conclusions drawn and recommendations made in the following chapters.

3. FINNISH DEVELOPMENT POLICY
3.1 Finnish Development Policy
NSLGCP and the Evolution of Finnish Development Policy

Finland's development policy is formulated, planned and implemented by the Ministry for Foreign Affairs in cooperation with other ministries, non-governmental organisations, the private sector and Finnish society as a whole. The essence of the policy is guided by the Government's development policy programme. The Government has also appointed the Development Policy Committee (DPC) during October 2003 and again in 2007. The DPC is an advisory body on Finland's development policy, which monitors and evaluates activities in various policy sectors that have an effect on developing countries. The DPC steers Finnish development policy by giving statements, evaluating the quality and effectiveness of development policy and monitoring the level of public funding for development aid. The Government Resolution on Development Policy 2/2004 provides a general framework to the work of the Committee.

The following landmarks of Finland's development policy since 1998, relevant to this evaluation, are summarised below:

1998: "The primary goal of Finnish policy on relations with developing countries is to promote peace, cooperation and welfare, and to combat threats to these values in a world of deepening interdependence between nations." The development policy aims at: "1) Promotion of global security; 2) Reduction of widespread poverty; 3) Promotion of human rights and democracy; 4) Prevention of global environmental problems; and 5) Promotion of economic dialogue." (MoFA 1998)

2001: The 1998 development policy objectives were taken a step further during 2001 with the publication of *Operationalisation of Development Policy Objectives in Finland's International Development Cooperation*, which identifies measures to further enhance the practices of development cooperation. "Such measures include the introduction of clearer criteria for selecting partner countries and instruments of cooperation, elaboration of Finland's objectives and strategic tools in multilateral development organisations, and consolidation of the economic and administrative resources available for international development cooperation." International development cooperation has been defined as follows: "The Government's aim in development cooperation policy will be to strengthen preparedness in developing countries to prevent conflicts and to improve security and well-being. The Government is committed to a comprehensive policy of reducing poverty, combating global threats to the environment and promoting equality, democracy and human rights in the developing countries. Finland participates in the resolution of the debt problem of the world's poorest countries. The Government will increase its appropriations for development cooperation and aims to reach the level recommended by the United Nations when the economic situation so permits." The document also identifies measures to further enhance the practices of development cooperation. "Such measures include the introduction of clearer criteria for selecting partner countries and instruments of cooperation, elaboration of Finland's objectives and strategic tools in multilateral development organisations, and consolidation of the economic and administrative resources available for international development cooperation." (MoFA 2001 p1-9)

2004: The following main principles/concepts of Finland's new development policy are announced:
- "Commitment to the values and goals of the UN Millennium Declaration.
- Broad national commitment and coherence in all policy areas.
- Commitment to a rights-based approach. This means that the realisation of the rights of the individual as defined by international human rights agreements is taken as the starting point in Finland's development policy.
- The principle of sustainable development.
- The concept of comprehensive financing for development.
- Partnerships for development. Partnerships based on participation by the public and private sectors and civil society, both at the national level and internationally, are a sine qua non for development.

- Respect for the integrity and responsibility of the developing countries and their people. States themselves bear responsibility for their own development. Finland's contributions are directed towards supporting each country's own efforts.
- Long-term commitment and transparency. Finland adopts predictable long-term solutions, and communicates all activities and plans in a transparent manner. This applies both to the financing and the contents of policy.

The Development Policy document summarises that: "The main goal of Finland's development policy is to contribute to the **eradication of extreme poverty** from the world. Activities that help to achieve this goal include prevention of environmental threats, promotion of equality, human rights, **democracy and good governance** as well as increasing worldwide security and economic interaction, which originally became part of Finland's policy in development cooperation in the 1990s. Finland is committed to a rights-based approach and to the principles of **sustainable development** in its development policy. Finland bears its own share of the responsibility for creating the global partnership called for by the Millennium Declaration, in which developing countries are committed to the reduction of poverty and in which they themselves bear the main responsibility for developing their own societies, while industrialised countries are committed to supporting this process by means such as development aid, trade and private sector investment." (Emphasis added) (MoFA 2004a)

2007: In accordance with the new development policy, the most important objective is to eradicate poverty in compliance with the Millennium Development Goals (MDGs), set in 2000. It states that: "Eradication of poverty is possible only if both the developing and industrialised countries pursue economically, socially and ecologically sustainable policies." (MoFA 2007b)

Box 1   Finnish Development Policy in a Nutshell.

Key objective: eradication of poverty and promotion of sustainable development
- Millennium Development Goals (UN General Assembly 2000)
- Sustainability: economic, ecological and social development

Priorities
- Climate and environment issues
- Prevention of crises
- Support for peace-building processes

Consideration of the production and consumption habits of the industrialised countries

Humanity policy: attention to the future of mankind

Cross-cutting themes in development policy
- Improvement of the position of women and girls and promotion of equality
- Promotion of the rights of children, persons with disabilities, indigenous peoples and ethnic minorities
- Combat against HIV/AIDS

Source: Ministry for Foreign Affairs 2007 Development policy programme 2007 - Towards a sustainable and just world community Decision-in-Principle 2007

Status on Implementation of Paris Declaration 2011

The Paris Declaration was signed by most donor and recipient governments in 2005, and represents the overarching framework under which future development aid should be delivered. The Paris Declaration emphasizes five main principles that have been mutually accepted by over 90 governments as being critical to the delivery of more effective development assistance. These include:

1) Partner countries exercising effective leadership over the development policies, and strategies and coordinating development actions;
2) Donors base their overall support on partner countries national development strategies, institutions and procedures;
3) Donors actions are more harmonized, transparent and collectively effective;
4) Donors and partners are accountable for development results; and
5) Managing resources better and improving decision-making for results.

Finland has together with other Nordic countries actively been supporting the intentions of the Paris Declaration from 2005. Progress under the Declaration has recently been assessed and the situation on the overall indictors is given in the box below.

Box 2   Aid Effectiveness 2005-10 – an overview of overall progress.

Substantial progress
- The proportion of developing countries with sound national development strategies in place has more than tripled since 2005.
- High-quality results-oriented frameworks to monitor progress against national development priorities are in place in one-quarter of the developing countries first surveyed in 2005, with statistics related to the Millennium Development Goals becoming increasingly available.

Moderate or mixed progress
- While non-state actors are more involved in the design of national development strategies in many developing countries, there are still challenges to providing an enabling environment for civil society activities in some others.
- Efforts to improve support for capacity development have been mixed. While donors met the target on coordinated technical co-operation, support for capacity development often remains supply-driven, rather than responding to developing countries' needs.
- Over one-third of all developing countries participating in the 2011 Survey showed an improvement in the quality of their public financial management systems over the period 2005-10. At the same time, one-quarter of them saw setbacks in the quality of these systems.
- Donors are using developing country systems more than in 2005, but not to the extent agreed in Paris. In particular, donors are not systematically making greater use of country systems where these systems have been made more reliable.

- Overall, donors did not make progress in further untying aid across the countries participating in the 2011 Survey.
- There are some promising examples of efforts to improve transparency around aid.

Little or no progress
- Aid for the government sector is not captured systematically in developing country budgets and public accounts.
- Little progress has been made among donors to implement common arrangements or procedures and conduct joint missions and analytic works.
- Aid is becoming increasingly fragmented, despite some initiatives that aim to address this challenge.
- The medium-term predictability of aid remains a challenge in developing countries because donor communication of information on future aid to individual developing country governments remains isolated rather than being the norm.
- Most developing countries have yet to implement through mutual (government-donor) reviews of performance that benefit from broad participation.

Source: OECD 2011 Aid Effectiveness 2005-10: Progress in Implementing the Paris Declaration, Part 1 & 2

The overall assessment of Finnish application of the Paris Declaration principles shows that Finland from 2007 to 2010 has improved on alignment of its aid to recipient country priorities, stagnation on the sue of recipient country PFM systems and the use of parallel implementation units but direct regression building national capacities by coordinated support. The findings for the indicators for Finland show a picture of below average performance of the Finnish development cooperation and it's alignment. Finland belongs to better performing half of the EU in ranking (just squeezing at 7/15 on the EU scorecard). In total Finland scores above the EU average on 3 indicators but below EU average on 6 indicators. Finland remains with a number of challenges in terms of increasing the participation in programme based approaches with other donors and less on individual projects and relying more on country systems, which is of interest for the MoFA in terms of evaluating the NSLGCP and the approach applied under the 10 programme/project interventions that are to be assessed under section 2 of this evaluation. (OECD 2011)

4.   THE AFLRA NORTH SOUTH LOCAL GOVERNMENT COOPERATION PROGRAMME

4.1 Programme Background and History

4.1.1 AFLRA North South Local Government Cooperation Programme 2000-2010

Finland is a highly decentralised country, where over half of the national budget is spent through LGs on various service delivery and infrastructure projects. AFLRA is a member organisation of all LG's in Finland, having 300 employees in the main organisation and a turnover of about EUR 30 million annually. In 1999 the first request was sent to the MFA fro the project. A questionnaire was forwarded to all at

that time 465 (now there are 336 municipalities in Finland). About 70 showed inter-
est but none of them had any money to fund interventions. The first visits were made
to South Africa, Tanzania and Ghana. Southern municipalities wanted equal part-
ners. The AFLRA Programme went from a pilot phase in 2002-2004 to 3 continuous
programme implementation phases namely, 2005-2007 (MoFA 2004b), 2008-2010
(MoFA 2007d) and 2011-2013 (MoFA 2010).

The approach under the NSLGCP is for Finnish municipalities to work directly
through twinning with municipalities / districts in Finnish development coopera-
tion countries in Africa. This means facilitating the exchanges and capacity building
work without necessarily working with the local government associations in the con-
cerned countries. The aim of proposing this support programme in the beginning to
the MoFA was to build on the expertise available at LG level in Finland and see how
this could contribute to assisting African LGs with their respective challenges. It is
useful to note that the NSLGCP originally focused on one-on-one local government
exchanges and capacity building issues, but in addition, over recent years the need to
include some grant funding for minor investment projects for beneficiary countries
has been found to be necessary.

The NSLGCP is currently in its fourth programme period (2011-2013). It has under-
gone previous mid-term reviews (MoFA 2007a and 2009a), and the preparation of
the present programme document was influenced by the recommendations of the
2009 Mid-Term Review. The entire lifetime of AFLRA's programmes (2000-2011 and
extended up to 2013) is one of the two main focus areas of this evaluation. The last
mid-term review in 2009 highlighted three main areas, which should be the focus of
future programming: (1) Responding to expressed needs for cooperation, (2) Having
tangible results which are identifiable, and (3) Their results showing some value added
drawn from current implementation modality, which is based on the use of Finnish
experts. The raison d'être of NSLDCP is that the local governments in Finland have
an important contribution to make to the overall Finnish development policy of con-
tributing to poverty and addressing crosscutting issues such as environmental threats,
gender equality, rule of law, human rights, good governance and conflict.

Funding and Objectives
Funding agreements between the AFLRA and the MoFA have been renewed every 3
years since 2001. The overall funding has been:
• 2002-2004 EUR 1,17 million (pilot phase)
• 2005-2007 EUR 3,95 million
• 2008-2010 EUR 5 million
• 2011-2013 EUR 7 million

The programme document (MoFA 2007d) defines the objectives, components and
the management structure of the Programme. According to the programme docu-
ment, the overall objective of the NSLGCP is:

To strengthen the capacities of local governments to provide basic services and to promote good governance and local democracy, all by taking into consideration the principles of sustainable development.

The purpose of the Programme is:

The Programme aims through co-operative relationships between Finnish and Southern local governments to build the capacity of the local governments to provide basic services, to advance good governance and administrative practice as well as to promote participatory democracy and sustainable social, economic and environmental development.

During this period the Programme was divided into three components (total budget EUR 5,000,000):
1. Cooperation activities between LGs in Finland and in Africa (Linkages), (80 % of the total budget or EUR 3,900,000)
2. Knowledge and information generation and dissemination to enhance quality of cooperation, and to increase demand for cooperation in Finland (11 % of the total budget or EUR 613,000); and
3. Management and administration services to for the programme and the linkages (7 % of the total budget or EUR 370,000).

The latest Programme Document 2011-2013 (MoFA 2010) has a changed formulation in terms of overall objective and purpose of the Programme and NSLGCP now has 4 components. The objective is formulated as:

To strengthen the capacities and responsiveness of local governments to provide good quality basic services, good governance and equal decision making opportunities in order to reduce poverty by improving the well-being of local residents and promoting sustainable development.

The purpose of the NSLGCP is formulated as:

Through cooperative relationships between southern and Finnish LGs to build the capacities of elected and appointed representatives and local officials to provide basic services, to advance good governance as well as to promote opportunities for equal participation in local decision making, all by taking into consideration the principles of sustainable social, economic and environmental development.

The NSLGCP (total budget EUR 7,000,000 – however split in two tranches where EUR 3,5 million has been allocated for the 2011-2012 period and the second tranche of EUR 3,5 million is dependent on the outcome of this evaluation) is now divided into 4 components, namely:
1. LG linkages – Provision of means for good quality actual cooperation (EUR 5,600,000)
2. Association linkages – Provision of support for southern associations to cooperate with AFLRA (580,000)
3. Evolution work – Generating and disseminating knowledge to enhance increased and more intense cooperation (EUR 400,000)
4. Management and administration – Providing operational framework for cooperation (EUR 375,000)

The NSLGCP has established 17 so-called linkages between municipalities in Finland and municipalities in the cooperation countries. The list below includes the 16 linkages (the Ghana linkage has been excluded since it does not form part of this evaluation) that the ET has been evaluating and with whom in-depth interviews, both in Finland and in cooperation countries, have been carried out during the field phase. These are:

Table 2:   List of Twinning Municipalities.

Municipality in Finland	South Municipality
Haapavesi	Bagamoyo (Tanzania)
Hartola	Iramba District Council (Tanzania)
Kemi	Tanga (Tanzania)
Kokkola	Ilala (Tanzania)
Vaasa	Morogoro (Tanzania)
Tampere	Mwanza (Tanzania)
Hattula, Janakkala	Nyahururu (Kenya)
Hämeenlinna	Nakuru (Kenya)
Hämeenlinna (Education and Training Consortium)	Omaruru (Namibia)
	Keetmanshoop (Namibia)
Kangasala	Ondangwa (Namibia)
Lempäälä	Windhoek (Namibia)
Vantaa	Tshwane (South Africa)
Oulu	Makana/Grahamstown (South Africa)
Raseborg	Bojanala Platinum District Municipality (South Africa)
Lahti	
Salo	Mbabane (Swaziland)

Programme expenditure

The table below gives an overview over expenditures on various categories of the NSLGCP budget over the last 10 years. The MoFA agreed from the beginning that an amount of 20% of total programme budget could be used for administration and implementation of the programme and that 80% be set aside for the various linkages/ twinning activities. Throughout its implementation the NSLGCP has been managed by AFLRA and it has been a more or less standing agreement that overall administrative costs of running the programme (M&E, administration, salaries, networking/information, survey/research and training) should not excide 20% of the total funding envelope for the programme.

Table 3: NSLGCP expenditure per year (EUR).

	2001/2	2003	2004	2005	2006	2007	2008	2009	2010
Linkages/ Projects	248,245	384,479	384,659	591,964	829,359	1,256,487	900,000	1,691,520	1,435,032
Training	692	943	194	3,979	47,603	5,381	3,932	66,662	3,812
Survey/Research				1,560	22,101	39,618	3,000	5,155	97,416
Experts	1,954			500	1,687	14,240	4,000	5,000	45,911
Info/Networking		3,263	48	5,168	19,927	11,340	8,513	8,458	33,231
M&E	7,056	2,969	2,554	2,008	4,443	13,012	2,032	9,506	43,854
Administration	14,981	5,626	9,340	11,735	15,259	13,848	25,667	128,131	49,976
Salaries	39,092	40,099	41,830	31,182	88,911	81,566	143,959	144,240	143,566
Total	312,020*	437,379	438,625	695,043**	1,029,280	1,435,492	1,091,103	2,135,896***	1,852,798

Source   AFLRA/NSLGCP Annual Reports * Includes 2001 expenditure of 9,738 ** Includes 46,947 non defined expenditure *** Includes 77,224 non defined expenditure

The budget expenditure overview in Table 3 confirms that for the AFLRA management of the Programme this is more or less the case. However, the ET knows that an overall principal goal was set from the beginning of the NSLGCP in that administrative costs of the Programme should remain under 20% of *total Programme funds*. It seems that there were no overall guidelines for the first phases on what was eligible administrative and project costs throughout the linkages, but that the overall target of 20% administrative costs of the overall programme was applied by default but not in practice. However, for the 2011-2013 a list of eligible programme costs was developed (Annex 5). While this list explains the eligible costs and calculation of the administrative rules to be applied it also raises questions of how it actually has been applied in practice.

It has not been possible from the overall programme financial reporting to make a full overview of what administrative and salary costs are included under each linkage (this will be addressed in more detail in the sections below) and neither are there full and firm guidelines for what can be included under a linkage as administration and salary as such. It is stated in the guidelines that the Northern partner can claim a total of 20% coordination and administrative overhead (e.g. 10% on each), but no mention is made in the guidelines regarding the coordination and administrative costs relating to the southern partners.

The Programme already has 20% administration costs covered through the AFLRA management of the Programme. As will be demonstrated in the detailed discussion in the following sections of the report, each individual linkage/twinning has administration and salary costs for northern and southern coordinators some times making up 40-70% of overall linkage costs when costs such as administration, salaries for coordinators, travel and per diem and compensation costs of recruited project personnel are fully calculated. This would increase the overall administrative costs of implementing the NSLGCP activities to something in the range of almost 40-50% of the total avail-

able NSLGCP budget. At the same time the application and assessment of own contributions to the Programme by northern and southern partners seems to follow no set rules (the rules in guidelines for eligible programme costs as outlined in Annex 5 are very vague), and therefore it is impossible to make a reasonable audit of this own contribution, whether from the northern or southern partner.

Programme Management Issues
As outlined in the Programme Document the NSLGCP is administered by the AFLRA. Since, NSLGCP is a framework or umbrella programme for linkages and projects, the Programme Document states, "it is important that all programme support activities are well coordinated". Without properly structured implementation, management and monitoring structure the projects do not form a coherent and manageable entity. It is important to make sure that the projects do not look like separate activities with the source of funding as the only common nominator.

The AFLRA manages the administrative framework for the Programme including:
- Monitoring and provision of continuous support and advice for the linkages, also by making site visits both in Finland and in the South;
- Provision of administrative guidelines;
- Channelling financial allocations;
- Monitoring and reporting of the programme and its development to MoFA; and
- Organizing Coordination Team, Management Group and Supervisory Board meetings.

The programme management is now emphasising a more results oriented approach after the first two phases were considered to have been too unfocused and with many scattered activities with little impact. This has been the ongoing discussion with MoFA and after the two MTR's conducted in 2007 and 2009 found that this was lacking in programme implementation. An external consultant helped AFLRA to systematise the introduction of best practice and training material for logframes and focus on SMART (Specific, Measurable, Achievable, Relevant and Time bound) indicators and a lot of training has been carried out to introduce this throughout the linkages.

The Finnish embassies in the various cooperation countries have not always been fully involved with the linkages but in recent years they have been asked to comment on the applications. Embassies are also not always visited during the annual exchange visits but this is often due to the distance involved between the municipality and the capital city. AFLRA have for some time expressed a need for a wider geographical scope for the linkages and not being bound by focusing on Africa and the need to have a Finnish embassy in the linkage country. Furthermore, the 3 yearly formulation of a new programme document and the yearly application format for every linkage is seen by AFLRA as a very bureaucratic way to handle the implementation of activities and they have often requested a system where 3 year funding frameworks are approved through the application process. The Supervisory Board consisting of MoFA and AFLRA officials meets twice a year.

4.2 International Experiences with Twinning

4.2.1 Municipal Twinning Programmes in Selected Countries

Norway

Norway has a similar programme to the NSLGCP and it is called "Municipal International Cooperation (MIC)" and has been ongoing since 1999. A fund was created where municipalities can apply for financing of cooperation projects up to a limit of NOK 400,000 per year. The projects have to focus on areas of Good Governance. The Association of Local Authorities (KS) in Norway administers the programme. Norway has two funds and two programmes: One for countries in the developing world and one for countries in southeastern Europe (Serbia, Bosnia, Georgia). In addition to this, Norway supports twinning between KS and sister organisations focusing on capacity building within advocacy, training, and other issues. Twinning in developing countries covers no less than 50 projects in 20 countries.

A NORAD-financed consultancy team conducted a rather critical review in 2009 (NORAD 2009). The review came up with a list of recommendations for improved programme management. Most importantly, it was recommended that KS do a proper screening of countries and potential municipalities before any projects are formulated and approved in order to improve Norwegian value-added and project sustainability. It was felt that there is a need to focus on fewer countries and that these have a decentralisation policy framework in place, or at least a promising ongoing process towards such a framework. Likewise, only municipalities with a proper absorption capacity should be involved as many southern municipalities were deemed to have too low a capacity to have a meaningful programme in place. According to the evaluation some of the problems within MIC are caused by the fact that the Norwegian municipalities have to enter into the routines and conceptual world of developmental cooperation, which they are not equipped to do. Given the limited scope of each MIC partnership, the overall administration and programme management becomes very high.

The recommendations pointed to the fact that there would be a lot to gain by following the common reporting and indicator system that the municipalities in Norway and in the south have themselves, so the requirements of reporting were made to conform to ordinary municipal practices. Moreover, managing and running the programme is very resource intensive and showed to be far more that 8 percent limit set aside for administration. Therefore, closing down the programme was considered. In fact, in most cases the consequences would be negligible at local level the evaluation found. Alternatively, leaving it to another organisation than KS to coordinate the programme could be a solution.

On the other hand, the MIC concept has developed, and KS' Unit for International Projects has gained experience. There are indications that new MIC partnerships make more out of the MIC mechanisms than older ones. New generations of MIC partnerships seem to be more MIC-like than the early ones. Moreover, international decentralisation and schemes resembling MIC are being applied internationally. Nor-

way has a strong municipal sector. The fact that the MIC concept has encountered problems getting embedded in the Southern municipalities is not necessarily a reason to leave Norwegian municipalities out of developmental cooperation.

The main recommendation of the internal evaluation was that before considering giving up the MIC concept for alternative ways of engaging the municipalities in twinning cooperation, the concept's potentials should be assessed and revisions as suggested above and this was in principle agreed to by the KS management.

Sweden

The 'Municipal Partnership' is one of three operational areas of a quite recent) established organisation called Swedish International Centre for Local Democracy (ICLD 2008c). The Swedish Ministry of Foreign Affairs finances the activities of the ICLD and a majority of the board members on the ICLD are held by the Swedish Association of Local Authorities and Regions (SALAR).

The purpose of the Municipal Partnership programme is to strengthen local democracy and local self-government in the relevant partner countries in order to reduce poverty and help to establish just and sustainable development. The relevant partner countries comprise a number of developing countries and a number of East European countries that are neighbours to the EU. Applications are submitted to ICLD, where the ICLD Municipal Partnership Council (2 members from ICLD, two members from SALAR) evaluates the application and submits its recommendations to Sida for final decision. The present programme succeeds an earlier municipal support program administered in co-operation with SKL International.

In terms of management of the twinning a coordinator is to be appointed in each municipality within the framework of management and coordination functions in each municipality. The coordinator has primary responsibility for partnership arrangements, maintains contacts with ICLD, monitors that the project is completed in accordance with the project plans, ensures backing and support for the partnership in the municipality concerned, conducts follow- up operations, prepares reports and disseminates the results in other quarters. If a Swedish municipality is cooperating with municipalities in more than one country, it is an advantage to have the same coordinator. This permits the transfer of know-how and experience between the various partnerships.

The management and coordination function calls for the establishment of a management committee, in addition to the appointment of a coordinator in each municipality concerned. The management committee supervises the work of the coordinators and the various project activities, and should comprise representatives of the political majority and the opposition (where possible), and also senior municipal officials. The management committee ensures backing and support for the partnership in the municipalities concerned and provides quality assurance, since the committee may participate in the assessment of project plans and implement project follow-ups.

The management and coordination function is mandatory while the project is in operation. Once cooperation has been established, the municipalities develop new projects within the management and coordination framework, and this means that funds must also cover journeys for the municipalities' specialists and experts. All participants applying for partnership cooperation must enter into a "cooperation agreement" that extends at least one year beyond the actual project period. This gives the parties an assurance that a certain level of involvement, coordination and monitoring of results will continue beyond the project period.

Support for management and coordination activities is intended to compensate for the geographical distance between the participants by covering the cost of meetings for coordinators and management committees. The funds granted are to cover travel, food and accommodation expenses for both municipalities when visiting the other country, and also salary compensation for representatives of the Swedish municipality. No compensation is given to the southern partner and the Swedish coordinator is only compensated SEK 4,000 maximum per day according to Swedish civil servant salary levels and total costs for coordinator and Swedish experts working for the twinning may not exceed 15% of the total project costs. A bilateral project may get funding of up to SEK 800,000 per twinning and can cover more than one year. However, strict rules apply in terms of budget and reporting formats. Two meetings per year should take place, one in Sweden and one in the partner country. Minutes must be recorded during these meetings. Funding finances the major proportion of Municipal Partnership cooperation allocated by the Swedish International Development Cooperation Agency (SIDA), but the foreign partner is expected to pay for salaries for its staff, travel/local transport in the partner country, possible rental costs for premises in the partner country, and certain other costs.

Denmark

Local Government Denmark (LGDK) is currently facilitating two municipal twinning cooperation initiatives in Jordan involving Viborg and Hoeje Taastrup Municipalities from Denmark and Irbid and Karak Municipalities from Jordan. The cooperation is proposed financed by the Ministry of Foreign Affairs through a programme 'Partnership for Dialogue and Reform'. This is the offspring of the long-term cooperation between LGDK and its international consultancy division and the Ministry of Municipal Affairs in Jordan. The twinning objective is dual since the projects also serve to inform the Danida supported cooperation regarding decentralisation in Jordan. LGDK has also been involved in numerous twinning cooperation with sister associations around the world, including developing countries such as Uganda and Nepal. This type of cooperation in developing countries are typically identified on an ad hoc basis and financed under the Danish Ministry of Foreign Affair's decentralisation programmes in these countries.

Unlike AFLRA and the sister associations mentioned here, LGDK does not manage a proper twinning cooperation programme. It is, however, presently in a dialogue with the Ministry of Foreign Affairs about establishing such a programme. The out-

lines of the programme currently discussed are somewhat different from the AFLRA programme, perhaps owing the fact that LGDK has an in-house consultancy department. The idea is to launch a three-year pilot programme in four African countries, where the Ministry of Foreign Affairs is actively involved in decentralisation support. LGDK and the Danish Ministry of Foreign Affairs will make a short-list of potential twinning municipalities in these countries based a. o. on their performance in recurrent performance assessments as seen in countries such as Ghana, Uganda and Tanzania. The pre-selection of countries and potential municipalities is done in order to avoid fragmentation and ensure proper linkages to any ongoing reform process. The shortlist of municipalities will then be announced to Danish municipalities who can apply for support to joint formulation of twinning cooperation with a shortlisted municipality. The final selection of twinning projects will be done by LGDK and the involved Danish embassies based on the submitted twinning applications. Support ceiling is EUR 130,000 per project. On top of this, support could be allocated to local pilot investments.

Canada

The International Centre for Municipal Development (ICMD) of the Federation of Canadian Municipalities (FCM) has considerable experience with different kinds of twinning arrangement within the field of decentralisation. Starting in 1987, the cornerstone has been twinning between FCM, Canadian municipalities and municipalities in developing countries all over the world within the framework of the Municipal Partnership Programme (MPP) financed by the Canadian International Development Agency (CIDA).

The two-to-three-year partnership projects funded by MPP has focused on improving one or more aspects of municipal management identified by the partners. Examples include support for service delivery problems, improving administrative management or strengthening public consultation processes and the role of women in municipal governance. The programme also allowed for co-operation with municipal associations as well and current local government associations twinning include ACVN (Vietnam), ALAT (Tanzania) and NLC/S (Cambodia).

ICMD is currently managing the Municipal Partners for Economic Development (MPED); a five-year programme (2010-15) with the objective to support sustainable and equitable economic development in seven developing countries in Africa, Asia and the Americas. It supports local governments and LGAs in Vietnam, Cambodia, Mali, Burkina Faso, Tanzania, Nicaragua and Bolivia to enable them to provide more effective services that advance local economic development. MPED will also support the engagement of programme partners in regional knowledge sharing, global policy development, and programme coordination, with an emphasis on environmental sustainability and gender equality. By strategically concentrating resources on larger, more complex local-level "demonstration projects", MPED aims to allow partners to develop new evidence-based models and best practices for effective municipal management and economic development. The resulting knowledge and data is then in-

tended to assist LGAs influence on national policy development and replicate local successes throughout each country. The total MPED budget is CAD 24.2 million, including CAD 18.4 million contributions from CIDA, and CAD 5.8 million of in-kind contributions from FCM and its partners.

5. THE NSLGCP BY EVALUATION CRITERIA

5.1 Relevance

Kenya

The Hämeenlinna Region/Nakuru Municipality Cooperation project is addressing cross-cutting issues relating the MDG's targeting poverty alleviation, education achievement, health improvement and environmental concerns, all part of Finnish development assistance priorities. The project also addresses the Government of Kenya's economic, social and political priorities as identified in the Kenya Vision 2030. At the local level the project activities identified in the Hämeenlinna Region/Nakuru Municipality Cooperation were sourced from the Nakuru Strategic Structure Plan of 2000-2010, which was the municipality's intervention in localising Agenda 21 through improved planning and management capacity and the 5-Year Strategic Plan 2007–2011.

Participation of partners and beneficiaries in the project was at various levels. Firstly at the conceptual level the project planning was based on previous co-operation between non-governmental organizations that helped to develop contacts between the municipalities. In addition to various NGOs, the Hämeenlinna Region University of Applied Sciences had previously worked in Nakuru on environmental issues and approached Hameenlina municipality to consider the cooperation with Nakuru. Secondly at programme level, the initial phase of the programme focused on discussions on the framework of cooperation and content of the project. The completion of the project plan and the first exchange of expert and administrative personnel were part of the project planning activities. The project partners from both North and South were involved in these discussions and formulation of programme documents. Thirdly at identification level, the process of development of the Nakuru Strategic Structure Plan of 2000-2010 which formed the basis of the identified priorities included dialogue with the local community with a view to solicit ideas and forge a shared vision for Nakuru's future in what the project documents term a "bottom up approach". Finally at implementation level the Nakuru Municipality's Education Department worked together with an NGO called Sustainable Community Environment Programme and a national organisation Kenyan Wildlife Service while creating localized environmental curriculum for the Race Track Pilot School.

Hattula Municipality approached AFLRA for identification on possible partners in the South and that is how Nyahururu was identified by AFLRA as a partner, based on the similarity of interests in the environment, basic education and tourism development. The first year of the cooperation (2007) was taken up by visits and consultations between the partners on the project's components identification. This resulted in a consolidated project plan and budget for the years 2008-2010. The Nyahururu

municipality tried as much as possible to involve the stakeholders in the various activities at the sectoral working committees level. In the environment component, community groups such as market welfare groups, the girls guide association and schools were involved on several environmental management activities e.g. town cleaning and tree planting. Other stakeholders were also involved in the development of an environmental strategy and the development and documentation of a tourism marketing and management plan. For example the curio-traders at Thompsons falls have also been involved and trained on marketing of quality products to the tourists.

The Strategic Plan defines 11 key issues of key aspects and service areas, as well as the key issues' most important problems and strategies to respond to these problems. The 11 key issues include: infrastructure; health; education; water & sewerage; tourism; environmental concerns; public utilities; public health; security and lighting; investment; and stakeholder's perception. With the exception of the activity of introducing IT to primary schools of the education component, all the Hattula-Janakkala-Nyahururu cooperation Project components are in conformity with the Departmental strategic objectives and key issues of the Strategic Plan.

Namibia
The Vantaa – Windhoek linkage is based on mutual, long-term cooperation between the two cities and needs and priorities are addressed based on common identifications with participation of councillors and executive staff at both ends. Twinning focal areas are aligned to the development policy in Finland (in particular good governance and support to vulnerable groups) as well as the national development policy and decentralisation policy in Namibia. There are some sector-specific links to the decentralisation process in Namibia (councillor capacity), although issues of long-term sustainability (funding, staffing) are not systematically addressed. The project is addressing cross-cutting issues relating the MDG's such as poverty alleviation and support to vulnerable groups (community library, LED), good governance and to a lesser extent environmental concerns (waste management, recycling), all part of Finnish development assistance priorities. Namibian priorities are similar and can be found in the national development plan and the decentralisation policy (Early childhood education, building councillor capacity in strategic planning and participation). The linkage also claims to link to decentralisation process, but the overall decentralisation process is not done in a consultative manner and links to the reform process are only explicit in the cooperation with the Ministry of Education.

The Lempäälä – Kangasala – Ondangwa - Keetmanshoop Cooperation Project is addressing key priorities in the Finnish development assistance including poverty alleviation, support to vulnerable groups, good governance and environmental concerns within waste and water management. Targeting environmental health (sanitation) also has indirect poverty alleviation links since it is likely to reduce health problems in poor communities living in substandard sanitary conditions. Fewer sick leaves mean higher income earnings for vulnerable communities. Some target areas correspond to strategic targets in the decentralisation strategy, in particular the cooperation on rural wast-

er management that is a pilot area in the decentralisation strategy (although reform efforts within rural water management appear to be faltering at present). Other Namibian national priorities have also been targeted through assistance to the Ministry of Health and Social services in drafting new legislation on meat hygiene in slaughterhouses.

The cooperation appears to be carefully planned with participation of councillors and civil servants from both sides taking part in visits to and seminars in Finland and Namibia. Steering committee meetings take place once a year with CEO and Mayor participation from the south and north. All activities appear to be prioritised by the Namibian partners, although to state that they are embedded in municipal strategies might be to exaggerate the role of municipal planning in Namibia (planning labelled as 'crisis management' in one interview). But they correspond to core areas of the municipal mandate (governance, LED, water, waste). Both the Namibian municipalities highlighted the cooperation on local democracy (introduction to innovative participatory methods including drama-based dialogues with local communities and the establishment of a junior council) and support to LED/SME and environmental management within water and waste as particular valuable to them. Intense networking activities are carried out in order to involve a broad range of stakeholders from Finland, including university students from Tampere University, the private sector and charities. GIZ is also involved within LED.

Hämeenlinna Region Municipal Education and Training Consortium and Omururu Municipality have started recently a cooperation project and are focusing on technical training issues. Tavastia Vocational College is the leading school of land surveying technology in Finland. During the planning stage one trip from the north (Finland) went to the south (Namibia), which lasted a week. A trip was also made from Namibia to Finland. A visit to the Polytechnic of Namibia in Windhoek was part of the Namibian preparatory visit in order to recruit students from the surveying department to be utilized in some manner in the actual cooperation. During the visit of the southern delegation to Finland, the delegation got acquainted with how the technical operations are carried out and organized, how city planning is carried out, what kind of map and GIS databases they use and how landownership is managed and overseen.

South Africa/Swaziland

The Lahti – Bojanala Platinum District Municipality (BPDM) project is addressing cross-cutting issues relating to the MDG's targeting poverty alleviation, with its main focus on sustainable environmental concerns, all part of Finnish development assistance priorities. This corresponds with the South African national, provincial, district and relevant local authorities' (especially Rustenburg) priorities in terms of environmental issues, and is in turn also aligned to district and relevant local authorities' Integrated Development Plans (IDP) and their Environmental Development Sector Plans. It is also aligned to the North-West Provincial Growth and Development Strategy, and that of the National Spatial Development Perspective. All the activities and projects are designed to build environmental capacity and know how within the lo-

cal municipalities of the BPDM. The Cooperation has been mutually planned with participation of councillors and officials from both sides taking part in visits to and seminars in Lathi and BPDM. All activities appear to be embedded in municipal strategies at both ends. The IDP outlines the priorities of the BPDM and its Local Municipalities. The plan is renewed yearly and consists of development priorities of each council. Through the North South Cooperation and its steering committee an environmental policy and environmental management system have been introduced in BPDM and included in the IDP. These have been broken down into smaller components of activities such as awareness, waste, water, and climate change. These projects have been financed from the BPDM own budget.

In the Oulu – Tshwane linkage there was in theory appropriate consideration of Finnish and partner country priorities in project design, in the context of decentralisation. However, the programme did not produce a fraction of intended results and shows very little, if any alignment to decentralisation initiatives. The extent to which implemented programmes stem from expressed needs/requests of partner institutions also became questionable since the programme is perceived as top-down and not demand driven, particularly in the sense that appropriate consideration of country context, including local governance strategies, institutional analysis, risks and constraints in project design mitigated against a more 'back to basics' approach in terms of ICT.

At a first glance through annual and progress reports, the linkage appears based on existing policy, strategic and programmatic initiatives of both countries. The project was also linked to a very limited extend, to a bi-lateral initiative, *i.e.* Cooperation Framework on Innovation Systems between Finland and South Africa (COFISA). However, the overall objective of the agreement, which emphasises *inter alia* poverty alleviation, is distant from programme activities/outputs. Although project documentation states that the project planning has been done in mutual understanding as both sides have agreed the goals of the cooperation and its actions, it was established during the fieldwork phase that the linkage had to go through a learning process since the programme was top-down, and not demand driven in the sense that it was over-ambitious – too high-tech in design and not adjusted to the more 'basic' needs in terms of ICT for a city like Tshwane. Besides such concerns the programme appears to have continued without change and the experts that came from Finland were seen as too advanced in terms of southern country and city context. Programme design was not subject to strong institutional and risk analyses, which arguably brought the programme to a standstill for more than two years.

The Raseborg – Makana project appears *loosely* based on municipal plans and national policies. The project also seems to have relevant objectives linked to Finnish Development Policy in terms of crosscutting issues - limited to environment and possibly gender - effectively excluding strong emphasis on good governance and poverty reduction. Some priorities, as 'good' as they might sound, such as 'improving school administration systems and local curriculum', falls outside of the South African consti-

tutional entrenched municipal competencies and runs the risk of *inter alia* creating unfunded mandates. The northern partner had the final say on the selection of project components. There has been very little appropriate consideration of country context, including local governance strategies, institutional analysis, risks and constraints in project design. This means that the linkage is based on existing policy, strategic and programmatic initiatives of both countries, except for Component 2: Education and Culture (Result Area 1 – Improve the school administration system and the local curriculum), since in terms of Schedules 4&5 of the South African Constitution and related legislation, nor primary or secondary education forms part of municipal competencies. The overall objective of the project, which emphasises *inter alia* poverty alleviation, is also rather distant from expected programme activities/outputs.

The dialogue with the partner started about 1 year before project implementation and is considered as of a very high standard by both partners. During 2010 the Makana Municipal Council identified the following priority areas: 1) Environmental management; 2) Education system; 3) Arts and Culture; 4) Promotion of entrepreneurship; 5) Trade and economic development; and 6) Social security. However, according to respondents and the official Application document the 'financer' of the project recommended and decided on the final components, i.e. 1) Municipal services and 2) Education and culture.

In the Salo – Mbabane although there is consideration for Finnish and partner country priorities in the design of the programme and that stems from the varied needs of the partner institution, there are very little activities realised that reflect on strengthening good local governance. However, very little analyses have been done in terms of existing local governance strategies, institutional reform and capacities, risks and constraints in project design. In addition, during the field phase it became apparent that because of the nature of Swaziland's national/local governance system and 'politics', not all councillors agree that municipalities should be, or get involved, in international development cooperation – that is the domain of national government. The Cooperation has been mutually planned with participation of councillors and officials from both sides taking part in visits to and seminars in Salo and Mbabane. All activities appear to be embedded in municipal strategies at both ends, however done with very little dialogue with indirect beneficiaries. Except for gender issues, the twinning is based on existing policy, strategic and programmatic initiatives of both countries. However, the overall objective of the agreement, which emphasises *inter alia* strengthening local democracy, is rather distant from programme activities/outputs.

Tanzania
For the Tampere – Mwanza linkage it is through exchange of knowledge, sharing of policies that the cooperation is expected to contribute to the citizens' wellbeing, reduce poverty and increase citizen's participation. The programme activities are thus in line with the development aspirations of Tanzania which are guided by the national Development Vision 2025, the MKUKUTA and the MDGs. Moreover, they are in line with the ongoing local government reform in Tanzania in which governance is

accorded high priority. The activities are also in line with the Finnish foreign policy the aim of which is to support efforts towards attaining the MDGs, eradication of poverty and promotion of good governance.

The Vaasa – Morogoro cooperation appears to be addressing the development needs and priorities of the Southern municipality as reflected in activities undertaken in the education and orphans' projects. These are being implemented within the context of the decentralisation – by – devolution (D-by-D) policy of Tanzania and according to the Finish external policy of supporting MDGs and local governance efforts in developing countries.

The Kokkola – Ilala cooperation to a large degree addresses the development needs and priorities of the municipalities in particular those of Ilala in Tanzania. The planned activities seek to address urban related problems drawing some experience and expertise from Kokkola. The aspect of communication (sub component under good governance) is also an attempt to improve service delivery and transparency but only if the strategy is properly planned and executed. All planned interventions are within the context of the decentralisation policy and in general public sector reforms of Tanzania.

The interventions are in line with the development goals of Tanzania and external policy of Finland. The cooperation is in line with the national development vision 2025, MKUKUTA, the rural development strategy and the MDGs. However, adequate institutional analysis is needed as some areas of the collaboration are not so clearly focused or not within the prerogatives of the southern municipality especially within the local economic development area. Programme planning could have been much more an integral part of the existing planning system (the strategic plan) of Tanga municipality.

In the Hartola – Iramba the activities planned/implemented match the development needs of Tanzania and the ongoing local government and general public sector reforms. The cooperation is in line with the Finnish development policy, which seeks to support efforts aimed at addressing the problems related to poverty and promoting good governance. The project is being implemented within the context of the development goals of Tanzania and external policy of Finland. The cooperation is in line with Vision 2025, MKUKUTA, also in line with the MDGs. Intervention in line with the strategic plans of partner governments e.g. the Rural Development Strategy. The project components to a larger extent seek to address the social, economic and ecological concerns of the Iramba district e.g., the environmental program, vocational training and small business training for women and youth groups correspond well with the national and local development strategic as reflected in the district's Strategic Plan.

The Haapavesi - Bagamoyo is a different arrangement of two municipalities with extreme difference in terms of their roles and experiences in the intended key area of cooperation. This is so because the overall objective of the planned cooperation is to

develop approaches for municipal development, using culture as a key development resource. Haapavesi is seen to have a more direct involvement in promoting culture even if they have no direct role in the folk festival (organised by an NGO) but this is unlike Bagamoyo where the involvement and linkages to cultural events cannot vividly be seen. There are in Bagamoyo other national institutions that are more directly involved in cultural related activities and which do not necessarily collaborate with the municipality. For example, the most famous annual Bagamoyo Arts Festival is not organised or coordinated by the council. The key actors or institutions that are responsible for promotion of culture are the Institute of Arts and Culture and the department of Antiquities. In this case, although culture presents one of the key development potentials for Bagamoyo the organisational or institutional set up and assigned roles appear to be out of context.

Therefore, the degree to which the proposed programme addresses directly the development needs and priorities of the people of Bagamoyo remain to be seen. Furthermore, as already discussed in the desk study Bagamoyo Municipal Council in Tanzania has, as one of the few municipalities in Tanzania, come out of the annual performance assessment of all districts/municipalities in Tanzania for the Capital Development Grant system 2011/12 (that Finland also supports through sector budget support arrangements in Tanzania, and which the ET has been asked to assess under the local governance interventions of this evaluation) with a poor rating on all scores of financial management, human resources and planning. The objectives of the assessment of Minimum Conditions and Performance Measures are to verify compliance of the local governments/municipalities with the provisions of the laws and national guidelines especially the Local Government Acts 1982, the Local Government Finances Act 1982, the Local Authorities Financial Memorandum, 2010, the Local Government Accounting Manual, the Public Procurement Regulations 2005 and other key guidelines and procedures. This example shows that this particular cooperation agreement faces hazards and risks not identified by the northern municipality because it lacks the full overview of the particular situation in that country or municipality.

5.2 Efficiency

Kenya

In Nakuru municipality it seems that financial management procedures follow existing budget and accounting systems. On the whole funds were disbursed and expended timely although there were instances of delays in the funding decision and disbursements and resultant delay in project implementation in 2008 and 2011. The lengthy procurement processes in the Nakuru Municipality also caused delays. The role of the coordinator in financial management and decision-making is not clear, and there were findings in Nakuru that in some instances the coordinator is not involved in the financial decisions on the project activities. An example was during the field visit where the coordinator was not aware that certain items (recycling dustbins) had been procured under the environment component. The municipality's normal procurement processes were applied in this instance, and which did not require input or approval from the project coordinator.

A joint steering committee is the top most administrative organ and comprises members from partners as well as technical advisors from the private sector. Sector committees based on the project components are also in place. These committees comprise of members of staff in the partner municipalities as well as civic leaders and they meet up to 4 times a year. This has resulted not only in the participation of the local authorities in implementation, but also the tracking down of activities has been made easier and faster. Technical organizations both in the south and north have provided technical advice on the implementation of the projects and regular monitoring and evaluation during the implementation of the co-operation activities. Although there were some changes in the programme personnel and advisers in 2008, this did not seem to have had any major effect on implementation.

The ratio of administration costs to programme costs seems to drastically increase in 2008. The administration costs in this respect are the salaries paid to coordinators, and other personnel costs and items specifically identified in the reports as administration costs. There is a gradual increase of administration costs from 16% in 2006, to19% in 2007 and to a dramatic 40.9% of the total expenditure in 2008. It is not possible to determine if this is a trend that continues due to non-availability of the detailed financial reports for the later years.

The projects logframes provide key outcomes and indicators to monitor the outcomes. What still needs improvement is the use of qualitative indicators to monitor changes and impact, rather that activity. This could also explain why the reporting on results in some cases is not evident. For example in the 2007 logframe one of the result areas identified in the education component is to "enhance student exchange programme with theme identification and continuation of the programme". The indicators are stated as (a) project work themes identified and project works exchanged between students in south and north, (b) letter exchange continuation and (c) number of students involved in the letter exchange programme. Other than indicator (c) the other indicators are actually activities, and there are no indicators to monitor the impact or changes brought about by the enhanced student exchange programme. The reporting of achievements therefore consists of a long descriptive narrative of activities undertaken, with the conclusion that cultural interaction between the two countries is evident in the student letter exchange programme and that "there are many students participating; their activities included short topical essays, drawings/paintings and historical issues".

For the Hattula – Nyahururu cooperation the top decision making organ is the steering committee whose members are drawn from the south and the north. The steering committee was able to meet, plan and discuss the projects implementation during the educational visits in the south and north and remained in constant consultation and communication through Emails and phone during the implementation period. Next in line is the coordinating committee chaired by the Mayor and co-chaired by the Town Clerk. This committee is the one in charge of the programme in the South. Sectoral working committees were also formed for the various component i.e. Adminis-

tration, Environment, Education and Tourism component. The project had a technical advisor who offered technical advice and also played an important role at the inception of the programme and capacity building during the 1st year. However, the technical adviser was not in any way involved in the direct project implementations. The Town Clerk and the Town Treasurer were transferred to other municipalities in the middle of 2009. Shortly thereafter the council also held the mayoral elections and a new mayor and new council committee chairmen were elected. These changes also affected chairmen of some component committees. The bank signatories were subsequently changed to those of new officers and a new project accountant appointed. All these changes caused delay in the implementation of activities in 2009. The ratio of administration costs to programme costs seems to be quite high (46.8% of the total expenditure in 2008, 29.6% in 2009 and 28.1% in 2010).

Namibia

The Vantaa – Windhoek cooperation has a steering committee and a coordinator as entry points at both ends. There is regular progress reporting and a clear reporting hierarchy supporting the oversights of the steering committee. This comes at a cost, however and admin/coordination costs take up 40% of project costs. The most urgent problem is the poor application of M&E through logframes, which makes assessments of progress and achievements of objectives very difficult. The logframe is flawed to begin with and a coherent objective-activity-indicator framework is missing. In addition, assumptions are vague and not reassessed in progress reporting. Support to service innovations like the community library centre is not sufficiently analysed for risks and sustainability aspects and could face funding/replication problems. Although the project makes use of existing budget and accounting and procurement systems at both ends, it is difficult to estimate progress and value for money due to lack of baselines, vaguely formulated objectives and process indicators. There are programme coordinators at both ends, and both receiving funding for m the project. In Windhoek, library coordination is paid out of project funds (660 €/month) along with audit costs (800 €/year). The total admin/coordination costs were e.g. 38% in 2008.

Windhoek municipality has opened a separate bank account specifically dedicated to the project. All transfers from Vantaa goes to this account upon written request from Windhoek specifying which budget items the funds will be used for (described e.g. in the application for 2011, p. 35). Windhoek contributions follow normal appropriation procedures in the municipality and subsequent procurements follow the Namibian procurement regulations. The project financial reporting does not report accounting figures against budget figures, which is not acceptable and blurs management transparency (see e.g. the annual report 2008, p. 48f.). In general, the cooperation funding modality is considered a problem by Windhoek municipality. The frequent application for new funding creates persisting uncertainty about the available funding envelope. This is amplified by the fact that the fiscal year is different in Finland (Jan-Dec) and Namibia (Jul-Jun) and that the use of Namibian tender procedures adds to the time needed for implementation of a project. The mismatch between cooperation and Na-

mibian planning and funding procedures makes long-term, flexible planning difficult. The administrative costs take up to 22% of the budget according to the current project agreement. In reality, administration/coordination expenditures for the twinning are higher. E.g. for 2008, budgeted coordination costs, including salary for the Vantaa coordinator took up EUR 46,000 out of a total project budget of EUR 120,000 or 38% of the project funds. Corresponding administration costs were 26% and 36% for 2009 and 2010 respectively. In 2008 administration costs included salary for the Vantaa coordinator (EUR 25,800) and library coordination in Windhoek (EUR 7,200) and costs for planning and steering committee meetings in Vantaa and Windhoek. The Vantaa coordinator claims to spend 30-40% of her full time on this linkage, which included preparation of 14 exchange visits (one for herself), preparation of two steering committee meetings, reporting (compiling component progress reports into annual and midterm reporting), financial management and renewed funds application. Out of the actual project expenditures in 2008 (EUR 74,000), flight tickets alone took up close to 25% of the costs while total travel costs make up around 50% (EUR 35,170) of actual project expenditures. In kind contributions cannot be assessed since it is not clear how they have been appreciated and calculated.

There appear to be efforts in using the logical framework approach (LFA) in the project design and management, but it clearly causes problems. The field phase interviews confirmed that LFA was perceived as difficult to use. The project applications have a set of objectives with activities and inputs. There are also indicators, which are all formulated a questions, not statements and there are assumptions, but no risks. The way the logframe is established and reported on makes it very difficult to assess progress for a number of reasons.

Box 3:   Vantaa – Windhoek Logframe and the MTR report 2010.

- Most objectives are vaguely formulated to begin with, like 'support to', piloting x initiative', 'promote' x programme', improve the skills of' etc.
- The coherence and chronology in objectives, activities, and indicators are not established horizontally in the logframe and numbers do not relate to activities or are absent, making it impossible to see which objectives belong to which activities.
- In general, there are no time indications build into the logframe making it impossible to assess progress towards objective achievements. In the narrative part of the annual reporting there are statements about objective achievements like 'good progress has been made so far' (MTR report 2010 on the community library, p. 8, repeated again on youth development, p. 11), which are statements rather than indicators. In addition, some components appear to span across more than one project cycle seemingly without time limits. E.g. the community library has been part of the cooperation since its start in 2002, which poses the general question of when is it time to exit? And what is the exit strategy? Without such answers, the twinning could go on forever.

- Indicators are merely posed as questions, but not answered and not numbered in order to correspond to objectives and activities. The indicator column headline states that this is information that 'helps us determine progress towards stated objectives. Who collects and when?' The latter is missing entirely.
- Assumptions are not revisited in the progress reports and risks not defined to begin with, which is a major flaw in the overall project design when pioneering new services that are bound to meet sustainability challenges (funding, replications, capacity). The decentralisation reform process has showed little results so far and there is no solution on future central government financial support to local governments in sight, which has implications for the cooperation project.

For the Lempäälä – Kangasala – Ondangwa - Keetmanshoop Cooperation the project progress appears in tune with intended objectives and plans in Ondangwa, while Keetmanshoop suffers from inappropriate management setup, delays in project activities and under-spending of funds. Other events in terms of local elections (2010) and flooding (2009 in Ondangwa) have also caused delays in project implementation. Lempäälä and Kangasala have allocated staff with development and context specific experience for the project management. It is more mixed in the south. In Keetmanshoop the responsibility for programme management rests solely with the council. This results in low spending capacity and underutilisation of project funding. Funds are used for coordinators in both the north and the south. Coordination funding is up to 23% of the budget in the current project agreement and 16% and 19% in 2009 and 2010, respectively.

It is less clear if hidden administration costs are found in the component budgets. Salaries are paid for southern coordinators as well as staff according to interviews, but this is not so clear in the budgets, which only mentions the coordinators. In Ondangwa and Keetmanshoop, each coordinator receives 250 EUR/month. A short-term contact employee gets 800 EUR/month in Ondangwa according to the municipality, but it is not clear from which budget line. Otherwise, it is not clear who receives what from salary payments covered by project funds. It is also difficult to separate administration/travel costs in relation to overall project costs. There is no cost break down in the annual reports and the budgeted costs are also not quite clear (some cost breakdowns missing or budget lines which just says 'operational costs'), but travel costs/ tickets alone takes up at least 38% and 19% in 2009 and 2010 respectively.

From Keetmanshoop municipality the issue was raised of the short duration of Finnish counterpart visits to Namibia. It has already been noted in the review reports that the Namibian partners find the duration of Finnish colleagues stay in Namibia too short, which could indicate problems of transferring skills and knowledge. In some cases - it was mentioned - visits of only three days took place (business development), which is insufficient and do not allow for proper transfer of skill/knowledge.

South Africa/Swaziland

In BPDM the Environmental and Waste Management Unit have championed the twinning since 2002. In 2009, the Environmental and Waste Management Unit was transferred to the Community Development Directorate from the Technical Services Directorate. Then again, in late 2010, the structure of the Community Development Services Directorate was changed as the Directorate was divided into Community Environmental Services and Community Development Services. During the course of this change, the name of the Environmental and Waste Unit changed to Biodiversity and Waste Unit, reflecting the core focus points of the unit. The Biodiversity and Waste Unit as well as Municipal Health and Environmental Education are now under the new Community Environmental Services Directorate. The Biodiversity and Waste Unit continue as the coordinating unit of the linkage. Of importance here is that the programme showed flexibility and continuity to adapt to a shifting institutional environment without compromising its focus, objectives and results.

On the downside it has to be mentioned that throughout the project cycle the programme, which clearly demonstrates a lack of adequate human resources from the start, has partly paid northern and southern coordinators (the southern coordinator being Finnish as well). Currently it appears that there is a weakened interest in BPDM towards the project. This became particularly apparent during the fieldwork phase where the current programme coordinator ignored calls and e-mails for meetings with the ET.

During the period 2006-2010 the average administration costs took up 15.41% of the budget, with a high of 19.8% in 2008, and a low of 12.5% in 2009. However, what confuses the overall budget format and calculations is that it is not clear how in-kind contributions are calculated, and project activity costs is not calculated as a separate item, but included under travel and meetings, which makes it impossible to calculate the actual ratio of programmable to administration costs.

The Oulu – Tshwane project shows severe under-spending and also severe over-spending on coordination and administration modalities. The total costs for coordination and administrative in 2010 amounted to EUR 75,666 out of a total funding of EUR 134,390 (or 56.30%). Budget format and calculations are not clear on how in-kind contributions are calculated (e.g. during 2010 Tshwane reported a massive EUR 600,000 in kind contribution), and project activity costs is not calculated as a separate item, but included under travel and meetings, which makes it impossible to calculate the actual ratio of programmable to administration costs.

The first years of programme implementation faced serious absorption problems in the south - mainly related to a high staff turnover. In addition it appears that leadership changes during 2006 at Tshwane Metro resulted in a vacuum in terms of political commitment and ownership of the programme whereas cooperation planning stopped for almost one year. Attempts were made to expedite implementation by moving the championing and running of the programme away from the office of the

Executive Mayor to an external entity - The Innovation Hub Management Company (Pty) Ltd (a subsidiary of Blue IQ Investment Holdings (Pty) Ltd, an agency of the Gauteng Provincial Department of Economic Development - which by default defeats the modality of *local government-to-local government* twinning and cooperation.

Further, throughout the project cycle a northern coordinator and other administrative staff were in part paid by the programme, with the bulk of salaries/fees paid to external experts (north and south). The budget in 2007 was EUR 20,000. The total budget in 2008-2010 was estimated at EUR 260,000. The budget for 2008 was EUR 60,000, of which EUR 417 was used and EUR 59,583 carried forward to 2009. Funds granted for 2009 was EUR 95,000 of which EUR 22,692 was used with EUR 131,890 carried forward to 2010. Funds used during 2010 were EUR 75,666 with EUR 56,223 returned to MoFA at the end of the programme.

During 2008 the total implementation costs were EUR 41,700 (travel and accommodation in south). During 2009 the total implementation costs were EUR 22,692. This included personnel costs for northern municipal personnel EUR 4,077; Fees of hired external experts in the North and the South (coordination and related costs) EUR 5,650; Travel, accommodation, per diems, etc EUR 12,929; and Office costs EUR 36. During 2010 the total implementation costs were EUR 61,980. This include personnel costs for northern municipal personnel of EUR 6,903; Fees of hired external experts in the North and the South (coordination and related costs) EUR 36,190; Travel, accommodation, per diems, of EUR 18,791. This exclude 'coordination and administration costs of the coordinator in Finland' of EUR 12,220 and salaries and related costs of other administrative personnel in Finland of EUR 1,465. This brings total coordination and administrative costs to EUR 75,666 out a total funding of EUR 134,390 for 2010 (or 56%.) These figures show severe under spending on the project implementation as such but also severe spending on coordination and administration.

For the Makana – Raseborg linkage in terms of expert work visits the project intends to have 5 visits to the north (varies from 5-10 days per visit), and 5 visits to the south (varies from 5-7 days per visit) – a total of 32 days (to north) and 29 days (to south) – a total of 61 days over a period of 18 months, at a total cost of EUR 71,750 (40% of direct project funding) for travel, accommodation, per diems, visas and travel insurance. At the same time Makana will appoint 2 full-time coordinators from outside of the municipality (one for each project component), and Raseborg 1 coordinator (already appointed). Taking into account that this is a small project with limited funding, and that in terms of the first 18 month work plan, coordinators will, amongst other ceremonial duties, be merely be responsible for: 1) Project Application; 2) Production of brochure and webpage; 3) Developing work plans for 2012; 4) Producing reports from 1st year of partnership; and 5) Writing a report on the first 18 months of the project. Since the coordinators are collectively paid 22% of direct funding, salaries of particularly the northern coordinator, 18% of direct funding, becomes unrealistic and questionable. As already discussed under other linkages it is difficult to decipher the

exact ratio between programmable and coordination/ administrative costs because they overlap to some degree, and in-kind contributions are not calculated in any verifiable or comprehensible manner. Taking into account general overheads vis-à-vis total AFLRA/MFA direct funding for the project, the following emerges from the Budget and Financing Plan (total direct funding EUR 175,500 for first 18 month cycle):

Table 4: Makana – Raseborg administrative costs as % of total (EUR).

Item	Amount	% Funding	
Salaries for 2 coordinators - south	6,300	3	22
Salary for 1 coordinator - north	32,850	19	
Travel, Accommodation, Per Diems, Visa, travel insurance, etc.	71,750	41	
Office costs	1,790	1	
Evaluation and audit	2,750	1.5	
Other coordination and admin costs	2,250	1.5	
Total	**117,690**	**67**	

Source: Calculated from – AFLRA: Makana – Raseborg Municipal Partnership: Budget and the financing plan of the cooperation project – Budget year 01/2011 – 06/2012.

These figures raise a number of concerns, primarily that there is a possibility of overspending on salaries (especially in the north) and that salaries of coordinators (whether from the municipality or not) in the south are paid while this should never be the case in a cooperation linkage.

In theory the Salo – Mbabane linkage is implemented with high quality of financial management - timely disbursements, applicable procurement rules, internal monitoring and quality assurance mechanisms in place. However there are weaknesses such as a lack of planning, programming and budgeting alignment between the partners. At first glance the ratio of programmable to administrative costs appears good, but the overall budget format and calculations makes it impossible to draw a distinct line between programme and administrative costs. Besides the use of a logframe approach, it is not used at all in measuring of overall programme progress. There further appears to be a lack of adequate human resources to run the project. For example during 2009 cost of hired external experts in the north and south were EUR 9,995 and the salary for northern coordinator was EUR 8,156. In addition, currently seven 'environmental educators' are employed and paid by the programme. In addition, the Waste Information Centre employs a full-time officer – also paid by the programme. The GIS system, which was paid by the programme, is according to the field visit findings functional but not operational.

The Ratio of programmable to administrative cost was roughly 3-2 during the 2007-2010 cycle. As is the case with all other linkages, what confuses the overall budget

format and calculations is that it is not clear how in-kind contributions are calculated. During the 2007 planning phase EUR 18,851 (or 94%) of direct funding was used for travel, accommodation, per diem, meals, etc. The planning trip to the north was undertaken by 5 individuals and lasted 9 days of which 5 days were used for talks. The 2009 travel, accommodation, visa, and per diem costs (north and south) were EUR 38,854. The cost of hired external experts (as mentioned earlier) in the north and south were EUR 9,995. Coordination and administration costs in Finland, is calculated separately, which is the salary for northern coordinator is EUR 8,156. Total overheads were EUR 47,045 or 44 % of direct funding used for 2009 (Funding granted by AFLRA for 2009 was EUR 128,000). Funds drawn but not used EUR 22,414. For 2010 travel, accommodation, per diems, visa costs (north and south) was EUR 62,516 plus salaries and related costs of northern municipal personnel EUR 8,077 making a total of EUR 70,593 (or 61 %) of direct funding used for 2010 (EUR 114,670). Most project funds have been expended on north-south-north travelling and salaries for the north. This spending pattern certainly reflects rather poorly on a development cooperation programme that attempts to alleviate poverty, inter alia that it takes about EUR 6.50 to spend EUR 10 or roughly 3-2 of all project funds expended on administration, travel and salaries.

Tanzania

For the Tampere – Mwanza cooperation in addition to the programme coordinators (2 in Mwanza i.e. coordinator and assistant coordinator) there is a joint programme steering team and working group for each component. In Mwanza the programme has employed a computer tutor and an office cleaner as well. According to the annual budgets, since 2005, personal and administrative costs, which cover the salaries paid to coordinators, assistant coordinator and others (computer tutor, office cleaner etc) have been increasing. For example, alone the personal costs in 2005 were EUR 1,402 but rose to EUR 10,185 by 2009. If the granted amount was EUR 110,000 as reported then the personal costs in Mwanza alone was over 9% of the total funding. There are other projects costs which the ET considers as inefficient expenditures such as hiring of interpreters (during exchange visits), the per diem allowances paid to councillors and sitting allowances to staff for attending trainings.

In general the management of the funds follow the existing local government financial management systems including using the Integrated Financial management System (EPICOR), writing financial notes, quarterly financial and audit reporting. This is in addition to being discussed in the finance and administration committee before being released. Moreover the release of funds is linked to performance or implementation of projects and this explains the full utilisation of the funds for the period 2008 to 2010. This was explained to the ET although the ET could not access any of the quarterly financial and audit reports. In general there are problems with reporting as acknowledged in one annual report where is says that "*Often the reports have been just lists of places visited and people met*" instead of providing assessment of the reached goals, lessons learnt and making some recommendations.

The Vaasa – Morogoro cooperation has lasted for almost 10 years with a long planning period, despite this, not all planned and agreed upon activities were successfully implemented. It seems that the approach to initiation of projects (planning, implementation, M&E) is limited to project coordinators with little involvement of other stakeholders (councillors and civil servants) as there is no real functioning project steering committee. The cooperation in the orphans' project is linked to previous interventions in the 1990s in which an agreement was signed between Morogoro municipality and a Vaasa Association for Developing Countries (an NGO). This might have influenced the performance of the project and it seems more centred on individual enthusiasm rather than being an institutionalised cooperation between municipalities. There have been achievements under the project in working with orphans and making a loan scheme for foster parents of orphans. But a serious question mark arises from the fact that local government should never be involved in loan schemes as all international best practice has shown that this is not a core function of local governments, and often leads to distortion of local markets and even mismanagement of funds. The overall reporting under this linkage is very uneven and poor and it is impossible to see from the financial reporting exactly what is being paid for salaries, administrative costs/travel and project interventions.

For the Kokkola – Ilala cooperation it seems that the current management structure draws the expertise of various key plays of the municipalities e.g. environmentalist, economists, land use planners, extension workers, and trade officers. The proposed project activities in Ilala (environmental education, business development, bio indicator project) suits more the urban environment and since the projects are relatively new there is need to engage more closely with the private sector for the sake implementation. Again some of the projects in environment sector, in particular the bio–indicator project, will not achieve intended objectives if implemented only in Ilala. This is because Ilala is only a part of Dar es Salaam Municipal Council and therefore any intervention responding to environmental threats will only be effective if it covers the whole municipality. This might also be the case with the business development component if the intention is to try to link Tanzanian businessmen with those from Finland.

In the Kemi – Tanga cooperation the existence of a project steering committee and involvement of different stakeholders from the public and private sector has helped to some degree the implementation of the project activities in realizing the intended objectives. Responsibilities of the leaders and officers of the sister cities are reflected in the application forms e.g. the mayors and executive directors, internal auditors and so on as way of ensuring sound financial administration. However, the management structure is short of adequate representation of other stakeholders at the local government levels. For example, the lack of representatives of vulnerable groups, or representatives from the lower local government levels, to mention but some. Delayed release of funds had to some extent affected the implementation of projects and signs of not adhering to plans and budgets. For example, according to the 2010 report on the Jamhuri park component EUR 66,145 was received for the whole project

where EUR 46,875.13 was spent in 2009 thus remaining with EUR 19,278.83. Out of the remaining amount EUR 9,760 was to be spent on the Park. BUT the remaining EUR 9,518 was to be spent on a) Sulphur Spring scientific analysis and preparation of project plan (EUR 5,250) and b) operational costs in Tanga (EUR 4,269) details of which are not provided.

For the Hartola – Iramba cooperation there is a management system in place but not necessarily for the efficient management of the programme because of the high administration cost in both sister cities. In addition to the programme coordinators there is the joint programme steering team comprising of councillors and staff (about 10 people). According to the annual budgets personnel costs, which cover the salaries to the coordinator in Iramba, were up until 2009 not provided. They started in 2009 where EUR 4,200 is paid to the coordinator on annual basis. For example according to 2010 annual report out of the EUR 13,331 earmarked for coordination and administration EUR 12,142 were spent on salaries.

The Haapavesi - Bagamoyo cooperation is still in the planning stage and activities for implementation will be at piloting level. However, there is need for the southern municipality (where most activities will be implemented) to play a more active role in deciding on the type of interventions that can really address the social and economic development needs and priorities of the community through the cooperation. Planning appears to be too dependent on the individual coordinators and these are not linked to the Bagamoyo municipality and it therefore casts doubt about long-term ownership of the project.

5.3 Effectiveness
Kenya

In Nakuru it appears that the project does reach its outputs and expected results, and from the results reported it can be said that the logical frameworks (logframes) and indicators that have been developed are guiding project implementation and monitoring. The programme initially started with 5 components, and it was difficult to implement because it involved many actors and activities. The programming is now largely focusing on two sectors namely the education and environment sectors and this is found to be more effective. There is also evidence of progression from outputs to results in the logframes (particularly if the 2005 and 2006 logframes are analysed in comparison with the 2007-2010 logframes), and also the identification of results per each focus or component area. There were, however, concerns that the planning and application processes take a lot of time and resources and should not be repeated every year. Detailed planning and application should take place once at the beginning of the three-year cycle, and the remainder of the project period should focus on the achievement of results and reporting. The southern partners also find it difficult to understand the logframe approach and need more education on the same. Similar approaches in project management are used in the north and the northern partners did not find the logframe approach difficult to apply. There was also political interference in programme decisions, particularly with councillors in the south wanting to be the

ones to determine and participate in the exchange visits though municipal civil servants carried out the actual work.

There has been cooperation with Finnish educational and technical institutions through student attachments and collaboration in various areas of the Nakuru municipality's operations, particularly in ICT and environmental protection. More specifically the following were identified as the value added by the Finnish actors in the partnership: (i) Introduction of Finnish education methods e.g. less hierarchy in decision making, localised curriculum, and training of teachers in Finland; (ii) Tolerance education in Finland and Finnish schools – through the media, cultural days and school exchange projects; and (iii) Donation of 100 computers to Nakuru schools by the University of Applied Sciences. However, this donation actually led to a lot of problems in clearing the computers through customs in Kenya, two experts travelled from Finland for two weeks to help install the computers and the computers were not there for installation. Consequently the computers have only had limited application and utilisation due to being too old and not enough technical capability is available in Nakuru municipality to maintain the computers.

In the Hattula – Nyahururu cooperation it appears that the project does reach its outputs and expected results, and from the results reported it can be said that the indicators are guiding project implementation and monitoring. The key activities that were implemented included training of Kenyan teachers in Finnish schools and vice versa and learning on teaching methods, training of councillors and municipal officials on teaching methods, training and capacity building on tourism activities and investments, construction of three classrooms at primary school and the establishment of environmental clubs and composting in primary schools and tree nurseries and planting activities. There were, however, a number of activities that involved quite considerable expenditure that were not implemented. These included the establishment of a computer lab at the municipality's social hall, and the construction of a feeder road and elevated view platform at the Manguo Hippo point. Given the limited finances available the activities planned need to be more realistic. There has been cooperation with Finnish educational and technical institutions through the exchange visits. For example the head mistress of Mariakani Primary School in Nyahururu stayed on for two weeks under the colleague-to-colleague learning programme. She visited various schools with her counterpart in Hattula. She was exposed to different learning/teaching methods, management and administration of schools in the north, which enriched her knowledge as a head teacher. She also disseminated the knowledge to the other teachers in her school and other head teachers in the zone.

Namibia

The Vantaa – Windhoek linkage facilitates exchange of management and service delivery experience between two leading municipalities in Finland and Namibia. However, progress and objective achievement are difficult to assess due to lack of baselines and progress reporting referring to the logframe and indicators therein. M&E tools in terms of minutes of meetings, travel reports, annual and midterm reports are being

applied but first and foremost being narrative reports, which do not relate clearly to the logframe objectives. Some activities are de facto not time bound and span across more than one project agreement, so it is not clear which year or activity is being referred to. Finnish value-added can be identified in several components, but it is probably most evident in the community library component, where the library has turned into at multi-purpose centre with a dedicated focus on promoting mobile smart phone literacy. Progress reporting describes concrete activities and exchange visits in details, but it is not clear how this is linked to the objective level when e.g. the MTR report 2009 mention that 'good progress is made in achieving the objective' (MoFA 2009a p. 8 and p. 11) or details are mentioned about a specific study visit. A lot of the support is process oriented and targeting 'soft' areas like good governance, which is difficult to measure if not properly addressed in the logframe to begin with. In addition, some activities are in practise without fixed deadlines as they span across several agreements, e.g. the community library as mentioned above making it impossible to say if the southern municipality will fully take over the activity or if it is only sustained through support coming from the linkage. However, the lack of proper progress reporting is not utilised despite being a demand and project implementation takes place without proper baselines and institutional/risks studies.

Windhoek is faced by problems with staff turnover, but tries to mitigate this by committing more than one staff member to each project activity. Submission of travel reports upon return from study trips to Finland is standard. External reports are also applied by asking e.g. Finnish students to do their thesis on a specific twinning issue. There are examples of Finnish, or at least Nordic/North European, aspects of expertise in the project design. Among them are the development of the early childhood policy and the model care centre, inputs to SME incubator centre based on Finnish innovation practises, and the community library which with its very popular ICT facilities. The community library centre has turned into a multi-purpose centre including access to computers, internet, photocopying facilities, space to study after school, play-ground, and assistance with exam-preparation. All facilities are at no cost to children and all paid for by the City of Windhoek with the assistance of the project. A particular innovation in the community centre is the migration from computer literacy to smart cell phone literacy, which can be attributed to the Finnish experiences in this technology.

The Lempäälä – Kangasala – Ondangwa - Keetmanshoop Cooperation Project has provided direct access to state-of-the-art strategic municipal management practises, which may not be easily accessed otherwise. A number of specific Finish value added can be identified, in particular introduction of participatory (drama-based) techniques to be used by community formulation of needs and priorities and introduction of a youth council in both municipalities as well as flood risks management in Ondangwa. The M&E tools are more elaborate in this project than seen in other linkages. However, missing baselines and time bound process indicators prevents process monitoring over time and progress towards objectives. The narrative progress reports appear to provide an honest picture of what has been achieved so far as well as challenges

and attempts to solve them. The project has suffered from delays, which in Ondangwa first of all was caused by serious flooding in 2009 and in Keetmanshoop is related to frequent staff and leadership changes and inappropriate management setup.

The management produces annual and midterm reporting and external assessments made by student from Tampere University on business development support – 'Business Support Services for SME's in Namibia' (Parkkali, H. 2008) - or 'International evaluation of Environmental and Infrastructure Component of Four Local Government Partnerships in Namibia and Swaziland' (Taipale, P. 2010) have been carried out. It is not clear how these reports have been commissioned and what wider role they play in project implementation and follow up. Basic instruments like travel reports are not used by the south it seems. The local democracy component is designed around best local governance practises from Finland (drama-based participation, youth council), while flood mitigation management in Ondangwa was added, when the 2009 flooding took place. Flood management is a relatively new method and not widely used in Namibia. It might not be uniquely Finnish, but it is state of the art planning practise and eventually this kind of approach may become a standard climate change mitigation practise among municipalities in flood prone environments. Major municipalities around the world increasingly introduce risk management as a crosscutting theme in their spatial plans and infrastructure development.

The Hämeenlinna Region Municipal Education and Training Consortium and Omururu Municipality cooperation with focus on technical training of land surveyors have in the Tavastia Vocational College in addition to youth education (which includes approximately 50 students), there are some 100-apprenticeship students at any given moment, which are studying to qualify for the basic degree of land surveying. Currently there are approximately 70 students in the apprenticeship programme, who are working for a local municipality or city. A large proportion of these have been working for their current employer in the land-surveying field for a long time. Each student has a person assigned by their employer, at their workplace to act as an on-the-job instructor. Currently Tavastia Vocational College has been coordinating the reformation of the national curriculum of the Land Surveying technology. The College has also given supplementary training primarily to workers of municipalities, with different technical fields (also other than land surveying). At the moment land surveying training, in addition to Hämeenlinna is available in Helsinki, Vantaa, Huittinen, Kouvola and Turku. Traditionally the land surveying department of Tavastia Vocational College has been very active in International co-operative projects with several European countries. Currently there are active projects with educational institutes in the following countries – Germany, Italy, Greece, Lithuania, Spain and Slovenia. The Land Surveying Department of Tavastia Vocational College took the initiative for this project to export Finnish land surveying know-how overseas and improve Finnish land surveyors understanding and knowledge by working in a foreign culture, develop their language skills as well as their technical/vocational skills.

South Africa/Swaziland

In the Lahti – Bojanala cooperation planned results are in principle measured against project indicators. There is evidence of fairly good M&E tools and processes in relation to project results in place, with good performance reporting. There is also strong evidence of joint learning systems or systems to ensure an institutional memory. There is also strong evidence of integration of areas of specific Finnish expertise in programme design, specifically in terms of environmental aspect of the programme. There are also noticeable traces of improved inter-governmental relations. It certainly enhanced development cooperation since expertise from the south added value to their partners in the north - not only a one-way (north-south) value added exercise. There appears to be no doubt that the city of Lathi has state-of-the-art expertise and networks, which can, and did contribute to initial programme design. The Finnish value-added lies in the area of advice and support for capacity building and not necessarily in funding – as with many different programmes/projects that would be better financed by others with deeper pockets and more particular (private sector) expertise. There are several examples of Finnish added value to the project design; most noticeably the Integrated Waste Management Strategy is one example of the results. In addition, during the fieldwork phase it became apparent that many components of the programme has benefitted from the Finnish technical know-how (water and waste expertise and well as EMS development). The programme between Lahti and BPDM was also said to be a catalyst for a Provincial Environmental Programme between the North West Provincial Government and Finnish Ministry of Foreign Affairs. The Support to Environment and Sustainable Development was implemented from 2002 to 2008, and focused on the strengthening of environmental legislation and administration in the entire province, which in turn also brought various Finnish experts to the Province.

For the Oulu – Tshwane cooperation there seems to be a rather insignificant degree of achievement of planned results, as measured by projects indicators. This cooperation seems to be clouded by a lack of political will and a huge staff turnover in the south. It cannot, therefore, be unambiguously stated that achievements under this cooperation could not have been achieved through a more direct Finnish project type intervention. At the same time there appears to be no doubt that the city of Oulu has state-of-the-art ICT expertise and networks which can, and did in a minimal way so far, contribute to the initial programme design and implementation. Of significance is that there were some difficulties with the 'high standard' and 'advanced approach' to ICT from the northern partner, which at the end of the day led to criticism in the south on the project being 'over ambitious' and 'unrealistic'. At the same time, this situation could have, arguably, been avoided with a stronger sense of political will, cooperation and ownership during the implementation phase from the southern partner. The Finnish value added lies in the area of advice and support for capacity building.

The Raseborg-Makana cooperation does not have any logical framework or indicators in place. According to respondents, the coordinators will work towards the inclusion of a logical framework. There has been no reporting to date. Logical framework is

still to be included in the 2011-2013 Application. The Steering Committee and sector committees have been set-up for coordinating activities and planning, however not functional as yet.

For the Salo – Mbabane linkage it is difficult to establish the level of effectiveness since the degree of achievement of planned results, as measured by very vague project indicators and lack of quality of M&E tools and processes. Annual reports and logframes have been produced as per agreement requirements (but never used in reporting) - however, there appears to be a disjuncture between overall programme objectives/long term goals (intervention logic) on the one hand, and programme/ project activities on the other. In addition, besides the 2007 logframe that appears realistic in terms of separate indicators and sources of verification, the 2008 to 2010 ones are more problematic. Indicators and sources of verification have not only been clustered together as one entity - which is problematic itself, but also reflects no relation to realistic logical framework design. For example, about 90% of the clustered indicators/sources of verification merely refer to a combination of "case studies; physical observation/site visits; monthly, quarterly and annual reports; interviews; home visits and work plan/programme." The fieldwork phase confirmed that most of the above indicators never materialised. This noticeably reflected negatively on the subsequent quality of M&E and reporting activities and the outputs of the project.

Tanzania
As indicated in the applications the overall objective of the Tampere – Mwanza cooperation was capacity building of the cities administrations, enhancing democracy and improving environmental management among others. To a large degree the objectives have been achieved as detailed below:
- Training of teachers has led to improve teaching delivery, improvements in the schools environment and pupils' performance. In general most of the project schools have recorded improved performance in terms of pass rates and ranking. For example, Igoma P/S is among the 20 best performing schools (out of 146) with the highest enrolment and with an average pass rate (standard VII) of 75%.
- Enhanced operational capacity of the fire brigade in fire fighting and rescue operations and the awareness creation and education about fire prevention, fire fighting techniques and handling of hazardous material to community members, private and public institutions. The project also donated a fire engine that has enabled the fire brigade to extend it services to unplanned settlements.
- The environmental management component: Under the forestry project the city's tree nursery has helped beautify the city where trees were planted along all major roads. The greenery witnessed in the hills/rocks of Mwanza city is a result of the support. The approach to solid waste management through the composts project in the project schools provides opportunity for improved environmental management in the city. The schools are used as demonstrations where community members can learn.
- Although it was not easy to ascertain the degree to which the ICT training has

contributed to improved services delivery (which is the objective) the number of staff and residents of the city benefitting from the training has been increasing. The project provided 7 PCs and a printer and through the training the council is also generating some revenue from the ICT training that can be used for the maintenance of the computers.

In the Vaasa – Morogoro cooperation effectiveness of the management arrangements are not clear. In order to ensure a sound and effectiveness management of any programme implemented in the public domain it is more realistic to deal with the institutional level rather than the individual level. The essence of having a project steering committee is to ensure accountability, proper coordination, and efficient / effective utilization of resources. Unfortunately, in this particular twinning the coordinators (focal persons) seem to handle the intervention as a project and not as a linkage between two beneficiary municipalities. There has been a problem since the project inception phase where the contacts were through the respective heads of departments or appointed coordinators. A project steering committee that draws members from different departments and involving political leaders is lacking. This has led to project success depending on the individual's enthusiasm and commitment to the project activities rather than an institutional based demand. It, therefore, raises some doubts whether there were real expressed needs based on existing priorities or some other vested individual interests driving this linkage forward. Problems related to lack of institutionalizing the interventions is the limited cooperation and support accorded to the project coordinator (orphans) from the side of the Morogoro municipal council, limited recognition of the individual effort and sometimes being envied for the recorded achievements. Moreover, the recorded achievements might not be sustained in case the individual is transferred or retires.

For the Kokkola – Ilala cooperation it has just recently started it is too early to make any valid assessment of outputs or results. Moreover, the ongoing projects are still being piloted. The project on environmental education is likely to give most positive results in future as it has some inbuilt incentives in addition to the approach i.e. through the education system but engaging also the community members and private sector. Furthermore, there seems to be focus on a waste management strategy for Ilala municipality that is a clear priority of the council.

The Kemi – Tanga cooperation has only a partial achievement of the intended objectives and mainly in the two components Infrastructure (Jamhuri Park) and Tanga port where at least some tangible results can be seen. E.g. the new building, concrete benches and other facilities in the park and the land allocated for the construction of a new port are examples of this. The Jamhuri Park/Garden project was based on improvements on existing infrastructure and the demand for a new port would obviously have necessitated the shifting of inhabitants, compensating and securing alternative land for them. Most documents indicate the programme objectives as, "to promote good governance, improve city's service delivery by developing new approaches and modes of operation and promote the use of ICT". Looking at the planned and imple-

mented activities it is difficult to see hard evidence of improved service delivery and usage of ICT. Similarly, reported achievements related to capacity building specifically the training of councillors are difficult to verify. For example it is reported that one of the achievements of the councillor training is *reduction of the decision-making time* and *realisation of existing opportunities and how to use available local resources to bring about development*. These would be difficult to verify in any institutional or organisational circumstances and the relative relationship to quality improvements seems to be statements rather than hard verifiable facts.

The overall objectives of the Hattula – Iramba cooperation are poverty reduction and capacity building of the district administrations, enhancing democracy, promoting active participation and improving environmental management. To a larger degree the objectives have been achieved as summarised below:

- There have been vivid efforts of empowerment of women and youth groups i.e. through supporting income generating activities and at the same time training women on basic human rights and gender.
- With regard to environmental management effort have centred on promoting tree planting (tree nurseries) and dealing with solid waste management e.g. refuse transfer, surveying and fencing a dumping site, provision of refuse collection containers within Kiomboi town area.
- Provision of social services e.g. books and other facilities to the district library, clean water in service facilities, a dispensary and staff quarters, hostel for girls students and a classroom for mentally retarded children.
- Cross cutting issues included training and supporting peer educators on HIV/AIDS.
- Promoting active community participation by supporting the bottom up planning.
- Facilitating the survey of plots within the town area and land use planning.

Finally, for the Haapavesi – Bagamoyo cooperation the project provides opportunity for engaging stakeholders from both the public and private sectors (forging collaboration and partnership) in addressing the local economic development needs of the community. This is in line with the public private partnership policy. Unfortunately, it is difficult to see this opportunity being explored because from the 2010 report the initial planning meetings lacked wider stakeholder participation. Engaging with the private sector is not so far clearly seen. Although the cooperation is at its very initial stage analysis of the legal, policy and institutional framework is crucial in ensuring efficient implementation of the programme that the intended overall purpose and objective of alleviating poverty is realised. Moreover a value chain analysis is important in determining who does what in executing either the primary or support activities.

5.4 Impact
Kenya
In Nakuru there has been provision of basic services in the sectors of education, environmental management, health care, culture and infrastructure. Key achievements

have been the synergy created between the education and environment sectors. A good example is the preparation of a localised curriculum on environment and health that are being used by schools – using the Finnish approach. There has also been integration of the composting and development of vegetable gardens at schools by environmental clubs and in the school system. These two interventions have had a multiplier effect as educational authorities and other schools in the municipality have adopted them. Though the project did not have poverty reduction activities per se, other activities that had a social welfare dimension did help reduce poverty to some extent. Classrooms built under the project have significantly reduced congestion at the school that benefited, and improvements have been recorded in student health and academic performance. In Nakuru primary, for example the previous classrooms were mud walled and during the dry season children would have respiratory infections and the incidences of infections have reduced.

Exchange visits between the two partners, resulted in exchange of knowledge, skills and expertise, capacity building, computer training and the colleague-to-colleague exchange visits provided the municipal personnel an opportunity to improve their ability to work in a multi-cultural environment, which enhanced efficiency in the delivery of the basic services. For example, computer skills learnt have improved operations of the council, especially since the council is currently computerising most of its operations. The exchange visits have also led to the introduction of pilot schools that incorporate best practices learnt from the Finnish educational system. There were also attempts at improving cooperation between the municipality and private sector though infrastructure support and training of teachers on financial management by commercial private businesses.

Awareness on environmental issues has been a specific focus in this project. This has been achieved through the establishment of environmental clubs in schools and their expansion to the student's homes, the introduction of sanitary activities in schools (hand washing and construction of toilets), support of CBOs that deal with waste management, establishment of tree nurseries, and through efforts on fencing Gioto dumpsite (which in particular proved problematic)

There is evidence of issues of environment being addressed through composting kitchen gardens and planting of tree nurseries in the schools in 2005-2007. The environment has been a specific focus area of the cooperation since 2008 and the key result areas identified in this respect are the creation of buffer zones for the Menengai crater area and Lake Nakuru national park area, and the development of ecological demo centre concept so as to formulate an ecological management strategy for Nakuru. The general impact has been the increased awareness and focus on environmental issues. There is no documented evidence on the impact of the cooperation on gender equality/equity, or protection of vulnerable groups.

In Nyahururu it is reported that there is better management of both north/south and council projects through skills acquired through capacity building project manage-

ment workshops, participation in steering committee and sectoral consultations, and through the colleague-to-colleague learning modality. Specific areas identified where management has improved are finances and coordination. The development of a tourism strategy is also assisting the council to realise its potential in tourism and is already generating revenue from a main tourist feature - the Thomson Falls. Revenue collection at the Falls is the 4th largest source of income to the council (EUR 30,000 / year) and a good basis for sustainable development of the Falls as well good business to generate financial resources for other sectors. The council has already put up the necessary structures in place with the beautification of the Falls, creation of seating and viewing areas, and the construction of curio sheds at the Falls. Environmental awareness and sustainability are being created through the planting of trees and establishment of a municipal tree nursery and the introduction of environmental clubs and composting in schools. The project also facilitated the development of strategic plans for tourism and environmental components, which are key sectors in the Nyahururu municipal council. The strategic plan will be used over the next five years and might provide for a good guide to the activities in the sectors.

The constructed classrooms have improved the learning environment for the students due to the availability and convenience of learning facilities and obstacles for children's access to education has been minimized. It was also reported that council officers and the construction team have also enhanced their skills and have updated the bill of quantity which will be used in future in the construction of other classrooms. It was, however, noted that this obstacle still exists due to poor access roads to schools that is likely to affect educational performance. The sustainability of such capital projects requires a more integrated approach that identifies and addresses the unique development needs within each project.

Namibia
The Vantaa-Windhoek linkage has demonstrated best practises within a number of policy areas of priority to Windhoek Municipality, especially within activities concerning the community library in the Greenwell Matongo community and development of an Early Childhood Development policy in collaboration with the Ministry of Education. Other important innovations include the SME incubator for young unemployed entrepreneurs and the waste management/recycling project. Councillors have also received training in strategic planning and participation and introduced a youth council. While these activities may serve as inspiration in future city management, there are also question marks about the long-term effects of the cooperation. Strictly speaking, it is not possible to assess long-term impact as no baseline studies are available and no progress reporting based on LFA methods are produced. E.g. the community centre may develop demands that cannot be sustained in the long run and there is no indication of what have happened to the trained young entrepreneurs.

The project has had several components that have impacted on the quality of local service delivery. Most prominently the community library in the Greenwell Matongo, which is very popular among the community and provides free access to literature

and ICT. Other important impacts would include the SME incubator targeting young unemployed entrepreneurs and the waste management component. Independent impact assessments of the components do not exist however. E.g. did the SME incubator lead to better employment opportunities for the young entrepreneurs? This would have to be assessed by a tracer study. There is no assessment of long-term impacts to be found in any reports and without baselines and proper progress reporting impact is difficult to assess.

The community library located in the informal Greenwell Matongo community is one example of service improvement for vulnerable groups, which has benefitted from the cooperation. Further inputs have been provided by Espoo and Helsinki. The SME incubator project aims at reaching disadvantaged/ unemployed young entrepreneurs and has benefitted from exposure visits to Finland, which demonstrated Finnish SME practises and provided training and mentoring from Finnish colleagues, including the Helsinki Business Development Department. Contributions to the establishment of the SME Incubator Centre are also an outcome of the cooperation.

The linkages have potential to achieve lasting local governance results in terms of improved municipal service provision and environmental management strategies, new approaches to participatory planning as well as nationwide regulation of meat processing industries. However, long-term impact with regard to support of new SMEs/training of young entrepreneurs is questionable for a number of reasons, including lack of upstart capital, increased local competition and massive unemployment which may undermine recruitment of suitable entrepreneurs with good potential for succeeding with new businesses.

For the Ondangwa and Keetsmanshoop municipalities the project appears to achieve lasting local governance effects in terms of improved municipal development strategies and new approaches to participatory planning. The council in both municipalities is using the practises introduced by the project. The SME support for young entrepreneurs is more questionable. First of all, can the service be sustained vis-à-vis the budget constraints in Namibia? Secondly, no tracer study of graduated entrepreneurs is available to document the effects of the training. Ondangwa also put forward that while the training was relevant, there is a dire need for upstart capital to support new businesses. Training alone does not ensure development of new businesses. A field study made in Ondangwa and supported by the project points to other pitfalls in SME development support such as increased local competition (Chinese businesses), which sidelines new entrepreneurs and the recruitment of non-trainable students due to the high unemployment of 50% (Parkkali, H 2008). The assistance to the Ministry of Health for drafting a new regulation of meat processing industries could have a national effect beyond the involved municipalities (although strictly speaking this is an activity beyond the twinning concept).

South Africa/Swaziland
Under the Lahti – Bojanala cooperation two officials from BPDM conducted a peer review of the new Climate Programme of the Lahti Region in August-September 2009. "The reviewers got acquainted with the topic, assessed the newly introduced climate protection programme of Lahti Region and gave recommendations on how to improve the programme." In addition there also appears to be good quality mutual peer cooperation between component management groups at both ends. It is also evident that a fairly strong institutional memory exists in terms of the institutionalisation of systems and procedures, and exceptional reporting skills. The programme between Lahti and BPDM was also said to be a catalyst for a Provincial Environmental Programme between the North West Provincial Government and Finnish Ministry of Foreign Affairs. The Support to Environment and Sustainable Development was implemented 2002 – 2008, and focused on the strengthening of environmental legislation and administration in the entire province, which in turn also brought various Finnish experts to the Province.

For the Oulu – Tshwane cooperation there is some evidence of local governance/service delivery improvements especially for vulnerable groups. There is little evidence of crosscutting issues being addressed. Also, the most significant unintended outcome is that the cooperation project under NSLGCP overestimated Tshwane's ICT readiness in terms of state-of-the-art absorption capacity. The only evidence of improved local service delivery lies with the launch of a City-Wide WiFi Hotspot Project (53 Hotspot sites in total), which focused its geographical spread primarily within poverty stricken areas, which shows some form of service delivery improvements for vulnerable groups. How much the Finnish direct financing during 2008-2010 estimated at EUR 260,000 supported this is not clear to the ET.

In the Salo – Mbabane linkage our fieldwork findings suggest that gender issues have been neglected in the planning phase that impacted negatively on overall project outcomes. Beneficiaries and crosscutting issues have not been properly identified as well. However, this project can certainly claim that environmental issues have been addressed, through – for example: a report on the State of the Environment in Mbabane has been formulated and distributed to Mbabane stakeholders. The report is considered an important benchmark for socio-economic developments and environmental improvements. A draft of the Environmental Policy and an EMS framework has been developed for Mbabane, which will ideally serve as a guideline for environmental management and administration. A draft of the Environmental Action Programme to guide the Environmental Policy has also been formulated and the Waste Information Centre is fully functional and beneficial to the public as are the four newly constructed recycling centres..

Tanzania
While there has been quite a number of documented and verified achievements in the Tampere – Mwanza linkage such as ICT training, education, fire brigade and environmental management components, the overall effects of the interventions fall short

of targeting vulnerable/disadvantaged groups and other crosscutting issues including gender and HIV/AIDS. Similarly, effects on governance are difficult to substantiate despite the number of capacity building interventions. On the whole there are quite a number of effects of the programme positive and negative that can be summarised as follow:

- The exchange visits have exposed beneficiaries from both cities to the outside world and different cultures and approaches to service delivery. On the negative side the exchange visits have less value added and increased transaction project costs in cases where they are used as leisure or in situations where translators have to be hired because of having participants who do not understand English.

- Capacity building to the fire brigade has also created a number of challenges including the need to train and or hire additional staff to match the training offered (e.g. divers and rescuers.) equipment for rescue operation, reliable budget for operations and maintenance, etc. Having skilled firemen brings in another challenge of staff retention because of their scarcity in the labour market.

- The environmental management component is likely to have future effects since increased awareness about home composting, waste separation and environmental conservation will highly likely reduce the volume of solid waste and result in improved city's environment. The composts will be used in the schools and small scale farmers engaged in horticulture. Support to forestry though stopped in 2006 has had a number of effects since the activities have been sustained and the green belt zone is in place. The introduction of beekeeping in the two forests (first harvesting expected January 2012) might also contribute to improved livelihood of the community members.

In the Vaasa – Morogoro cooperation achievements and sustainability of interventions is a function of the commitment of the top leaderships and having a shared vision. Unfortunately there is no such commitment or shared vision as seen from the following observations. The council did not make any effort to replicate or upscale the benefits realized from school project and even with the orphans project there are some uncertainties because there are no concrete strategies on the ground. There is no own funding from the government to support the initiative, let alone the fact that the project is not linked with other existing initiatives. Existing opportunities like funding through the Women and Youth Development Funds or engaging CBOs with a view to pooling resources have not been explored.

Apart from the loan facility the project is also meeting the school fees (grant). The loan (max of TSH 250,000) has a rate of 5% interest rate paid within a period of 3 years while the school fees is paid directly to the school (each orphan receives a maximum of EUR 61) of each orphan from primary to secondary and vocational training and it unclear what happens in case the project comes to an end. Moreover, profit generated from the loan facility is either too small (also defaulters) to cater for all educational and personal needs of the orphans whose number appear to be increasing rather than decreasing. Related to this is the number of orphans completing secondary education some of which might need to join higher learning institutions. Lack

of institutional innovativeness is reflected in lack of serious efforts to strength stakeholder participation, review loan amount and interest rate, improve repayment rate and look for alternative sources of funding. Continuous follow up training or capacity building is not done even though new groups are formed and loan applicants are increasing not forgetting also that the few successful businesses cannot persevere without adequate support.

The reported results in Tanga include enhanced community participation as this will lead into the strengthening of accountability and commitment to the projects. Through community participation and involvement of lower local government level reallocation of inhabitants to allow land for the construction of a new port happened without any reported serious problems. Where there is limited participation the consequences have again proved to be negative like in the case of the Jamhuri Park where vandalism was reported.

The NSLGCP intervention appears to have created high ambitions and expectations like the case of the tourism component. Revenue generation (for the council) is often indicated as one of the objectives of tourism component. Even after the negative results of the scientific analysis on the waters of the sulphur springs the city council is still adamant and wants to continue with the project. The same apply to the infrastructure component where the city is now generating TSH 300,000 a month and possibly this has created an incentive to improve the other remaining four parks/gardens using own resources.

In Iramba the overall effects of the interventions are obvious in those projects that touch upon the social and economic life of individuals particularly the vulnerable/disadvantaged groups. The interventions created some hope and made the work of the professional staff relevant/meaningful, i.e. planning, coordinating training, etc. General awareness about the environment and the importance of protecting and conserving nature has improved as witnessed with the tree nurseries and illegal dumping sites, which might be an indication that people are no longer burning or burying solid waste. The Library and the use of this facility have also become very popular by all categories of citizens. With limited financial and human resources the mounting pressure on maintaining the achievement and expanding/increasing the services remain the biggest challenge for Iramba. Over-reliance on external financial support will not lead to impacts and achievements being sustainable.

5.5 Sustainability
Kenya

In Nakuru the capital investments in terms of building of classrooms and repair of the clinic have created sustainable structures that will be used by the community for years to come. The establishment of kitchen gardens in schools and tree nurseries has also created awareness and led to the planting of trees, which should be environmentally sustainable. The project management structures and reporting systems support transparency of the project and contribute to institutional sustainability, as does the

development and ownership of the various strategic documents by in the environment component. Separate councillors' activities have also been introduced in 2011 for political support and stability and include one woman and one male councillor from both the north and south.

There are however some interventions which have not been technologically or financially sustainable. The locals who used and/or sold the fence materials tore down the Gyoto dumpsite fence, which was erected. The municipality is planting a natural fencing. In recent media reports (*The Standard* newspaper of Wednesday, October 5, 2011), the National Environmental Management Agency has threatened to take legal action against Nakuru Municipal Council after it was found that the Gioto dumpsite does not comply with the environmental regulations. A notice was issued to the Municipal Council to among other things erect a stone perimeter wall separating the dumpsite from the main road and to fence the rest of the dumpsite.

The ICT training was planned so that it would be financially self-sustainable in time and the plan was to offer local residents Internet services for a small charge. The Nakuru municipality was however only able to pay for the internet connection for a short period of time and not only are the internet services no longer provided, but also maintaining of the training computers is not self sustainable at the moment. Institutional sustainability as a result of the capacity building efforts is also being affected by the high turnover of staff. On the whole if the twinning arrangement is to be sustainable it is necessary to have more defined twinning criteria and outputs, and better coordination, lesson learning and dissemination of experiences both at programme and country levels.

In Nyahururu the introduction of environmental clubs in schools will instil environmental responsibility in the pupils hence creating continuity and sustainability of environmental management even in future generations. The skills that have been acquired through various workshops, exchange programmes (visits) have built capacity within the staff and the entire institution. The skills acquired through learning from their colleagues and their institutions from the north during the visits, the political leaders and the officers from the south will contribute to enhanced focus on governance. In terms of economic and financial sustainability through this cooperation's capacity building, the council has been able to tap into new areas of revenue generation where structures are already in place. It is not clear how sustainability of the infrastructure developed under this programme e.g. the school classrooms can be maintained and if this clearly falls under the council's mandate. Maintenance budgets are notoriously lacking in any local government budget in sub-Saharan Africa.

Namibia
In Windhoek all project activities are identified with participation of councillors and executive staff from Windhoek. Activities are more or less based on municipal plans and budgets and have low O&M costs. However, serious budget constrains among Namibian municipalities pose a question mark on long-term sustainability and the

replicability of service innovations such as the community centre and the model care centre. Graduates of young entrepreneurs from the SME centre seems not to have been followed by a tracer study and sustainability of such training measures are questionable according to a Tampere University study. It has also been indicated by both cities that future cooperation will only be continued if funding is provided by the NSLGCP. The project interventions do address sustainability issues with regard to skills/capacity in the sense that councillors and staff on both sides responsible for areas targeted by the cooperation are involved in planning and implementation of the project. Fiscal sustainability is enhanced by addressing financial issues at the planning stage (councillor cooperation, early childhood project, training of entrepreneurs) and by focusing on areas of cooperation with low O&M costs. However, planning and budgeting are not very well integrated in Namibia. Furthermore, what is not sustainable at all is the routine under the project of paying coordinators and staff of Windhoek municipality to carry out normal work for delivery of services (e.g. the library). This is contrary to all agreed principles of the Paris Declaration and runs totally contrary to focus on local sustainability of project interventions in the long run, where donors are encourage not to pay for recurrent costs of development projects.

Ownership to project outcomes is to some extent ensured by focusing the cooperation on areas prioritised in existing municipal strategies and by involving both the political and the administrative management level in all project interventions. However, Windhoek like other municipalities are faced with serious financial challenges and long-term funding of service deliveries such as the community centre may not be viable and could create public demands that cannot be met (or replicated elsewhere). Without tracer studies, the sustainability of the SME incubator support is also questionable, while the support to environmental management seems to have ended suddenly without documented outcomes. However, there is a serious financial situation among Namibian municipalities, which have to sustain services from own-revenues (user payments). Some activities like the community centre seems to continue without a fixed exit date meaning that the cooperation project is actually sustaining the activity rather than Windhoek municipality.

The library component is one example where the decentralisation strategy is mentioned. Windhoek and the Ministry of Education have a joint management of libraries in informal communities. This cooperation, assisted by Vantaa, could spearhead further decentralisation efforts in this area, but financial constraints in the municipalities may well prevent replication of such new service initiatives elsewhere in Windhoek and in other municipalities (Swakopmund, Walvis Bay). An in-depth institutional analysis, including risks analyses, does not appear to have been applied when designing this service component. The community library in Greenwell Matongo Area has been a huge success in terms of high demand from the community. The question is, whether the city can sustain the library, let alone replicating it elsewhere, given its strained financial situation. Institutional sustainability is mentioned as an assumption in the logframe (i.e. the city remains 'committed'), but no analyses in terms of long-term sustainability seems to have been carried out and the assumption is not revisit-

ed over the years, only implicitly confirmed in the narrative reporting of component activities.

For the Lempäälä – Kangasala – Ondangwa - Keetmanshoop cooperation sustainability issues are addressed through ensuring ownership among councillors and executive staff when formulating the project and thereby addressing perceived needs and priorities of the beneficiaries. However, serious problems of staff turnover, even among mayors, are experienced in Keetmanshoop and mitigating measures to encounter this problem are sparse. Simple reporting requirements do not exist so there is no written feedback, when employees and councillors return from study visits to Finland. There is also evidence of payment of municipal staff in Namibia beyond project coordination, which threatens long-term sustainability. Municipal budgets are constrained in Namibia and none of the partners would continue the cooperation without funding through the NSLGCP. Project funded staff may risk being fired after project termination and the municipality looses newly gained capabilities. On a positive note, the project addresses cost recovery in water management, which is a major challenge and needs to be managed in order to sustain the water supply services.

South Africa/Swaziland
The Lahti – Bojanala project interventions do address sustainability issues with regard to skills/capacity. Councillors and staff on both sides responsible for areas targeted by the cooperation are involved in planning and implementation of the project. Appropriate training – exposure visits, on the job training etc – seems to be applied. Ownership to project outcomes is further enhanced by focusing the cooperation on areas prioritised in existing municipal strategies and by involving both the political and the administrative management level in all project interventions. Fiscal sustainability is enhanced by addressing financial issues at the planning stage (councillor cooperation, early childhood project, training of entrepreneurs) and by focusing on areas of cooperation with low O&M costs. During the fieldwork phase it became apparent that there is need to address issues around high turnover of 'direct beneficiaries' – particularly councillors. It was also said that BPDM has "lost interest" in the programme which by default reflects negatively on continuity and sustainability.

In the Tshwane cooperation it is highly unlikely that the project satisfies issues of sustainability, both fiscal and human, since the programme: 1) employees and pay for the coordinators; 2) employ and pays for external experts from both north and south; 3) unwillingness from both ends to continue with the cooperation without MoFA funding, and 4) most importantly lacks political will and suffers from a high staff turnover on the southern side. Similarly, gender disaggregated numbers on project interventions/design have not been documented, and the relatively low interest shown to the project over the past 2 years puts a huge question mark over the rationale behind the intervention.

The Salo – Mbabane project has not been fully implemented as per original and annually revised schedules. However, there are signs that sustainability is considered cru-

cial, and that attempts are being made to at least ensure *human* sustainability. For example, one of the main challenges under sustainable development and coping with the urban growth component is Salo's GIS expert's limited command of the English language. In order to counter this challenge, the planning department decided to supplement the colleague-to-colleague cooperation through continuous training in GIS provided by other service providers locally. This will further ensure that prompt backup service is available to the Council when the need arises. In terms of funding, there appears to be particular need for further funding to ensure that the existing GIS are fully operational and maintained.

Gender equality is critical for Swaziland to harness the full potential of all citizens to be able to reduce poverty and achieve the MDG (Goal 3). The Constitution of Swaziland, adopted in February 2006, grants identical legal rights to men and women, but it is widely acknowledged that Swazi tradition continues to restrict women in inferior roles. During 2009 programme staff acknowledged that there is a huge problem to address and promote gender equality within the programme. Reference is made to vast cultural, legislative and political differences between the partner countries in this regard. Subsequently, a study on the background and history of gender equality in politics and legislation in Finland and Swaziland were undertaken in 2009. It also appears that there is lack of capacity and that programme staff have difficulties to address this issue. For example, besides the fact that gender equality is being addressed globally in both developed and developing countries, with a huge pool of best practice and approaches (e.g. the ongoing work undertaken by the UNDP in Swaziland), the programme noted in 2009 that "the aim is to find out the different tools and means of developing gender equality in local authoritative bodies … in 2010 gender equality will be given more attention in all activities … more attention is to be paid that also women can access the training provided in the project. To ensure this, the trainings, for example, will be offered in places and times that allow both women and men to participate."

On the up side it is worth noting that during 2010 Swaziland approved and adopted a National Gender Policy that attempts to address the impediments for women's advance in society. This was preceded by a broad-based national consultative process by the Swaziland Gender Coordination Unit, which resulted in the publication of the Draft National Gender Policy as far back as 2001. This policy significantly strengthens the environment for attaining MDG Goal 3, and obviously the apparent difficulties that this programme appears to face in terms of gender. Of further interest is that the programme documentation is silent on these policy developments, and therefore raises questions on why the programme went to all the trouble during 2009 to undertake a "study on the background and history of gender equality in politics and legislation in Finland and Swaziland,' as mentioned in the 2009 programme progress report.

What further complicates the programme's reasoning in this regard is that the 2008 annual report states, "Since the beginning of the co-operation the partners are now familiar with each other's local government decision-making and operational struc-

tures. This was achieved through the administrative study. The exchange of politicians between the two cities will further enhance this. The two countries have similar approaches to the promotion of equal participation of local residents in public administration especially in the area of gender balance." This raises concern on basic programmatic assumptions and issues such as institutional memory, sustainability, and a lack of planning capacity in terms of appropriate consideration of partner country priorities and policy in project design.

Tanzania

The issue of sustainability has been one of the concerns in the mid-term review reports where over reliance on external financing is singled out as a serious issue in the Tampere – Mwanza cooperation. In the 2009 report it is suggested that special funds will be set aside for operations and maintenance as well as ensuring continuity of the activities. It was difficult for the ET to substantiate this because even the fire engine donated by Tampere was out of order after being due for service for some time. The culture of disciplined budgeting for operations and maintenance hardly exists, possibly due to many other equally pressing needs and demands. Capacity building can also lead to sustainability but one of the challenges is the ability of the council to retain the staff or ensure effective dissemination of the capacity building outcomes. The 2011-213 phase has acknowledged this but concrete strategies for addressing this are not yet in place. Achievements gained from the teacher training activity might not be sustained unless serious efforts are made to replicate them in other schools. Finally, most of the interventions lack strong community participation, which can promote ownership and address the dependency on external financing. Cost sharing can only be realised if community members participate fully and own the projects.

In Morogoro municipality apart from the orphan project there appear to be the problem of planning for activities without considering implications in terms of existing capacity and resources (finance and human) for sustaining achievements gained. There is no indication of any attempt to for example scale up the activities, which were under the education project (the new approach to teaching) despite the teachers who benefitted being still in Morogoro. This reflects lack of innovativeness in the sense that those teachers who benefitted could have been used to transfer the knowledge/skills to others using the existing teachers' resource centres. As for the orphans' project the overall effect has been a more responsive approach to social problems that bring together people from different levels of the local government system. This has provided room for learning more about strategies for community empowerment and the roles that different stakeholders can play. Loan repayment is still a challenge and these being caused partly by the nature of businesses the group members are engaged in (high competition, unreliable market and other risks mainly for food vendors). The arrangement where the loan is managed at the lower local government level (mitaa) has helped to strengthen ability to manage small projects and funds (the loan money), which are deposited in the mitaa accounts. In addition the achievements realised through loans facility has made councillors to exert pressure on the council to cover more groups without considering the size of the capital. They do this certainly be-

cause of their political interests and ambitions to win voters and this risk does not seem to have been identified or discussed under the project – the classic example of 'capture' by local elites in terms of decentralisation.

The amount committed for administration and which is paid to the coordinator has had some negative effect. Some municipality staff members (colleagues) think the co-ordinator does not deserve compensation while others do. This could be seen from a number of sources of evidence e.g. limited recognition of work done, being denied the opportunity to attend the exchange meetings in Helsinki, frequent delays in re-leasing funds, not being signatory to the project account are some symptoms poor relationships. This again highlights the problematic nature of the programme to pay for coordinators.

For the Kokkola – Ilala cooperation it is too early to make any pertinent comment on the overall effect as the project is just getting underway especially where the envi-ronmental education and governance activities are being piloted and some still on the drawing board. There is a lot more to be done in Ilala for the projects to realize the intended long-term goal as some of the areas of intervention like the business devel-opment component is a new area. Strengthening the capacity of the municipality, the need for baseline data and also engaging with other municipalities surrounding Ilala seem to be inevitable if sustainability of interventions is to be ensured.

In Tanga even though not always stated the interventions have in most cases relied on contributions from the north, as there are no vivid in-built strategies for sustain-ability in the project design. For example, out of the total budget EUR 82,614 spent on the construction of the Jamhuri Park, the contribution of Tanga City Council was just EUR 14,743 (about 18%) of the total budget. Tanga has not engaged itself fully in exploring concrete strategies for exploiting other locally available opportunities for ensuring sustainability and even replicating the achievements so far gained. The plan-ning of activities particularly those related to investment should also take into consid-eration strategies for operations and maintenance costs as well as the sustainability of the projects after external support has come to an end. The idea of sustainability is often conceived after the project has been completed like in the case of the Jamhuri Park after outsourcing some of the services it was then decided that the revenue col-lected will be used to upkeep the garden facilities. There is also problem of communi-ty members conceiving the projects as belonging to the city council. Lack of commu-nity ownership is a result of limited community participation, which by default leads to a lack of sustainability of benefits gained. This can also be said of most linkages under this programme.

In Iramba the issue of sustainability has been a major concern in all reports. The problem is not only that of overreliance for external support but also lack of innova-tion and the culture of budgeting for operations and maintenance. For example, earli-est income generating activities have not adequately been followed up to ensure their survival and expansion where possible. The culture of disciplined budgeting for op-

erations and maintenance hardly exists. A visit by the ET to Ndala dispensary revealed that the donated solar panels, which should ensure electricity at the facility have not been functional for almost a year due to disrepair of the panels with no action taken. The same apply to the dumping site where the fence had fallen apart allowing cattle to graze freely in the prohibited area.

6. CONCLUSION
6.1 Conclusion on Relevance

Evaluation Question 1: Does the NSLGCP address the development needs and priorities of the local governments in the context of decentralisation policies and other related reforms in the partner countries?

Judgement Criteria 1.1: Relevance of the programme with regard to the development policy of Finland and partner country

The cooperation projects must be able to link the contribution of the Programme to poverty reduction and the UN MDGs, which have to be clearly specified in the local government co-operation processes and all activities must be designed for the achievement of that objective. This is a requirement of the Programme. The OECD developed a set of guidelines back in 2001, and stated that the aim of development partners working together on poverty reduction are as outlined in the statement below.

> "Development co-operation will support goals and priorities as set out in national strategies for sustainable poverty reduction, which should be country-driven, participatory, comprehensive and results-oriented. To ensure ownership and sustainability, the development community should be moving from agency-driven to country-led activities, creating space for partnership through integrated programme, project and sector-wide support. Key priorities for supporting the implementation of partner strategies include resources for capacity-building, institutional reform and broad participation of local partners". (OECD 2001 p.12)

The key finding of this evaluation has been that policy relevance can be found in most linkages as objectives and outputs in principle fall within the overall policies and strategies of both partner country municipalities and overall Finnish development policy. However, in the analysis of the various linkages the ET only found that very few activities have anything to do with systematic poverty reduction and MDG work in as far as it concerns issues of capacity building, institutional reforms and real broad-based participation of local stakeholders. Simply working with, and through, local governments in the developing countries does not constitute poverty reduction. This type of work needs careful planning, analysis and execution over and above what has been demonstrated as key elements of the cooperation within each linkage. Maybe the bar could have been set lower if the Programme had focused on more modest development objectives and increased focus on MDGs in the activities supported in cooperation countries.

The 2005-2007 NSLGCP Programme Document's (MoFA 2004b) development objectives are: "to create a sustained modality for co-operation between the Finnish and

Southern local governments, and within this framework to strengthen the capacity (human and institutional capacity) of local governments to carry out their tasks and obligations in the South and the North. In addition the programme intended to promote coherence between the national Finnish development policy and the co-operation relationships created at the local level." Of significance here is that the 'intention' was there: "… to promote coherence between the national Finnish development policy and the co-operation relationships." However, the ET finds that NSLGCP failed to respond to the explicit 2004 Finnish development policy goals in terms of a stronger emphasis on poverty eradication, and democracy and good governance. There is very little evidence from any of the analysed linkages of any kind of governance or poverty assessment laying down baselines in the countries where the NSLGCP is operational. It also seems that on-going Finnish support to other development assistance in the cooperation countries have failed to inform the work carried out under the linkages. This reflects negatively, not only on NSLGCP design and focus in terms of policy compliance/coherence, and its implementation modalities, but also on the oversight role of the MoFA in terms of NSLGCP's design and operationalisation at the time, since the issue of 'policy coherence' was high on the agenda.

2007 was a critical time for all NSLGCP partners/applicants to adjust, adapt and respond to the latest Finnish development policy initiatives in terms of its rather significant shift and new outlook on international development cooperation. According to the *2008-2010* Programme Document (MoFA 2007d) a changed formulation in terms of the overall objective of the NSLGCP is: "To strengthen the capacities of local governments to provide basic services and to promote good governance and local democracy, all by taking into consideration the principles of sustainable development." The *2011-2013* Programme Document (MoFA 2010) also has a changed formulation in terms of overall objective: "To strengthen the capacities and responsiveness of local governments to provide good quality basic services, good governance and equal decision making opportunities in order to reduce poverty by improving the well-being of local residents and promoting sustainable development." In general therefore policy coherence is based more on statements of intent then on the actual work carried out and this will also be discussed in the sections below.

Judgement Criteria 1.2: Quality of dialogue with partners and beneficiaries

In the context of the NSLGCP some other goals identified for Finnish development co-operation (crosscutting themes like environment especially) seem to be more directly relevant and have been addressed through the work carried out in Tanzania, Kenya and South Africa especially. In fact, some of the more effective partnerships seem to be between relatively well-off, or urban local governments (e.g. Vantaa – Windhoek, Tampere – Mwanza and Lahti –Bojanala), and operate in areas that are not directly focused on poverty reduction. Focusing on these goals makes it easier to base the linkages/processes on the value added of specific partners' mutual interests and specific resources and related to service delivery.

What has furthermore highlighted the issues of policy relevance is related to the fact that there doesn't seem to have been agreement from the beginning on the purpose of the NSLGCP within the MoFA and for that matter ALFRA. This has led to a constant pull and tug between the two and in the end has led MoFA to demand more policy coherence and objectively verifiable programme indicators. The need for more realistic or achievable objective and purpose is one of the key questions that has been the recurrent theme of the various reformulations of the Programme document and therefore also the need for a strategy and policy guideline which targets local government support in general. This has been lacking, as there are very few clear policy statements in the overall Finnish development policy on the role that local governments play or can play in terms of local governance and decentralisation. Local governments all over the world struggle with service delivery challenges on a daily basis and these don't always relate directly to poverty reduction but maybe to more mundane issues such as traffic safety, fire fighting, solid waste management and enforcing local market regulations depending on the specific mandates of local government in that given country. This is maybe where the Programme has tried to cover too much ground with too limited resources.

Judgement Criteria 1.3: Relevance of the NSLGCP to the partner local governments, especially in terms of their interests and strategies related to local governance

One can therefore conclude that over the past ten years the NSLGCP has attempted, and in some cases succeeded, in addressing local government priorities in partner countries by having a practical hands-on approach to improved service delivery at the local level especially within education and environmental issues. What is questionable is if the local governments are mandated to work with primary and secondary educational issues (in Kenya and South Africa this is the prerogative of provincial and central government). Support to local democracy, or good governance, through councillor training and exchange visits have an impact at the individual level as exposure to other system and methods can be an eye opener but the realities of local democracy and good governance are very different in sub-Saharan Africa. Most sub-Saharan countries have democratically multi-party systems in place but a single party practically often dominates these, which has been the dominating party since independence. To work with these issues in a meaningful way one has to have a good grasp of the political economy issues not only at national but also at local government level. This is something, which makes development cooperation so challenging, and one where the need for established embassy presence is paramount to guide the cooperation processes.

6.2 Conclusion on Efficiency

Evaluation Question 2: Is the NSLGCP management structure adequate for efficient implementation of the programme, including sufficient quality assurance and control, and is it conducive to efficient achievement of the purpose and objectives?

Judgement Criteria 2.1: Cost-efficient management and resource allocation

The ET has noted previous MTRs views on the management arrangements of the AFLRA and the AFLRAs and MFAs own views on the subject. The MTR in 2007 (MoFA 2007a) said: "The current Programme co-ordination staffs of AFLRA have good academic education and seem to be hard working and dedicated, but lack field experience in development project administration. Without adequate guidance and setting of priorities by more experienced staff, their time resource is not used efficiently. According to the knowledge of the MTR team, even though AFLRA has amble expertise and experience in local governance issues, its expertise in development co-operation and field experience in developing countries is rather limited. It is crucial that this shortcoming is rectified in the possible second phase by seeking the necessary expertise from outside, when needed. As MFA is not in a position to provide such expertise for the Programme, it must be sought from elsewhere. One possibility is the Department of Regional Studies at the University of Tampere, which has considerable expertise in both local governance and the African context. It would, however, also be useful to keep the Finnish Embassies in the partner countries informed about the Programme activities in the country. In all three embassies visited by the MTR team, the contact persons indicated interest to follow the Programme more closely in the future."

It seems to the ET that this statement made back in 2007 is still valid as far as the Programme coordination staffs is concerned. It is also evident from the above summary of findings in all visited linkages that intentions for cooperation and development are good and valid but that execution of the activities often demonstrates the Finnish municipalities' and AFLRA's lack of understanding of the underlying development dynamics in the various regions, counties, cities and towns.

There is no doubt that the NSLGCP reporting, application, and budget formats have evolved and improved over the full programme period. Especially later versions of the annual reports and the project MTR reports have a lot of information and data. However, while this is often linked to the intended objective or result of the cooperation almost none of the reports reviewed seem to report on indicators as specified in the Programme Document or the cooperation agreement logframes. A lot of funds have been spent on training and formalising this logframe approach under the Programme. This has been confirmed through the field visits and the document review. Why then is the logframe methodology not consistently applied throughout the twinning cooperation reports? The answer to this question lies maybe in the fact that the logframe approach is too complicated too far removed from the daily practices of

both northern and southern partners. It could be that a more limited and practical approach would have worked if just reporting on some limited key indicators had been agreed on from the start.

The level of budgeting and accountability has a lot to be desired in terms of systematically applying good budgeting principles and clear accountability as well. The cooperation linkages cannot be compared on specific budget lines such as personnel/salary costs, administrative costs, travel costs and activity costs. Actually the ET was surprised to find that a Programme that had a 10-year history did not have a single overall report from the Programme management side that summarised what exactly are the Programme expenditure for the overall Programme management and what are exactly the overall administrative costs under each cooperation linkage and then summarised in a single user-friendly table. The ET has tried to do this but has simply given up due to the lack of consistent application of these terms and budget lines in the linkage annual reports. Most of the linkages have also transferred funds directly to the southern LGs and separate accounting for these funds should be reported in separate annexes to the linkage annual reports. The ET did not receive any of these reports for review and overall expenditure on these funds is not reflected in the annual report statements.

4 full time staff in AFLRA is in line with the 20% overall administration limit but it doesn't seem to be justified in terms of workload. Most reporting and actual work is carried out under each cooperation linkage and besides overall administration, perusing applications, organising meetings and some training and general M&E mostly in Finland, the ET doesn't see that administration of the programme merits 4 full time staff in AFLRA. Almost all examples in all linkages show that anything from 40-70% of linkage cost are taken up by administration, travel, per diem, salaries for coordinators in south and north and salaries of personnel hired to do work under project activities in the south. This means, as already stated earlier, that maybe as much 40-50% of all programme funds are used on implementation (administration, coordinator salaries, travel, per diem, salary compensation of Northern civil servants) and this does not in any way show favourably on a programme that professes to address poverty reduction as it's overall objective.

Judgement Criteria 2.2: Available resources transformed into agreed activities with intended results, in terms of quantity, quality and timeliness

Some of the criticisms levelled at the Programme are that it seems that support under the Programme is fragmented and therefore difficult to see what kind of consistent impacts the Programme has as a whole. Very high transaction costs for the relatively small amount of support and a lot of administration costs at both ends of the cooperation doesn't improve on this picture, and this also emerges clearly from the fieldwork findings. The growing budget of the Programme has been used for more visits between cooperation municipalities, i.e. more LG officials have become involved in the Programme, and investment in small-scale infrastructure and equipment has

also taken place. However, the results and/or impacts of the growing number of visits are hard to detect and the Programme has remained more or less the same for 10 years. This makes it difficult to see how AFLRA or participating municipalities want to develop it and what the vision for the future might be. No end date for the linkages can be found and no exit strategy is discussed anywhere in the documentation of the Programme.

The Programme has been plagued from the beginning – as most development projects experience – delay in implementation and non-utilisation of budgets. This can of course be explained from the fact that the Programme has tight yearly application processes, which make it difficult to plan effectively for implementation over a longer period. This has to some degree been offset by the fact that the individual linkages have been able to bring forward unspent funding from the previous year to the new financial year within the 3-year Programme phases that has been prevailing until now.

The fact that southern coordinators and assistants, even office staff, and actual personnel of the LGs in service delivery units are paid out of linkage costs run contrary to all recent international agreed principles of good development cooperation and the Paris Declaration as well. For example in Tanzania almost all donors (including Finland) have signed up to a recent letter sent to the Chief Permanent Secretary of Government by the representatives of the donors, reiterating that Government and donors should work towards limiting the number of external implementation units and that donors refrain from paying salaries and other recurrent costs of government officials/civil servants. The letter also states that when Government officials are invited for project/programme activities like training, seminars and meetings that they are paid according to Government per diem and travel rules. This does not seem to be the case in all linkages (the ET didn't have time or resources to verify this in detail but the on-going performance audit by KPMG should be able to verify if national rules are applied in the audited linkages).

6.3 Conclusion on Effectiveness
Evaluation Question 3: Has NSLGCP achieved its objectives (purpose, results/outputs)?

Judgement Criteria 3.1: Projects achieve planned outputs, which lead to expected results

Some of the programme purposes and outputs have been reached and a number of intended outputs but also a lot of activities never got implemented. Activities are, as shown in many cooperation linkages, very scattered and lot of small budgets for incremental activities leaving the impression of activities that fit the purpose of the linkages and not the purposes of the southern municipalities. Furthermore, the cost of implementation has been relatively high and this does not fit to the programme objectives of poverty reduction and sustainability.

Some positive outputs can be seen under various cooperation linkages, namely the training of the Fire brigade in Mwanza, the establishment of the Library in Iramba and Windhoek, trying to address the issue of orphans in Morogoro, the establishment of the Jamhuri Park in Tanga, ICT-Innovation in Tshwane, solid waste management in Ilala, and influencing the school curriculum on environmental issues in Nakuru and Nyahururu. So examples can be found of results but we have also found in Tanzania that the fire engine in Mwanza is not working and the solar panels at one dispensary in Iramba are not functional any more. This is the classical example of NGO type work where you give with good intentions but you don't ensure that the municipality is able to maintain these donations properly through maintenance budgets.

However, having said that, we all know that inter-municipal cooperation or exchange is a multi-faceted issue. Capacity building is however loosely used as a term that can cover any activity that is related to training, travel, information sharing, networking and so on and therefore hard to pin down what exactly the cooperation linkages want to achieve with this. The cost of coordinating the relatively small amount of activities – whether training or planning or simply exchange visits - taking place under the linkages is also prohibiting as shown below:

- For both the Kenyan linkages for the years 2008, 2009 and 2010 out of allocations of roughly EUR 80,000 to EUR 95,000 per year in both linkages more than 50-60% is taken up by salaries (mostly Finnish coordinators salaries)
- In Vantaa/Windhoek for 2008 (and it's the same for 2009 and 2010) the coordinator alone takes EUR 38,520 for a yearly salary out of a linkage of EUR 118,259. The administrative/salary part all together is EUR 81,639 in that year of 2008.
- Omaruru cooperation linkage is basically all salary and admin/travel - EUR 98,443 out of a total budget of 110,605 in 2010.
- The Ondangwa yearly reports don't make it possible to see how money is spent. In 2009 alone EUR 314,000 was granted and the yearly report makes no breakdown of the usage of this enormous amount of money.
- All cooperation linkages have totally unrealistic calculations (using the word calculation is already misleading) of own contribution as this is set at anything from 10-20% and all that is mentioned is office space, voluntary work, meetings etc, which NO one can verify at all. Not one single cooperation linkage has put any of its own money forward under the cooperation. The fact that own contribution is mentioned from the southern side as well is also not verifiable and is mostly calculated from fixed assets of the southern municipalities (office space, investments etc), which in a development project cooperation is hardly an own contribution since this is not directly linked to the cooperation project but part of the direct functioning of the municipality.

This means that there is serious overspending on salaries (and salaries are paid in both north and south for coordinators) and administration costs compared to outputs. It could also mean that up to or even more than 50% of TOTAL programme costs are taken up by salaries/administration costs. The programme reporting is very uneven and incomplete and actually leaves a lot to be desired. Money it seems is also sent to

southern partners with very little detailed reporting on the utilisation of funds to be found anywhere in the reports that ET have perused. All of this points to the fact that any achievements that might have been accomplished by the Programme fade into the background of a hazy mist of poor reporting which is not results oriented, administrative costs that are extravagant to say the least, and ownership of the cooperation which is doubtful.

Judgement Criteria 3.2 Degree to which project implementation reflects the best practice of project cycle management

The logframes with indicators exist for the Programme Document from 2005-2007 onwards but are (especially at the objective level) often statements rather than measurable indicators and have no before and after scenario that makes it impossible for an external evaluation like this one to make any realistic assessment of Programme impact. The report format from NSLGCP/AFLRA for cooperation partners does include reporting on objectives and activities but it seems from the documents reviewed that the logframe objectives / results / indicators are not used consistently as a reporting reference, and most reports sent by the municipalities involved with cooperation projects include a lot of narrative with very little focus on outputs/indicators. Furthermore, the ET could not find a lot of reflection or analysis in the last two MTRs regarding Programme impact on the output / indicator level and also how realistic the set goals and results are. The NSLGCP was expected to promote coherence between the official Finnish development policy and the co-operation relationships created at local level.

The ET also notes this following statement from the 2007 MTR (MoFA 2007a): "The team considers Results 1 and 2 generally valid, while under Result 3 the emphasis would seem to be too much on "tailor-made guidelines, training, information and research", given that in most African partner countries various national programmes and projects have already produced adequate studies, guidelines and training packages for decentralised planning, service delivery and project administration while the problem lies more often in their effective dissemination and implementation. With regard to programme-specific guidelines, the MTR team is not fully convinced that the very complex and often repetitive instructions, checklists and guidelines provided by the AFLRA constitute the most efficient way to manage the Programme". This view is fully shared by the ET and is even more relevant in many countries (good examples are Tanzania and South Africa) now where governments (supported by donors) have worked with local governments to develop public financial management guidelines as well as local government administrative procedures manuals including issues such as capacity building and human resource development.

Judgement Criteria 3.3: Degree to which Finnish LGs specific expertise brought value added to the Finnish development cooperation

The Development Policy Committee's 1st Statement to the Government in 2005, cautioned that: "It is essential to remember that the concept of Finnish added value has

not yet acquired an established content and its use in various forums should be specified. On the one hand, it can refer to preference of Finnish actors when development cooperation projects are carried out, and, on the other hand, to the lessons that have been gained from the social history of Finland and their application in development cooperation. The Finnish development policy thinking does not underline the "export" of Finnish models by the Finns. Another point that should be born in mind is that Finland has much to gain for itself in this cooperation. The Committee is of the opinion that, for example, the Finnish openness and equal dialogue between different actors in society are positive ways of action that Finland can use also in development policy… Another example that can be viewed as Finnish added value is the development of our welfare society. Effective labour market relations are also among the core factors in the history of our society. Our effective administration can provide basic education and a host of different alternative paths for high standard further education. Health care services and the infrastructures necessary in society are provided through funds collected in the form of taxation." (MoFA 2005)

During 2006, the MoFA concluded that: "Finland's own historic economic development, the values created by it, and Finnish know-how, provide Finland with a good opportunity to bring added value to the international debate concerning economic growth and the reduction of poverty. The growth in the international debate is largely due to the fact that in the Poverty Reduction Strategies of an increasing number of countries supporting poor nations, the creation of employment-based economic growth is defined as the most important way of reducing poverty." (MoFA 2006)

The Synthesis Evaluation from 2010 – *Evaluation of the Sustainability Dimension in Addressing Poverty Reduction: Synthesis of Evaluations* – describes the current dimension of Finnish added value, which is one of the features depicted in Finnish development, as: "distinctiveness" which characterised the Finnish way of conducting development cooperation. Finnish development cooperation performance is based on values derived from Finnish society, including respect for human rights, social and gender equality, good governance, and democracy. Finns were appraised as technically skilful, efficient, professional, and with a high level of education. The way they interacted was open and listening, with respect for reciprocity and participation. Finns were characterised as neutral brokers, having good intentions, being honest, flexible, and concentrating on the issues at hand. The special areas of Finland's added value included forestry, energy, environment, water, information technology and innovations." (Caldecott et al. 2010 p.24-25)

The results of the fieldwork case studies also suggest that Finland's development interventions are usually in line with local needs and were generally focused on areas where Finland possessed added value such as projects dealing with environment and water sector management as well as education. Finnish added value (as opposed to any added value by any partner) is as demonstrated in the above statements a rather loose concept. It could easily apply to any of the Nordic countries as well as other European and North American countries. However, it seems that a lot of the linkages

have received advice and inputs from the northern partners on relevant technical and social issues. But only a few of the visited linkages talked about mutual benefit in this technical exchange and that the supply driven nature of the Finnish technical support some times didn't match the needs or interest of the southern partner (Tshwane and Bojanala linkages in South Africa come to mind as examples of this situation).

6.4 Conclusion on Impact

Evaluation Question 4: What are the overall effects of the NSLGCP intervention, intended and unintended, long term and short term, positive and negative?

Judgement Criteria 4.1: Programme impact on the quality of local governance

The cooperation projects have to some degree suffered from lack of efficiency of budget implementation, reflecting slower than expected planning process as well as delays in actual implementation. This was found both during the 2007 and 2009 MTRs. It seems that existing systems in the Southern local governments and their weaknesses have not always been properly assessed and made use of. Using and strengthening existing channels of financial (and other) administration in the partner institutions is one of the key principles of Finnish development co-operation, and should be followed when feasible. It wasn't clear from the many visits with southern partners if proper financial management procedures were followed in the handling of NSLGCP funds.

The exchange visits exposed personnel from the municipalities to new cultures, better understanding of globalization and issues of global concerns. This might in future shape peoples' thinking on how best to approach development issues and problems both at local and international levels. But it remains personalised and not institutionalised. It is also likely that the twinning will create opportunity for joint business ventures. Linking the cooperation interventions with other related projects or programmes could add more value to the development efforts and avoid duplicating efforts. Transparency about other ongoing / planned interventions, activities, budgets and sources is important if the cooperation is to supplement the efforts or fill existing gaps in technical knowhow.

However, relevance is often not enough to also ascertain that activities are in line with municipality mandates and as is the case with support education curriculum development. It is not clear that this is principally a mandate of the southern municipality (this is not the mandate of the municipalities in Kenya and South Africa). This means that the unintended effects of good intentions is that cooperation activities might end up being done in isolation and even good ideas like the environmental sensitisation of pupils is not carried forward if the national policy making body for education is not aware or involved in these efforts. At least this is something that needs to be better understood if in future northern partners want to have more impact of their support.

The Vaasa – Morogoro cooperation linkage raises some specific questions. The linkage is mainly based on an individual's knowledge of and previous work experience in Tanzania and it seems that there is very little support from the municipality management. The issue of lending is not unique to the project as it is also common to many other projects across Tanzania but credit schemes mostly target farmers or business people – not foster parents who probably live in some form of poverty or close to poverty levels. However, there are some good intentions in the sense that initially a grant was offered to foster parents to meet the education, health care upkeep of the orphans as well as supplement the foster parents contribution. The less innovate part is transforming part of the grant to a capital for loans to the foster parents, and disadvantaged groups (women and youth). From local governance point of view the administration of the loan facility by elected representatives at Mitaa level in Morogoro also puts into question the usefulness of this and the potential risk of being captured by a particular party or elite in the district. This would at least warrant an assessment of the local governance implications, which the ET could not find.

Political commitment is widely accepted as the *sine qua non* of effective democratic decentralisation, and especially of forms of decentralisation and local governance that are specifically geared to the interests of the poor. Successful pro-poor decentralisation is associated with governing parties that are politically committed to the democratic empowerment of local governments, which is not always the case in any of the visited cooperation countries. Yet it is essential to consider the wide range of issues that influence decentralisation and local governance. There is a need for a stronger focus on institutional issues, both the rules that influence the behaviour of actors at different levels of government, in the private sector and in civil society, and the organisations that implement those rules, is increasingly evident. This broader agenda has led to an enhanced focus on accountability and capacity and that this has strong implications for project design and policy dialogue. These types of analysis and assessments are lacking in the case of NSLGCP and this hampers impact of Programme activities. Finally, it must be reiterated that the ET can't make bold or systematic statements regarding Programme impact due to non-consistent reporting on Programme output and indicator level.

Judgement Criteria 4.2: Programme impact on crosscutting issues

From the summary of the findings from the cooperation linkages it is safe to say that the crosscutting issue of environment is by far the issue that has been dealt with in most linkages. This goes from environmental management issues in Kenya, South Africa, Namibia and Tanzania to environmental issues being introduced in curriculum of primary schools in Kenya and Tanzania – all seemingly relevant activities and with a degree of impact. However, the issue of gender is hardly addressed anywhere in the linkages and certainly not in a systematic way.

As demonstrated in the linkages in South Africa that have a higher degree of technological sophistication some relevant impacts have been reported in the field of envi-

ronmental management and ICT technology and management. However, what seems to hamper any longer term impact is the political commitment to the linkage from the South African side. Newly elected politicians have other priorities and this means that the interest for the linkage becomes very much supply driven. The ET's meeting with SALGA clearly demonstrated that their policy guidance and advice to municipalities in South Africa on any twinning linkages was the emphasis on mutual benefit and not only a focus on Finnish added value or technical support.

6.5 Conclusion on Sustainability

Evaluation Question 5: Will the benefits produced by the NSLGCP intervention be maintained after the termination of external support?

Judgement Criteria 5.1: Sustainable activities

For AFLRA sustainability is linked to low financing and the fact that EUR 100,000 per linkage is too low for the amount of needed activities. They don't seem to have any time limit on the linkages and no principal idea of how long a cooperation linkage should go on for. AFLRA would prefer that funding is continuous as an instrument like the NGO funding and not a programme approach with limited funding frames and yearly applications.

The linkage cooperation will only continue as long as NSLGCP funds it. This is clear from interviews with nearly all stakeholders. Beyond project termination, project results must be sustainable within the means and capacity of municipalities. This has not been the principle whereby many of the activities of NSLGCP have been implemented. **Sustainability** is not only linked to monetary inputs, but also to capacity building / development of staff versus organisations (focusing on more permanent municipal staff like teachers and fire fighters seems more relevant then municipal staff). The key question of the linkages having a specific end date is one that is linked to analysis of an exit strategy and sustainability after cooperation termination. Development work is normally limited and focused on a reasonable time frame and not work without an end date. The ET didn't find any evidence of this at all in the NSLGCP documentation.

AFLRA, and its international networks, see these cooperation arrangements as having added value, which they believe is supported e.g. by the findings and outcomes of a recent conference organised by the United Cities Alliance. One of the outcomes of the conference is that local government associations in developed countries are being challenged to collectively coordinate their capacity building interventions with developing country associations so as not to duplicate their development assistance. Coordination of capacity building and training is a huge challenge in developing countries since capacity building is an integral part of almost all donor assistance programmes/projects. Often these initiatives and strategies are developed at central government level and not always evenly implemented at local government levels. The multitude of capacity building approaches and overlapping training being offered, not least for

public financial management matters. This has been a major concern for some years among donors, as training related costs and per diems are a key salary supplement for many civil servants in developing countries, and often take them away from their jobs for quiet some considerable time.

Capacity building through sharing experiences, peer reviews can contribute to new innovations or approaches to social and economic services delivery but the capacity to translate the shared experiences into tangible activities or project should also be considered; or capacity building which can be reflected in lowering the transaction costs of service delivery. Among the negative effects of the programme include the dependency for support even for minor activities in the south e.g. ICT, office running costs, salary supplements, external expert inputs and very little use of national expertise. Also providing incentives (allowances) for undertaking activities which are part and parcel of the individual's normal duties creates aid dependency rather than sustainable development, particularly when only a few are seen as benefitting from the project.

Judgement Criteria 5.2: Integration of cross cutting objectives of promotion of gender and social equality and human rights in the design and implementation

While issues of social equality have been addressed in some cooperation linkages it is hard to find any relevant mentioning or analysis of human rights and gender issues. If these issues are not addressed at the design stage it is certainly not possible to address development issues in a sustainable manner during implementation. Especially women rights are relevant for ensuring a degree of sustainability in local level development in Africa.

The management of the loan fund in Vaasa – Morogoro cooperation has been devolved to grassroots level (Mitaa level which is the level just over the village level in Tanzania) where orphans and foster parents can easily be identified. However, the capital is very small and so is the loan amount for any business (TSH 250,000 or EUR 100) and the interest of 5% payable within a 3-year period. Furthermore, there has not been any strategy to consolidate or coordinate with other similar efforts. For example there is the women and youth development funds or the condition that each LG is required to set aside 10% of own budget for women and youth groups.

Other NGOs are also involved in similar activities but no coordination seems to exist with these activities. The kind of businesses qualifying for the loans is a challenge e.g. charcoal selling and food vending, which are full of many risks. The municipality has not carried out any research or studies on say institutional mapping or social economic appraisal of local economics. Even though there was training of the loan recipients the training was very brief and inadequate and there has never been follow up. It is questionable to institute loan schemes for social services in any country and especially in poor rural areas of Africa. One final challenge, which is not mentioned at all in the cooperation documents, is the fact that political interests at local level can hijack

the process of identification of the foster parents and that the Mitaa loan committees favouring certain groups (social relations or political pressure) lack any kind of transparency. This demonstrates how very well intentioned schemes or projects that want to address social inequality can run into problems when all the factors have not been taken into account.

In answer to the question of sustainability of the Programme activities after the termination of the Programme the ET finds that there is no evidence that this is the case. The predominating supply driven nature of the Programme also gives rise to several questions of a sustainability nature – donations with no maintenance costs ensured in municipal budgets, capacity building / development for the individual rather than the organisation, lack of political commitment to the cooperation and therefore little ownership, experimentation with loan schemes in the social services field, linkage coordinators that are not municipal staff members and therefore risk being isolated and mere low level administrators instead of champions of international cooperation within the municipality itself.

7. RECOMMENDATIONS AND LESSONS LEARNED
7.1 Recommendations

The previous section summarised the findings and conclusions to these findings in relation to the performance of the NSLGCP and the answers to the EQs. Furthermore, the discussion of the overall performance of the NSLGCP in terms of key areas of focus for the Programme of poverty reduction, working with good (local) governance, the role of Finnish embassies in delivering development assistance, Finnish added value and the critical assessment of some key AFLRA/NSLGCP internal reports (Annex 4) all showed that the NSLGCP does address a number of key development challenges identified as priority areas for Finland. There are areas where Finnish municipalities and experts have added value to the partners in the south especially under traditional strong Finnish technical fields such as education, social services and the environment.

However, the ET has found that the work carried out under the NSLGCP in terms of poverty reduction and good governance is ambivalent at best and totally lacking at worst. Ambivalent because the stated objective of the Programme is poverty reduction that is a lofty goal for most development assistance and hard to measure if not tackled at design stage and throughout implementation. Lacking because for a Programme of this nature with focus on poverty reduction and sustainable development it does not reflect kindly that up to or even more than 50% of total Programme funds are spent on administrative and salary costs. Very few investments actually seem to be sustainable without outside support, namely the fire engine in Mwanza, the solar panels in Iramba, the ICT equipment in Nakuru and the library in Windhoek as the most prominent examples. How to focus in on poverty reduction and local development and at the same time ensuring sustainability? These are some of the key lessons that donors have been accumulating over the past 30 years in project and programme sup-

port especially at the local level and which in the end brought about the formulation of the Paris Declaration principles.

There is little evidence to date in available studies and literature that either democracy or decentralisation is necessary for poverty reduction in rural or urban areas, and indeed some evidence that they are counter-productive but also a growing focus on the linkage between service delivery and decentralisation. However, there are cases where especially three conditions have been met and seem to favour local poverty sensitive development: an appropriate balance between autonomy and accountability; constructive support from external actors; and a commitment to democratic deepening. It is worth building on these conditions because democratic activity is not merely an instrumental good it could also lead to intrinsic benefits for the rural poor.

The OECD Report 2004: Decentralisation and Poverty in Developing Countries, Exploring the Impact states that:

"The empirical evidence on the impact of decentralisation on poverty is mixed. In roughly one third of the case study countries reviewed, decentralisation has helped to reduce poverty through either increase in participation, decline in vulnerability or improved access to services. However, no positive impact could be identified in the majority of the countries. On the contrary, it appears that in some of the poorest countries with weak institutions and in post-conflict situations decentralisation has had a negative impact. This study finds that the decentralisation process is more likely to have a positive impact on poverty if the central government is committed to the purpose of decentralisation, the involved actors have the capacity (financial and human) to participate in decision making, checks and balances are established at local level to control for rent-seeking and corruption, and policies — internal and external — are sufficiently coherent with the decentralisation policy". (OECD 2004 p.22)

The available evidence confirms that increased participation and better accountability can result from democratic decentralisation, and that these substantive benefits should not be underestimated. A poor record on service delivery to date does not rule out the scope for improved equity and efficiency outcomes. Rather, the challenge is to identify the conditions, methods and approaches under which increased participation in local governance is conducive to enhanced equity and efficiency of services and therefore lead to poverty reduction. As mentioned many times throughout this evaluation aspects of governance and service delivery have been part and parcel of the cooperation linkages but that local participation and stakeholder consultations have seemingly not been an integral part of the planning and implementation of NSLGCP activities.

The central question of whether decentralisation is an effective means of fighting poverty cannot be answered with certainty in all cases. The findings of this evaluation are also ambivalent at best about the impact the NSLGCP has had on poverty reduction and local governance processes. At worst the impact is not measurable in that it

presents itself as the overall objective of the Programme but in reality almost no outputs or even activities can be linked to poverty reduction and local governance. This is not necessarily a negative reflection on the participating municipalities and their work, but rather an ambivalent programme design that has set too lofty and unrealistic objectives.

When it comes to capacity questions this is often seen as the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner. Capacity development (CD) is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. A capable and accountable state supported by an effective civil society and private sector is essential for achieving the longer term development goals – such as the MDGs – as well as other national development objectives. It is fundamental to long-term sustainable development, and hence also critical to aid effectiveness. Without well functioning organisations and a well performing human resource base in both public and private sectors, there is little that financial resources alone can do to address poverty in a sustainable manner. The NSLGCP has tried to work with capacity building / development issues at both the overall Programme level but also under individual linkages. At the Programme level training has been carried out for both project cycle management (logframe approach and SMART indicators) as well as on gender and other issues. Training has also been carried out under each linkage but more in some than others and it is not clear what the outcomes of this training have been. The logframe training has led to applications having logframes in place with some degree of SMART indicators developed but it was not matched by linkage reporting following the attainment of indicators and outputs.

Capacity development issues are of the utmost relevance for decentralisation and local governance processes. Substantial funding is often set-aside for different forms of CD related to decentralisation and local governance. However, experience from various donor agencies and recipient countries show that overall effectiveness and impact of CD often leaves much to be desired. There are basically four main issues to consider in this connection:

1) **Avoid fragmented ad-hoc approaches**: This lesson follows logically from the need to see decentralisation as a comprehensive reform process. Specifically there is a need to focus on i) fully integrate the political nature of CD; ii) respect the legitimate role of the different actors throughout the assistance cycles (central/local government, NGOs, CSOs and private sector) and combine the support; iii) improve methods and tools to forward institutional change processes.

2) **Adopt an empowerment approach to institutional development**: In cases where this has been adopted, this has led to impressive achievements in developing local capacities. The key aspects of this support is to: i) start from the local governments and not impose standard formulas for planning and management; ii) accepting that any change process is incremental; iii) reinforcing the willingness to change aspects; iv) injecting discretionary funding into local governments to encourage learning by doing; v) introduce incentives for good per-

formance and penalise non-performance and vi) take a medium to long term horizon.

3) **Focus more on the demand side**: Often CD approaches are supply driven (conceived, planned and implemented by donor agencies). It is recognised by a growing number of actors that there is a need to focus on the demand side of CD to better map CD gaps. The task is therefore to encourage the local actors themselves in identifying their needs/gaps.

4) **Give responsibilities to local structures**: Increasingly with the Paris Declaration donors are called upon to limit the use of parallel implementation structures and align themselves with government and let them be responsible for CD. This principle is of course context specific and in some cases temporary structures might be needed to further implementation of a development project. (Olsen and Tidemand, 2006)

The overall findings and conclusions have led to the below mentioned recommendations of the ET on the options available for MoFA in terms of the future of the NSLGCP in no order of priority. However, it must be stated that a continuation of the Programme in its present form is not an option for the ET.

Option 1
Continue the programme but use the remaining 18 months to phase out the on-going Programme and reformulate a new Programme based on the following principles:

1) Administration of the Programme should be reduced to an overall level of 7-10% for ALL administrative costs including linkage administration and overall coordination staff for the Programme should not excide 2. It could be explored if in future the administration of the Programme could be carried out by a private company and / or semi-private entity based on competitive bidding. This does not exclude AFLRA from competing for such a management contract.

2) No salaries or compensation should be paid in any way or form to southern coordinators or staff in municipalities. Salary compensation for northern coordinators should be based on the principle that exists under the Swedish Municipal Partnership Programme administrated by ICLD with a system of reimbursement of a limited number of hours used for coordination based on audited time sheets. Some administrative compensation for the southern partners could be included.

3) The present administrative procedures under the NSLGCP are perceived as being overly bureaucratic, with many applications and notes going back and forth between AFLRA and MoFA for approval even if it is only small issues. There is therefore a need to simplify the administrative procedures. Clear guidelines need to be issues on what a linkage can expect and a negative list be drawn up with what cannot be funded under the Programme.

4) The cooperation linkages should have own contribution of at least 10% in monetary terms. The current system is too supply driven and only if partners put their own money into a cooperation will they also have the incentive to

maintain, build and potentially expand the cooperation into something with mutual benefit.

5) Any research or study that has to be carried out in future should be openly advertised in all Finnish and international media and relevant WebPages so that tendering is cost effective, transparent and professional.

Option 2

Change the programme concept to a system like the NGO application system run by the MoFA or open up the local cooperation funds (LCF) at embassy level for this type of twinning. The stated objectives under both the LCF and the NGO frameworks are very close to the existing objectives of the NSLGCP, and it becomes a professional administration assessing the applications and successful applicants and it will have a 3-year funding window and planning window to work within.

1) Change the programme concept to a system like the NGO application system run by the MoFA. The scrutiny of the applications is retained within the MoFA and serious linkage partners will have to demonstrate soundness of cooperation concept and activities and reporting that is based on clear guidelines and instructions.

2) LCF could provide an avenue of funding for future linkages if the guidelines were amended. This would then have to be adjusted so that only Finnish embassies and missions located in the cooperation countries have the chance to include LCF funding for linkages.

3) The present LCF cannot be given to the public sector (government, ministries and public offices) so exemptions would have to be formulated if the municipalities are to qualify.

Option 3

End the Programme by phasing it out during the remaining period 2012/13 and commence a dialogue with AFLRA and its membership on the future of Finnish municipalities in development cooperation. AFLRA would like to see this kind of development activity having a more permanent status in the MoFA funding arrangements. AFLRA also like to have a wider geographical scope for the linkages and not be bound by focusing on Africa and the need to have a Finnish embassy in the linkage country. The dialogue could also include other key development stakeholders such as CSO and NGOs so as to broaden the scope of the discussions and to cover other key areas of development assistance, which link to local governance and decentralisation. The main idea behind the dialogue is to find a common ground and understanding of the utility of this type of cooperation and what the role of various stakeholders in Finnish development cooperation see as their particular role and comparative advantage.

7.2 Lessons Learned

1) Programme management arrangements need to be spelt out clearly and fully in the design of this type of programme. The twinning approach has left too much room for interpretation of what exactly administrative costs – salaries

and other recurrent costs – could be included under the Programme both in overall Programme management and also under the individual linkages. This unclear state of affairs has led to too much confusion between the AFLRA Programme Management Team and the MoFA officials charged with following the implementation of the Programme. This clear guideline should also apply to the municipality own contribution that should at least be 10% cash contribution to the twinning linkages. This would ensure a less supply driven nature of interventions and more focus on mutual benefits. It would also lead partners to discontinue cooperation that was not in their own best interests.

2) When AFLRA both manages the Programme and is charged with looking after the best interest of its membership, the same members that benefit from the cooperation linkages, this is a potential conflict of interest. This means that programme management is best left to "independent" outside agency that can better broker and audit linkages and ensure that reporting becomes more professional and in tune with modern international project and programme reporting.

3) Capacity building is notoriously difficult and any programme or project addressing capacity building issues need to have a more analytical approach to this. Therefore, in future more thorough training needs assessments and capacity building options should be identified before these are funded. There is also a need to ensure that nationally developed manuals, standards and guidelines in cooperation countries are consulted and used in this process.

4) The logframe approach has its limitations when applied rigidly to smaller cooperation linkages. This is clear from the evaluation of the linkages that all struggle to apply the logframe in the design of applications and in the subsequent reporting. It would be better if reporting formats and routines already in place in both northern and southern municipalities is adapted and used for this type of cooperation.

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ANNEX 1: TERMS OF REFERENCE

Evaluation of Finnish Support to Development of Local Governance

1. Background

The evaluation is composed of two sections, one of which is dealing with the cooperation via the Association of Finnish Local Regional Authorities (AFLRA) and the other section dealing with programmes directed towards local government capacity building and decentralization. The second section constitutes a wider context to the programme of AFLRA) to help understand it special added value among development cooperation modalities directed to the local governance sector. The local governments have a pivotal role in the development of local democracy and as the source of services as well as in the local economic development. There are a number of local governance development programmes initiated by the central government institutions and supported by donors. In the case of AFLRA programme the essential issue to investigate would be to see, how this programme is able to complement these other development programmes, and how the AFLRA programme could be developed, in terms of working modality, its governance, and geographic area of operation to better serve the development goals of the Finnish government in the important sector of local and regional development.

1.1. Local Government support via Association of Finnish Local and Regional Authorities - AFLRA

The Ministry for Foreign Affairs has supported the development programme of AFLRA since the inception of the concept in 2000. The budgets of the subsequent phases have been:

> 2010-2011 (18 months) 3.5 M€ and another optional 18 months 3,5M€
>
> 2008-2010: 5 million EURO (€)
>
> 2005-2007: 3,935 M
>
> 2002-2004: 1,17 M€
>
> 2000-2001 (preliminary phase): 84.463 €.

The overall duty of AFLRA is to ensure smooth implementation of the programme. The funding provided to AFLRA can be used in the overall administration, quality development and coordination, advisory, information sharing and training activities, monitoring and review/evaluation, programme development, including development of training materials, and implementation of necessary reviews, financial management, and compilation of annual and final reports. Funding can be used also to cover the immediate administrative expenses, travel, fees of experts, auditing and similar necessary activities. There is a 20% ceiling to the administrative expenses of AFLRA.

AFLRA' s role in the implementation of the programme has been that of an overall coordinator and for the participating municipalities a source of expert services in administrative and governance matters. AFLRA also networks with other European Associations of local and regional authorities as well as with the European umbrella

organization of Council of European Municipalities and Regions (CERM) and other related international organizations with regard to development and local government matters. The current programme staff in AFLRA Finland includes three and a half staff members.

The implementation activities take place between the North-South linkage partnerships between municipalities. In 2009, there were 16 of such linkages, out of which five were in Tanzania, four in Namibia, three in Kenya, two in South-Africa, one in Swaziland, and one in Ghana (Uusihalaka, Liviga & Sihvola 2009: Mid-term Review of the North-South Local Government Cooperation Programme).

The partners must be local or regional governments, which are not eligible to other forms of Finland´s development cooperation funding. The areas of co-operation may cover sector, which are under the mandate of the partner local governments, such as social services, health, education, technical infrastructure, environment, culture, library and economic development. The overall condition is that local governments contribute in their respective fields towards the overall goals of Finland's development cooperation, including poverty reduction, combating environmental threats, equality, rule of law, human rights, good governance and conflict prevention.

To avoid fragmentation, the activities in any of the cooperating local governments cannot be extended over more than three sectors. The average amount available per North-South linkage has been about 100.000 euro. All activities and associated procurement must follow the principles of good governance and laws of the respective country.

The programme focus is in Africa, despite the recommendation by the mid-term review (2009) of widening the scope into all ODA-eligible countries. Preference is given to African countries in which Finland has an embassy. In other countries, activities can be implemented by separate permission of the Ministry. A new component of cooperation between AFLRA and the southern Associations of local governments is currently at the drawing board and the final outcome of the process is subject to being approved by the Ministry.

The current agreement (decision of support) between AFLRA and the Ministry is dated 31.12.2010, which stipulates in broad terms the contents and modalities of cooperation. The actual operational plan is developed on the basis of the programme document. The division of labour between the Ministry and AFLRA is such that AFLRA, after hearing the views of the Ministry, makes the decisions on allocation of funds to the North-South linkages. Three annual discussions between the Ministry and AFLRA are held to monitor the progress made, the selection of activities and the quality assurance work performed by AFLRA. Both the Ministry and AFLRA have three representatives in these meetings.

1.2. Results of the 2009 Mid-term review of AFLRA`s programme

The mid-term reviews of (2004, 2007, 2009) the programme have assessed the overall performance of the individual linkages and projects by the collaborating local governments. The objective of the latest mid-term review of 2009 was firstly, to analyze the capacities of the participating Finnish municipalities to perform cooperation of this kind. Secondly, the review assessed the operational practices of the programme against the criteria of efficiency, effectiveness and sustainability of results. A major message of the mid-term evaluation of the 2008-2010-programme phase was that the success of the programme depends on the quality of cooperation between the Northern and the Southern municipalities. The mid-term review identified three key areas where improvement are needed, namely:

1) The programme must respond to stated needs for cooperation;
2) Tangible results must be identifiable, and
3) The results must show some value added drawn from current implementation modality, which is based on the use of Finnish experts.

The annexes to the mid-term review elucidate further the background to these three areas of concern. Conspicuous is, for example, that the responses to the questionnaire show low degree of demand for the individual linkages and poor degree of response to the needs of the local governments. Curiously, the programmes did not originate from the needs of the Finnish local governments either. These results undeniably raise the questions of "whose interests?" and "whose priorities?" the programme tries to respond to? What are the reasons for low interest by both the Southern and the Northern pools of municipalities? On the other hand, when looking at the survey figures in regard of usefulness of cooperation, the situation is slightly smoothened. Weaknesses in the above three key areas were largely attributed to weaknesses in the programme documents. Moreover, responsibilities of the respective parties involved have neither been clearly defined, nor have the beneficiaries been identified.

Another clear message from the 2009 mid-term review is that the programme has been too ambitions in its objectives and results setting, as compared with the resources and capacities available in the South and in the North. The programme is divided into too small individual projects, which are scattered in a number of countries and locations. This mode of operation has led to a situation where the small budgets were used for travel, the purpose, objectives and outcomes of which have not been clear at all. Controversially, the mid-term review contemplated that it might raise interest towards the programme should the geographic scope of it be widened to include all ODA -eligible countries.

The 2009 review gave seven recommendations, including that the programme should be continued with another 3-year phase. Yet, the project plans should be improved to include, among other issues, detailed description of the immediate beneficiaries and results of the planned activities. It was also recommended that the support should be planned to focus on the needs expressed by the Southern partners. It was noted that there was an overall vagueness in the expression of details of the plans, budgets, and

reports, as well as in the fee or remuneration policy, and overall system of allocation of resources. The review concluded that peer learning from similar programmes of other donors would be beneficial also in simplifying the programme guidelines. The mid-term review recommended delegation of some programme management responsibility outside AFLRA. Also the role of the Advisory Committee and the Embassies of Finland should be revisited.

1.3. Significance of local government and governance in the overall development policy and cooperation of Finland

The programme of AFLRA is not the only development modality by which Finland supports the local municipality level of governance. There are or have been targeted programmes dealing with public sector reform, decentralization, governance, and local governance, being implemented, for example, in Kenya, Namibia, and Tanzania. The long-term programme in Nicaragua has recently come to a close. In addition to specific targeted programmes on local government, many of the sector-specific development cooperation programmes supported by Finland, include significant elements of capacity development at local administrative level. A number of such programmes are implemented in countries, where the North-South local government programme of AFLRA is active.

2. The Current Evaluation
2.1. Rationale and Use of the Evaluation Results

In line with the recommendation of the Quality Assurance Group on 19.11.2010, the Ministry for Foreign Affairs of Finland decided to divide the 3-year mandate of AFLRA´s programme into two halves, so that during the first 18 months a comprehensive evaluation would be undertaken to look at the validity of the concept of this programme, its connection to the overall goals of local governance development, relevance, effectiveness and impact, and value added in terms of the overall capacity development goal and needs of the local government level in the cooperating countries of Finland. Moreover, it was considered essential to evaluate the current management structure, administrative procedures, the programme planning, and the operational machinery of AFLRA's programme, to assess its value added and efficiency as a conduit towards the greater goals of the Finnish Development cooperation, poverty reduction, building of good governance practices and capacities of the partner institutions and organizations at the local governance level. Similarly the issue of the geographic area of operation would be to be examined.

In the subsequent discussions between the respective Unit of the Ministry, responsible for the administration of AFLRA's programme, and the Development Evaluation office of the Ministry (EVA-11), it was decided to widen the scope of the evaluation to cover also the analyses of other types of local governance support either as separate support programmes or as integrated components in sectoral or other programmes. The analyses of the wider context was considered necessary in order for the Ministry to be able to assess the special niche of AFLRA' s programme and its comparative advantage, and for the Ministry to be able draw conclusions on the cur-

rent implementation modality in the wider development context. This issue being of particular importance as there has been some ideas put in the fore for developing the AFLRA programme into a development instrument specific to local governance development. The feasibility and realism of such an idea should be examined against the overall assessment of the AFLRA programme and administration as it is now.

The results of this evaluation will be used to readjust AFLRA's programme. Moreover, the results will be used in further development of local government support in programmes where the capacity of local government is of decisive significance in the furtherance of the objectives of the programmes, and in the overall context of good governance constituting one of the undeniable enabling factors for sustainable development.

The need for a wider assessment of the capacity development of local government level is supported by results recent comprehensive evaluations carried out by EVA-11, which show that local government capacity is of pivotal importance in the furtherance of the poverty reduction goal and in the protection of the most vulnerable members of the society. Moreover, the local government level development cooperation has never before been evaluated, except at the level of individual projects.

2.2. Scope of the evaluation
The entire lifetime of AFLRA´s programme [2000-2011 (2013)] is the one of the two specific focus areas of the current evaluation. The other section of this evaluation will be the selection of 10 (or so) programmes in which the local governance level support to development will be assessed to serve as the context for the AFLRA's programme.

The scope of the evaluation is planned in such a way that it will facilitate the Ministry's positioning in defining the importance of the development of the local governance, local democracy and service providers at the local level, as well as in the development of local economic development. At the central government level there are donor-supported processes of decentralization. It would be essential to examine, how the programme of AFLRA at the moment complement or how it could be developed to complement these processes. Currently there are specific interventions being implemented in the field of local governance by the support of Finland. Also in many sectoral programmes, local level governance is in a central role. The evaluation will study a selection of thematic or sectoral programmes, part of which are focused on the issue of local governance and part of which are other programmes which require local government involvement and capacity or are implemented at the local municipality levels.

The evaluation will include an intensive desk study focusing on the available documentation on AFLRA's programme and on the other programmes selected to be included in this evaluation. The document study will result in a draft report, which will also outline the issues and gaps of information that need to be examined at the field level. Already at this point of time, it is foreseen that there would be visits to four-five

African countries where AFLRA's cooperation has been going on for a longer period of time. The other programmes in which the local government level support will be examined will be chosen so that the field visits coincide with the AFLRA -component. In such a way synergies and complementarities of the different programmes and AFLRA's programme can better be studied at the field level. The countries to be visited are Tanzania, Namibia, Kenya, and South Africa, possibly also Swaziland.

The period covered in the case of AFLRA, will extend to the beginning of the cooperation, including the initial inception phase 2000-2001 and the subsequent phases of implementation. The evaluation will also study the current programme document covering the intended programme until the end of 2013. As for the other programmes to be studied, the most recent five years, or two latest phases, including an on-going one, shall be investigated (starting around 2005 to-date).

There will be an analysis of Finland's development policies concerning support to local governance and concerning the furtherance and the used modalities to promote good governance objectives at the local authorities level. Moreover, the evaluation will look at a limited number of programmes of other donors (preferably like-minded donors of Finland). The evaluation will also peruse the policy level statements at the international and the EU level of Finland concerning the issues of local governance, its significance in sustainable development and governance as a cross-cutting objective in Finland's development cooperation.

Moreover, the evaluation will assess the work of AFLRA within the context of the networks of similar associations and within the context of the European umbrella organization. The particular value of networking will be assessed against the objectives placed by the Ministry on the overall development cooperation via AFLRA.

The evaluation will assess the following levels:
1) Policy frameworks (Finland, and participating countries; global frameworks)
2) Basic concepts
3) Implementation modalities (*inter alia*, initiatives of cooperation, partners, roles and responsibilities, geographic coverage)
4) Monitoring, tools, reporting, and modalities of drawing lessons learned
5) Governance of the programmes (including, roles of different parties, decision-making)

The results on the evaluation of AFLRA's programme needs to be kept clearly as a section of its own, albeit the results will be reflected within the overall context of the wider evaluation and amalgamated in the overall conclusions and lessons learned of the final evaluation report.

The evaluation includes perusal of document material, part of which will be made available to the evaluation team as hard copies or stored in a flash drive. However, it is the responsibility of the evaluation team to ensure that further retrieval of archived

and other documents necessary will be available to the team. It should also be noted that some material might only be available in the archives of the embassies of Finland, thus becoming available during the field visits. Thus, the evaluation team should be prepared to perusal of such material in addition to that available in the headquarters of the Ministry.

Special provision to the Scope
Should the component of the local government / governance study of sectoral and theme – programmes show that a more in depth and specific further assessment would be necessary to make the evaluation study useful for the development of cooperation of local governance, the Ministry may request the evaluation to be extended to cover a wider examination of this component. However, such a decision will be taken only at the time when the preliminary results of the current desk and field phases are available for discussion. At this point of time there is a need to point out the issues and gaps, which would require further examination for a meaningful overall result of the evaluation. Should the extension of the local governance component be decided upon, the scope and budget of it may be no more than 40% of the current evaluation. A direct procurement possibility from the service provider of the initial two-thronged evaluation may be utilized, should both parties so agree.

2.3. Objectives and Purpose
<u>The purpose</u> of the first component of the evaluation is to achieve an external expert view on the performance of AFLRA's programme in terms of the origin of the programme contents, working modality, implementation, roles of partners at different levels, and decision-making, all being reflected against the objectives of the programme and within the overall context of the goals of Finland's development cooperation in local government and governance.

<u>The purpose</u> of the second component is to achieve an independent external view on a restricted scale on the state-of-the- art of Finland's support to local government capacity and to the furtherance of good governance and local governance as a mainstreamed objective in development cooperation. It will also constitute the context to the AFLRA' s programme assessment.

<u>The objectives </u>of the evaluation are two-fold, namely to achieve
1) a better understanding of the value and validity of the concept of AFLRA´s support among the development cooperation modalities of Finland, directed to the level of local municipalities;
2) a wider knowledge of the state-of-the-art of and the need for inclusion of the level of local government and governance development in the development cooperation programmes overall, and the special signifance of local government capacity in the furtherance of the wider development policy objectives of Finland.

The specific objectives for AFLRA' s component will help:
1) The Ministry decide on the future of AFLRA's programme;

2) Understand possible alternative ways of achieving the objectives of the current programme;
3) Improve the governance and decision-making of the programme; and
4) Develop the implementation to better respond to the capacity development needs of the partners.

3. Evaluation Issues and Questions

The evaluation will apply the development evaluation criteria of *relevance, effectiveness, efficiency, sustainability, impact, coordination, coherence, connectedness, coordination, complementarities, and Finnish value added.* The assessment of *crosscutting objectives* will be integrated in the assessment of any of these criteria. – In the following some introductory questions have been compiled. However, the evaluators should not restrict themselves only to these questions, but assess the programme in a comprehensive way against the purpose, objectives and specific objectives of this evaluation as stated in section 2.3. In this work the evaluators will use their specific expertise to construct an evaluation matrix with specific questions, judgment criteria, indicators and sources/ways of verification in order for them to address the issues raised.

3.1. Component of AFLRA' s programme

The programme of AFLRA will be assessed against the following criteria by using the introductory question, but not restricting only to them. The evaluators will use their own expertise to supplement the questions with additional dimensions of the criteria or even add to the criteria if deemed necessary taking also into account the levels of examination as stated in section 2.2. (Items 1-5).

Relevance
- What is the origin of the programme activities?
- Does the programme as a whole address the development needs and priorities of the local governments in the context of decentralization policies and other related reforms in the partner countries in Africa? Is the programme up-to-date as for addressing the acute issues in this field?
- Is the programme relevant to the Finnish local governments, especially in terms of their interests and strategies related to international cooperation?
- Has the situation (needs, priorities, other related processes) changed since the design and approval of the initial programme concept? Is the concept still valid? Are there alternative ways of achieving the purpose and objectives of the programme?
- Is the programme relevant with regard to the development policy programme of the Government of Finland?
- Is the current structure of the Programme the most feasible one and is the current system taking into consideration the law on Finnish state subsidies?
- Is the current geographic coverage optimal for AFLRA and for the development of local government?

Efficiency

- Is the programme management structure feasible for efficient implementation of the programme and does it ensure sufficient quality assurance and control?
- Is the programme design conducive to efficient achievement of the purpose and objectives of it?
- Has the programme been managed and administered in an efficient manner? Is the allocation of resources conducive to cost-efficient management and implementation of results?
- Are the human resources attributed to the programme used in an efficient manner?
- How well have the various activities transformed the available resources into the intended results, in terms of quantity, quality and time?
- Can the costs of the intervention be justified by the results?
- Is the programme planning efficient taking into account the average budget of 100.000 €/municipality link.

Effectiveness

- Has the programme achieved its objectives (purpose, results/outputs)?
- Is the quality and quantity of the produced results and outputs in accordance with the plans, how the beneficiaries and other intended stakeholders apply the results/outputs?
- Are the results/outputs making a contribution towards reducing poverty and inequality, and promoting sustainable development?
- Is the effectiveness (results) regularly monitored, assessed and reported against objectives, and set result targets? Does the monitoring and reporting include also the crosscutting objectives? What is the quality assurance measure exercised, and do they ensure results-oriented reporting?
- Significance of networking activities in promoting the effectiveness of the programme?
- How does the AFLRA implementation modality compare with the other modalities of local governance capacity development?

Impact

- Has progress been made towards achieving the overall objective(s) of the programme?
- What is the overall poverty, inequality and sustainability impact of the programme, intended and unintended, long term and short term, positive and negative?
- Do the indicators for the overall objective show that the intended changes are starting to take place? In whose lives are the poverty, inequality and sustainability impacts starting to make a difference?
- What are the overall effects of the intervention, intended and unintended, long term and short term, positive and negative?
- Was the programme document design conducive to results-based monitoring and identification of impacts against the set objectives, including the cross-cutting objectives of equality, HIV/AIDS, democracy, rule of law and alike?

Sustainability and Connectedness

- Does the programme concept promote the sustainability of the processes and benefits of the intervention in the long run? What are the possible strengths/weaknesses/opportunities/threats that enhance or inhibit sustainability? The analysis shall be broken down by economic/financial, institutional, technical, socio-cultural and environmental sustainability. Will the benefits produced by the intervention be maintained after the termination of external support?
- Management systems for unexpected risks? Measures to deal with failed assumptions? Exit strategies?
- What was the role of participatory planning in this programme?
- How the cross cutting objectives of promotion of gender and social equality and human rights were integrated in the design and implementation of the programme?
- Was there any consideration of HIV/AIDS in the context of local governance/government?
- Was the role of local governments in the acute issues such as food and water security or in the promotion of livelihoods, economic development of the poor, private-public partnerships and alike taken into account to any measure?
- Is the AFRLA implementation modality optimal as an instrument for local governance development? Could it stand as a development instrument of its own in the field of local governance and government development and capacity building?

Coherence and Complementarities

- Assessment of coherence in terms of the development policies in Finland and in the partner countries, between activities implemented at the local governance level
- Are the principles of Paris Declaration on Aid Effectiveness taken into account in the programme concepts and its implementation? If yes, how does it express itself?

Connectedness

- Context analysis of each linkage – has it been done?
- Vulnerability of achievement of objectives to changes in the implementation context?

Coordination

- Is there any mechanism of coordination of the programme with other development programmes touching upon local governance development?
- Any mechanism(s) to coordinate with other similar programmes by other donors or by the NGO-sector?

Finnish value added

- Is the programme concept such that it brings about the Finnish added value? How the Finnish value added has been concretised?

- Could any alternative support modality be considered to achieve the specific value added?

Cross cutting issues
- Is the programme concept such that it can effectively address cross cutting issues of the Finnish Development policy i.e. gender, HIV/AIDS and vulnerable groups.
- Are environmental and climate change objectives addressed effectively in the programme?

3.2. The other Section of the Evaluation

The major question to be assessed here is, whether the sectoral and theme-based programmes address overall and to which extent the level of local governance and the need for development of capacities of local governments. The following overall questions will be assessed against the evaluation criteria listed under the chapeau section 3. Also here additional criteria may be used should it be considered necessary by the evaluation experts.

The assessment will include:
- How does Finland position itself internationally and in the context of the European Union in questions pertaining to local government and governance development and its role in the overall development context? Position in the current process of Non-State Actors and Local Authorities of the EU?
- The development policy of Finland, and how it addresses the issue of local governance, decentralization of decision-making and the capacity development needs within the context of a number of sectoral and theme programmes and project interventions? Is policy guidance clear in terms of when such considerations should be taken into account?
- How are the principles of Paris Declaration being implemented at the local government / governance level?
- Project and programme plans, do they address explicitly the issue of involvement of local governance / government as contributor to sustainable development goals? Are there any specific objectives or results attributed to local government capacity development or local governance development in cases were clearly the implementation of an intervention does require action / involvement of local government, but in which the major theme and focus of activity is somewhere else?
- Do the terms of reference of intervention identification and design include assessment of the full vertical range of levels, from the high national policy level to the municipality and local governance levels? Any gaps? Participation of local governments in the identification and design process in cases where implementation touches upon the municipality and local administrative levels?
- Are there any specific role assigned to local governance in the achievement of cross-cutting objectives of development interventions, such as HIV/AIDS, gender and social equality, protection of the most vulnerable ones, and/or in the

wide global issues, such as climate change, natural disaster preparedness, food and water security, or similar?

- Are there any achievements at the local governance development level, which may be attributed to support by Finland and/or to which Finland clearly contributed in this area in any of the countries included in this evaluation?

4. Approach

The approach to the two-thronged evaluation task will be participatory and forward looking with an aim to drawing lessons from the past experience for the benefit of future planning of development cooperation. The approach will be further developed and elaborated in the inception report by the evaluators.

The lessons learned from the two sections of the evaluation will be used to construct a more comprehensive picture of the significance of the local governance level in sustainable development and poverty reduction and in the furtherance of the cross-cutting objectives, including good governance.

5. Sequencing and Deliverables

The evaluation will be sequenced into the initial, desk, and field phases, and the respective deliverables.

1. The *Kick-off meeting* of the evaluation will be organized in June 2011 (target date no later than 27.06.2011). The meeting is organized to discuss administrative matters, the evaluation process and timing, and the contents of the terms of reference. The evaluation team will prepare a preliminary *start-up-note* to this meeting, which already clarifies the initial approach and thoughts of the evaluation team. Such a note will also facilitate and expedite the formulation of the inception report.

2. *Inception phase* will follow, and will take about three (3) weeks (target date 18.07.2011). The deliverable is the *inception report*. The report is subject to being approved by EVA-11

3. The *desk study phase* will follow. The desk phase will include perusal of the material on AFLRA from the year 2000 to-date, and also on the other development interventions (estimated to be a total of 10 interventions) from around 2005, or the two latest phases of implementation.

   The desk study phase is estimated to take about six (6) weeks. It will produce a *draft desk report*, which is organized so that AFLRA's programme will constitute a clearly a separate section or part of the report, and the other intervention their own section, however, so that there will be an amalgamated *crisp synthesis of the overall results of the desk phase*.

   The draft desk report will have a particular *section of inception report and work plan for the field phase*. This section will identify the countries and the subjects of field visits and justify their choice. As indicated earlier in the ToR, synergies must be sought so that field visits for the two sections of the evaluation, the AFLRA one and the other interventions section, will target the same countries.

   The draft desk report will specify the further information needs, which must be

sought by means of interviews and through the field visit. EVA-11 will approve the desk study phase.

The delivery of the combined draft desk report / inception section for field visits will be no later than 29.08.2011.

4. *The interview phase of the evaluation* will follow the desk phase. It will take about 10 days in Helsinki. The interviews will be performed so that the evaluation team will identify the persons in the Ministry they wish to interview, and EVA-11 will inform those concerned in advance, before the actual contact for appointment will be done by the evaluation team. The evaluation team will also provide EVA-11 the specific *interview questions in advance*. EVA-11 will forward them to those to be interviewed. Group interviews of suitable combination are always preferred to save time and to ensure horizontal sharing of knowledge.

5. There will be *a discussion or a conference call* between the evaluation team and EVA-11 prior to departure for the field visits. In this discussion the evaluation team will *precise the questions and information gaps* that they will try to clarify in the field. It should be taken into account also that the embassy archives may contain valuable additional information.

Prior to the field visit EVA-11 will inform the embassies of Finland in the countries concerned of the itineraries of the evaluators and the composition of the respective teams. EVA-11 will also make introductory letters to be forwarded by the embassies to the necessary authorities for smooth running of the field trip to the evaluators.

The field trip is expected to take about three weeks, starting during the week 37, and being completed no later than the week 40. The field trip can be organized so that the evaluation team will divide itself to groups which visit different countries, but which have harmonized the approaches and questions between the sub-teams.

The *evaluators will brief the respective Finnish embassies of the most important findings*.

6. After return from the field trip, there will be a *meeting or a conference call* between the evaluators and EVA-11 to discuss the most important findings, and possible additional information needs.

For such a discussion the evaluation team *will prepare a power point presentation* of main issues.

7. The draft final evaluation report will be prepared after the field visits in two separate volumes. One, which need to be delivered without delay after the field visit, is dealing with the section of AFLRA`s programme. The other part that deals with the other interventions and an overall synthesis analysis of both sections can be delivered after the completion of section on AFLRA.

The draft final report on AFLRA`s programme should be delivered about two weeks after the return from the field trip, no later than 21.10.2011. It will be subjected to comments, which will be delivered to the evaluators by 31.10.2011.

8. After receipt of the comments, a separate final report on AFLRA´s programme will be submitted within two weeks, and no later than 14.11.2011.

9. The combined draft final report will be prepared, including the AFLRA –section and the section on the other interventions examined, as well as the overall analyses of the local governance support as elucidated by the two sections.

10. The combined draft report with the synthesis of all findings will be delivered no later than 5.12.2011. After a round of comments, which will be delivered to the evaluation team by 15.12.2011 the final combined report will be prepared.
11. The final combined report on the two sections and with the common synthesis will be delivered no later than 30.12.2011.

NOTE: The above tentative time schedule will be discussed with the evaluation team and adjustments can be made if necessary. The Ministry requires the results on the evaluation of AFLRA, however, no later than what is indicated above.

In preparing the reports, the instructions to the authors of the evaluation reports of the Ministry must be followed in the compilation of the draft final and the final reports. It is advisable that already the draft desk report will follow these instructions.

It is also advisable that the entire evaluation team will commit themselves to follow the writing instructions from the very beginning to save time and effort in the final editing of the report, which must be ready –to-print quality as delivered in its final form. Care should be taken for the references and the abbreviations to be accurate.

The reports are delivered electronically to EVA-11 in word format, except the final report, which will be delivered both in the word and in PDF formats. Instructions have been included in the contract of the service provider (contracting party) to inform the evaluation team accordingly.

The quality assurance team will assess the final report against the EU's evaluation report quality assurance criteria. The *quality assessment report* will be submitted to EVA-11 as a separate enclosure to the final evaluation report.

EVA-11 will submit the final report to an external anonymous peer review for further analysis of quality.

6. Modality of Work and Methodology

A selection of relevant document material will be provided to the evaluators by EVA-11 either as hard copies or stored in a flash drive. The evaluation ream is responsible for achieving all the documentation they deem necessary for their work.

The modality of work in the organization of interviews has already been explained above in section 5.4. Also the tentative timetable has been outlined in the previous section 5. Modern means of communication and questionnaires and telephone interviews can also be utilized instead of personally meeting with the stakeholders.

The methodology of analyses and assessments needs to be spelled out and described in the inception report. It is not adequate just to state that something is assessed or analyzed, but it must be specified, how, by which tools, benchmarks, and scoring systems.

7. Expertise required

The Core Team Experts

The evaluation team needs to have expertise in overall development policy and development cooperation, with particular experience in local government level and local governance development, capacity assessment, and cross-sectoral, horizontal and vertical comparative analyses. Field experience in developing countries is essential for the understanding of the context in which the development interventions are initiated, designed and implemented. As the field visits will be directed to Africa (where AFLRA' s programme is implemented), significant and also long-term field experience in Africa is required within the team. Sound understanding of the Finnish development policy and cooperation instruments must also be found in the team.

It is foreseen that a team of three to four experts of senor status would be able to perform this evaluation. One of the experts would need to be assigned as the team leader.

The Local Experts

The team may need to include also member(s) from the African countries to be visited. They would need to have experience in their governance structure and know the local administrative language. It should be noted that also the local experts must to comply with the overall qualifications of the expert team members. More explicit description of the qualifications of the experts is included in the Instructions to Tender (Annex A) of the Invitation to Tender published note.

The Junior Assistant

The junior member may be included in the team for the purpose of assisting the senior experts in practical and organizational matters, including the search for and retrieval of documentation, arranging the interview and travel schedules and similar.

The Quality Assurance Experts

External to the evaluation team and independent from it, a team of two quality assurance experts will be assigned. Their task is to ensure that the process and deliverables of this evaluation comply with good quality evaluation. The quality assurance experts will be of senior status and have extensive experience in development cooperation and have proven experience in quality assurance and the quality assurance criteria of development evaluations of the OECD/DAC and the EU, which can be accessed at http://ec.europa.eu/europeaid/evaluation/methodology/guidelines/gui_qal_flr_en.htm
http://www. OECD.org

The evaluation guidelines of the Ministry: Between past and future (2008) should be used as the overall guide in this evaluation. The guidelines can be found from http://formin.finland.fi

8. The Timetable

The evaluation will be carried out from 27.06.2011 to 31.12.2011. The estimated time of delivery of the various reports have been described in section 5.

9. The Budget

The total available budget for this evaluation assignment is a maximum of 300.000 euro (VAT excluded).

10. Mandates and Authority of the Evaluation Team

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

Helsinki, 28 March 2011

Aira Päivöke
Director
Evaluation of Development Cooperation

ANNEX 2: PEOPLE MET

MFA	Name & Surname	UNIT / Organisation	Designation	Date / Place
	Mr Pekka Seppälä	Development Policy, Unit for Sectoral Policy	Advisor	5.9.2011
	Mr Timo Olkkonen	Development Policy, Unit for General Development Policy and Planning	Head of the unit	5.9.2011
	Ms Eeva Alarcon	Development Policy, Unit for General Development Policy and Planning	Advisor	5.9.2011
	Mr Matti Lahtinen	Development Policy, Unit for Non-Governmental Organisations	Senior inspector	5.9.2011
	Ms Sanna-Liisa Taivalmaa	Development Policy, Unit for Sectoral Policy	Agricultural advisor	6.9.2011
	Mr Jan Koivu	Department for Africa and the Middle East, Unit for Southern Africa	Programme Officer	6.9.2011
	Mr Petri Wanner	Department for Africa and the Middle East, Unit for Southern Africa	Programme Officer	6.9.2011
	Ms Iina Soiri	Development Policy, Unit for General Development Policy and Planning	Development policy advisor	6.9.2011
	Ms Johanna Jokinen-Gadivia	Development Policy, Unit for Sectoral Policy	Good governance advisor	6.9.2011
	Ms Päivi Kannisto	Development Policy, Unit for Sectoral Policy	Gender advisor	9.9.2011
	Dr Aira Päivöke	Development Evaluation	Director	9.9.2011
	Petra Yliportimo	Embassy of Finland, Pretoria	Counsellor	12.9.2011
	Aki Enkenberg	Embassy of Finland, Pretoria	Counsellor	12.9.2011
	Anne Saloranta	Embassy of Finland, Windhoek	Chargé d'Affaires	19 & 22 Sept 2011

	Antti Piispanen	Embassy of Finland, Windhoek	Counsellor	19 & 22 Sept 2011
	Marika Mantega	Embassy of Finland, Windhoek		19 & 22 Sept 2011
	Sofie From-Emmesberger	Embassy of Finland, Nairobi	Ambassador	22.9.2011
	Theresa Zitting	Embassy of Finland, Nairobi	Deputy Head of Mission	22.9.2011
	Jussi Laurikainen	Embassy of Finland, Nairobi	Programme Officer	19.9 + 22.9.2011
	Emma Pajunen	Embassy of Finland, Nairobi	Programme Officer	19.9 + 22.9.2011
	Juho Uusihakala	Embassy of Finland, Dar es Salaam	Counsellor (Governance)	26.9.2011

ALFRA	Name & Surname	Organisation	Designation	Date / Place
	Mr Heikki Telakivi	ALFRA	Director of International Relations	7th September 2011 Helsinki
	Ms Maija Hakanen	ALFRA	Manager for Environmental Affairs	7th September 2011 Helsinki
	Ms Heli Liikkanen	ALFRA	Programme Manager	7th September 2011 Helsinki
	Ms Eeva Suhonen	ALFRA	Programme Officer	7th September 2011 Helsinki
	Ms Maiju Virtanen	ALFRA	Programme Officer	7th September 2011 Helsinki
	Ms Sinikka Mikola	Kuntaliitto	Gender Advisor	7th September 2011 Helsinki

Name of the person interviewed	Organisation	Date of the interview
Veera Jansa, International Affairs Coordinator	Vantaa Municipality	8 Sept 2011
Lauri Lapila, International Affairs Manager	Vantaa Municipality	8 Sept 2011
Timo Palander, Development Director	Lempäälä Municipality	8 Sept 2011

Tuula Petäkoski-Hult, Chair of the Municipal Council	Lempäälä Municipality	8 Sept 2011
Erkki Ottela, Development Manager	Kangasala Municipality	8 Sept 2011
Henriksson, Pasi, Project Coordinator	Hämeenlinna Region Vocational School	8 Sept 2011
Chris Eita, Executive: International Co-operation	Windhoek Municipality	19 Sept 2011
Zurilea Steenkamp	Windhoek Municipality	19 Sept 2011
Paul Vleermuis, CEO	Keetmanshoop Municipality	20 Sept 2011 (By phone)
Martin Elago, CEO	Ondangwa Municipality	20 Sept 2011 (By phone)
George Mayumbelo, Strategic Executive: Economic Development & Community Services	Windhoek Municipality	20 Sept 2011
Mariet Hayes, Librarian	Windhoek Municipality	20 Sept 2011
Ritva Nyberg, District Library Director	Vantaa Municipality	20 Sept 2011
Trudy Geises, Section Head: Youth Development Trust	Windhoek Municipality	20 Sept 2011
L. Joodt, Coordinator of Katutura SME Incubation Centre	Windhoek Municipality	20 Sept 2011
Kakune Kandjavera, CEO	Association of regional Councils	21 Sept 2011
Luc Fabre, Counsellor	Embassy of France, Windhoek	21 Sept 2011
Clifton Sabati, Acting Director	Directorate of Decentralisation Coordination, MRLGH-RD	21 Sept 2011
Jennifer Kauapirura, CEO	Association of Local Authorities in Namibia	21 Sept 2011
Werner Iita, CEO	Omaruru Municipality	22 Sept 2011
Roswhita Kaura, HR Manager	Omaruru Municipality	22 Sept 2011

Municipal Linkage	Name & Surname	Organisation	Designation	Date / Place
Haapavesi-Bagamoyo	Mr Jouko Luukkonen	Haapavesi	Mayor	8th September 2011
Haapavesi-Bagamoyo	Juliery Mtobesya	Bagamoyo DC	Town planner	13th September 2011
Haapavesi-Bagamoyo	Lucas M. Mweri	Bagamoyo DC	DPLO	13th September 2011
Haapavesi-Bagamoyo	Masamba	Bagamoyo DC	CF	13th September 2011
Hartola-Iramba	Ms Helena Mäkinen	Hartola	Coordinator	8th September 2011
Hartola-Iramba	Dorence Kalemile	Iramba DC	Coordinator	22nd &23rd September 2011
Hartola-Iramba	Peter Mwagilo	Iramba DC	DCDO	22nd September 2011
Hartola-Iramba	Eng. Rweyemamu	Iramba DC	LSK – Ag DED	22nd September 2011
Hartola-Iramba	Charles Mtaturu	Lulumbu Sec. School	Headmaster	22nd September 2011
Hartola-Iramba	Rebecca Mchome	Iramba DC	Librarian	22nd September 2011
Hartola-Iramba	Emmanuel Bwire	Iramba DC	Land officer	22nd September 2011
Hartola-Iramba	Bertha Peter	Iramba DC	VEO	22nd September 2011
Hartola-Iramba	Daniel J. Matalu	Iramba DC	Health officer	22nd &23rd September 2011
Hartola-Iramba	Yohana I. Dondi	Iramba DC		22nd &23rd September 2011
Hartola-Iramba	Heinrich K. Kimweri	Iramba, DC	Chairperson	22nd September 2011
Hartola-Iramba	Omari Sima	Iramba Dc	Clinical Officer	23rd September 2011
Hartola-Iramba	Sara Meela	Iramba DC	Nurse Auxilliary	23rd September 2011
Hattula-Janakkala -Nyahururu	Mr Jukka Petterson	Hattula Municipality	Business Development Advisor	08.09.11 (Helsinki)

Hattula-Janakkala - Nyahururu	Mercy Wahome	Nyahururu Municipal Council	Project Coordinator, NSLGCP	16/09/2011 (Nyahururu)
Hämeenlinna-Nakuru	Ms Terhi Lahdenpohja	Hämeenlinna	Asst. Coordinator	08.09.11 (Helsinki)
Hämeenlinna-Nakuru	Hamisi Mboga	ALGAK		7/09/2011 (Helsinki)
Hämeenlinna-Nakuru	Joyce Nyambura	ALGAK		7/09/2011 (Helsinki)
Hämeenlinna-Nakuru	Gladys Pkemei	Nakuru Municipal Council	Project Coordinator, NSLGCP	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	Millicent Yugi	Nakuru Municipal Council	Municipal Education Officer	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	Sammy Ngige	Nakuru Municipal Council	Director of Environment	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	Josephine Ondieki	Nakuru Municipal Council	Education Sector Secretary, NSLGCP	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	James Kamau	Nakuru Municipal Council	Environment Sector Secretary, NSLGCP	15/09/2011 (Nakuru)
Hämeenlinna-Nakuru	Ms Marja-Leena Helkiö	Hämeenlinna	Coordinator	08.09.11 (Helsinki)
Kemi-Tanga	Dr. CV Shembua	Tanga City Council	Ag City Director	14th & 15th September 2011
Kemi-Tanga	Sabas Kasambala	Tanga City Council	Coordinator	14th & 15th September 2011
Kemi-Tanga	Amulike Mahenge	Tanga City Council	Port FP	14th & 15th September 2011
Kemi-Tanga	Edes Lukoa	Tanga City Council	City HRO	14th & 15th September 2011
Kemi-Tanga	Allen Meena	Tanga City Council	project Accountant	14th & 15th September 2011
Kemi-Tanga	Richard Lema	Tanga City Council	City Engineer	14th & 15th September 2011
Kokkola-Ilala	Mr Toni Uusimäki	Kokkola	Environmental planner	08.09.11 (Helsinki)

Kokkola-Ilala	Mr. Eric Kilangwa	Ilala MC	Municipal economist and prgramme Coordinator	26th September 2011
Kokkola-Ilala	Mr. Abdon Mapunda	Ilala MC	i/c. Environment component	26th September 2011
Kokkola-Ilala	Mr. Solomon Mushi	Ilala MC	i/c Business dev. component	26th September 2011
Kokkola-Ilala	Ms Tabu Shaibu	Ilala MC	i/c Good governance component	26th September 2011
Kuopio-Maputo	Ms Pirkko Kouri	Kuopio	Principal Lecturer at Savonia University of Applied Sciences	08.09.11 (Helsinki)
Lahti-Bojanala	Mr Karri Porra	Lahti	Director: Environmental Protection	08.09.11 (Helsinki)
Lahti-Bojanala	Ms Vuokko Laurila	BPDM	Former Project Coordinator	23.09.11 (Rustenburg)
Lempäälä-Ongangwa	Mr Timo Palander	Lempäälä	Development director	08.09.11 (Helsinki)
	Ms Tuula Petakoski-Hult	Lempäälä	Chair of the municipal council	08.09.11 (Helsinki)
Kangasala-Keetmanshop	Mr Erkki Ottela	Kangasala	Development coordinator	08.09.11 (Helsinki)
Oulu-Tshwane	Mr Marko Sulonen	Oulu	Coordinator	08.09.11 (Helsinki)
Oulu-Tshwane	Tsietsi Maleho	The Innovation Hub	Manager: Regional Innovation Systems	15.09.11 (Pretoria)
Tampere-Mwanza	Ms Katri Suhonen	Tampere	coordinator	08.09.11 (Helsinki)
Tampere-Mwanza	Wilson Kabwe	Mwanza City Council	City Director	19th September 2011
Tampere-Mwanza	Reuben Sixbert	Mwanza City Council	Coordinator	19th & 20th September 2011
Tampere-Mwanza	Joseph A. Mlinzi	Mwanza City Council	PRO	19th September 2011

Tampere-Mwanza	Julius Gulamu	Mwanza City Council	Chief Fire Officer	19th September 2011
Tampere-Mwanza	Musa Kaboni	Mwanza City Council	Fire Officer	19th September 2011
Tampere-Mwanza	Deogratias Nsangizwa	Mwanza City Council	ICT expert	19th & 20th September 2011
Tampere-Mwanza	Kaombwa Fidelis	Mwanza City Council	Forester	19th September 2011
Tampere-Mwanza	Amin Abdallah	Mwanza City Council		19th & 20th September 2011
Tampere-Mwanza	Oscar Kapinga	Mwanza City Council	Academic Officer	20th September 2011
Tampere-Mwanza	Mariam Ukwaju	Mwanza City Council	City Solicitor	20th September 2011
Tampere-Mwanza	Daniel Batare	Mwanza City Council	Health Officer	20th September 2011
Tampere-Mwanza	Juliana Madaha	Igoma P/School – Mwanza CC	Head Teacher	20th September 2011
Raseborg-Makana	Mr Borje Mattson	City of Raseborg	Immigrant Co-ordinator and Project Coordinator	08.09.11 (Helsinki)
Raseborg-Makana	Mr Peter Zamuxolo	Makana Local Municipality	Executive Mayor	29.09.11 (Grahamstown)
Raseborg-Makana	Ms R Maduda-Isaac	Makana Local Municipality	Speaker	29.09.11 (Grahamstown)
Raseborg-Makana	Ms Ntombi Baart	Makana Local Municipality	Municipal Manager	29.09.11 (Grahamstown)
Raseborg-Makana	Ms N Masoma	Makana Local Municipality	Exec. Mayoral Cllr	29.09.11 (Grahamstown)
Raseborg-Makana	Mr P Ranchhod	Makana Local Municipality	Exec. Mayoral Cllr	29.09.11 (Grahamstown)
Raseborg-Makana	Mr M Matyumza	Makana Local Municipality	Exec. Mayoral Cllr	29.09.11 (Grahamstown)
Raseborg-Makana	Ms N Gaga	Makana Local Municipality	Exec. Mayoral Cllr	29.09.11(Grahamstown)
Raseborg-Makana	Mr D Njilo	Makana Local Municipality	Dir. Infrastructure	29.09.11 (Grahamstown)

Raseborg-Makana	Ms R Meiring	Makana Local Municipality	Dir. LED	29.09.11 (Grahamstown)
Raseborg-Makana	Mr Plaorg	Makana Local Municipality	Dir. Community Services	29.09.11 (Grahamstown)
Salo-Mbabane	Ms Terhikki Lehto-nen	City of Salo	Head of Interna-tional Affairs	08.09.11 (Helsinki)
Salo-Mbabane	Mr Benedict Gamedze	City of Mbabane	P.A to CEO and Programme Co-ordinator	23.09.11 (Mbabane)
Vaasa-Morogoro	Devota Nkwera	Morogoro Mu-nicipal Council	Coordinator	9th & 12th Sep-tember 2011
Vaasa-Morogoro	Salum Ngola	Morogoro Mu-nicipal Council	CDO	12th September 2011
Vaasa-Morogoro	Cheka Waziri	Morogoro Mu-nicipal Council	MEO	12th September 2011
Vaasa-Morogoro	Rose Oswald	Entrepreneur	Business woman	12th September 2011
Vaasa-Morogoro	Zubeda Ramadhani	Entrepreneur	Business woman	12th September 2011
Vaasa-Morogoro	Rashid Saburi	Morogoro Mu-nicipal Council	Chair Mtaa	12th September 2011
Vaasa-Morogoro	Sakina Ramadhani	Entrepreneur	Business woman	12th September 2011
Vaasa-Morogoro	J.A. Masakuya	Morogoro Mu-nicipal Council	Municipal Econ-omist	12th September 2011
Vantaa-Windhoek	Ms Veera Jänsä	Vantaa	Coordinator, in-ternational affairs	08.09.11 (Helsinki)
Vantaa-Windhoek	Mr Lauri Läpilä	Vantaa	Head of interna-tional affairs	08.09.11 (Helsinki)

ANNEX 3: DOCUMENTS CONSULTED

ALFRA 2008 Advisory Committee –kokous, pöytäkirja 01/08

ALFRA 2008 Advisory Committee –kokous, pöytäkirja 02/08

ALFRA 2008 Advisory Committee –kokous, pöytäkirja 03/08

ALFRA 2008 Advisory Committee –kokous, pöytäkirja 04/08

ALFRA 2008 Advisory Committee –kokous, pöytäkirja 05/08

ALFRA 2009 Advisory Committee –kokous, pöytäkirja 01/09

ALFRA 2009 Advisory Committee –kokous, pöytäkirja 02/09

ALFRA 2010 Advisory Committee –kokous, pöytäkirja 01/10

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ANNEX 4: FINNISH DEVELOPMENT COOPERATION AND NSLGCP

Role of Finnish Diplomatic Missions/Embassies in International Development Cooperation

Within the MoFA, the Department for Development Policy is responsible for Finland's international development policy. The main goal of Finland's development policy is to eradicate poverty and to promote sustainable development in accordance with the UN Millennium Development Goals, which were set in 2000. Finland promotes economically, socially and ecologically sustainable development, and places particular emphasis on climate change and the environment whilst it also stresses crisis prevention and support for peace processes.

Development cooperation is a key instrument of Finland's development policy. It is used to promote the strengthening of an enabling environment for development in the poorest countries in order to improve preconditions for investment and trade and to achieve economic growth. Crosscutting themes include the improvement of the position of women and girls and promotion of equality, the promotion of the rights of groups that are easily excluded (particularly children, persons with disabilities, indigenous peoples and ethnic minorities) and combating HIV/AIDS.

The Finnish government's position on the role of embassies in international development cooperation has been challenged by AFLRA through their NSLGCP programme for reasons that the MoFA's approach to development cooperation is 'top-down' and not 'demand driven'. MFA maintains that it is highly preferable to only get involved in development cooperation where Finland has diplomatic missions. AFLRA is of the opinion that embassies are not necessary in international development cooperation and, *inter alia*, submits that: "… the Ministry [MFA] itself wants to define the co-operation top-down instead that the co-operation would be defined by the needs of local governments' from bottom up (demand driven approach) … The location of a Finnish Embassy is not a central selection criterion as it has not been either before." (E-mail correspondence to the Evaluation Team from AFLRA) This disagreement appears to have aggravated the already fragile relationship between MoFA and AFLRA in terms of the NSLGCP.

The Finnish government's position on the role of embassies in international development cooperation is consistent and has not changed in any significant way over the past decade. During 2001, the Ministry for Foreign Affairs in its *Operationalisation of Development Policy Objectives in Finland's International Development Co-operation* document distinguishes between two categories of partner countries for bilateral development cooperation in terms of the role of embassies, i.e. long-term partner countries, and other partnerships. In terms of *long-term partners* the government makes it clear that: "International development cooperation is a part of the administration of foreign affairs, and it's planning, implementation and supervision is administered as an integral element of the Ministry's [MoFA's] relations with developing countries… As a

rule, long-term development cooperation can be conducted only if there is a Finnish diplomatic mission in the partner country." In terms of *other partnerships*, "government normally [goes] through multilateral and EU organisations, non-governmental organisations, etc., in cases when Finland does not have a diplomatic mission in the country" (Ministry for Foreign Affairs. 2001). As AFLRA does, the ET also considers the NSLGCP as a long-term development cooperation programme, and by default, should be subject and consistent with all current official policy.

In its first statement to the Finnish government in 2005, the Development Policy Committee emphasised that: "The network of diplomatic missions is an essential element in the preparation, coordination and monitoring of programme-based cooperation… The culture of cooperation between different sectors of society that is characteristic of Finland brings Finnish added value to the international community and it should be used. Coherent foreign policy and diplomatic, active networking can more effectively than before, support stability and development …" (Development Policy Committee. 2005). In addition, according to MoFA's 2009 document - *Africa in Finnish Development Policy* – which was drafted to create a strategic framework for strengthening partnership between Finland and Africa through development policy measures, and based on the 2007 Development Policy Programme, reiterates the role of diplomatic missions in Africa: "Diplomatic missions play a key role in the implementation of development policy at the country level and in the work to ensure the practical realisation of the principles guiding the implementation. The diplomatic missions are responsible for dialogue on development policy at the country level and the coordination of development cooperation. They also monitor and report on the activities of various donors. The diplomatic missions also influence the decision-making of multilateral organisations and the EU through participating in the preparation of Finland's positions." (MoFA 2009)

This is aligned to the Vienna Convention on Diplomatic Relations of 1961, that defines a framework for diplomatic relations between independent countries, and to which Finland is signatory. It specifies that the functions of a diplomatic mission consist *inter alia* (Article 3 1 (a-d) of: "(a) Representing the sending State in the receiving State; (b) Protecting in the receiving State the interests of the sending State and of its nationals, within the limits permitted by international law; (c) Negotiating with the Government of the receiving State; (d) ascertaining by all lawful means conditions and developments in the receiving State, and reporting thereon to the Government of the sending State; (e) Promoting friendly relations between the sending State and the receiving State, and developing their economic, cultural and scientific relations." (United Nations 1961). The ET is of the opinion that in addition to general diplomatic protocols, these are also fundamental considerations underlying any form of international development cooperation and/or support and in line with global trends and best practice.

As alluded to earlier, AFLRA's position on the role of embassies in international development cooperation is that: "… the Ministry [MFA] wants to define as one se-

lection criterion that the African country in question has to have a Finnish embassy. Until now the AFLRA has been able to support co-operation also in other African countries. The location of a Finnish embassy should not be the most important selection criterion. The selection criteria for funding should be connected to demand, ownership, result orientation and sustainability of the co-operation… the location of a Finnish Embassy is not a central selection criteria." (AFLRA E-mail correspondence to the Evaluation Team)

On the issue of where to institutionally anchor international development cooperation best, during 2008 the Development Policy Committee recommended that: "Resources must be strengthened both in Finland and its diplomatic missions in the recipient countries. A significant amount of the support is being channelled through the diplomatic missions using the instrument of Local Cooperation Funds and new mechanisms of cooperation. The existing deficit in disbursements also requires an increase in personnel resources. The Committee does not see the outsourcing of the implementation of development cooperation as a sustainable solution. Man-years that have been contracted out are more expensive than man-years at the Ministry and moreover, require more administrative work; thereby increasing ministry's already excessive workload. Also, having to follow-up and do quality checks on contracted-out operations is not as efficient as keeping the operations within the Ministry." (Development Policy Committee 2008)

Contrary to the Development Policy Committee recommendations on the role of MFA, AFLRA's rather poignant position is that: "The roles of the Ministry for Foreign Affairs and the AFLRA have to be clarified. Municipalities have requested that the decision making power would be clearly in the AFLRA. If the Ministry wants to intervene in every single issue, the administration of the Programme will be extremely burdensome, bureaucratic and slow, and there will be no time to develop the quality of the co-operation" (AFLRA E-mail correspondence to the Evaluation team). As far as the ET is concerned, there is no role clarification needed at this stage since current official policy clearly contradicts claims by AFLRA "that the decision making power would be clearly in the AFLRA." The 2009 NSLGCP MTR also recommended "a more active and decisive role for ... Finnish embassies in selecting the linkages for funding." (MTR 2009)

The ET is of the opinion that the crowding-out of the MFA and Finnish diplomatic missions in international development cooperation and support, at any level or form, is bound to lead to policy and policy-implementation fragmentation and a lack of alignment. An attempt by AFLRA to challenge this institution, through the NSLGCP, is a good example of that.

NSLGCP and Capacity Development
One of the most important key drivers of the NSLGCP is capacity development, including the 2011-2013 Association Capacity Building (ACB) Co-operation. Under the NSLGCP funding can be provided for capacity building in delivering public services

in the following sectors: administration, health, education, infrastructure, emergency services, local economic development, agriculture, forestry, tourism, environment, culture and libraries, among others, as well as co-operation between elected representatives. The only significant evidence of any attempt to characterise and operationalise capacity development by the NSLGCP, can be found in - *AFLRA 2011 The North-South Local Government Co-operation Programme / 2011 – 2013 Cooperation Checklist B. Implementation of the Co-operation*, i.e.:

"1.4. Co-operation promotes the strengthening of the capacity of the local governments, for example, it:
    1.4.1. Helps to increase the capacity of the municipal sector, that is, of public basic services such as social, health, education, technical infrastructure, environmental, cultural, economic development or library services, and/or;
    1.4.2. Increases the effects associated with the promotion of good governance, and/or;
    1.4.3. Supports participation in local government planning and decision-making (equal participation by residents, not by individual interest groups), and/or;
    1.4.4. Includes projects where the generation of local government revenues is examined and/or which promote the generation of revenues; improving local government finance: state financing, taxes, or other revenues; studying/improving their use for local services."

The above evaluation criteria certainly do not reflect on *state-of-the-art* value added in terms of any sensible development support/capacity development/building programme. Taking AFLRA's perspective, there appears to be serious limitations on the understanding of capacity development for good local governance, including the lack of clear definitions, coherent conceptual frameworks, and effective monitoring of results. In its most basic form, *demand driven* capacity development concerns a coherent sequence of activities before any material claims can be made in terms of the validity of identified activities, outputs, impact and sustainability. Following, for example, The World Bank Development Institute's - *Capacity Development Results Framework. A strategic and results-oriented approach to learning for capacity development* (World Bank 2009), the following NSLGSP shortcomings surface – a lack of perspective on:

1. Basic principles of a Capacity Development Results Framework
2. Application of a Capacity Development Results Framework (program cycle)
3. Design, Monitoring, and Evaluation of Capacity Development

The Capacity Development Results Framework is a new approach to the design, implementation, monitoring, management, and evaluation of development programs. Originally conceived to address well-documented problems in the narrow field of capacity development, the Framework can be applied to assess the feasibility and coherence of proposed development projects, to monitor projects during implementation (with a view to taking corrective action), or to assess the results, or even the design of completed projects.

As a first step in addressing such deficiencies, the World Bank (2009) proposes two operational definitions - first of *capacity for development* and then of *capacity development* (or capacity building). "*Capacity for development* is the availability of resources and the efficiency and effectiveness with which societies deploy those resources to identify and pursue their development goals on a sustainable basis. *Capacity development* is a locally driven process of learning by leaders, coalitions and other agents of change that brings about changes in socio-political, policy-related, and organizational factors to enhance local ownership for and the effectiveness and efficiency of efforts to achieve a development goal."

An application of the Capacity Development Results Framework — capacity development program cycle, include the following stages and steps (World Bank. 2009):

Stage 1: Identification and needs assessment; Step 1: Validate the development goal; Step 2: Assess capacity factors relevant to the development goal; Step 3: Decide which changes in capacity factors can be facilitated by learning.

Stage 2: Program design; Step 4: Specify objective(s) of capacity development program in the form of capacity indicators targeted for change; Step 5: Identify agents of change and envision change process; Step 6: Set intended learning outcomes and their indicators; Step 7: Design activities.

Stage 3: Implementation and monitoring; Step 8: Monitor learning outcomes; adjust program as necessary; Step 9: Monitor targeted capacity indicators and the progress toward the development goal, and adjust program as necessary; Stage 4: Completion and assessment; Step 10: Assess achievement of learning outcomes and targeted changes in capacity indicators, and specify follow-up actions.

Steps for Design, Monitoring, and Evaluation of Capacity Development Programs include (World Bank. 2009):

Step 1. Validate the development goal that underpins the capacity development effort; Step 2. Assess capacity factors relevant to the development goal; Step 3. Decide which changes in capacity factors can be facilitated by learning; Step 4. Specify objective(s) of the learning program in terms of capacity indicators targeted for change; Step 5. Identify agents of change and envision the change process; Step 6. Set intended learning outcomes and their indicators; Step 7. Design activities; Step 8. Monitor learning outcome - adjust program as necessary; Step 9. Monitor targeted capacity factors and progress toward the development goal; adjust program as necessary; Step 10. At completion, assess achievement of learning outcomes and targeted changes in capacity indicators, and specify follow-up actions.

In addition, the MFA's *Institutional Cooperation Instrument – ICI – Manual and Recommended Best Practices* (MFA 2010) provides a full description, approach and procedure of ICI as a development cooperation instrument, including a project cycle which de-

scribes the preconditions of a successful project and Best Practices on Capacity Development, which can be used and adapted to any Capacity Development project or programme.

With its overarching focus on capacity development to support poverty reduction at regional and local levels, the NSLGCP should have embarked on a process along the lines discussed above, operationalised to suit prevailing country and municipal-specific conditions. Within the context of this programme the ultimate responsibility for the design and operationalisation of such should have been AFLRA/MoFA, along with northern and southern partners and the diplomatic missions. In the absence of institutional capacity assessments and risk analyses during preparation of the programme, the implementation of capacity development under the NSLGCP as such and the individual linkages became fragmented, uncoordinated, and effectively a futile exercise in capacity development. The ET concludes that in terms of capacity development, no significant material claims can be made in terms of the validity of identified activities, outputs, and ultimate impact and sustainability. While the capacity building outcomes might have had individual positive effects it's almost next to impossible to ascertain what the overall influence of these capacity building activities have been at the institutional level due to non-existence of baseline data, proper SMART M&E indicators and proper reporting as well as lack of capacity and training needs assessments at all levels of programme intervention.

NSLGCP and Poverty Reduction/Alleviation
Since the 1990's, the most important goal of Finnish development policy is to eliminate poverty and later on to promote environmentally sustainable development in accordance with the MDGs set by the UN in 2000. The international development cooperation relies on the principles of ecologically and economically sustainable development. During 2007 the MFA placed stronger emphasis on the economic and social sustainability of development: "Poverty can be eliminated effectively and permanently only by following all the principles of sustainable development." *(Ministry for Foreign Affairs 2007)*

However, these principles and priorities where not as deeply imbedded in the overall macro design, and in- country and municipal-specific components of the NSLGCP. In most instances, such as Iramba DC and Hartola Municipality linkage for example, the long-term goals of the NSLGCP changed over time. In the first three phases there was no mention of poverty eradication. Instead the stated long-term goals were among others - interactive learning, improved local governments capacity of the district development implementation, civic education, good governance and democracy. The Hämeenlinna Region/Nakuru Municipality Cooperation project also did not have poverty reduction activities *per se* - other activities that had a social welfare dimension did help reduce poverty to some extent. Other partnerships *e.g.* Vantaa – Windhoek and Lahti –Bojanala also operate in areas that are not directly focused on poverty alleviation, with other development goals such as ensuring environmental sustainability or promoting gender equality and empowering women which might provide valid

objectives for the respective partnerships. Similarly, the City of Tshwane and City of Oulu Business-to-Business Programme, the overall objective of agreements, which emphasises *inter alia* poverty alleviation, is distant from programme activities/outputs. The ET found that generally all linkages, in terms of relevance, appear to be loosely based on municipal plans and national policies and also seem to have relevant objectives linked to Finnish Development Policy in terms of crosscutting issues, however excluding strong emphasis on poverty reduction and good governance.

For analytical purposes, the MoFA's *Guidelines for Programme Design, Monitoring and Evaluation*, which is also directly applicable to the NSLGCP, states that: "The analysis of a project's impact on poverty must be based on systematic assessments which themselves are based on reliable indicators and which are conducted on a regular basis. Existing poverty assessments and profiles are complemented, when necessary, by additional studies." (MoFA 1999)

The ET could not find any significant evidence of baseline studies – institutional or otherwise, as well as risk analyses that have been undertaken. As reflected in most of the case studies undertaken, due to lack of progress monitoring based on baselines and updating of progress indicators, it is not possible to make an external assessment of the project progress other than through the interviews and the narrative reports. Also, M&E tools in terms of minutes of meetings, travel reports, annual and midterm reports are being applied - but first and foremost by narrative reports, which do not relate clearly to the log frame objectives. There is no assessment of long-term impact to be found in any reports and without baselines and proper progress reporting impact is hard to assess. Strictly speaking, it is not possible to assess long-term impact as no baseline studies are available and very little progress reporting based on Logframe methods are produced.

However, there are minor exceptions. For example, the Kokkola – Ilala Cooperation Project, which is still ongoing, has a more focused approach including establishing baseline information, and Iramba DC - Hartola have over the years of cooperation showed some improvements in setting up indicators, e.g. - in their 2010 report and 2011 -2013 application, indicators set are somehow SMART and can contribute to more relevant M&E.

The ET's findings are alarmingly similar to the meta-evaluation done by the MFA on *Sustainability in Poverty Reduction: Synthesis of Evaluations*. The MoFA Bi-Annual Report 2009-2010 of Development Evaluation conclude that: "The assessments against the 14 criteria, through which the quality of Finland's development aid was examined, starting from the identification through to implementation, monitoring and evaluation of results, gave a fairly diverse picture. On the scale from 1 to 14, the five highest scoring evaluation criteria were relevance, coherence, partner satisfaction, compatibility and Finnish added value. Mediocre scores were given for coordination, impact, effectiveness and sustainability, whereas replicability, complementarities, efficiency, connectedness and activity design scored low, the lowest score being given to activity

design. The activity design was not conducive to results-based monitoring, but instead the monitoring was based on activities (outputs) rather than achieving the objectives and purpose (outcomes), and it reduced the possibility to identify and attribute impacts, effectiveness and sustainability of the results. Results-based planning and monitoring were found to be weak."

NSLGCP and Good Governance

In terms of the *2005-2007* Programme Document the objectives of the NSLGCP are: "to create a sustained modality for co-operation between the Finnish and Southern local governments, and within this framework to strengthen the capacity (human and institutional capacity) of local governments to carry out their tasks and obligations in the South and the North. In addition the programme intended to promote coherence between the national Finnish development policy and the co-operation relationships created at the local level." According to the *2008-2010* Programme Document has a changed formulation in terms of the overall objective of the NSLGCP: "To strengthen the capacities of local governments to provide basic services and to promote good governance and local democracy, all by taking into consideration the principles of sustainable development." The *2011-2013* Programme Document also has a changed formulation in terms of overall objective: "To strengthen the capacities and responsiveness of local governments to provide good quality basic services, good governance and equal decision making opportunities in order to reduce poverty by improving the well-being of local residents and promoting sustainable development." The 2005-2007 phase makes no explicit mention of good governance, whereas the later two phases make clear reference to good governance. This shift is in line with Finnish (2007) development policy, which states that: "… the wide approach to human rights includes democracy, rule of law as well as good governance and fighting corruption. (*Ministry for Foreign Affairs 2007*)

In its document on *The Cross-cutting Themes in the Finnish Development Cooperation,* MoFA (2008) describes good governance as: "… generally characterized by accessibility, accountability, predictability and transparency. The concept of good governance in relation to development goes beyond the specific problems related to government actions, and is broadly understood as social capacity providing a system of government that promotes the objectives of human development. The system should have sociopolitical structures, rules and procedures, within which its members can lead a life, interrelate, make decisions, and resolve their conflicts in a reasonably predictable way. More than that, democratic governance occurs when public decision-making by authorities and the resolution of conflicts follows a system of rules and procedures that can be called a democracy." (*Ministry for Foreign Affairs 2008)*

In programme design, overall and at linkage level, there is evidence (especially since 2008) of attempts to prioritise issues of good governance. Generally project objectives are well within the priorities of both Finnish and partner country development policies. However, in practice a number of difficulties emerge. As discussed elsewhere, in the absence of institutional capacity assessments and risk analyses during

preparation of the programme, the implementation of capacity development became fragmented, uncoordinated, and effectively a futile exercise in capacity development. It is not possible for the ET to assess long-term impacts as no baseline studies, risk analyses, etc. on good governance are available and very little progress reporting based on a logical framework approach were produced. No evaluation criteria or parameters have been set for good governance by the programme, except for broad statements that "the activities are implemented according to the principles of good governance" and that it increases the effects associated with the promotion of good governance." (AFLRA. NSLGCP 2011 – 2013 Cooperation Checklist B)

Critical Assessment of AFLRA's NSLGCP Evaluation Studies/Documents
During the desktop and fieldwork phases undertaken by the ET, mention was made on the issue around the formulation process of programme documents, in that generally, its contents or structure are descriptive, such as lacking details of the twinning arrangements, and also being activity oriented without much reference to the bigger picture of MDGs, Paris Declaration, coordination with other donors or other programmes that Finland supports in a country.

In addition, questions surfaced on whether AFLRA is compiling their own and unique programme document to implement, and whether such a document has been appraised or subjected to review by the northern and southern partners. Since the ET is of the opinion that the NSLGCP is for all intents and purposes an AFLRA initiated programme, the obvious question is that - how it relates to basic programme and project design processes, e.g., whether any internal or external reviews constituted an essential part of such design process, in terms of, inter alia, alignment between northern and southern partner municipal strategic plans.

A number of internal studies, reviews and evaluations have been commissioned by AFLRA especially during the last 2-3 years of the Programme. AFLRA confirms that the tendering processes for some of these studies have followed normal tender processes by being advertised and the most qualified candidate being selected. However, in other cases where special know-how is available internally in AFLRA, e.g. in the case of the gender advisor, the study has been carried out by the staff member and the respective unit under AFLRA has been compensated for the salary of the person during the period of the study. According to ALFRA this has been a specific request of the MoFA that they to use their own staff where knowledge on specific issues is available. A number of studies have also been carried out by students at Master or PhD level and they have been compensated EUR 1,400 per month for these papers. Briefly the following consultants carried out the studies:
- Aspects of Local Self-government - Tanzania, Kenya, Namibia, SA, Swaziland and Ghana – by Suvi Kuusi, who did send her application for the study and but had already been doing other things with the project.
- Local Government Association Capacity Building - rationale, cooperation practices and strategies for the future. Carried out by Kimmo Östman - university trainee.

- Gender Equity in Local Governance – by Sinikka Mikola who is the gender advisor in AFLRA
- Internal Evaluation of Environmental and Infrastructure Components of Four Local Government Partnerships in Namibia and Swaziland – by Paavo Taipale, who is working in the ALFRA.
- Correspondences between the Strategic Plans of the Southern Local Government and the Cooperation Project Plan for 2010 – by Suvi Kuusi.
- Evaluation of the Hartola-Iramba and Vaasa-Morogoro Co-operation in Tanzania – by Susanna Myllylä chosen after tender because of good knowledge of participatory projects and development policy
- The ET has assessed the value and usefulness of the following studies/documents sampled in order to provide for a subjective but professional opinion on some of these reports, namely:
- Correspondences between the Strategic Plans of the Southern Local Government and the Cooperation Project Plan for 2010 for Tanzania, Kenya, Namibia, South Africa, Swaziland and Ghana (Ghana excluded since it is not part of the evaluation scope)
- Gender Equity in Local Governance
- Internal Evaluation of Environmental and Infrastructure Components of Four Local Government Partnerships in Namibia and Swaziland

Correspondences between the Strategic Plans of the Southern Local Governments and the Cooperation Project Plan for 2010

Firstly, these studies/documents cannot be considered as 'external reviews' in any way but are internal NSLGCP papers and working documents, which even include 'comments' from southern coordinators based on a standard structured e-mailed questionnaire. All studies/documents were guided and supervised by the Programme Manager, and Programme Officer of the NSLGCP and also edited by the Programme Manager and Programme Officer of the NSLGCP: "This study examines the strategies of the Southern and Northern Local Authorities and Joint Municipal Authorities, which participated in the North-South Local Government Co-operation Programme administered by the Association of Finnish Local and Regional Authorities (AFLRA) in the beginning of 2010."… "The purpose of the study is to analyse the correspondences between the Strategic Plans of the Southern Local Authorities and the project plans of the local government co-operation linkages for the year 2010… The analysis provides an overview on the extent to which the co-operation projects are in conformity with the Strategic Plans of the Southern Local Authorities."

The ET considers this set of studies/documents are of high relevance to this evaluation since it provides for a means of verification of desktop and fieldwork findings in terms of relevance, and particularly in terms of:
JC 1.1: Relevance of the programme with regard to the development policy of Finland and partner country.
Ind 1.1.1: Appropriate consideration of Finnish and partner country priorities in project design

Ind 1.2.1: Extent to which implemented programmes stem from expressed needs/requests of partner institutions
JC 1.3: Relevance of the NSLGCP to the partner local governments, especially in terms of their interests and strategies related to local governance.
Ind 1.3.1: Appropriate consideration of country context, including local governance strategies, institutional analysis, risks and constraints in project design.

However, very little could be established from the study on "partner local governments, especially in terms of their interests and strategies related to local governance" and "institutional analysis, risks and constraints in project design." The 'purpose' of the study was merely to perform a desktop 'analyses' and that some southern partner did not find it important enough to make comments on the mailed questionnaire from AFLRA. Some of the in-country assessments exclude linkages without mentioning why they were excluded. Generally, the ET finds that these documents are merely descriptive, lacking any reasonable analytical dialogue.

Correspondences between the Strategic Plans of the Southern Local Governments and the Cooperation Project Plan for 2010: South Africa
This study focuses only on Lathi-Bojanala Platinum District Municipality (BPDM), excluding the Oulu-Tshwane linkage. No mention made for its exclusion. The Raseborg-Makana linkage was also excluded, most likely because it only started officially in 2011.

Alignment with strategic plans appears to be in order, except for - no mention is made of whether strategic plans, priorities etc. have been budgeted for in the 2009/2010 BPDM Reviewed Integrated Development Plan (IDP); and international cooperation or international activities are not mentioned in the 2009/2010 their Reviewed IDP, since BPDM does not have a strategy for international cooperation, not even after years of cooperation, which is questionable.

Correspondences between the Strategic Plans of the Southern Local Governments and the Cooperation Project Plan for 2010: Namibia
The Municipality of Omaruru and the City of Windhoek did not have a Strategic Plan in place at the time of the preparation of the study. Therefore, the study does not provide an analysis on the correspondences between their Strategic Plans and project plans for 2010. The responses of the Project Coordinators of the Lempäälä Municipality and the Ondangwa Town Council to the questionnaire were not available for the study, but the study attempted to provide an analysis on the correspondences between the Strategic Plan of the Ondangwa Town Council and project plan of the local government co-operation linkage for 2010.

Correspondences between the Strategic Plans of the Southern Local Governments and the Cooperation Project Plan for 2010: Swaziland
Alignment with strategic plans appears to be in order. However, there is some contradiction between north and south coordinators – northern coordinator claims that

there is no international cooperation strategy in place in Mbabane, whereas the southern coordinator states that there is, which obviously reflects poorly on such a long-standing partnership.

Correspondences between the Strategic Plans of the Southern Local Governments and the Cooperation Project Plans for 2010: Kenya

Nakuru Municipality' alignment with strategic plans appears to be in order. Janakkala Municipality's Strategic Plan was not approved by the Council at the time of the study, and Nyahururu's was still to be formulated.

Correspondences between the Strategic Plans of the Southern Local Governments and the Cooperation Project Plan for 2010: Tanzania

The Tanzania country study includes 4 of 6 linkages. The Vaasa – Morogoro Municipality Council Cooperation Project has not been included. No mention made for its exclusion. The Bagamoyo linkage was also excluded most likely because it only started officially in 2011. The city of Hartola (north) does not have a strategy for international activities in place, whereas Iramba District Council has. The Ilala Local Government Profile does not set detailed targets or strategic objectives for the year 2010, and cannot be assessed in any realistic manner. In addition they do not have a separate strategy for international co-operation in place. The Mwanza City Council does not have a separate strategy for international activities or international co-operation.

Gender Equality in Local Governance - North-South Local Government Co-operation Programme

This study was undertaken during 2009 and finalised during October 2009 and published in 2010. The first part provides for general information on the number of female councillors and legislation on gender equality at local government level in the countries taking part in the programme at the time, i.e., Ghana, Kenya, Namibia, South Africa, Swaziland, Tanzania and Finland. Without attempting to verify all country details on gender in local governance, the credibility of the study becomes questionable with a closer look at some country studies done. For example, the report states that: "Of the countries in this study only Swaziland and Ghana have no national gender policies."

However, in Swaziland for example, where the NSLGCP had a presence for almost a decade, the Swaziland government has been actively engaged in the formulation of legislation to promote gender equality for more than a decade. The ET's research shows that during 2010 Swaziland approved and adopted a National Gender Policy that attempts to address the impediments for women's advance in society. This was preceded by a broad-based national consultative process by the Swaziland Gender Coordination Unit, through the assistance of UNDP, which resulted in the publication of the Draft National Gender Policy as far back as 2001. This policy significantly strengthens the environment for attaining MDG Goal 3, and obviously the apparent difficulties that this programme appears to face in terms of gender.

Of interest is that not only is this study entirely silent on these developments, but also all available Salo-Swaziland programme documentation perused do not reflect on these policy developments. It also raises questions on why the programme went to all the trouble during 2009 to undertake a "study on the background and history of gender equality in politics and legislation in Finland and Swaziland," as mentioned in the 2009 programme progress report. Other questions such as the quality of AFLRA's research oversight role in terms of guidance and supervision, in-country coordination with other donors, and ultimately the usefulness of the document becomes debateable.

The second part of the document deals with: "Interview study: Local government female decision makers and promotion of gender equality." This part is "based on interviews carried out during the Seminar for Local Government Female Decision Makers held by the North-South Local Government Cooperation Programme in Helsinki, Finland from 18th to 20th of May 2009. The purpose of this seminar was to address the theme of gender equality in co-operation with southern and northern female councillors, and to examine how they see gender equality is best promoted in local governance. The aim of this seminar was to exchange information on best practices and innovative ideas related to the promotion of gender equality." It further states that: "The study showed that there is variation in the level of gender equality between countries and municipalities. For example, while in Swaziland the interviewed female councillors were still not aware of gender equality issues…" This statement obviously raises more questions.

Taipale, Paavo 2010 Internal evaluation of environmental and infrastructure components of four local government partnerships in Namibia and Swaziland
The title of this study might be a bit misleading since only three (not four) partnerships were evaluated, i.e.: 'Lempäälä-Ondangwa and Kangasala-Keetmanshoop Cooperation Project', 'Vantaa-Windhoek Cooperation Project', and 'Salo and Mbabane Growing Together' project. The ET is of the opinion that this report certainly stands up to its claim that: "This report provides state of the art information of environmental and infrastructure components of four [three] north-south partnerships within the programme for local government cooperation, administrated by the Association of Finnish Local and Regional Authorities AFLRA. Documentation is based on the two-week field trip to Namibia and Swaziland in November-December 2009. The main objective of the evaluation and the field mission was to get a more up-to-date picture of the status of implementation of these selected four [three] projects and to develop proposals for even more smooth and beneficial practices for the project implementation and running the whole programme."

It is most likely the only AFLRA report in their series on the NSLGCP, including the external evaluations, that provokes serious attention to a realistic analysis of implemented activities in relation to:
• Original objectives;
• Major results;

- Challenges and problems in project implementation;
- Technical and financial challenges;
- Capacity building;
- Ownership issues and Recommendations for the partnerships (short and medium term).

On the whole the ET's findings and conclusions on the three partnerships studies, confirm the validity of the findings and conclusions of this study. Some of the recommendations are of a more technical nature, such as: "The current dump site in Ondangwa should be closed, landscaped and carefully covered with impermeable soil layers and equip with effluent quality monitoring and possibly with gas collection chambers" – which the ET cannot sensibly comment on. Other recommendations which are worth mentioning include issues on building NSLGCP south-south joint ventures on lessons learnt from this programme, such as with the Vantaa-Windhoek Partnership – "It could be useful to contact City of Mbabane regarding possible benchmarking on urban centre development, since both cities are working with this issue within their partnerships." Similarly, with the Salo-Mbabane Partnership it was recommended, "To contact City of Windhoek to benchmark waste management and urban development."

The report also states that: "It is important to note that municipalities in these partnerships differ remarkably from each others in terms of their size, resources, knowledge and political environment. Therefore, the implementation of projects also varies rather much, but can still be successful." It certainly could only be successful if the recommendations from this report were carefully considered and implemented by all partners during, at least, the last year of the programme – 2010. There is no reference whatsoever in the 2010 applications from all three partnerships that hint at any of these recommendations were considered or prioritised for 2010 or beyond (2011-2013). This raises uncomfortable questions on the usefulness of such a report.

ANNEX 5: ELIGIBLE PROJECT COSTS 2011-2013

The list of eligible costs given below is not exclusive. The cooperation linkages should assess their project costs based on the nature of cooperation and project needs.

Project costs

Project funding cannot be used for the salaries of permanent local government officeholders/employees; however, the amount of time spent on the project by the municipal employee can be reimbursed to the local authority in accordance with the national local government legislation in force. A prerequisite for the re-imbursement is that an account is includes of how the reimbursement will be used (for instance, is the local authority going to hire a substitute, or another acceptable use) and that the project plan submitted to the Association contains work plans of the persons concerned.

The salaries of persons employed for the project, including that of the southern coordinator or a trainee, are regarded as eligible costs (more on the administrative costs of the North below).

Training is probably the main activity of many of the projects and, therefore, training costs – such as lecture fees, facility rental, photocopies of material – make up a significant proportion of the project costs.

Sitting-allowances etc. are not considered as eligible projects costs.

A list of other eligible project costs, with examples in brackets:
- Direct travel costs related to projects (accommodation, daily subsistence allowances, visas, vaccinations etc.)
- Small investments (duly justified purchase of equipment and materials)
- Administrative costs (phoning/postage)
- Auditing costs
- Costs of joint steering committee meetings
- Other direct, necessary and reasonable costs for carrying out the assignments (use of an interpreter).

Daily subsistence allowance (per diems)

The southern officeholders may be paid a daily subsistence allowance either in accordance with the Finnish practice or that of the South. It should be noted that in many of the southern countries the daily subsistence allowance is determined based on the person's official status and the size of the local authority that s/he represents. These should be clarified if the practices prevalent in the South are going to be used.

We comply with the recommendations of the Finnish tax administration, so that if Finnish daily subsistence allowance practice is followed, foreigners travelling to Finland are paid according to the same principles that apply for Finns travelling for business in Finland. An allowance paid in accordance with the Finnish practice does not include costs incurred from travelling or accommodation, which are separately reimbursed. In other words, the purpose of the Finnish practice is to reimburse reasonable meal costs. The allowance is a fixed amount independent of the size of the local authority that the person represents or the official status of the officeholder.

In some of the southern countries, the daily subsistence allowance covers all accommodation, meal and travel costs. If the daily subsistence allowance practices prevalent in the South are followed, the representatives must use their allowance to pay all their expenditure and organise their own accommodation, meals and transport.

No matter whether the northern or the southern practice is applied, the travel and accommodation costs as well as daily subsistence allowances must be specified, and the Finns must not exceed the costs defined in the Finnish Government Travel Rules and Regulations. Travel should be made using the lowest cost option.

Outside experts
Cooperation must be based on the work carried out by local government officeholders, employees and elected representatives. However, outside experts, such as consultants, may be used for short periods of time. Before calling in any outside experts, a work plan form detailing their work must be filled out and submitted to the Association.

The pay for outside experts hired by the local authority must be reasonable. Outside experts can only be used if the job cannot be done in any other way. The eligible costs for the use of experts from the co-operation country vary by country and cannot exceed the general level of costs in that country.

Use of trainees
Programme funding may be used to cover the expenditure on university trainees, for example their pay or travel expenses.

The general requirements on application for funding to cover wage costs within the Programme are valid for trainees as well.

The use of trainees must be justified in terms of the cooperation. In particular if trainees are sent to the partner municipality, it must be justified from the perspective of the receiving municipality. The use of trainees should be based on the

principle of reciprocity and must not have similarity with a systematic student exchange programme.

Communication and international awareness training in the North a maximum of 5%

Municipal cooperation has also objectives that are related to communication and international awareness: the local authorities should try to provide information about their co-operation projects and the local authorities and countries that they cooperate with. The project funds can be used for information directly associated with the cooperation projects and for international awareness training in the North. The costs must not exceed 5% of the total project costs.

In the South, elements related to communication and training can be included in the project costs.

Communication and international awareness training can also include, for instance, production of material, and training and other similar events.

Administrative and coordination costs in the North a maximum of 20%
All cooperation should be focused on activities; therefore, the administrative and coordination costs must be kept at minimum. The administrative and coordination costs in the North must not exceed 20% of the total project costs. The following is an example of how the costs can be divided: administrative costs 10% and coordination costs 10%; or administrative costs 15% and coordination costs 5% so that the total amount does not exceed 20% of the total costs.

Eligible administrative costs in the North are clearly specified, actual costs incurred directly by the municipality for the co-operation project.

An example of how the administrative costs may be broken down:
- Office costs, such as mailing, phone, photocopies
- Use of facilities
- Salaries and social insurance costs of administrative personnel (for instance salaries related to financial management)
- Kilometre allowances related to steering group meetings (not meeting fees)
- Auditing costs in the North
- Other administrative costs

Coordination costs may include salaries and social insurance costs of northern coordinators.

Share of self-financing

A specific share of self-financing has not been set as a prerequisite for the participation of local authorities in the cooperation programme. Nevertheless, local authorities must include in their project applications and reports an estimate on the share of self-financing, in cash and/or in-kind, of northern and southern local authorities. An example of "in-kind" self-financing is a provision of office facilities to cooperation projects, or work carried out by officeholders/employees.

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