

ANNEX 2 PEOPLE INTERVIEWED

MFA

KEO-04

Paukku, Jorma, Counsellor for Foreign Affairs

KEO-11, Development Policy and Planning Unit

Ahonen, Anne, EU coordination

Castren, Tuukka, adviser

Rytkönen, Antti, statistics

Stude, Ann-Sofie, Head of Unit, OECD/DAC

KEO-12, Sectoral Policy Unit

Anttinen, Pertti, Head of Unit

Jokinen-Gavidia, Johanna, democracy and good governance

Kannisto, Päivi, gender equality

Lahtinen, Merja, rule of law

Merisaari, Rauno, human rights

Ruohomäki, Olli, conflicts and societal development

Seppälä, Pekka, development cooperation training

Toiviainen, Kari, Quality Assurance Board

KEO-33, NGO Unit

Olasvirta, Leo, Head of Unit

AFRICA DEPARTMENT

ALI-43, Southern Africa Unit

Honkanen, Selma, Zambia

Mikkola, Merja, adviser

Suvanto, Jorma, Head of Unit

AMERICAS AND ASIA DEPARTMENT

ASA-31, Asia and Oceania Unit

Lehto, Heli, Nepal

Meranto, Marita, Nepal

Schalin, Johan Head of Unit

ASA-33, Latin America and the Caribbean Unit

Keisalo, Lasse, Nicaragua

Kullberg, Gunilla, adviser

Nikkinen, Kimmo, Nicaragua

Pietikäinen, Jukka, Head of Unit

GLOBAL AFFAIRS DEPARTMENT

Torvinen, Laura, advisor

Vuorinen, Anneli, DG, GLO-01

GLO-52, Economic and Social Development Unit

Reponen, Tarja, Head of Unit

GLO-53, Development Financing Institutions Unit

Hukka, Pekka, Head of Unit

HAL-11, Training Unit

Lager-Veltheim, Anu, development cooperation administration training

State Auditing Agency

Kulonpalo, Jukka
Lindman, Berndt

Nepal Case Study

Embassy of Finland

Haapamäki, Rauni, Counsellor (Development), 04.06. 2008
Kyostila, Pirkko-Liisa, Charge'd'Affaires, 30.05.2008
Sharma, Munni, Programme Coordinator, 1.6.2008
Subba, Jayanti, Programme Coordinator, 2.6.2008

Finnish bi-lateral programs

KC, Ram, Planning & Monitoring Expert, Rural Village Water Resource Management Project, 04.06.2008
Leminen, Kari, Team Leader, Rural Village Water Resource Management Project, 04.06.2008
Subedi, Sushil, Water Resources Advisor, Rural Village Water Resource Management Project, 04.06.2008

Government of Nepal

Acharya, Gyan Chandra, Foreign Secretary, Ministry for Foreign Affairs, 01.06.2008
Awasti, Lava, Secretary, Ministry of Education & Sports, 03.06.2008
Bhusal, Pampha, Minister, Ministry of Women children & Social Welfare, 01.06.2008
Gaywali, Krishna, Joint Secretary- Foreign Aid Coordination Division, Ministry of Finance 01.06.2008
Jaisi, Kamal, National Project Director, Department of Local Infrastructure Development and Agricultural Roads, 04.06.2008
Neupanay, Purna Pr., Secretary, Ministry of Women children & Social Welfare, 01.06.2008
Pradhan, Gauri, Member, Nepal Human Rights Commission, 03.06.2008
Subba, Chaitanai, Member, National Planning Commission, 02.06.2008
Tamang, Dhan Bd., Director General, Department of Local Infrastructure Development and Agricultural Roads, 04.06.2008

Multi- and bi-lateral donor agencies

Adikari, Mohan, Education Specialist, World Bank, 02.06.2008
Bennett, Richard, Representative of the High Commissioner for Human Rights, Office of the High Commissioner for Human Rights in Nepal, 04.06.2008
Bhandari, Shiva D., Human Rights Officer, European Union, 03.06.2008
Cardon de Lichtbuer, Anthony, Special Assistant, Office of the High Commissioner for Human Rights in Nepal, 04.06.2008
Christensen, Lars Peter, Programme Coordinator, Danida HUGOU, 04.06.2008
Martin, Ian, Special Representative of the Secretary – General United Nations Mission in Nepal, 30.05.2008
Mellsoy, Gillian, Representative, UNICEF, 05.06.2008
Neupanay, Sarad, Assistant Resident Representative, UNDP, 04.06.2008
Rae Smith, Melinda, Education Specialist, UNICEF, 05.06.2008
Shrestha, Ashok, Planning and Monitoring Officer, UNICEF, 05.06.2008
Swarnakar, Dharma, Monitoring & Evaluation Analyst, UNDP, 04.06.2008
Tuladhar, Sumon Kamal, Education Specialist, UNICEF, 05.06.2008

Nicaragua Case Study

Embassy of Finland

Babini, Maria Luisa, Advisor, Governance, 10.4.2008, 26.5.2008, 5.6.2008
Hernandez, Melba Damaris, Consultant, Rural Development, 5.6.2008
Huvio, Tiina, Advisor, Rural Development and Environment, 8.4.2008
Lankinen, Mari, Cooperation Director, 10.4.2008, 26.5.2008, 5.6.2008
Luoto, Marja, Ambassador, 26.5.2008
Prado, Nadia, Program Assistant, 5.6.2008
Tapia, Salvador, Advisor, Rural Development and Environment, 8.4.2008, 26.5.2008, 5.6.2008
Työläjärvi, Riitta, Advisor, Health and Gender, 9.4.2008
Vega, Rosemary, Consultant, Health and Gender, 9.4.2008

Finnish bi-lateral programs

Blanco, Pío, Advisor for Citizen Participation, PROGESTION, 28.5.2008
Díaz, Victor, Coordinador de campo/Experto en Sistematización, Monitoreo y Evaluación, FOMEVIDAS-IDR, 4.6.2008
Duarte, Avedis, Advisor, Local Development, PROGESTION, 28.5.2008
Huerta, Gerardo, Contractor – UNAG, FOMEVIDAS-IDR, 4.6.2008
Karremans, Jan, Chief Technical Advisor, FOMEVIDAS-IDR, 4.6.2008
Munive, Alex, Chief Technical Advisor, PROGESTION-INIFOM, 28.5.2008
Sandoval, David, Contractor – UNAG, FOMEVIDAS-IDR, 4.6.2008
Vilchez, Ellieth, Advisor for gender, PROGESTION, 28.5.2008
Zamor, Ronie, Advisor, FOMEVIDAS-IDR, 4.6.2008

Government of Nicaragua

Báez, Victor, Director for Planification and Local Development, Municipality of Boaco, 28.5.2008
Bucardo, Leyra, Director, FOMEVIDAS – IDR, 29.5.2008, 5.6.2008
Buschting, Juana María, Director, IDR, 16.4.2008
Centeno, Eduard, Executive President, INIFOM, 3.6.2008
Flores, Germán, Director for Rural SME, IDR, 16.4.2008, 29.5.2008, 5.6.2008
Gaitán, Roger, Director for Planification, INIFOM, 3.6.2008
González, Nolvía, Coordinator, Budget Support, MHCP, Nicaragua, 17.4.2008
Jaentschke, Valdrack, Vice minister and Secretary for Economic and Development Cooperation, Ministry for Foreign Affairs of Nicaragua, 25.4.2008
Machado, Ma. Antonieta, Director for Planification, IDR, 29.5.2008
Meneses, Juvania, Promotor OMAM, Municipality of Boaco, 28.4.2008
Ordeñana, Ova, Director for Planification and Citizen Participation, Municipality of Teustepe Ortega, Odell, Director Departmental of Boaco, IDR, 28.5.2008
Pinell, Manuel, Director for Local Development, INIFOM, 3.6.2008
Raudez, Alejandro, Director, Administrative Finance, INIFOM, 3.6.2008
Sequeira, Lucía, Executive Director, AMUB, 28.5.2008
Salinas, Elba María, Mayor, Municipality of Santa Lucía, 28.5.2008
Santos Martínez, José, Director for Planification and Citizen Participation, Municipality of Santa Lucía, 28.5.2008
Urbina, Rafael, Director External Cooperation, INIFOM, 3.6.2008
Urbina, Roberto, Director for the Office of Environment, Municipality of Santa Lucía, 28.5.2008

Multi- and bi-lateral donor agencies

Alonso, Pedro, Chargé d'affaires, Budget Support, European Commission, Nicaragua, 28.4.2008
Barquero, Roger, Technical official, OAS, 28.5.2008
Gómez, Patricia, Program Officer, The Royal Embassy of Denmark, 3.6.2008
Gómez, Ricardo, Director, GTZ, 21.4.2008
Litvine, Marc, Chief of Operations, European Commission, Nicaragua, 28.4.2008, 2.6.2008
Max, Kerry, Director ACIDI, President of the Donors Round Table, 2.6.2008
Porrás, Silvia, Advisor, Gender, The Royal Embassy of the Netherlands, 28.4.2008
Remmerswaal, Jaime, Advisor, Governance, The Royal Embassy of the Netherlands, 28.4.2008

Others

Doña Agustina, Beneficiary of a Project supporting Pastry Shop, Municipality of Santa Lucía, 28.5.2008
El Rodeo, Beneficiary Community, Boaco, FOMEVIDAS-IDR, 4.6.2008

Zambia Case Study

Embassy of Finland

Antila, Sinikka, Ambassador, 2.6.2008
Ahonen, Anne, Counsellor, 12.6.2008
Jormanainen, Sari, Counsellor, 2.6.2008
Kass, Oskar, Counsellor, 2.6.2008
Viljanmaa, Wilma, Counsellor, 2.6.2008, 12.6.2008
Ndhlovu, Elizabeth, Counsellor, 2.6.2008, 9.6.2008, 12.6.2008
Rantala, Riikka Elina, Programme Officer, 10.6.2008, 12.6.2008

Säilä, Melissa, Programme Officer, 10.6.2008, 12.6.2008

Finnish bi-lateral programmes

Laaksonen, Mari, Partner Liaison Officer, Programme for Luapula Agricultural and Rural Development (PLARD), 1.6.2008

Mickels-Kokwe, Gun, Chief Technical Adviser, Programme for Luapula Agricultural and Rural Development (PLARD), 1.6.2008

Mpiya, Mighten K., Programme Director, Programme for Luapula Agricultural and Rural Development (PLARD), 1.6.2008

Wonani, Charlotte, Gender Consultant, 3.6.2008

Government of Zambia

Chengo, Arnold M., Senior Technical Advisor, Educational Quality Improvement Program (EQUIP2), Ministry of Education, 6.6.2008

Hampondela, Vanny, M&E and Information Specialist, Governance Secretariat, 3.6.2008

Kalaba, E.C.J., Deputy Director, Programme Planning, M&E, Policy and Planning Department, Ministry of Agriculture and Co-operatives, 5.6.2008

Kankasa, Sindiso N., Human Rights, Constitutionalism and Democratisation, Governance Secretariat, 3.6.2008

Kasaro, D., National Programme Coordinator (PFAP), Ministry of Environment, Tourism and Natural Resources, 3.6.2008

Kayla, Siame, Programme Coordinator, Private Sector Development Programme, Ministry of Commerce, Trade and Industry, 6.6.2008

Kazembe, Chasiya V., Chief Economist (Bilateral Unit), Economic and Technical Cooperation Department, Ministry of Finance and National Planning, 10.6.2008

Mulembe, Enoch, Director, Human Rights Commission, 5.6.2008

Mulenga, Fredrick, Principal Forestry Officer, Ministry of Environment, Tourism and Natural Resources, 3.6.2008

Mwjinga, Rhoda Mutema, Specialist – Social, Legal and Governance, Gender in Development Division, Cabinet Office, 4.6.2008

Sangulube, Wiseman, Chief Extension Officer, Ministry of Environment, Tourism and Natural Resources, 3.6.2008

Multi- and bi-lateral donor agencies

Blaser, Jeremias, Assistant Resident Representative – Governance, United Nations Development Programme, 3.6.2008

Finnegan, Gerry, Representative for Malawi, Mozambique and Zambia, International Labour Organisation (ILO) Area Office, 11.6.2008

Holm Jakobsen, Majbrit, First Secretary, Royal Danish Embassy, 9.6.2008

Hoven, Tori, Counsellor, Economic Governance, Royal Norwegian Embassy, 9.6.2008 Kumwenda, Judith Makulu, Policy Officer, Private Sector Development and Governance, Embassy of the Kingdom of the Netherlands, 5.6.2008

Lundstol, Olav, First Secretary, Country Economist, Royal Norwegian Embassy, 9.6.2008

Lövgren, Eva, Deputy Head/Economist, Development Co-operation, Embassy of Sweden, 12.6.2008

Mwale-Yerokun, Delia, Programme Analyst: Gender and HIV/AIDS, United Nations Development Programme, 4.6.2008

INGOs and NGOs

Kabwe, Mwiche, Planning Specialist, Environmental Council of Zambia, 6.6.2008

Mwazi, Paul, Zambia Association for Employment of the Disabled, 4.6.2008

Phiri, Agnes, Project Manager, Zambia Association for Employment of the Disabled, 4.6.2008

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- Ulkoasiainministeriö 2004 *Kehityspoliittisen ohjelman vuosiarviointi 2004*. 25.10.2004. (*Annual Review 2004 of the Development Policy*. Ministry for Foreign Affairs of Finland)
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<http://www.iigov.org/id/article.drt?edi=187536&art=187612> (Burgos G 2001)

<http://www.iigov.org/id/article.drt?edi=187536&art=187621> (Cerrillo A 2001)

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Budget support provided to Nicaragua

Development of decentralisation and municipal administration (PROGESTION), Nicaragua; Project Document. April 2004

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Zambia Education Sector Public Expenditure Review. Vol. 1 Main Report. July 2005

ANNEX 4 EVALUATION FRAMEWORK

ToR criterion	Applies to	Verified by
Relevance	Policies and strategies	The extent to which they reflect the Government's commitment to international obligations and agreements (e.g. at EU, UN etc.)
	Organisational structures, responsibilities and human resources; Operative planning, decision-making and management procedures; Implementation, monitoring, evaluation and reporting systems; Management review and feed-back mechanisms. <i>(Other areas)</i>	The extent to which the mechanisms and instruments in place (structures and human resources, operational mandates, definitions and guidelines, statistical and reporting systems) support integration / mainstreaming of the crosscutting themes into different development co-operation funding instruments and all forms of co-operation, including the relevance of specific projects / programmes supporting a specific crosscutting theme.
Effectiveness	Policies and strategies	The extent to which the impacts of a crosscutting theme (also unintended impacts) are a result of the policies
	<i>Other areas</i>	The extent to which the mechanisms and instruments in place contribute to effective and efficient implementation
Sustainability	Policies and strategies	The extent to which they lead into improved programmatic interventions vis-à-vis positive outcomes and impact in the long term regarding the crosscutting theme
Outcomes /results	Policies and strategies	The extent of outcomes/results that are clearly a result of the use of the instruments
	<i>Other areas</i>	The extent to which the mechanisms have supported achieving the outcome/result
Impact	Policies and strategies	The extent of impacts that are clearly a result of the use of the instruments
	<i>Other areas</i>	The extent to which the mechanisms have supported achieving the impact
Coherence	Policies and strategies	The extent of coherence between the various policies and strategies and with Finland's other international development commitments
Finnish value added	Policies and strategies	The extent to which specific Finnish approaches are reflected in the policies and strategies
	<i>Other areas</i>	The extent to which specific Finnish approaches are used in implementation or to which Finnish actors have participated in implementation of the intervention

ANNEX 5 THE HUMAN RIGHTS BASED APPROACH TO DEVELOPMENT COOPERATION. TOWARDS A COMMON UNDERSTANDING AMONG THE UN AGENCIES

1. Introduction

The United Nations is founded on the principles of peace, justice, freedom and human rights. The Universal Declaration of Human Rights recognizes human rights as the foundation of freedom, justice and peace. The unanimously adopted Vienna Declaration and Programme of Action state that democracy, development, and respect for human rights and fundamental freedoms are interdependent and mutually reinforcing.

In the UN Programme for Reform that was launched in 1997, the Secretary-General called on all entities of the UN system to mainstream human rights into their various activities and programmes within the framework of their respective mandates.

Since then a number of UN agencies have adopted a human rights-based approach to their development cooperation and have gained experiences in its operationalization. But each agency has tended to have its own interpretation of approach and how it should be operationalized. However, UN interagency collaboration at global and regional levels, and especially at the country level in relation to the CCA and UNDAF processes, requires a common understanding of this approach and its implications for development programming. What follows is an attempt to arrive at such an understanding on the basis of those aspects of the human rights-based approach that are common to the policy and practice of the UN bodies that participated in the Interagency Workshop on a Human Rights based Approach in the context of UN reform 3-5 May, 2003

This Statement of Common Understanding specifically refers to a human rights based approach to the development cooperation and development programming by UN agencies.

Common Understanding

1. All programmes of development co-operation, policies and technical assistance should further the realisation of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments.
2. Human rights standards contained in, and principles derived from, the Universal Declaration of Human Rights and other international human rights instruments guide all development cooperation and programming in all sectors and in all phases of the programming process.
3. Development cooperation contributes to the development of the capacities of 'duty-bearers' to meet their obligations and/or of 'rights-holders' to claim their rights.

1. All programmes of development co-operation, policies and technical assistance should further the realisation of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments.

A set of programme activities that only incidentally contributes to the realization of human rights does not necessarily constitute a human rights-based approach to programming. In a human rights-based approach to programming and development cooperation, the aim of all activities is to contribute directly to the realization of one or several human rights.

2. Human rights standards contained in, and principles derived from, the Universal Declaration of Human Rights and other international human rights instruments guide all development cooperation and programming in all sectors and in all phases of the programming process.

Human Rights principles guide programming in all sectors, such as: health, education, governance, nutrition, water and sanitation, HIV/AIDS, employment and labour relations and social and economic security. This includes all development cooperation directed towards the achievement of the Millennium Development Goals and the Millennium Declaration. Consequently, human rights standards and principles guide both the Common Country Assessment and the UN Development Assistance Framework.

Human rights principles guide all programming in all phases of the programming process, including assessment and analysis, programme planning and design (including setting of goals, objectives and strategies); implementation, monitoring and evaluation.

Among these human rights principles are: universality and inalienability; indivisibility; inter-dependence and inter-relatedness; non-discrimination and equality; participation and inclusion; accountability and the rule of law. These principles are explained below.

- *Universality and inalienability:* Human rights are universal and inalienable. All people everywhere in the world are entitled to them. The human person in whom they inhere cannot voluntarily give them up. Nor can others take them away from him or her. As stated in Article 1 of the UDHR, “All human beings are born free and equal in dignity and rights”.
- *Indivisibility:* Human rights are indivisible. Whether of a civil, cultural, economic, political or social nature, they are all inherent to the dignity of every human person. Consequently, they all have equal status as rights, and cannot be ranked, a priori, in a hierarchical order.
- *Inter-dependence and Inter-relatedness.* The realization of one right often depends, wholly or in part, upon the realization of others. For instance, realization of the right to health may depend, in certain circumstances, on realization of the right to education or of the right to information.
- *Equality and Non-discrimination:* All individuals are equal as human beings and by virtue of the inherent dignity of each human person. All human beings are entitled to their human rights without discrimination of any kind, such as race, color, sex, ethnicity, age, language, religion, political or other opinion, national or social origin, disability, property, birth or other status as explained by the human rights treaty bodies.
- *Participation and Inclusion:* Every person and all peoples are entitled to active, free and meaningful participation in, contribution to, and enjoyment of civil, economic, social, cultural and political development in which human rights and fundamental freedoms can be realized.
- *Accountability and Rule of Law:* States and other duty-bearers are answerable for the observance of human rights. In this regard, they have to comply with the legal norms and standards enshrined in human rights instruments. Where they fail to do so, aggrieved rights-holders are entitled to institute proceedings for appropriate redress before a competent court or other adjudicator in accordance with the rules and procedures provided by law.

3. Programmes of development cooperation contribute to the development of the capacities of duty-bearers to meet their obligations and of ‘rights-holders’ to claim their rights.

In a HRBA human rights determine the relationship between individuals and groups with valid claims (rights-holders) and State and non-state actors with correlative obligations (duty-bearers). It identifies *rights-holders* (and their entitlements) and corresponding *duty-bearers* (and their obligations) and works towards strengthening the capacities of rights-holders to make their claims, and of duty-bearers to meet their obligations.

2. Implications of a Human Rights-Based Approach to Development Programming of UN Agencies

Experience has shown that the use of a human rights-based approach requires the use of good programming practices. However, the application of “good programming practices” does not by itself constitute a human rights-based approach, and requires additional elements.

The following elements are necessary, specific, and unique to a human rights-based approach:

- a) Assessment and analysis identify the human rights claims of rights-holders and the corresponding human rights obligations of duty-bearers as well as the immediate, underlying, and structural causes of the non-realization of rights.*
- b) Programmes assess the capacity of rights-holders to claim their rights and of duty-bearers to fulfill their obligations. They then develop strategies to build these capacities.*
- c) Programmes monitor and evaluate both outcomes and processes guided by human rights standards and principles.*
- d) Programming is informed by the recommendations of international human rights bodies and mechanisms.*

Other elements of good programming practices that are also essential under a HRBA, include:

1. *People are recognized as key actors in their own development, rather than passive recipients of commodities and services.*
2. *Participation is both a means and a goal.*
3. *Strategies are empowering, not disempowering.*
4. *Both outcomes and processes are monitored and evaluated.*
5. *Analysis includes all stakeholders.*
6. *Programmes focus on marginalized, disadvantaged, and excluded groups.*
7. *The development process is locally owned.*
8. *Programmes aim to reduce disparity.*
9. *Both top-down and bottom-up approaches are used in synergy.*
10. *Situation analysis is used to identify immediate, underlying, and basic causes of development problems.*
11. *Measurable goals and targets are important in programming.*
12. *Strategic partnerships are developed and sustained.*
13. *Programmes support accountability to all stakeholders.*

ANNEX 6 EXAMPLES OF BEST PRACTICE AND WORST PRACTICE IN NEPAL

In Nepal the support to the water and sanitation sector contains examples of both best and worst practices. Finland has supported the sector since 1989. The fourth Finnish supported project, the Rural Village Water Resources Management Project (RVWRMP), which is presently ongoing, was identified and prepared over several years. However, not much updating or new preparation was done in spite of the changing situation in the country. Eventually, the project commenced in October 2006. Although the project document does not include an inception phase the project started with a three months inception phase, apparently so that shortcomings in the preparation phase could be rectified.

The project document covers environmental considerations (which were a cross-cutting issue at that time) but does not refer to the cross-cutting issues that are the focus of this evaluation although by the time the project started human rights, womens rights, inclusion and good governance had become very topical issues in the country and inclusion a central goal in the government's policies.

However, with the active involvement of the adviser from the Embassy a Gender Equality and Social Inclusion Strategy was developed for the project during the inception period. In preparation of the Strategy the project first carried out a Gender and Social Discrimination Study to explore the actual situation in the project area and to identify the practices, values and norms used to justify and rationalize discriminatory practices. The strategy crosscuts all project activities including recruitment of project staff. In addition and in line with the rights based approach, close attention has been paid to the most poor and vulnerable in terms of community contributions and ensuring paid work opportunities to the most excluded groups. While the previous water sector projects focused in their gender approach on integrating women into the project work the RVWRMP takes a much wider approach in accordance with the Government's underlying policy of inclusion. The Project also initiated a study on Social Inclusion and Gender and published the results recently to improve the strategy and the action plan. RVWRMP has also developed a rather comprehensive and participatory monitoring system for the project.

The active involvement of the Embassy, the process of preparing the strategy and applying the rights based approach to an extent and the strategy itself are good examples of a best practice. However, a serious shortcoming is that no resources were allocated for implementation of the strategy because the consideration of cross-cutting issues was not properly included in the preparation phase of the project. The project has managed to somewhat revise the budget and limited resources have been found and allocated to the implementation of the strategy from other activities.

In accordance with the rights based approach the process of adding the cross-cutting issues to the project and developing the strategy has been as important as the end results. The participatory process has already sensitized stakeholders widely. One reflection is that the Strategy has received praise also from the Government at central and local level. The strategy is a concrete example of an approach to implementation of the policies. In the interviews during the field mission representatives of the Ministry of Local Development (MLD) stated that inclusion and the cross-cutting issues are policies that the Ministry follows in all their projects and programmes, and the example of RVWRMP is used in implementation.

Against this glaringly good example it is amazing that in the preparation of the latest project in this sector, the Rural Water Supply and Sanitation Project-Western Nepal (RWSSP-WN) all the same shortcomings in project preparation have been repeated in spite of the efforts of the Embassy to have proper preparation and inclusion of cross-cutting issues from the very beginning. The best practices of RVWRMP should have led to the situation where the lessons learned would have been taken into account in the preparation.

The project is a replication of an earlier project which was prepared already in 1999. Thus the project document was outdated from the very beginning. The appraisal in 2004 noted that the project document required substantial modification before it could be used for tendering. No modification was made but implementation was also delayed. In October 2006 a one man mission was commissioned to update the project document. The ToR was very brief and essentially only said that: "The objective of the assignment is to update the Project Document of August 2004, in order to start the competitive tendering". The ToR did not mention cross-cutting issues in any way. The timeframe for the assignment was minimal. The assignment did not result in a satisfactory project document.

There were some further delays because of the political situation in the country. Eventually some further changes to the project document were made at the desk in the MFA. Lessons learned from RVWRMP and particularly the

inclusion of cross-cutting issues were not taken into account notwithstanding comments to that end by the Embassy. The project document dated March 2008 states that there has not been sufficient time to take lessons learned from RVWRMP although that project's Inception Report had been completed already in the beginning of May 2007 and the essential approach was described therein.

In the interviews representatives of MLD were asked why the project was approved in its original shape although the Ministry stressed that inclusion is a cross-cutting policy of MLD and that RVWRMP was used as an example in other projects. The explanation was that RWSSP-WN was to be a replication project and that Finland had urged the early implementation of the project. Obviously a decent appraisal would have resulted in a major revision of the project or would even have called for a new project design. It also seems that Finland wanted to save in the project preparation costs.

An exceptionally long eight months inception phase was added to the project apparently to mend the lacking planning phase. The intention is that during the inception period lessons learned from the RVWRMP and previous water sector projects will be incorporated as relevant. It seems very clear that an eight months inception phase will by far exceed any savings that were aimed at during the preparation phase. Furthermore, the project will face the same difficulties as RVWRMP in that resources for cross-cutting issues and any new elements will have to be found as savings or cuts from other project components. Once again the implementation of cross-cutting issues is not properly resourced.

ANNEX 7 NEPAL COUNTRY CASE STUDY

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1 INTRODUCTION

As part of the Evaluation of Human Rights and Equality, Democracy, Good Governance and Rule of Law in the Finnish Development Cooperation a field visit was made to three case study countries (Nepal, Nicaragua and Zambia). The countries were chosen by the Ministry for Foreign Affairs (MFA). All the countries are Finland's long term partner countries. During the field visits we particularly assessed how well the crosscutting issues have been mainstreamed at the country level and in programmes, projects and other interventions. The field visits were made towards the end of May and beginning of June 2008. The Nepal case study was undertaken by Mr. Tauno Kääriä who was assisted by Mrs. Kanta Singh as the local expert.

The main focus of the evaluation itself was also the focus in the case studies. Thus we essentially assessed the mainstreaming of:

- Human rights (in all of its aspects with special attention to the rights of the most vulnerable groups like children and indigenous peoples and minorities)
- Women's rights and gender equality
- Democracy, good governance and rule of law.

We analyzed the extent to which the above crosscutting issues have been mainstreamed and integrated into the policy dialogue with the partner country and within the donor community, in direct budget support and the sector wide approach as well as programmes and interventions. In addition we assessed the mechanisms and processes used and the division of responsibilities and resources available regarding mainstreaming. We studied all the relevant documentation and interviewed the Embassy staff and partner country authorities, people involved in various interventions, representatives of other donors and some NGOs. The people interviewed are attached as Annex 1. We used the analytical framework introduced in the Interim Report of the evaluation.

For assessing the mainstreaming of the cross-cutting issues different aid modalities and interventions were selected in order to have experiences of a mixture of modalities at various stages of the project cycle and Finland's role as a cooperating partner. We particularly studied more traditional interventions in the water sector and sector wide support in the education sector as well as local cooperation funds.

2 CONTEXT AND SITUATION IN THE COUNTRY REGARDING THE CROSSCUTTING ISSUES

2.1 Background

Nepal is a landlocked country located in the Himalayan mountain range between India and China in the north. It is a country that is rich in natural resources and development potentials. However, it is one of the least developed countries with approximately 28.5 million people, of whom 31% live below the national poverty line (World Development Report 2007). The country is numbered 138 on the Human Development Index (UNDP 2006).

Nepal has a highly segmented society, due to ethnic divisions, religious discrimination, strong cast system and gender based exclusion leading towards marginalization of many sections of the society. The main religion of the country is Hinduism with followers of 81% of the population, followed by Buddhist 11%, Muslim 4% and others 4% respectively (CBS 2001). The Hindu cast system is central to understanding part of the segmentation of the society which leaves large groups such as the low cast excluded. The extremely difficult topography and weak infrastructure has deprived huge areas of the country out of reach for economic, political and social development. The life expectancy is 63 years for women and 62 years for men and adult literacy rate is 49%, male 68% and female 42% (World Development Report 2007). Agriculture provides livelihood for over 80% of the population and over 85% lives in rural area.

Administratively the country is divided into 75 districts. Each district is administered by a District Development Committee (DDC). At the central level the Ministry of Local Development (MLD) provides support to the Committees. The DDC consists of elected representative members from various political parties and is governed by the Local Self Governance Act. The DDC gets block grant from the MLD and in addition it mobilizes local resources imposed through a large variety of taxes, service charges and fees. DDC is responsible for development activities in the district.

Almost all Ministries have their own offices at regional and district levels. The Chief District Officer (CDO) who belongs to the Ministry of Home is the chief administrator of the district. The Local Development Officer (LDO) who belongs to the MLD is the development officer in the district. The role of the CDO is to maintain law and order and deal with corruption cases. The LDO, who serves as secretary to the DDC, plays a crucial role in planning and development of the district. In addition, a number of public corporations have their own offices at regional and district level to deliver services.

DDC in turn provides support to the Village Development Committees (VDC) which is the lowest administrative unit. As of now there are 4000 VDC. The DDC provides a block grant of NRS 1 million each year to the VDCs which under the local self governance act mobilize additional local resources. Due to the present political situation no local elections were held after the tenure of the elected representative expired in 2002 so there is no local elected representatives at local level. Presently they are functioning through government appointed civil servants. Local bodies would be urgently needed for service delivery and development, as well as for public security and conflict management.

2.2 Political context

Nepal has gone through several political upheavals. The introduction of multiparty democracy in 1990 was an important development in its history placing the king as constitutional monarchy. However, the unstable political situation intensified largely due to the marginalization and exclusion of a large variety of population groups, which left them without any voice and representation.

In 1996 the Communist Party of Nepal (Maoists) staged a decade long armed struggle known as 'The People's War' against the government – demanding a radical transformation of the power structures and abolition of the monarchy. In the 10 years period the insurgency spread to most parts of the country encircling the power strongholds of the government.

Today the country is in political transition. The parliament was dissolved in 2002. In 2005, the king reintroduced autocratic rule. This gave rise to a second popular movement, demanding the reintroduction of multiparty democracy and an end to the power of the king by the 7 party alliances and the Maoist. A Comprehensive Peace Agreement was signed in November 2006. In April 2008, the much awaited election to the Constituent Assembly was held and the Maoist was declared the single largest party.

The elections were revolutionary in the sense that the Assembly has strong representation from groups that were previously largely or totally excluded. Women are strongly represented with 33 % of the seats. Other marginalized groups are represented through some elected members and to an extent through the 26 assembly members nominated by the Council of Ministers. However, as the UN Secretary General's Special Representative said, the demands of these traditionally marginalized groups for inclusion are not confined to their representation in the Constituent Assembly, nor are they willing to await the implementation of a new federal constitution. They have been promised and expect to see rapid progress in their representation in all structures of the state, including government bodies, the civil service and the security forces. Failure to meet such expectations again carries the risk of disruptive protest which Nepal can ill afford.

The first meeting of the constituent assembly on 29 May, 2008 declared Nepal a Federal Democratic Republic ending the 240 year old institution of Monarchy. However, at the time of the field visit there remained many challenges that need to be sorted out by all concerned political parties - formation of a government, amendment of the interim constitution and drafting of a new constitution and its endorsement by the constituent assembly.

2.3 Development policy

In this situation Nepal's development process has been slow. During the decade of conflict the development agencies had limited chances to work in rural areas. Governance has been weak, particularly at the local level with no elected local representatives. The weak infrastructure which was inadequate to begin with was further destroyed by the Maoist during the conflict especially in most of the district headquarters and rural areas.

In view of the resumption of armed hostilities and the break-down of the ceasefire in 2003, Finland and the other donor agencies adopted a set of Basic Operating Guidelines (BOGs) to emphasize the importance and responsibility of all parties to the conflict to maintain space for development and provide access to beneficiaries in Nepal. The BOGs are based on internationally recognized Humanitarian Law principles and reflect the specific conflict situation in Nepal. The Guidelines were renewed in 2007 and have been widely spread out in the regions.

The BOGs were agreed among donors in the fall of 2003 with the aim of providing operational guidelines on how donors should operate in Nepal and appealing to parties to the conflict not to interfere in the project activities. The BOGs did not aim at changing donor policies or implementation modalities.

The Tenth Plan, also known as the Poverty Reduction Strategy Paper (PRSP, 2002-07) of Nepal, was the main medium-term development planning document targeting focusing much on poverty reduction. The PRSP was guided by rural orientation, priority to actions bearing quick results and strong strategic focus. Because of the weak government structures implementation relied heavily on the private sector and NGOs for carrying out economic activities, infrastructure development and service delivery wherever possible, both in partnership with central and local governments and agencies, and to complement the role of the government in development.

The strategy of the international community in supporting Nepal's efforts to achieve the Millennium Development Goals (MDGs) has largely focused on economic growth and infrastructure development. In most MDGs the progress has been positive: for example, poverty levels (MDG 1) have declined from 42% in 1996 to 31% in 2004 but the progress for different groups and different parts of the country is uneven. Similarly the promotion of gender equality and empowerment of women (MDG 3) has improved and the gender disparity in all levels of education is being reduced although it remains pronounced for Madeshi middle castes and Madeshi janajatis. Nepal is still off track from reaching primary education for all (MDG 2): caste and ethnic group disparities are high. In 2006 education attracted a government budget of only 3.4% of GDP. The MDGs 6 and 7 may potentially be achieved and the country is on track with the MDGs 4 and 5.

It is, however, clear that the extremely complex social context (gender, caste, ethnicity, urban/rural divide) has not been properly taken into account and this hinders the achievement of development goals. Furthermore, the sharp increase in food and fuel prices makes achievement of the goals increasingly difficult. There is already a large shortage of food in rural areas where an estimated 2.5 million may be in need of immediate food assistance. Nepal is also facing serious fuel shortage and there were long line-ups at petrol stations during the field visit.

In 2007 a Three-Year Interim Plan (TYIP) was prepared. The TYIP recognizes that expected improvements could not be realized and that the People's Movement of Nepal has exposed the existing structural and feudal attitudes in economic, social and cultural areas and the legacy of classifying the Nepali people in different ways. There is wide-based discrimination based on gender, caste, language, culture, religion, disability, age as well as violation of human rights and deprivation in social and geographical terms. Particularly the economic and social conditions of women and of social groups such as Dalits, Adibasi Janajati, Madhesis, Muslim community, and the residents of the Karnali zone had not been improved. Some 46 % of the Dalits, 44 % of the hill Janajatis and 41 % of the Muslim community are below the poverty line.

Such a situation has caused marginalization and exclusion and urged conflicts and provided additional energy to them. Consequently, the focus of the TYIP can well be said to be on **inclusive economic and social development**. The TYIP places special emphasis on increasing public expenditure to provide relief and generate employment and for financing peace building, reconstruction, rehabilitation, reintegration, inclusion and revitalization of the economy, giving special attention to various excluded groups.

Due to liberal political situation after the 1990 revolution and due to the ratification of various international treaties the government has incorporated in their plans and policies, crosscutting issues like human rights, gender and equality, democracy, and rule of law. All of these themes are addressed in the TYIP and is considered as the top priority of the government as well as of the donors and other organization.

The Foreign Aid policy 2002 was reviewed in February 2008. The draft was discussed in a donor consultation meeting and the final version will be the basis of a Development Forum meeting in September-October 2008. In the February meeting top priority was given to TYIP and Nepal's development priorities, i.e. education, health and infrastructure, and implementation of policies. Crosscutting issues such as human rights, women's rights and gender equality, and good governance and rule of law were also discussed. All of these issues can be addressed in a well functioning democratic system so democracy plays an important role. In the course of the evaluation, while meeting with various government ministries, donors and human rights organizations it was clearly and several times stated that all the above issues may look like crosscutting issues but in the present situation of Nepal they in fact are the most essential development issues.

However, with much of the exclusion and discrimination being deeply rooted in the culture, cast system, religion and traditions of Nepal the process of achieving wide and sustained inclusion is long and requires manifold action. Apart from government action deep-rooted attitudes and habits of the people must change. Education and advocacy are important avenues. The attitudes and habits of new generations can be changed through inclusive basic education while the attitudes and habits of people from decision makers to the general public can be affected through strong advocacy work.

2.4 Crosscutting themes

According to the interviews with the Secretary of the Ministry of Foreign Affairs (who is in charge of human rights issues) the Government of Nepal has accepted **human rights** as a guiding principle in all of their development work. It is a precondition for sustainable development and a basis for government commitments to human rights issues of the country. In order to monitor, promote and protect human rights the government has formed a National Human Rights Commission (NHRC). However, the human rights situation is far from satisfactory in the country. Many others, including NHRC cited impunity as one of the very difficult points which undermines the credibility of the human rights policy within the general public and many other quarters.

From the development perspective human rights are addressed in almost all of the programs undertaken by government as well as by the donors and civil society organization. It is the most widely debated issue in all programs and plans. Rights of people and disadvantages groups are addressed resulting in creating awareness on rights and responsibilities. The NHRC is also doing advocacy work but their resources are rather limited. However, various marginalized and other groups now more and more demanding their rights. The Commissioner who was interviewed stressed that human rights are a development issue and should be taken up in a dialogue with the various authorities.

Discrimination is an area where the protection of human rights has drastically failed. Although the Government has reviewed policies the traditional, cultural and religious habits are slow to change. The Government has not undertaken strong protective action. However, social inclusion is the issue that has been debated and incorporated in all the programs of the government and donors.

After the Beijing Conference, **gender equality** has been a top priority of the government and the Ministry of Women, Children and Social Welfare was formed to promote, support and increase active participation of women in all round development And for improving their situation and condition. According to the Minister of the Ministry gender equality is promoted by mainstreaming gender in all the plans and programs of the government and development interventions undertaken by the donors and NGOs. Women's issue has been mainstreamed in national development policy and the Government has constituted the National Women Commission to look after the issue of women. The Government budget is now said to be gender sensitive. Mainstreaming women has created positive impact as more women from the disadvantaged groups have their representations and participation in various development and social issues. At the policy level positive discrimination has been adopted by the government to increase their meaningful participation in various fields. The Constituent Assembly has now 33% of women representatives.

However, in practice the status of women is still rather poor and their rights are not respected. Women are discriminated in various ways and their real status in the country is far from equal with men. The Ministry of Women, Children and Social Welfare has responsibility of around 70% of the society (women, children, elderly, people with handicap) but their resources, both human and financial, are very meager. Mainstreaming means that other sector ministries are responsible for women's rights and gender equality in their own field but those ministries need to be sensitized first in order to implement well the government policies.

Good governance is an important issue that has been incorporated by the government and other development agencies in their plans and policy. This has resulted in having better transparency in major programmes implemented by the government and donor agencies. Gender and public auditing are practiced by the government and other programs. There is a governance reform programme ongoing in Nepal, supported by ADB.

Nepal has a governance set-up for decentralization but local offices have now been for several years without elected representatives and things are administered by government nominated local staff. Corruption is wide-spread in the country. Nepal ranks 131 in the Transparency International's world list of corrupted countries. The Royal Commission for Corruption Control, which the King had established, was ruled unconstitutional by the Supreme Court and dismantled. There is a constitutional body called Commission for the Investigation of Abuse of Authority

During the decade of civil war the **rule of law** situation in Nepal degraded further with the Maoists using violence and terror as their means and the government security forces arresting dozens of civilians for their perceived support for the Maoists. The conflict between the Government and the Maoists has been marked by violations of international human rights law by both sides. With the Government's failure to bring to justice armed groups and security forces responsible for the strings of violent acts abductions, torture, and killings such lawless behavior had become the norm. Impunity is spreading beyond the human rights violations of the civil war. There has been not a single prosecution in the civilian courts of even the most egregious human rights violations on either side of the armed conflict, or of many killings since including killings during the election campaign.

2.5 Finnish aid programme in Nepal

The main objectives of Finnish cooperation with Nepal have been poverty reduction, assistance in the peace process and democratic development, improvement of human rights situation and promotion of sustainable economic and ecological development. The main sectors of cooperation have been education and water and sanitation.

However, as a result of Finland's new Development Policy (2007) the cooperation framework has been reconsidered and is somewhat in a phase of transformation. In the 2007 country consultations Finland promised support to Nepal's peace process. Furthermore, it was agreed, largely at Finland's request and based on the new Policy, that cooperation would be expanded to the natural resources sector which would include water and sanitation, environment, climate and forestry sectors. Nepal proposed that cooperation would continue in the important education sector. Finland noted that cooperation would continue until 2009 but gave no promises beyond that.

It should be noted that crosscutting themes are not sectors as such. Therefore, in choosing sectors of cooperation crosscutting issues may affect the choices only marginally although off-hand it would appear that the crosscutting issues are more easily reflected in social sector interventions. This naturally highlights the importance of effective mainstreaming of the crosscutting issues and the importance of safeguarding their consideration from the very beginning of the programme cycle. In addition to sectors there have been and are in Nepal specific projects that Finland supports in the crosscutting themes, such as support to human rights instruments.

The total disbursements of bilateral aid to Nepal was EUR 6.69 million in 2007 but it is expected to be increased to EUR 20 million by 2012 if conditions in Nepal are favorable: if peace in the country remains, decentralization and good governance is strengthened and if there is more transparent and participatory planning, strengthened control of the use of funds and public procurement.

The education sector in Nepal is assisted through sector support to Nepal's Education for All -programme (EFA) 2004-2009. EFA is a national programme covering primary and basic education, including adult literacy and early childhood development. Finland's annual contribution has been around 3 MEUR, while the overall budgetary support from donors (Denmark, Norway, DFID, World Bank, Asian Development Bank and UNICEF) amounts to some 40 MEUR per year representing less than one third of the overall primary and basic education budget. In addition to the sector support Finland provides technical assistance for devising a policy and plans to ensure education for all non-Nepali speaking children in their mother tongue in primary schools. This is a specific human rights oriented project.

The water and sanitation project was launched in October 2006 at village-level in the Far-Western Region of Nepal, while the long-term rural water management project in Lumbini ended in the beginning of 2006. A replication of the Lumbini project will start later in 2008 in the Terai area.

The Dharan-Biratnagar industrial corridor's environmental project in Terai started its two-year extension in 2006. The project created a model based on practical experience, but its establishment and adaptation is only just beginning. The aim is to strengthen environmental administration in the provinces to enable them to provide technical and financial support to businesses following the so-called private-public partnership model.

In 2007 Finland signed an agreement with the Government of Nepal to participate in the Nepal Peace Trust Fund with 3 MEUR. This is particular support to Nepal as a fragile state. Support to human rights is provided through support to the National Human Rights Commission and to the OHCHR's office in Nepal. Furthermore, the protection of human rights and gender equality are supported through the funds for local cooperation.

During the period 2006-2007 altogether nine Finnish NGOs implemented in Nepal 23 projects with funding from the MFA. The total annual funding is shown in Table 1 below. Most projects deal with health, education, community development and environment. All the projects are executed in cooperation with Nepali NGOs and CBOs.

Table 1. Finnish bilateral and NGO support to Nepal. All figures are in Euro

Sector	2004	2005	2006	2007
Education	1 735 594	3 101 123	2 945 242	2.317.910
Water and sanitation	1 128 529	200 188	198 674	2.242.527
Environment	822 830	692 069	633 528	742.688
Human rights, democracy and civil society support*	N.A.	1 150 000	650 371	1.000.000
LCF	161 487	465 977	491 783 (7.4 %)	377 671 (4.4 %)
Total	N.A.	5 609 357	4 919 598	6 680 796
Share of LCF from bilateral		8,3 %	10 %	5,6 %
Finnish NGO programmes	1 215 738	1 404 568	1 687 705	1 882 524

*= support to the Nepal's Peace Trust Fund and the OHCHR's Nepal's office

Source: www.formin.fi; ASA-31

3 POLICY DIALOGUE: HOW DOES FINLAND EXTEND INFLUENCE AT THE COUNTRY LEVEL

3.1 Bilateral consultations

Consultations on cooperation between the two countries were held in November 2000. They were the first wider consultations which covered all forms of cooperation, not only development cooperation and where political, commercial and economic issues were discussed in addition to development issues.

Crosscutting issues (human rights, democracy, corruption, transparency, decentralization, environment, reasons behind the insurgency) were well covered in the mandate for the consultations. Not only were the issues raised and discussed but also there was follow up in the sense that the agreed development cooperation programmes also reflected the issues. The Embassy followed up the consultations within a week, listing the issues that required action from the Finnish side which included activities in the crosscutting themes of environment, human rights and democracy.

This is an example of good practices in the sense that crosscutting issues are not only raised as discussion points or political issues but the discussions are also clearly reflected in programmes and there is rapid follow up to the consultations.

The mandate for the 2003 consultations stressed the commitment of Nepal to the peace process, returning to a democratic system and improvement of the human rights situation. Environment, which at that time was a crosscutting issue, was stressed as a cooperation sector. These issues and good governance and the promotion of rule

of law were taken up in the consultations. It was also stressed that Finland pays special attention to the rights of women, children, minorities and indigenous people and that gender equality should be accorded a central role in all cooperation in order to achieve poverty reduction.

In the agreed minutes the link from the crosscutting issues to the interventions that Finland agreed to support is not as apparent as in the previous consultations. However, support to rural water development continued and the project contains elements of strengthening decentralization which can be considered good governance. Apart from the water sector, education remained the other key sector but it appears that it was not seen of such fundamental importance as it has today as a crucial key to achieving inclusion, not only in education but in the longer run in changing old attitudes and traditions.

In the mandate for the 2007 consultations the crosscutting issues were not emphasized as strongly as in the previous two cases. Finland was to state her support to the peace process, resumption of democratic processes and improvement of the human rights situation. Heavy emphasis was to be put on environmental issues and climate change in accordance with Finland's new development policy. The aim was to expand cooperation to the natural resources sector in its wide sense and have it as a main cooperation sector.

The agreed conclusions note Finland's support to peace and democratic processes and emphasized the importance of an independent National Human Rights Commission. Furthermore, Finland stressed good governance and the need to fight wide-spread corruption. Finland expressed the willingness to provide support both to the National Human Rights Commission and to the fight against corruption. In addition to this general support there was no clear link between the emphasis laid on crosscutting issues and the agreed cooperation programmes. In raising crosscutting issues in the policy dialogue is an important political and development policy signal. In addition to that, agreement on specific action related to the themes or agreement of the importance of mainstreaming the themes in all cooperation add the importance of practical implementation.

Finland's support would continue in the rural water sector but although Nepal particularly asked Finland to continue her support to the education sector reform, Finland was not prepared to commit herself at that stage in spite of the crucial importance of education as a means of supporting human rights and wide-based inclusion in the country. It appears that rather than agreeing to Nepal's own priorities and ownership, Finland took stronger guidance from her own new development policy.

It is perhaps noteworthy that in the period of the conflict, when there were limited chances of implementing sustainable long-term development interventions much support was given to human rights and the crosscutting themes which therefore may have seemed to have attracted proportionately very wide support in the Finnish programme. In the longer-term planning the relative proportion of other sectoral interventions would be increasing. Furthermore, assistance to human rights in practice often is provided over and above the long-term cooperation framework.

3.2 Budget support and sector wide approach

Finland does not provide direct budget support to Nepal.

Finland is one of the donors that provide support to the education sector through the Education for All Programme (EFA). The funds are provided according to the sector wide approach through basket funding. The objectives of the programme are: ensuring access and equity; enhancing quality and relevance; and improving efficiency and institutional capacity. All the six components of the EFA focus on inclusion.

The EFA has a strong human rights and gender equality orientation in as much as inclusion of girls and all groups of the society is one of the specific targets of the programme. Good governance comes also into the picture as strengthening of the school administration and the entire administrative sector mechanisms for the programme are also points of support. Transparency and effectiveness are stressed also at the school level particularly regarding scholarships, procurement and construction and the aim is that all information should be locally available to the school management committee.

There are semi-annual review meetings of EFA with the Government and usually monthly donor meetings where all the issues, including of course inclusion, are discussed and progress reviewed. According to all those interviewed Finland has been very active in the review meetings and donor coordination, particularly regarding the crosscutting

themes. Finland was the focal point for the donors in 2006-07. According to all sources this was a period when the coordination mechanisms were considerably strengthened. In that period the Government was given a strong role in the coordination, while previously it had been donor driven.

3.3 Harmonization and alignment

Nepal was one of the partner countries that volunteered to be evaluated regarding implementation of the Paris Declaration. The country report was finalized in March 2008. The survey monitored the progress of the Government and Nepal's donors on making aid more effective against the five basic objectives (ownership, alignment, harmonization, managing for results, and mutual accountability) and the indicators provided in the Paris Declaration.

While the survey did not particularly aim at assessing the performance of individual donors in Nepal some conclusions can be drawn.¹ For instance, the survey found that the donors' actual disbursements are considerably less than the amounts pledged. A considerable amount of official development assistance does not come through the Government financial systems and a substantial part comes outside the purview of the government's planning and budgetary processes.

The donors' perceive that Nepal has a limited capacity to formulate development and implement programmes and projects and monitor achievements. They have established separate project implementation units which give them more control over implementation. However, in the last few years, a significant number of large donors have shown their confidence in the Government by aligning their budget formulation processes, monitoring and reporting systems more in line with the Government's. This has happened most notably in the sector wide approaches for education and health.

The government has introduced several measures to improve its public financial management system. Notable examples are the implementation of the Procurement Act and rules, the financial management information and reporting system, and institutional mechanisms for exchanging views and seek active support from donors. The Government recently formulated Public Expenditure and Financial Accountability guidelines. The issue of improving the quality of the institutional mechanisms and the management of information generated through the information system is a challenge which needs to be addressed by donors and the Government.

The survey found that in 2006/07 technical assistance made up 38 percent of total official development assistance, a relatively high proportion. TA is used widely in almost every sector. This raises the issue of efficient and effective use of technical assistance.

Finland's performance, according to some statistics that were collected, was not strikingly different from the average. In some respects Finland performed in accordance with the Paris Declaration objectives and in some other respects less so.

3.4 Donor coordination

Donor coordination in Nepal is weak in the sense that it is not Government led. There are no round table or consultative group meetings and no regular donor meetings in the field with the Government. The donors meet among themselves and exchange views and information. Many donors are hoping that the monitoring process of the Paris Declaration will increase ownership and move Nepal from donorship to ownership. There is no aid coordination as such within the EU. EU Heads of Mission meet regularly once a month but the issues discussed usually evolve around political developments in the country, human rights situation etc.

The Government organized a Nepal donor consultation meeting in February 2008 where it presented to the donor community the draft Foreign Aid Policy, 2008, which revises the old policy from 2002. According to the interviews Finland participated actively in the February meeting and particularly raised issues regarding gender equality, inclusion and good governance. After taking into account the comments made the Government is finalizing the document with the intention to present it to the donors in a Development Forum meeting in September-October 2008. The Government is expecting pledges to be made at that meeting.

¹ Finland was one of the donor countries that were evaluated regarding implementation of the Paris Declaration.

Development cooperation is discussed between various donors unofficially during more or less informal meetings. Several of those interviewed and those that were met more informally indicated that Finland is very active in discussing development cooperation issues and continues to keep a high profile regarding the crosscutting themes.

3.5 Key findings and conclusions

- Finland has continued to raise crosscutting themes in the bilateral consultations with Nepal. In 2000 there was a clear follow up of the consultations in that there was an agreement on supporting human rights programmes and the Embassy took rapid action after the consultations.
- In the 2007 consultations Finland's new Development Policy guided the selection of interventions more than Nepal's own priorities. Crosscutting issues were raised in the consultations but the follow up in terms of interventions was not so apparent although support was pledged to the National Human Rights Commission and to the fight against corruption. In the new sector of natural resources implementation of crosscutting issues will depend on how well they are taken into account in the preparation of interventions.
- Crosscutting issues are well covered in the support to the education sector (EFA). Finland has had a high profile in advancing crosscutting issues.

4 MAINSTREAMING IN VARIOUS INTERVENTION MODALITIES

4.1 Sector support

Finland is financing the basket funding of the education sector reform programme in Nepal. This is the third phase of the programme which started with Basic and Primary Education Programme I (BPEP I), 1992-1998. At that time the financing agencies were the WB, Danida, UNICEF and JICA. Finland along with some other donors joined the financiers in the second phase of the programme, BPEP II, 1999-2004. Now the third phase, the **Education for All Programme**, 2005-2009 is underway and some new donors are still joining the group. Plans are being prepared for the next phase, the School Sector Reform (SSR), from 2010 onwards. This reform was envisioned in the National Plan of Action in line with the PRSP and is linked with the TYIP. Piloting of the SSR is being undertaken in three districts. The aim is to reach education for all in 2015.

During Finland's term as focal point for the donors the Government's role and coordination mechanisms were considerably strengthened. The Government is responsible for monitoring of the progress and reporting thereof. Reporting has improved and is considered to be at a reasonably good level. Reports are on the web-site for transparency and accountability.

The results of the programme have been considerable, considering that there has been 10 years of insurgency in the country and no locally elected bodies since long in the rural areas. The progress was confirmed by the interviews and by a review in 2006 financed by Finland on behalf of the donors. However, there still remains a long way to go. The crosscutting themes are well covered in the programme, partly due to the fact that the programme has been running for a fairly long time and there has been time for dialogue and focusing on gender equality, inclusion and good governance issues. Finland and other donors continue to keep the issues actively on the agenda and it seems that it has also had an effect on Nepal's own policies which focus on inclusion and where gender equality is highlighted. This would confirm the notion of the rights based approach (HRBA) that in development interventions the process is as important as the actual results and often the process leads to more sustainable effects.

In 2001 the responsibility for running the government primary schools was given to the communities on a pilot basis. Some 80 % of the children attend public schools. The Government provides part of the funding in a lump sum (based on the number of students). Now around 5000 schools are managed by the communities and some 7000 schools are run by communities with only little additional support from the central government. Communities raise their own funds but often face difficulties. Teachers' salaries are the largest expense item and if the teacher student ratio is not reached the central government can provide additional support. The schools now provide education up to grade 10 but a two year extension to the education is in the plans.

There has been considerable progress in primary-level enrolment, and there is now good representation of minorities and girls, but many classrooms are extremely overcrowded. The net enrollment rate (NER) has risen from 66 % to 89

%. Drop-outs have also decreased. The gender parity index (GPI) has been considerably improved and is as high as 0.96 although in the secondary level the figure drops and the higher you go the less gender parity there is. The ownership of the schools in the communities is very strong and in many cases there is private partnership in providing local financing for the school. However, 11 % of the children are still out of school. Many of them are from the poorest segments or discriminated groups, although a more detailed study is required to get accurate information and develop specific action to reach also these children.

The system for appointing and transferring teachers is inflexible, non-transparent and ineffective. There are now serious imbalances in the spread of teachers, with classes of over a hundred common in the terai (plains) while classes in hilly and mountain areas may typically have less than ten children. Lack of financial resources adds to this in the crowded areas. School Management Committees have little alternative but to employ additional teachers, often paid for by contributions from parents and remunerated at far below the official rate. These additional hires count for 19 percent of all teachers. Teachers' unions are alienated by this spread of low-paid and informally-contracted employment. Overcrowding has also led communities to construct extra classrooms by raising funds locally; usually by imposing a levy per student. There is a risk that poorer children may be excluded, although these negative effects appear to be counteracted to a considerable extent by increasingly positive attitudes towards education. Although School Management Committees constitute an important step towards decentralization, their budgets are so small that they have little freedom of choice.

The Finnish commissioned review in 2006 of the EFA examined the programme in relation to the conflict and political crisis in the country. Factors relating to conflict were assessed from the point of view of social, economic and political exclusion and from the point of view of security factors, or the immediate effects of violence. The review focused more on the impact of education on conflict rather than the impact of conflict on education.

The review concluded that “the design of the EFA programme is directly aimed at issues of exclusion and therefore is a highly appropriate response to conflict. Among the instruments available to donors it may be one of the most suitable at the current time. It reflects many of the DAC Principles for working in Fragile States. The review recommends continued funding at current levels”. While there was discussion during the insurgency period whether one can meaningfully support basic education or will all the efforts be wasted, the review strongly confirmed the importance of basic education particularly in a crisis period. With the armed struggle and without education, one more generation would have lost the opportunity for development.

The review concluded that one of the shortcomings in the EFA was the lack of a consultative process with stakeholders. Some observers, the review said, consider that such a fundamental change will have to wait until the political crisis is resolved. (Today there is headway in that respect compared to early 2006.) Grievances were becoming intensely politicized and there was a tendency to want to blame government rather than solve problems. But the argument could be turned the other way said the review. The education sector could play a leading role in conflict transformation by demonstrating consultative and inclusive behavior and by creating forums for discussion about pressing issues.

In all the interviews basic education was considered extremely important from the point of view of inclusion and the fight against discrimination and exclusion. Inclusion is absolutely necessary if one wishes to have sustained peace and stability within the country and aims at providing a stable basis for other development efforts. The Nepalese Government requested Finland to continue her support to the education sector after the completion of the present phase. The importance of the programme and the good results achieved so far strongly speak in favor of Finland's continued support.

4.2 Projects and programmes

The **Multi-lingual Education project** (MLE) started in January 2007 with a six-month preparation phase. The Project has had difficulties from the very beginning and so far the achievements are rather meagre. The Inception Report of the project was approved by the Supervisory Board only in February 2008.

The project which aims at providing equal opportunities for all children in basic education in a country with nearly 100 languages is a specific intervention within the crosscutting themes. Due to the very limited results of the project it would not necessarily have contributed much to the assessment of mainstreaming of crosscutting themes. Taking these two factors into consideration a decision was made during the field mission that the present evaluation would not focus much on the project.

The project is piloting bilingual education in six different districts. According to a monitoring report the situation differs substantially in the regions and the response of the beneficiaries and stakeholders is also somewhat different in each district. While some are eagerly waiting for bilingual education materials and the beginning of instruction in the classes in the local language the response in another district has been very reserved and doubtful because education at higher levels would be in Nepali in any case. Education materials have not been finalised so far.

A mid-term evaluation of the MLE programme was carried out in May-June 2008 but the final report of the review has not yet been available. The report is expected to include recommendations to address the challenges.

Finland is supporting the water and sanitation sector in Nepal. At present the fourth rural water supply and sanitation project since 1989 is under way; first there were two Rural Water Supply and Sanitation Projects (RWSSP) and a third Rural Water Supply and Sanitation Support Programme (RWSSSP) in Lumbini Zone.

Phase III, the **Rural Water Supply and Sanitation Support Programme (RWSSSP)** was carried out between 1999 and 2004. There was a one year extension into 2005 with local manpower supervising the completion of the most critical schemes of the programme. The programme aimed at contributing to full coverage and adequate and sustainable water supply and sanitation facilities and services in the area through 1) improved institutional capacities of the districts to enable decentralization to district and users, 2) financial support, and 3) improvement of methods of implementation and operation and management. Thus the programme had clear elements of good governance.

Environmental aspects were integrated within RWSSSP from the very beginning. According to the mid-term evaluation environmental aspects had been continuously emphasised in various activities and in particular in training and orientation workshops at the village and user committee levels and through advocacy events.

The policies and strategies of RWSSSP clearly recognise the importance of gender and the programme emphasises the role of women in the promotion of community based social development. The mid-term review notes, however, that there is a gap with these statements to the reality and that there is a need to step up the gender equality approach. At the same time the review did note that some progress had been made in the participation of women at various levels.

In order to improve rural water and sanitation service delivery in Nepal and to guide the government, donors, NGOs and the private sector with a commonly agreed approach a Rural Water and Sanitation Services Sector Strategy and an Action Plan were completed in November 2003 with the support of ADB. However, in spite of the good intentions the strategy has not been implemented. The sector is splintered by the stakeholders each having their own modalities and channels for funding. Even the ministerial responsibilities are somewhat unclear a split between the Ministry of Physical Planning and Works (MPPW) and Ministry of Local Development (MLD). Each is implementing a large number of rural water and sanitation projects. The lead in the rural water and sanitation sector is with the MPPW and it also executes urban water and sanitation projects. MPPW has tried to get a better hold of the sector. It has held stakeholder meetings in order to share information so as to have better coordination and in fact reform of the sector. From this point of view it perhaps raises a question that Finland has financed projects which all have been under MLD. MLD does participate in the sector stakeholder meetings. MLD is in charge of community based development projects.

The fourth Finnish supported water and sanitation project, the **Rural Village Water Resources Management Project (RVWRMP)** is presently ongoing. A project identification mission was carried out in late 2001 (which was before the sector strategy and may explain why the support continued to MLD and not to MPPW) and the project document was prepared in November 2003. Finland wanted to support a project in the poorest areas of the country and subsequently the project covers nine mountainous districts in the Mid and Far Western Development Regions with a total population of approximately 1.5 million. The project document reflects the Local Self-Governance Act of 1999 which emphasises decentralization and the key role of the locally elected political bodies, the Village Development Committee (VDC) and District Development Committee (DDC).

The project was delayed as the King usurped the power in Nepal in February 2005 and all new projects were frozen. The agreement between the two Governments was finally signed only in September 2006, five years after starting the preparation. The project document was updated (with a chapter that seems like an 'add-on' to the project document) so much so that reference is made to the new Rural Water and Sanitation Services Sector Strategy saying that "*the proposed RVWRMP will be the first TA project to be designed following the principles and policies of the strategy*". However, not much updating or new preparation was done in spite of the changed situation in the country and for instance the lack

of local elected VDC and DDC administration. Eventually, the project commenced in October 2006. Although the project document does not include an inception phase the project started with a three months inception phase, apparently so that shortcomings in the preparation phase could be rectified.

The objective of the project is to provide rational, equitable and sustainable use of water at the village level and thus contribute to improved health and housing conditions, improved environmental conditions regarding water and waste and increased rural livelihoods opportunities. The project should develop comprehensive Water Use Master Plans (WUMP) for the use of water resources and improve the institutional capacity for water use management.

Environment as a crosscutting issue is well covered in the document. Environmentally sensitive conditions will be taken into consideration in the preparation of the WUMPs. The role of women is also emphasized and equal representation of men and women underlined. Democracy and good governance are mentioned in the passing. The project document is not prepared in such detail that there would be human or financial resources allocated to any of the crosscutting issues. Implementation without resource allocation is difficult.

In 2004, the Government adopted a Local Infrastructure Development Policy which is *“to contribute to poverty alleviation by improving the social and economic conditions of the local people at their own initiative and participation”*. Furthermore, the policy is *“to improve the access of local people including women, disabled, backwards, oppressed, and Dalits to social services, economic opportunities and resources by means of physical and social infrastructures”*. Inclusion is an underlining objective in Nepal’s development policies. In the project area, which is among the poorest in the country, discrimination and exclusion is a tangible feature.

During the inception period a Gender Equality and Social Inclusion Strategy was developed for the project with the active involvement of the adviser from the Embassy and the adaptability of the Team Leader. The strategy crosscuts all project activities including recruitment of project staff. The project budget has been revised and limited resources have been found and allocated to the implementation of the strategy from other activities. The Project also initiated a study on Social Inclusion and Gender and published the results recently to improve the strategy and the action plan. In addition and in line with the rights based approach, close attention has been paid to the most poor and vulnerable in terms of community contributions and ensuring paid work opportunities to the most excluded groups.

While the previous water sector projects (RWSSSP) focused in their gender approach on integrating women into the project work the RVWRMP takes a much wider approach in accordance with the Government’s underlying policy of inclusion. The Strategy notes that beyond project level interventions, RVWRMP recognises that it cannot seek social change in project communities without also addressing these issues internally. Furthermore, the Strategy has to be agreed by all project staff and shared with all partners and stakeholders. The Strategy was already prepared in a participatory manner.

In preparation of the Strategy the project first carried out a Gender and Social Discrimination Study to explore the actual situation in the project area and to identify the practices, values and norms used to justify and rationalize discriminatory practices. While the degree and forms of discrimination varied across the communities the justification of the practices was similar. It is based on a triangular equilibrium of faith, fate and fear that is built up and maintained on superstition and traditional beliefs. Accordingly the Strategy concludes that a process of social mobilization, sensitization and confidence building is required that will take time and, in some cases, generations.

Nepal’s Rural Water Supply and Sanitation Sector Policy, Strategy and Action Plan (2004) stress the importance of gender and social inclusion in project implementation and have provisions for enhancing the participation of women and disadvantaged groups. However, their meaningful participation in decision making roles remains symbolic. Projects are usually required to have a minimum number of women (usually 33%) on water user committees, including some key positions, in many cases women are illiterate and lack the necessary skills to carry out their responsibilities. The Local Self-Governance Act stipulates that women and disadvantaged groups should be represented on local governing bodies (VDCs and DDCs) as well. The Strategy concludes that building people’s level of awareness and capacity to access resources and opportunities, and to influence and hold accountable the institutions that affect them will require concerted efforts, as many groups have traditionally been excluded from such processes. This again reflects the rights based approach, as does the Strategy overall.

In accordance with the rights based approach the process of adding the crosscutting issues to the project and developing the Gender Equality and Social Inclusion Strategy has been as important as the end results. The participatory process has already sensitized stakeholders widely. One reflection is that the Strategy has received praise also from the Government at central and local level. While inclusion is reflected in government policies this strategy

is a concrete example of an approach to implementation of the policies. In the interviews during the field mission representatives of the MLD stated that inclusion and the crosscutting issues are policies that the Ministry follows in all their projects and programmes, including a large WB programme that has recently been prepared and the example of RVWRMP is used in implementation.

RVWRMP has developed a rather comprehensive and participatory monitoring system for the project. Monitoring will be done at all levels. One particular objective of the monitoring is to provide disaggregated data on the inclusiveness of the project activities with particular regard to women and discriminated ethnic groups. Inclusiveness will be assessed at the decision making levels also. Furthermore, perceived barriers will be identified as regards to resources access and the motivation and experience related to the alleviation and removal of these barriers.

The inclusion of the missing crosscutting issues into the project and preparation of a specific Gender Equality and Social Inclusion Strategy at the initiative and active involvement of the Embassy is an example of good practices in the mainstreaming of crosscutting issues. The preparation process and the Strategy itself are a good example for other projects, recognising that situations are different in each case and thus strategies must be tailor made.

The RWSSSP Programme in the Lumbini Zone was to finish in 2004. Therefore Nepal proposed to replicate the existing Programme in the adjacent zones to Lumbini Zone in order to transfer the experience to the new districts. Following a request by the MLD, a Project Identification Mission for another water sector project was carried out in Nepal in November 2003 and an appraisal mission was completed in May 2004. The appraisal recommended that the project should replicate the RWSSSP with the addition of a component to prepare a Water Use Management Plan within each of the project districts. The four year project, **Rural Water Supply and Sanitation Project-Western Nepal (RWSSP-WN)** will commence in August 2008.

It seems that there are several shortcomings in the project preparation. The RWSSSP III project document (which RWSSP-WN is to replicate) was prepared in 1999. Thus the project document is outdated. The RWSSP-NW project was appraised 2004. The appraisal noted that the project document required substantial modification before it could be used for tendering. No modification was made and implementation was delayed due to the political situation in the country. In October 2006 a one man mission was commissioned to update the project document. The ToR was very brief and essentially only said that: "The objective of the assignment is to update the Project Document of August 2004, in order to start the competitive tendering in the beginning of 2006. It is planned that the RWSSP-WN would begin in spring 2006". (Obviously the tendering was supposed to take place in early 2007 as the ToR is signed 3 October 2006.) The ToR did not mention crosscutting issues in any way. The timeframe for the assignment was minimal.

There were some further delays. The updating assignment had not resulted in a satisfactory project document. The Comprehensive Peace Agreement was signed in November 2006. There were significant developments in the country. Eventually some further changes were made as a desk exercise in the MFA. All in all, the resources allocated and time allowed for carrying out the updating were very limited in spite of the fact that the situation in the country had changed considerably since the time the project design had been completed. Furthermore, lessons learned from RVWRMP and particularly the inclusion of crosscutting issues were not taken into account notwithstanding comments to that end by the Embassy. The project was tendered on the basis of a not much changed project design. On the contrary, the project document dated March 2008 states that there has not been sufficient time to take lessons learned from RVWRMP. However, the latter's Inception Report had been completed already in the beginning of May 2007 and the essential approach was described therein.

After the 2007 country consultations the project was quickly reviewed and finalised. The overall objective, purpose and expected four results of the project reflect a rather technical approach to the problems analysed. Crosscutting issues, discrimination of women and other groups are not seen as an issue even from a sustainability point of view, although strengthening of local capacities of course addresses decentralisation as an element of good governance. Inclusion is mentioned as an element in describing user groups. Gender and inclusion are mentioned almost as add-ons in the project document.

In the interviews representatives of MLD were asked that how the project could be approved in its original shape although the Ministry stressed that inclusion is a crosscutting policy of MLD and that RVWRMP was used as an example in other projects. The explanation was that RWSSPWN was to be a replication of RWSSSP and that Finland had urged the early implementation of the project. Obviously a decent appraisal would have resulted in a major revision of the project or would even have called for a new project design. It also seems that Finland wanted to save in the preparation costs of the project.

An exceptionally long eight months inception phase was added to the project apparently to mend the lacking planning phase. The intention is that during the inception period lessons learned from the RVWRMP and previous water sector projects will be incorporated as relevant. It seems very clear that an eight months inception phase will by far exceed any savings that were aimed at during the preparation phase. Furthermore, the project will face the same difficulties as RVWRMP in that resources for crosscutting issues and any new elements will have to be found as savings or cuts from other project components. Once again the implementation of crosscutting issues is not properly resourced.

As specific support to human rights Finland has provided funding to the **Office of the UN High Commissioner for Human Rights, Nepal office** (OHCHR-Nepal) since it was opened 2005 and is considered for new funding this year. The office is reorganizing its work and has presented a concept paper for its new organization and plan for the remainder of the year.

Support and assistance to the National Human Rights Commission (NHRC) will remain one of the most important activities of the Office. The aim is to have a strong national institution which would be a sign of the long-term success of OHCHR-Nepal. The Office also focuses on the promotion the economic, social and cultural rights in the constitution building process and continues work in the area of transitional justice.

OHCHR-Nepal is developing together with another UN agency a proposal on implementing a model project based on the rights based approach (HRBA). Considering the lack of experience in full fledged HRBA projects and apparent difficulties in applying the concept into practice it would seem very much worth while supporting such a proposal also from the Finnish side. The project could provide an example and lessons learned to the country and the donor community at large. OHCHR is planning to present the proposal in the development forum to be arranged by the Government in September-October 2008.

As another specific human rights project Finland is supporting the **National Human Rights Commission (NHRC)** the NHRC capacity building project administered by UNDP and funded by several donors.

In 2004, the Embassy started operating the **Local Cooperation Fund (LCF)** scheme which combined the earlier local cooperation activities (the Local Fund for Democracy, Good Governance and Human Rights initiated in 1999 and a previously agreed cultural cooperation project).

LCF complements and supports Finland's wider bilateral development programme in Nepal, but at the same time constitutes an independent aid instrument for which the Embassy is in charge. LCF has been used specifically for the purpose of strengthening democracy, human rights and promoting equality, but also for reduction of poverty, increasing of security and economic interaction. Particular attention has been paid to the development of civil society, increasing social inclusion and equality, as well as transparency in society and local cultural identity. Therefore, the objectives of LCF as complementary instrument are not necessarily identical with Finland's overall development policy.

The Embassy has prepared a strategy for the LCF. The main objectives are:

- Addressing multi-dimensional poverty and the inherent inequities in the society
- Strengthening the voice of the voiceless
- Alleviating consequences of the conflict
- Creating and testing innovative approaches.

In the selection criteria, the Embassy pays special attention to the extent to which the project aims at decreasing the inequalities in the country and mitigating the effects of the conflict. Therefore, and in accordance with the policy of inclusion location of the proposed project, participation of women and marginalized groups in project preparation and implementation are in central position. More specifically, the selection criteria for the projects to be financed include the following issues:

- Relevance of the needs or interests: Are the needs or interests of intended beneficiaries identified and analyzed specifically?
- Feasibility: Is the project technically feasible and economically viable? Are the results measurable?
 - Quality and Clarity: Are the project objectives clear and its activities well articulated? Is the time frame of the proposed project adequate and reasonable?

- Organization Capacity: Has the project proponents proven successful initiatives in the past? Are skills and management capacity adequate to manage the envisaged project?
- Sustainability: Would the project reduce aid dependency and ingrain ownership of beneficiaries towards the project?
- Impact: Will the project make a difference in advancing the intended beneficiaries toward sovereignty, securing rights and improving the quality of life through a more equitable, secured and sustainable economy?
- Pre-funding visit to the proposed project site: Prior to the final approval of the project, visit would be made (if necessary) to reconfirm the capacity, needs/interests and commitments of the development partner so that the funded project is needs-based and sustainable.

The share of LCF has varied between 10 % in 2006 and 5.6 % in 2007 of Finnish bilateral aid in Nepal. Table 2 below shows the use of LCF for the four-year period 2004-2007.

Table 2. Use of LCF in Nepal, 2004-2007. All figures are in Euro

	2004	2005	2006	2007
LCF funds available (€)	297 888	500 000	500 000	500 000
Number of projects	14	23*	31*	21**
Total funding/projects (€)	161 487	465 977	421 601	379 734
Min/max per project (€)	1 103 / 30 503	1 043 / 128 797	3 116 / 49 945	389 / 50 027
Average per project (€)	11 113	20 260	13 600	18 082

*Five one-time grants provided as travel grants or other minor assistance (56 – 1619 €); **= one one-time grant
Source: Evaluation of local cooperation funds, Nepal country report, 2008

There is no real donor coordination on NGO activities. There are *ad hoc* meetings to discuss and share experiences about small grant funds that take place maximum twice a year. No donor has taken a lead to organize the meetings. There is informal exchange of information about various organizations and applications which has proven helpful. In the interviews the representative of DANIDA proposed that Finland should begin supporting Denmark's Huguo which is a large programme covering seven specific fields related to human rights, democracy and good governance. Norway is supporting the programme.

An evaluation of Finnish local cooperation funds was carried out in the spring of 2008. Nepal was a case study country for that evaluation. According to the Nepal study LCF projects have never had a close linkage to the sectors of bilateral assistance in practice. This has reduced the relevance of LCF projects. A conclusion was that using LCF in the priority sectors of bilateral cooperation would improve the relevance. Focus could, however, be on the issues that the NGOs mostly work on and on which they are strong: social inclusion, human rights, empowerment of poorest and excluded groups, gender and peace building. However, from the point of view of the subject of the present evaluation LCF is a relevant and good channel of supporting the crosscutting issues as specific themes or irrespective of the sector.

The evaluation noted that participatory project preparation is not a common practice. This should be the case particularly if discriminated and excluded groups are targeted. To mainstream gender and social inclusion it would be necessary to do both the situation analysis and the planning with men, women and socially excluded groups. This has not been encouraged in the LCF instructions. Most organizations focus on excluded and marginalized social groups. Democracy, human rights, transparency and inclusion of women and disadvantaged social groups are important issues promoted by most NGOs receiving LCF funding.

4.3 Key findings and conclusions

- The EFA programme aims directly at issues of exclusion and therefore is a highly appropriate one of the most suitable responses to Nepal's present situation.
- During Finland's term as donor focal point for the EFA the Government's role and coordination mechanisms were considerably strengthened.
- The crosscutting themes are well covered in the EFA programme, due to the fact that the programme has been running for a fairly long time and there has been time for dialogue and focusing on gender equality, inclusion and good governance issues.

- The importance of the EFA programme and the good results achieved so far strongly speak in favor of Finland's continued support.
- The inclusion of the missing crosscutting issues into the RVWSMP project and preparation of a specific Gender Equality and Social Inclusion Strategy is an example of good practices in the mainstreaming of crosscutting issues. The preparation process and the Strategy itself are a good example for other projects.
- It seems that there are several shortcomings in the preparation of the RWSSP-WN project. The apparent haste and savings in project preparation resulted in the crosscutting issues being largely missing and without resource allocation. An eight months inception phase was added to the project apparently to mend the shortcomings and lessons can be learned from the RVWRMP. However, it is clear that an eight months inception phase will by far exceed any savings that were aimed at during the preparation phase and make resource allocation for crosscutting issues more difficult.
- Long-term involvement and support to a sector enhances the consideration and mainstreaming of crosscutting issues as the support to the education sector and water and sanitation sector testify.
- Without proper allocation of human and financial resources preparation and implementation of crosscutting issues is haphazard and much more difficult.
- OHCHR-Nepal is developing a model project based on the rights based approach (HRBA). The project could provide an example and lessons learned on HRBA and would seem worth while supporting also from the Finnish side.

5 RESPONSIBILITIES AND PROCEDURES

5.1 Division of responsibilities between Embassy and MFA

The MFA has for a few years been in the process of delegating preparatory and decision making powers to the Embassies. The Embassies in Hanoi and Managua were chosen as pilot cases where maximum powers would be delegated while a similar process would be ongoing also with other Embassies but with a lower level of ambition. The Paris Declaration on aid efficiency further encourages this development.

In the wake of this process the staffing in Embassies was strengthened, particularly in those countries where Finland has development cooperation programmes. In Nepal the Embassy has been headed by a Chargé d'Affaires with experience in development cooperation. In addition there are two Councillors focusing on development and three locally recruited Programme Coordinators.

In delegating powers to the Embassies no clear rules or guidelines have been prepared concerning the division of responsibilities, decision making powers or procedures to be followed. In fact, it seems that the process of delegation has been at a standstill for some time and there have also been some second thoughts about the delegation of powers.

There are no specific guidelines on how crosscutting issues or mainstreaming should be dealt with at the Embassy on the policy level or as regards different aid instruments. Crosscutting issues will depend much on the interest and experience of individual officials at the Embassy. There has been no training on crosscutting issues or mainstreaming. During the interviews UNICEF indicated that they are arranging training in the rights based approach for Nepalese officials at various levels of the administration and we proposed that UNICEF should offer similar training also to the Finnish Embassy of invite participants from the Finnish and other Embassies to the training courses they arrange.

The regional Departments are the main link between the MFA and the Finnish Embassies in the particular region. At the regional Departments the knowledge and experience on crosscutting issues and mainstreaming depends on individual officers. There is no training on crosscutting issues or mainstreaming at the Ministry. The advisors on crosscutting issues at KEO are fully occupied with policy issues and specific projects in their own field and have little

time to guide the Embassy on the mainstreaming of crosscutting issues or assess them in the preparation or implementation of individual interventions.

In the case of Nepal it appears that not much decision making powers have been delegated to the Embassy. There is a continuous exchange of views between the Embassy and MFA but decisions are made in the HQ and often the Embassy's comments or views have been simply ignored. According to the Embassy MFA has not pursued crosscutting issues and in fact the Embassy has been requested to focus on project implementation rather than reporting on the human rights or political situation in the country.

This year regional departments and the Embassies were requested to prepare a participation plan regarding development cooperation (osallistumissuunnitelma), or what could perhaps be called a country strategy. In some interviews at the MFA it was revealed that after receiving the first drafts and after comments from the advisors the plans were returned to the departments and Embassies for further preparation largely due to the lack of crosscutting issues in the plans. The plans have been revised and approved. In the case of Nepal the participation plan was prepared mainly by regional department. According to the Embassy portions prepared by them were to a large extent not included in plan and their further comments were ignored.

The tool where the Embassy has decision making powers is the Fund for Local Cooperation (LCF). The LCF is regularly advertised in the Embassy website (www.finland.org.np) with the main components of the Embassy's strategy and the selection criteria. In 1999 a Fund Administrator was hired to manage the projects and she has continued in this task up to 2008. A locally employed Project Assistant was hired in 2005 to manage part-time the other projects. The general opinion in the Embassy is that the human resources to manage the number and volume of LCF activities **have been** sufficient only for administration, not for systematic monitoring of the projects. The Embassy plans to improve LCF administration which is possible by the more focused new strategy and decreased number of LCF projects.

Funding decisions are usually made quarterly in Embassy meetings when there are a sufficient number of proposals. Around 200 proposals are received annually. Crosscutting issues are selection criteria. Monitoring of LCF projects has not been regular.

In the interviews there were complaints at the MFA that there is not sufficient reporting from the Embassy on project implementation and crosscutting issues in the projects. This was confirmed in the interviews with the Embassy staff. Although the Embassy has been very active in advocating and including crosscutting issues for instance in the water and sanitation project there is not much reporting on the fact. On difficulty, it was said, was that there are difficulties in reporting on the substance of the issues. The evaluation mission proposed that for instance in the RVWRMP project crosscutting issues have been incorporated in an exemplary way and thus there would be a need to reporting on the entire process of how then incorporation was achieved. Only thus could lessons learned be conveyed to other projects. On the other hand, particularly in the case of Nepal, it is of vital interest to follow the political and human rights situation and inclusion because in such a fragile state all development could be hampered by failures in the political development or improved human rights situation.

5.2 Key findings and conclusions

- Proper delegation of powers would require clarification of roles and proper guidelines.
- Participation plans regarding development cooperation (osallistumissuunnitelma) should be initially done by the Embassy who has a hands-on touch with the situation and needs in the country. MFA of course should comment and adjust the plan to fit into Finland's own policies and priorities.
- There is a need for continuous training to all staff on crosscutting issues and HRBA both in the Embassy and MFA. UNICEF could be helpful in this regard in Kathmandu.

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Embassy of Finland

Ms. Pirkko-Liisa Kyostila, Charge'd'Affaires, 30.05.'08
Dr. Munni Sharma, Programme Coordinator, 1.6.2008
Ms. Jayanti Subba, Programme Coordinator, 2.6.2008
Ms. Rauni Haapamaki, Counsellor (Development), 04.06.'08

Finnish bi-lateral programs

Mr. Kari Leminen, Team Leader, Rural Village Water Resource Management Project, 04.06.'08
Mr. Ram KC, Planning & Monitoring Expert, Rural Village Water Resource Management Project, 04.06.'08
Mr. Sushil Subedi, Water Resources Advisor, Rural Village Water Resource Management Project, 04.06.'08

Government of Nepal

Dr. Chaitanai Subba, Member, National Planning Commission, 02.06.'08

Mr. Dhan Bd. Tamang Director General, Department of Local Infrastructure Development and Agricultural Roads, 04.06.'08
Mr. Gauri Pradhan, Member, Nepal Human Rights Commission, 03.06.'08
Mr. Gyan Chandra Acharya, Foreign Secretary, Ministry for Foreign Affairs, 01.06.'08
Mr. Krishna Gaywali, Joint Secretary- Foreign Aid Coordination Division, Ministry of Finance 01.06.'08
Mr. Kamal Jaisi, National Project Director, Department of Local Infrastructure Development and Agricultural Roads, 04.06.'08
Dr. Lava Awasti, Secretary, Ministry of Education & Sports, 03.06.'08
Ms. Pampha Bhusal, Minister, Ministry of Women children & Social Welfare, 01.06.'08
Mr. Purna Pr. Neupaney, Secretary, Ministry of Women children & Social Welfare, 01.06.'08

Multi- and bi-lateral donor agencies

Mr. Anthony Cardon de Lichtbuer, Special Assistant, Office of the High Commissioner for Human Rights in Nepal, 04.06.'08
Mr. Ashok Shrestha, Planning and Monitoring Officer, UNICEF, 05.06.'08
Mr. Dharma Swarnakar, Monitoring & Evaluation Analyst, UNDP, 04.06.'08
Ms. Gillian Mellsop, Representative, UNICEF, 05.06.'08
Mr. Ian Martin, Special Representative of the Secretary – General United Nation Mission in Nepal in Nepal, 30.05.'08
Ms. Melinda Rae Smith, Education Specialist, UNICEF, 05.06.'08
Mr. Richard Bennett, Representative of the High Commissioner for Human Rights, Office of the High Commissioner for Human Rights in Nepal, 04.06.'08
Mr. Sarad Neupaney, Assistant Resident Representative, UNDP, 04.06.'08
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Mr. Lars Peter Christensen, Programme Coordinator, Danida HUGOU, 04.06.'08

Mr. Mohan Adikari, Education Specialist, World Bank, 02.06.'08
Mr. Shiva D. Bhandari, Human Rights Officer, European Union, 03.06.'08

ANNEX 8 NICARAGUA COUNTRY CASE STUDY

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ACRONYMS

AMUNIC	Nicaraguan Association of Municipalities
BS	Budget Support
BSWG	Budget Support Working Group
CED	Department Board of Directors
CEN	National Board of Directors
CHONTALDES	Departmental Development Council of Chontales
CODEBO	Departmental Development Council of Boaco
CONPES	National Council for Social Economic Planification
COSUDE	Swiss Agency for Development Cooperation
ENABAS	National Company for Basic Alimentary
DEL	Component for Local Economic Development (PROGESTION program)
FODINIC	Fund for Strengthening of organisations of people with disabilities
FOMEVIDAS	Rural Development Strengthening and Poverty Reduction Programme (Nicaragua)
FONSALUD	Support to Health Sector Program
FSLN	Sandinista National Liberation Front Party
GDP	Gross Domestic Product
H&A	Harmonization and Alignment
HRBA	Human Rights Based Approach / Rights Based Approach
IDB	Inter-American Development Bank
IDR	Nicaraguan Rural Development Institute
ILO	International Labour Organization
INAFOR	National Forestry Institution
INIFOM	Nicaraguan Institute for Municipal Strengthening
INIM	Nicaraguan Institute for Women
JFA	Joint Financing Arrangement
LCF	Local Cooperation Fund
MAGFOR	Ministry for Agriculture and Forestry
MTR	Mid Term Review
NGO	Non-Governmental Organization
OECD/DAC	Organization for Economic Cooperation and Development /

PAM	Development Assistance Committee
PGR	Performance Assessment Matrix
PLC	The State General Budget
PND	The Constitutionalist Liberal Party
PNDH	National Development Plan
POA	National Human Development Plan
POG	Annual Work Plan
PPA	Global Operative Plan
PRODOC	Productive food Program
PROAMBIENTE	Program Document
PROGENDER	Institutional Support to Decentralized Environmental Management Program
PROGESTION	Support to Gender Equality Program
	Municipal Management and Local Development Strengthening Programme (Nicaragua)
PRORURAL	Rural Development Sector Programme
PRSP	Poverty Reduction Strategy Paper
RAAN	North Atlantic Autonomous Region
SLA	Sustainable Livelihoods Approach
SARED	Reproductive Health, Equality and Rights Programme
SME	Small and Medium Enterprise
SPAR	Public Sector for Agriculture and Rural Development
SREC	Secretariat for Economic Relations and Cooperation

INTRODUCTION

As part of the Evaluation of Human Rights and Equality, Democracy, Good Governance and Rule of Law in Finnish Development Cooperation, a field visit was made to three case study countries (Nepal, Nicaragua and Zambia) to assess how well the crosscutting issues have been mainstreamed at the country level and in programs, projects and other interventions. The field visits were made towards the end of May and beginning of June 2008. The Nicaraguan case study was undertaken by Ms. Ruth Santisteban and Ms. Claudia Pineda.

The main focus of the evaluation was also the focus in the case studies. Thus we essentially assessed the mainstreaming of:

- Human rights (in all of its aspects with special attention to the rights of the most vulnerable groups like children, indigenous peoples, ethnic minorities and persons with disabilities).
- Women's rights and gender equality.
- Democracy, good governance and rule of law.

We analyzed the extent to which the above crosscutting issues have been mainstreamed and integrated into the policy dialogue with the partner country and within the donor community, in direct budget support and the sector wide approach as well as programs and interventions. In addition we assessed the mechanisms and processes used and the division of responsibilities and resources available regarding mainstreaming. We studied all the relevant documentation and interviewed the Embassy staff and partner country authorities, people involved in various interventions, representatives of other donors and some NGOs. The people interviewed are included in Appendix 1. We used the analytical framework introduced in the Evaluation Report.

Finnish Aid Programme in Nicaragua

In the beginning of 2004, the Government of Finland initiated new modalities of cooperation with Nicaragua in the framework of its cooperation policy. This consisted of sector-wide support, general budget support, and support to institutionalized programs in the following sectors: environment, rural development, sexual and reproductive health, and decentralization. It also directed assistance through “basket funds” together with other bilateral donors, such as the Anti-Corruption Fund, the Civil Society Support Fund, the Fund to Support Sexual and Reproductive Rights, and the Municipal Investment Fund.

The evaluation team selected three intervention modalities for evaluating the degree to which crosscutting themes have been mainstreamed, and one modality for documentary review. The first three are general budget support, the institutionalized PROGESTION and FOMEVIDAS programs, and the funding of local projects; the sector-wide approach was reviewed only based on documentary.

2 CONTEXT AND SITUATION IN THE COUNTRY REGARDING THE CROSSCUTTING ISSUES

2.1 Political situation

Democracy as a form of government is fairly young in Nicaragua. The Somoza family's regime (1934-1979) that governed the country for 45 years managed to impose a political, economic and military hegemony that guaranteed their endurance in power. The Somoza government was defeated by a citizen upheaval in 1979 led by the Sandinista National Liberation Front (FSLN) that governed during the next ten years. The Sandinista government declared itself socialist under a mixed economy, achieving political pluralism and nonalignment, but in practice the governing principles were more restrictive: it confiscated the properties of former “somocistas” and exiles, created large public enterprises, and nationalized the banks and the mines. The opposition was repressed and the government allied itself to the socialist bloc under the guardianship of Cuba. The government's practices divided the society into Sandinistas and anti-Sandinistas, and strong policies were aimed at the so-called right-wing oligarchy, especially the business sector. At the same time the population with scarce resources received many benefits: free healthcare and education, and employment at the public sector, especially in healthcare, education and defense. During the Sandinista regime the confusion between the state and party was total, and it is recognized that only in 1999 there were free and transparent elections that signified the end of the regime.

During the Sandinista decade, the country suffered from a cruel seven year long civil war financed by the government of the United States and supported by countries in the region. The war destroyed the productive capacities and mortified and separated Nicaraguan families. The polarization of society that started with differentiated policies for poor and rich was engrained in the national identity so strongly that it has been difficult to overcome that dichotomy in the current Nicaraguan political culture.

The democratic transition and the construction of a rational and independent public sector have not been concluded. After 16 years of liberal democracy, the Nicaraguan state has advanced in the construction of a free market economy, civil rights and political pluralism. During the first years of the liberal democracy (1990-1996), following the trends of the Washington consensus, the state's institutional capacities were cut back, which is still being felt today. By downsizing the oversized state apparatus, an unemployed mass was created that impoverished the country to an extent never experienced before, evidenced today as a lack of capacities in planning, public administration and financial management in public sector service provision.

Taking into consideration the short-lived democratic experience of public institutions, it is not surprising that the country has little basis for confronting the political and social challenges it is facing. Together with a political culture based on patronage and polarization, high and medium level functionaries are substituted with every change in the government. Although the legal framework has been enhanced, the Civil Servants and Administrative Career Law approved in 2005 has not been implemented in full for budgetary reasons.

The principal political parties function as groups fighting to gain shares of power and control over the system and its institutions, rather than mediators of social demands. Representative democracy is in crisis due to the weakness of the political institutions that have become organizations serving persons instead of serving ideologies and development. The parties lack a social base, since the population with fewest options sees the *caudillos* as an opportunity to receive direct aid programs and direct assistance. New alternative parties have been created which, despite lacking a real political significance, have the ability to influence electoral results. As a consequence, their legal status was cancelled due to supposed administrative violations.

Since 1990, civil society has been strengthened through the creation of NGOs, which have been staffed by people with vast political experience. These political activists, mainly former Sandinistas, direct civil society organizations and have a very critical relationship with their former party. Moreover, their positions vis-à-vis the "right" consist of total rejection, impeding more effective communication that would give civil society more impact on the political class. It should be noted, however, that this means that there is a high degree of autonomy in relation to the governing party, but this is not very beneficial for political influence.

Since 2003, Nicaragua has had a Citizen Participation Law in force that defines institutional, territorial and sector mechanisms for government-citizen interaction. These mechanisms are interrelated in a system of participation proposed by the Bolaños Government, in which the smallest territorial units have representation at the highest levels, all joined together in the National Council for Social Economic Planification (CONPES). These legally created structures are being ignored by the current government, which has created parallel structures for participation linked to its partisan base.

During the past four governments, there have been constant negotiations amongst the traditional political class, fundamentally between the two largest parties (FSLN and PLC), who joined forces to insure their hegemony as a political oligopoly, and whose agenda usually does not include any feedback from society. The most emblematic of examples is the so-called pact, which consisted of negotiations between two *caudillos*, Arnoldo Alemán from the Constitutionalist Liberal Party (PLC) and Daniel Ortega (FSLN) to establish perpetual impunity for themselves and their allies, in the face of any accusations of corruption (the former) or rape (the latter). They also guaranteed mutual support to insure the survival of their parties through quotas of power in all of the judgeships appointed by the National Assembly, at the moments when it was controlled by these parties. In Nicaragua, the referendum has never been a tool used for transcendental national decisions, as occurs in Costa Rica or Panama.

Given the state of representative and participatory democracy, it could be argued that governance in Nicaragua is precarious, and despite the debate about development and poverty reduction that has been taking place during the past ten years, these two processes have run parallel courses. In other words, society has had its debates while governments have had theirs, without ever coming together. Under the current conditions, it is unlikely that this will take place. Social consensus or "a social contract" can only be achieved when the main political forces agree on a

course and when the development models on the table are considered antagonistic and the defenders of each one have closed positions. (reference)

The levels of poverty affecting the population are cause for concern. Since 1993, measurements using an aggregate consumption method have been made but have not varied significantly. Nicaragua has made little progress toward the millennium development goals. Between 1993 and 2005, an average of 42% of the population has survived on less than one dollar per capita per day, and 75% with less than two dollars. Accumulated changes in poverty reduction during this period are around 4.5%.

Development cooperation in Nicaragua has played a key role in financing national development. According to data from the Nicaraguan Foreign Ministry, an average of US\$ 549 million in assistance was received each year between 2002 and 2005, and this amount represented 20.7% of the GDP in 2005 and covered more than 50% of the budget deficit. Each year, 70-80 percent of the public investment plan is financed with external funds, 54% of which is in the form of donations and 46% in loans. (reference) Poverty indices remain high, despite the level of aid.

In contrast, in 2007 the Nicaraguan government brought new approaches to development and established new rules for the government-international donor relationship with respect to coordinating the cooperation; the topics and arenas for dialogue were greatly restricted. In the framework of the Paris Declaration, the new modalities for cooperation—more aligned with governmental priorities such as general budget support, sector-wide approaches, and institutional support whose responsibility rests more and more on public institutions themselves—were accompanied by some degree of tension. There are criticisms of previous approaches to cooperation. The tension continues while a new balance between public authority and development support is sought, above all with respect to conceptions of development. Added to the emergence of a new type of cooperation that is mixed with governmental ideology, the “traditional” role of cooperation in defining policies has definitively changed in Nicaragua

The National Human Development Plan (PNDH) of the government reviews the National Development Plan (2005-2009) prepared during the previous government. The PNDH was presented to the donor community in May 2008. According to a recent study, commissioned by the Finnish Embassy, the most important strategic changes included in the PNDH are:

- Support to production in the poorest households, and in small and medium scale businesses, with an increase in credit to these sectors;
- An end to privatization (electricity and social security sectors, for example), with an emphasis on state intervention and supervision;
- Greater promotion of human development;
- Improved access to public health and education sectors, partly through providing these services to beneficiaries at no cost, and in coordination with other line ministries. (reference)

The national programs aimed at eliminating poverty proposed by the current administration include: Food Security and Sovereignty, Zero Hunger, Free Health Care and Education. Besides, the design and/or continuation of programs such as Promipyme (Promotion of Micro, Small and Medium Enterprises) and Prorural (aimed at improving the conditions of micro- and small-scale production, and promoting the development of road infrastructure, house construction, etc.).

With respect to **democracy, good governance and the rule of law**, the situation in Nicaragua is precarious. According to civil society leaders, the change in government brought with it a closure of spaces for pluralistic dialogue. There is a danger that arenas for citizen participation are being converted into partisan expressions, which also threatens programs based on social participation.

Three of the four state powers are under the domain of the governing party, with key collaboration from the nation's second strongest party in exchange for the freedom of the former president who leads it. The only state power that reflects any evidence of plurality of political forces is the National Assembly where, nonetheless, the opposition has not been able to develop a joint negotiated agenda with the governing party.

The central government's trend toward centralizing decision-making has greatly slowed the decentralization process that had been underway for some years. The decentralization policy recently approved in 2006 has been ignored by the current government, and has not been replaced by another one after almost one and a half years of governing. The transfer of 8% of the national income to the municipalities continues, and municipal elections will be held

nationwide this year, except in three municipalities of the North Atlantic Autonomous Region (RAAN) where the electoral process was suspended. This suspension has generated consternation not only in these municipalities, but also among opposition politicians.

Another issue of concern in relation to the electoral process was the suspension of the legal status of three “anti-pact” opposition parties, with the electoral process already underway. Administrative reasons were given for this decision, which has raised concerns that the real intention was eliminating adversaries. Although they are small, these parties do reduce the possibility that the governing party will win.

Freedom of expression and a free press have been maintained, but access to public information is difficult. According to a report by the Violeta Barrios Foundation (2008), three out of ten requests for public information by journalists receive no response. In the case of electronic media, some government web pages have been kept up to date, but others have been eliminated, such as information related to development cooperation.

With respect to **human rights** in the framework of international law, Nicaragua has been a member of the Human Rights Council since 2007, and is a signatory of the recent General Assembly Declaration on the Rights of Indigenous Peoples. Since 2006, the Monitoring Unit for International Conventions (USCI) of the Nicaraguan MFA has presented 13 periodic reports related to the International Covenant on Political and Civil Rights, the International Covenant on Economic, Social and Cultural Rights, as well as the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

Nicaragua intends to adopt new international norms, relevant to the crosscutting themes, in the framework of national laws. In 2007, Nicaragua has expressed its political will to the Human Rights Council to ratify the following international instruments: the Convention on the Rights of Persons with Disabilities, the ILO’s Convention 169 that refers to the rights of indigenous peoples, and also the Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights.

The following are recent legislative reforms that are in line with international norms for human rights: the Public Information Access Law, the new Minimum Wage Law, the Reform of the Penal Code, the Paternal and Maternal Responsibility Law, and finally the Equal Rights and Opportunities Law, among others. Some have signified important progress for defending human rights. However the Penal Code Reform has also had negative consequences for the fight against corruption and the defense of women’s rights.

The current **situation of women** is not unlike the situation under previous governments. Although they are the beneficiaries of two “star” programs created by this government (soft credits and farm animals), policy and legal decisions have been made that affect women’s rights, especially the right to life and sexual and reproductive health that has been limited by the criminalization of therapeutic abortion. The penalization of therapeutic abortion is a serious setback that violates various international conventions signed by Nicaragua. Dialogue between the new administration and women’s networks is at a standstill, which means a great setback for civil society participation in the promotion of women’s rights. Another serious tendency is the domestic and intra familiar violence against women and children. One pending challenge is the implementation of the new Equal Rights and Opportunities Law, and the Paternal and Maternal Responsibility Law.

Other vulnerable groups such as **indigenous peoples** are more central to the government’s agenda and great progress is expected. Autonomous government structures for indigenous peoples have been created, such as the National Assembly’s Commission on Ethnic Affairs, Autonomous Governments and Indigenous Communities, which has concluded the process of drafting a General Law on Indigenous Peoples. However, existing inequalities require some immediate and concrete policy responses. *Unemployment rates in these communities, for instance, is 90%, which is two times the national rate, while illiteracy is 53% among this population, and the average years of schooling totals only 2.2 years for this population compared to 6.8 years nationwide.* (reference) In addition, policies against racism still need to be developed, given the fact that racist behaviors and attitudes are culturally reinforced.

Children have been benefited by the right to free education and health care, but there are large groups of children living in situations of abandonment who are not attended by public policies. Nicaragua has promulgated a number of laws to protect children and adolescents in compliance with the international conventions to which it has adhered. It has also created several national policies and plans to reaffirm children’s rights and protect them. Moreover, the government of Nicaragua has publicly expressed its commitment to children’s rights and welfare. An illustration of

this intended commitment is the fact that the government has elevated to the rank of presidential cabinet agencies the Ministry of the Family, the Nicaraguan Institute on Women, and the National Council for Comprehensive Care and Protection for Childhood and Adolescence. However, very often the laws protecting children have not been enforced, as illustrated by the U.S. Department of State 2006 Country Reports on Human Rights. Usually the images of the economic turmoil are of adult men, but the people who bear the largest impact of economic and political crises are children. The main problems concerning children's rights in Nicaragua are related to the discrimination of girls, indigenous children and vulnerable groups. Moreover, the culture of violence affects children's right to freedoms from violence, abuse and maltreatment. Poverty seriously reduces the rights to an adequate standard of living, health, growth, survival and development. Child labor and economic exploitation hinder children from realizing their right to education and freedom from exploitation.

Persons with disabilities do not benefit from any special governmental programs, although there have been increases in the disability pensions of those who were victims of the war in the 1980s, or those who were orphaned.

Since the 1990s, Nicaragua has had laws in place that protect the rights of persons with disabilities, particularly their rehabilitation. Article 14 of Law 202 created the *National Council on Preventing, Rehabilitating, and Creating Opportunities for People with Disabilities*, as the highest level structure for coordinating the efforts of the government, the disabled population, workers, businesses, and society overall in complying with this Law. The Ministry of Health was designated coordinator of the Council. The Council has received a great amount of additional resources from Finland's condoning of Nicaragua's debt. The impact on the situation of the disabled population in Nicaragua has been, nonetheless, negligible. None of the previous governments have been concerned about putting the law into practice. The National Council on Rehabilitation has not operated as it should have, nor were Departmental Rehabilitation Councils set up as mandated.

The current government has indicated a political interest in improving and increasing attention in areas such as including the topic of disabilities in the National Human Development Plan, defining the strategic plan for the National Council on Rehabilitation, and making the corresponding adjustments to the plans of key institutions in education, transportation, health, technical education, national identification documents, etc.

3 POLICY DIALOGUE: HOW DOES FINLAND EXTEND INFLUENCE AT THE NATIONAL LEVEL IN RELATION TO THE CROSS CUTTING ISSUES

The Paris Declaration and new aid modalities have given rise to new challenges for the political dialogue between the Government of Nicaragua and Finnish cooperation. The previous dialogue based on agreements has evolved into a dialogue based on policies. These new forms have reduced the influence that agencies have on policies or political decisions, whether these are sector-wide or crosscutting. These also demand prior conditions that are infrequently fulfilled by participants in the dialogue. On the part of the government, this would mean having a concerted development plan and a set of policies derived from this, as well as established structures and procedures; on the part of agencies, this would require a greater reflection of political commitments in the operation of cooperation, and greater responsibility for actions within their countries.

3.1 Bilateral Consultations

A reading of the preparatory documentation and minutes from the bilateral consultations of 2002, 2004 and 2006 shows that the three consultative processes shared the following common topics: greater emphasis is generally given to the issue of governance and the fight against corruption. Democracy is mentioned, but in relation to electoral themes. The topics of rule of law or human rights are not discussed or elaborated. Finland's interest in protecting the rights of indigenous peoples is expressed in the framework of Regional Programs. The topic of gender equity and women's rights is mentioned in both 2002 and 2004, and is further elaborated in 2006. However, the topic of the rights of children, youth, and people with disabilities is completely absent from the bilateral consultations. The evaluation mission can see that despite the Finnish Development Policy of 2004, a commitment was made to a rights approach to development, but human rights as an objective of development is absent from the dialogue in 2004 and 2006. In the 2006 negotiation, it is literally recognized in the minutes that both countries *agreed on the need to renew the framework agreement as the present one does not reflect joint commitment of Finland and Nicaragua in the fight against extreme poverty*

nor does it mention principles of cooperation such as respect for human rights, democratic principles, good governance, the rule of law and the fight against corruption. (reference)

3.2 Budget support and sector dialogue

The Joint Financing Arrangement (JFA) for general budget support (BS) was signed on May 18, 2005, by the Government of Nicaragua and nine donors (Sweden, the Netherlands, Norway, Finland, Germany, Great Britain, Switzerland, the World Bank, and the European Commission). As of 2007, Sweden had withdrawn from this mechanism, Germany suspended its participation in 2008 and Great Britain also announced its withdrawal for 2009. The Inter-American Development Bank joined the initiative in 2007.

As specified in the JFA, general budget support is based on the partners accepting and fulfilling the so-called fundamental principles, which are considered as development objectives and an integral part of the cooperation policies of the signatories. These include: i) international law and the prevention of conflicts; ii) respect for human rights; iii) democratic principles, including free and fair elections, and free and transparent democratic processes; iv) rule of law and an independent judiciary; v) accountability and the fight against corruption; vi) solid macroeconomic policies; and vii) a commitment to reducing poverty.

BS is not earmarked for a particular use; however, a monitoring mechanism consisting of a set of indicators in five sectors (public finances, macroeconomics, governance, the social sector, and the productive sector) has been defined in the form of a Performance Assessment Matrix (PAM), based on the priorities established by the government in its National Development Plan (PND). These indicators are reviewed at the two annual meetings, and commitments for the next year are defined on the basis of their degree of fulfillment. As we saw in the case of the fundamental principles, the issues of human rights – including the rights of women and indigenous peoples – and governance have been at the center of the policy dialogue between BS donors and the national government. The issue of human rights has been included in indicator of governance in the PAM. The vulnerable groups that have remained outside of the dialogue are people with disabilities and children and adolescents as a group; however, they are taken into account as policy beneficiaries in the social sector matrix.

The donors have formed the Budget Support Working Group (BSWG) to discuss common positions in relation to the BS process. The official positions of this group are made collectively, so that Finland's influence is mainly expressed within this grouping. It has made significant efforts to act in a collective manner at annual meetings that have been held jointly with the national government since June 2005. A table that outlines the BSWG's performance from 2005-2008 is included in the appendix 2.

Together with BS the sector wide approach is considered part of the new modalities for development assistance in Nicaragua. This consists of formulating a sector plan and budget that regulates the institutional plans of the public sector linked to a particular sector, and also determines the investment priorities for its own and external resources. Currently, there are three sector-wide programs fully operating: Rural Development Strengthening Programme (PRORURAL), Support to Health Sector Program (FONSALUD) and the Education Plan. Other important efforts are underway in other sectors such as Justice and SMEs. Finland participates actively in the first two programs.

Finnish cooperation's influence in these mechanisms can only be evaluated on the basis of the overall results of coordination among the donors. These results are presented in the chapters that assess the aid modalities, based on the document review and interviews with government officials and other donors participating in the political dialogue.

3.3 Harmonization and Alignment

The process of harmonizing and aligning cooperation (H&A) consists of moving toward exclusively supporting policies and plans developed by the recipient nation, using national procedures for managing aid under the government's leadership. However, this implies a commitment by the parties to changing the form of cooperation. Nicaragua began efforts toward harmonizing and aligning cooperation early, so that it had made progress during the period between the Monterrey Conference (2002) and the Paris Declaration (2005). This was reflected in the organization of annual Forums for Coordinating Cooperation, where year after year the process's progress was evaluated. Besides, sector roundtables were established, the JFA for budget support was signed, three sector-wide

programs are under implementation and finally the National Plan was formulated and approved in November 2005 (Government of Nicaragua, 2006). After 2005, a medium term budgetary framework was also in place.

According to the report by the joint mission that evaluated implementation of the Paris Declaration, which visited Nicaragua in April 2006, *“The consultative mission found that Nicaragua is one of the best prepared countries that have been field tested so far to move the Paris Declaration agenda forward. Support of the government and the donors for the Paris Declaration agenda is exceptionally strong and awareness of the goals and specific commitments of the Declaration is high.”* (Reference)

Round Table and Consultative Group

In 2003, the donor’s global roundtable was formed, along with sector roundtables and sub-tables. These were created through Presidential Agreement 71-2003, which set up 6 sector roundtables (health, education, production, governance, infrastructure, and macroeconomics) and 11 sub-tables (decentralization, state reform, citizen security, justice, water and sanitation, energy, infrastructure, rural development, small and medium businesses, climate for negotiation, and environment). Five of these are functioning today, based on priorities set by the current government: education, health, productivity and infrastructure, and a territorial roundtable for the Atlantic Coast.

Between 2003 and 2005, the government formulated the National Development Plan for 2005-2009. This process defined the national dialogue, as well as the dialogue with cooperation agencies. Important laws and policies related to governance were formulated, such as the decentralization policy and strategy, the participation law, the information access law, and the national anti-corruption and transparency plan.

The global roundtable is made up of ambassadors or heads of cooperation agencies and government ministers, and is accompanied by the Secretariat on Economic Relations and Cooperation (SREC). Its objective is to share relevant information, particularly that related to reviewing the PND which provides a framework for cooperation. There is a roundtable for cooperation agencies whose membership is limited exclusively to donors, where common positions related to dialogue with the government are prepared. The cooperation agency roundtable is presided by one agency and has a board comprised of five agencies, known as the “quintet”. Finland has been part of this quintet since 2006.

There has been limited activity in these arenas during the first year and a half of the current government. However, discussions about the new PNDH are expected to generate a more fluid dialogue. One group of actors that has not participated in a stable manner in this process is civil society organizations, who were observers to the process during the Bolaños Government and part of the Monitoring Committee for the “Ownership, Alignment and Harmonization National Plan”. The current government is not expected to involve civil society in this process. However Finland and other donors are holding meetings with some social organizations to explore ways for facilitating a government-civil society dialogue about transparency and governance.

Currently, the health, education, rural development, infrastructure and Atlantic Coast sector roundtables are functioning. They are doing less and their work is less predictable than during the previous government. Finland participates in the health and rural development sub-tables. Between 2003 and 2006, during the period when the decentralization sub-table and the governance roundtable were functioning, Finland was a main actor in discussions and debates with the Bolaños Government.

In the case of the consultative groups in Nicaragua, these were substituted by the so-called Cooperation Coordination Forums since 2003. The **Cooperation Coordination Forums**, held between 2002 and 2006, were spaces created for evaluating progress toward harmonizing and aligning cooperation. According to the report from the Fifth Cooperation Coordination Forum (2006), “the Forums have become a permanent mechanisms supporting dialogue.” Nonetheless, this mechanism is currently not functioning.

3.4 Key findings – Policy Dialogue

- It is more complicated to identify the specific Finnish contribution within the new aid modalities and therefore it is difficult to confirm if the Embassy makes use of the Finnish development policy instruments in these modalities.
- The commitment to the Paris Declaration and participation in the new aid modalities has meant more coordination between the donors and a greater demand for joint positions and actions in front of the political dialogue and negotiations with the government.
- The shared agenda between Nicaragua and the international community has a strong weight in democracy; rule of law and good governance, and in a lesser extent in human rights and gender equality. This prioritization has influence, defines and decides the content of the political dialogue. Therefore Finland has had to accommodate to this priority in the political dialogue.
- The Finnish Embassy is more prepared to participate in themes of governance than in themes of human rights. In governance, the Embassy has had a good execution highly valued by the donor colleges. However, the promotion of human rights has been and is one of the emblems of the Nordic donors as part of the like-minded group, but Finland has not prioritized these themes that are constantly invisible in the political dialogue. A dilemma the Embassy has faced is summing to the priorities of the country agenda.
- In the political dialogue exist a total absence of the themes of children and adolescents, indigenous people, ethnic minorities and persons with disabilities.

4 MAINSTREAMING IN VARIOUS INTERVENTION MODALITIES

4.1 Budget Support Group

Evaluating the degree to which Finnish cooperation has helped to mainstream crosscutting themes in new cooperation modalities (budget support and sector-wide support) is a fairly complex task, since the objectives of this modality must coincide with those of the country. If the country objectives are not clear, or if there are significant differences between the approaches of the country and the international community, the spaces for dialogue become much more important. Thus, both partners needed to prepare for establishing new “rules for the game” following the change in government in 2007.

With regards to the BS, the fundamental principles, the governance matrix, and the social sector matrix detail the efforts made in relation to the crosscutting themes being evaluated. The JFA insures that *“the issues related to non-compliance with these fundamental principles will be resolved through consultations and dialogue between the Government of Nicaragua and the donors, in the appropriate decision-making environment, at any time that any of the signatories judges necessary. Non-compliance with a fundamental principle is understood as something that goes beyond concerns that might arise from under-performance with respect to the indicators and goals outlined in the JFA/PAM.”* (Government of Nicaragua, 2005). Given the importance of the fundamental principles, non-compliance with these is cause for canceling financial disbursements, as specified in Article 8.6 of the JFA, and it is an issue pertaining to the dialogue between the Government and donors, as specified in Article 6.5 of the same agreement.

In addition, the sector matrices are the main instrument for monitoring the government’s performance and fulfillment of its commitments. The results of Finland’s influence on coordination between donors and dialogue with the government in relation to monitoring the fundamental principles and the governance and social sector matrices are presented below.

During 2003, 2004 and part of 2005, the main interest was achieving a JFA and defining the first matrix for evaluating performance. Both instruments were ready in November 2005. Finland was part of the group of donors that initiated this effort, coordinated first by the Dutch Embassy, later by the Swiss Agency for Development and

Cooperation (COSUDE), the World Bank, and currently by the EC. Both the governance matrix and the social sector matrix included issues promoted by Finland, such as transparency, decentralization, human rights, gender and health.

The first monitoring meeting was held in June 2005, and the mid year review was held in October. Given the short amount of time between signing this agreement and those two meetings, discussion focused on completing the design of the process and the instruments. Evaluating the progress of the fundamental principles was defined as one of the objectives, which was an issue on the meeting's agenda. No other mechanism for concretizing future monitoring was defined, despite the importance given to monitoring in the JFA. The governance matrices were completed, and were grouped around five main themes: justice, citizen security, citizen participation, human rights, and the fight against corruption. Decentralization was addressed in the public finance matrix, because it was understood as the need to physically neutralize municipal transfers.

At the annual and mid year meetings, progress and setbacks made in relation to the matrices are generally reviewed, the strategic themes for dialogue are selected based on the current country context, and disbursements for the next period are confirmed. Since 2005, the donor group has expressed a profound concern about the status of the fundamental principles, above all with respect to democratic principles, the rule of law, an independent judiciary, and the fight against corruption. At an internal workshop for donors in February 2006, the group confirmed that the fundamental principles are a precondition for the provision of budget support. It was decided that any evaluation of the progress of these principles should be based on joint and independent studies and information provided by reliable sources such as the United Nations or World Bank.

Progress was evaluated again at the annual meeting in May 2006. However, there were some recurring issues among the concerns raised by the international community: the independence of Nicaragua's judiciary, and the need for a more comprehensive fight against corruption. The government was reminded that the fundamental principles are a requirement prior to any disbursements, and that there are concerns about impunity, about the judiciary's lack of independence, and about lack of progress in the fight against corruption. For the first time, the Ombudsman for Human Rights took part in this meeting.

The mid year meeting for 2006 was held in late September, which was also the last meeting that took place during the administration that left office on January 9, 2007. Prior to this meeting, the decision was made to reduce the matrices, but to maintain the same themes. Once again, a major concern was the regulations for the Judicial Career Law, given their importance in the selection of public officials on the basis of merit rather than political affiliations. The impartiality of the judiciary was called into question, and the poor results in the fight against corruption were also noted.

The continued lack of progress with respect to the fundamental principles led the donor group to produce analytical "position papers" in April 2007, each of which included the definition of the principle, the methodology for its evaluation, a qualitative analysis of trends, and its current status. The position documents were prepared by the BSWG's technical groups, and a joint text related to the fundamental principles was thereby produced.

The annual meeting in July 2007 – the first with the newly elected government – dedicated part of its agenda to learning about the government's new priorities. The progress report on fulfillment of the goals from 2006 was also received. The international community reiterated its ongoing concerns about the independence and impartiality of the judiciary, and the limited results in the fight against corruption. For the first time, concerns were expressed about women's human rights, due to the penalization of therapeutic abortion. The importance of a law that would guarantee access to public information, and the pluralistic and informed participation of the citizenry, was also added to the list.

In September 2007, Finland and other donors funded the study, "General Budget Support in 2008 and Beyond: An appraisal of the current situation and challenges (A Joint Analysis of Norway, Finland, Swiss Cooperation and the Department for International Development of the UK)." This could be considered the first independent study that was developed as a group to support the donors' positions vis-à-vis the government.

The mid year meeting was held in November 2007. At this meeting, substantial changes in the matrices were made. In the governance matrix, the objectives, actions, indicators and goals were changed. The issues of justice and anti-corruption were still included, but the issues of citizen participation and decentralization were eliminated. The issue of human rights was also maintained, but the indicators related to women's access to justice in cases of domestic

violence were eliminated and were substituted by indicators regarding the coverage of productive incentives for women.

The internal workshop for donors in April 2008, prior to the annual meeting, was dedicated to reaching consensus about criteria for evaluating progress in the budget support process, in particular an understanding about the status of each fundamental principle and their expected courses, about how to formulate common messages for the process of dialogue with the Government of Nicaragua and other state authorities, and how to reach consensus about the required actions. The study carried out by Inka Mattila (2008), a Finnish consultant, has been highly valued by the donors as input for this dialogue.

During the annual meeting in May 2008, the donor community closely examined issues related to the impartiality of the judiciary, and issues related to transparency, such as the lack of transparency in the use of aid from Venezuela, delays in the audit of the 2006 and 2007 State General Budget (PGR) and the need to conduct the 2008 PGR on time, the use of direct contracting authorized by the General Comptroller of the Republic, the deterioration of transparency in the public sector, and the effects of the Protection Law.

4.2 Key Findings – Budget Support

- Throughout the process, coordination among donors has improved substantially, as seen in the quality of common positions related to agreements that are being monitored. The fact that concrete evidence is available has improved the quality of political dialogue, and has helped to unify the positions of donors in relation to sensitive issues such as governance, the rule of law, and human rights.
- Political dialogue is still an essential instrument in the partnership between donors and the government, along with the harmonization of donors. Finland's contribution to this political dialogue has been highly valued by the group of donors providing budget support.
- The agenda of crosscutting issues should be incorporated into the common agenda of donors, and later be part of the dialogue between these and the national government. Monitoring these issues, both at the level of indicators and principles, should be part of this process.
- There is a difference between the approach of the government and that of some of the donors in relation to the weight given to compliance with the fundamental principles and progress toward fulfilling different indicators when negotiating disbursements. However, the fact that there is no penalty for non-compliance has essentially made the donors' demand for greater judicial impartiality and better results in the fight against corruption irrelevant.
- The BSWG is the only space for regular and sustained dialogue that has managed to transcend the change in government. This means that the modality was of great importance to the previous government, and remains important to the current government. However, if this is to remain a serious modality based on real and committed dialogue, any lack of fulfillment by the parties should have consequences that are clearly outlined in the JFA.
- The fundamental principle of human rights is related to "promoting human rights," but does not necessarily refer to "protection" or "compliance" on the part of the State. Both elements (protection and compliance) give a certain "obligatory" character to the discussion of human rights. With such an understanding, the State has the obligation to take immediate or progressive measures to solve problems related to human rights. The fundamental principles should consider both elements when measuring the Nicaraguan Government's performance in fulfilling its obligations.

4.3 Sector Support

4.3.1 FONSALUD

FONSALUD is the Nicaraguan Health Fund created in August of 2005 to finance the 2005-2009 Five-Year Health Plan of the Ministry of Health. The Fund's purpose is to execute the National Development Operational Plan, 2004-

2015 National Health Policy and 2004-2015 National Health Plan. This financial mechanism is administered by Ministry of Health. It is another instrument for implementing the National Alignment and Harmonization Plan in the health sector and coordinating all support provided by the signature of partners in development (the Netherlands, Sweden, Finland, Austria, WB and IDB).

The core objectives of the Five-Year Plan are: (i) to extend health services, (ii) to strengthen the health service network and (iii) to steward development, institutional strengthening and decentralization.

Cross cutting issues are part of FONSALUD according to the MoU in the following way: *“Respect for human rights, democratic principles, gender equity, the rule of law and good governance enshrined in the internal and international policies of the Governments of Nicaragua and the bilateral donor countries constitute the fundamental principles which underline the commitment of the governments of Nicaragua and the bilateral donor countries, signatories to the MOU”.* However, in the latest Terms of Reference for the Mid Term Evaluation the crosscutting issues do not have the same importance and their mainstreaming stays only as a good intention in the rhetoric. In all the revised documentation of FONSALUD, only the gender politics are mentioned as relevant to be implemented in the fund.

In the case of democracy, good governance and rule of law, the design of the FONSALUD responds entirely to the politics defined by the Ministry of Health, which is the entity that norms, administers, and executes the health politics. The policy has been designed to count with a wide communitarian participation in the primary attention, with organization and training of a movement of voluntary health promoters, midwives and massive campaigns of prevention. The Ministry’s institutional capacities have been strengthened in order to improve the quality and accessibility to the services, with an emphasis in decentralization.

An important challenge, also to the Embassy, is to widen the understanding of the importance of the social participation in the public administration, especially in the discussion and definition of the health policies. This requirement is also established in the General Health Law and in the functioning of the National Health Council with the integration of organizations of the civil society.

4.3.2 PRORURAL

PRORURAL, the Rural Development Sector Program (2005-2009) is based on the national strategy for productive rural development and on “public institutionalism” that provides service for rural development. The strategy, consulted and approved in 2003, has been modified since the change of government in 2007.

The development objective of PRORURAL is to “promote activities that produce agricultural goods and services in rural areas that are environmentally sustainable and competitive, maintaining and expanding their participation in national and international markets.” (reference) Its specific objectives refer to the sustainable use of natural resources, the capitalization of assets of rural families, technological innovation, compliance with international quality standards for foods, the expansion of basic infrastructure, strengthening of the public agricultural sector, and participatory policies and strategies. Recently, objectives were added that address access to financial services and agro-food production, and institutional strengthening and sector policies were condensed into one sole objective. Seven crosscutting objectives from the 2005 version were not included in the new version of 2007.

According to the consultant report on the assistance provided to the PRORURAL sector program by the common fund agencies, from their joint mission of October 2007, the new priorities include a refocusing of public policies to favor the poorest population, improving food security, particularly among small and medium scale rural producers, and conceiving of international cooperation as an important factor in change that should be aligned with the objectives of the government’s social program, and should reach beneficiaries directly (Fajardo and others 2007).

PRORURAL tries to strengthen the Agriculture and Rural Public Sector’s (SPAR) ability to respond to its mandates, and reduce the policy gaps between the PND and institutional sector plans and currently with the new PNDH. The PRORURAL Mid Term Review (MTR) report produced in July 2008 (draft version) recognizes the key importance that strengthening institutionally the SPAR has for implementation of PRORURAL, and that SPAR’s institutional capacity is still weak, above all in the Ministry for Agriculture and Forestry (MAGFOR), the National Forestry Institution (INAFOR) and the National Company for Basic Alimentary (ENABAS).

The public institutions that make up the SPAR have been carrying out sector coordination efforts since 2005, both at the planning and budget levels. However, recent evaluation reports indicate that despite the efforts, the two processes are not consistent. The SPAR, together with the agencies contributing to the sector, has coordination instruments that define common efforts for harmonization and alignment. These include the SPAR Plan for Harmonization and Alignment, the Code of Conduct, and the Memo of Understanding. The process of formulating and implementing PRORURAL has been highly participatory, making it one of the most politically sustainable public programs.

Human Rights

The issue of human rights is absent from the PRORURAL program. A rights approach is partially absent; one element present is the criteria used for selecting beneficiaries for government programs, which are poverty and involving the community in these decisions (inclusion + participation).

Gender Equity

According to the last MTR of PRORURAL, a gender approach crosscut's PRORURAL's programmatic structure. The gender approach has been incorporated into all of the components and activities of its planning, monitoring and evaluation systems. PRORURAL uses a monitoring and evaluation system called SISEVA, with indicators for outcomes and effects that measure/evaluate women's participation and empowerment. However, this is not a representative system for the entire PRORURAL program.

Strategically PRORURAL discriminates positively by delivering a Productive Bonus to women. It is a temporary measure aimed at generating changes in the power relations within nuclear families. However, the PRORURAL MTR noted that this policy's lack of an overall gender approach could actually contribute to increasing the risk of a work overload for women, and to domestic violence. The same report affirms that although women represent important human capital, they have historically been ignored by government policies. The current Productive Bonus effort is an attempt to initially provide food and food security to women and their families, and then later promote increases in productivity and women's insertion into the market to improve incomes. It is a positive step in the fight against poverty that requires sustained technical assistance. Otherwise, beneficiaries could become disinterested and drop out of the project.

In 2007, the SPAR constituted a Gender Unit with participation from those responsible for gender in each institution. In the PPA, *the gender approach is oriented toward women's ownership of the means of production, and shared family work. The main changes are reflected in possession of the means of production, in access to financial services,¹ in women's increased participation in economic initiatives that do not reaffirm their situation of dependency, and in the new type of relations being established with members of their family and with the communities where they live. (reference)*

4.4 Key Findings – Sector Support

- In evaluating the crosscutting themes of governance and gender, the evaluation mission needs to assess the performance of a community of donors, where Finland disappears as such. It would be unfair to evaluate Finland for the performance of a collective action. We should evaluate Finland on the basis of its contribution to the collective positions of donors. The performance of the group of donors had to be evaluated in relation to the impact on public policies in health and rural development.
- In the SWAP, human rights are neither on the agenda of the government nor on the agenda of the donors.

4.5 Institutionalized Programs

An institutionalized program is understood as specifically designated allocations to public institutions (implementers), which are under the administration of said institutions. In an effort to better coordinate Finnish cooperation with national priorities, this “institutionalized program” modality is a step in the gradual process of transferring the responsibilities for cooperation to the corresponding public institution. However, in their different implementation

¹ Of all of the people who benefited from credit through the financial service component in 2007, 62% were women in the case of IDR and 22% in the case of FCR (ProRural Annual Report, 2007).

phases, PROGESTION and FOMEVIDAS have frequently maintained operational structures, decision-making structures, and management processes and practices that are similar to traditional projects.

This has reduced the ability to reorient the projects to new political contexts, where the conditions under which the original agreements between the Government of Nicaragua and the Government of Finland have changed. This is due to both the change in government, and changes in the approach to structuring cooperation and development, where development partners have not reached agreement about each of their roles in this new context.

The institutionalized program modality consists of providing resources to an implementing entity, based on its own plans, following the country's norms, procedures and systems in three priority sectors: health, rural development and decentralization and local development. The idea was to create the conditions for advancing toward a Sector Wide Program Approach, and harmonization with other donors. Nonetheless, in practice the programs were not a modality, but rather a hybrid of project and sector wide approaches, with technical assistance functioning as a management unit.

4.5.1 PROGESTION

The mission has evaluated the integration of crosscutting themes in the PROGESTION institutionalized program, analyzing all of the documentation (terms of reference, program design document, overall and annual plans, mid-term evaluations, and technical assistance reports). In addition, during the visit to Nicaragua, the evaluation mission visited the Nicaraguan Institute for Municipal Strengthening (INIFOM), the Municipal Association of Boaco, the Santa Lucía Municipal Government, and the INIFOM Departmental Delegation in Boaco, and has interviewed beneficiaries from the local economic development component. It also received information from personnel of PROGESTION/INIFOM. The evaluation will emphasize findings related to the program's ability to build institutional capacities for service delivery, respect for the legal framework, transparency, and accountability, the promotion of a pluralistic and inclusive dialogue, and promotion of equity.

PROGESTION is considered as part of the governance sector, with an emphasis on decentralization. The evaluation focuses more on the mainstreaming of selected themes during the program cycle, from its design phase to the implementation and monitoring phases, and less on the results of its implementation on the conditions of local governance. The program is expected to conclude at the end of 2008.

Despite the approval of a decentralization policy for local development in late 2006, the policy has not been developed into sector wide strategy or program by the new government and the sector currently lacks the corresponding norms. This makes it difficult to function as input or a first step toward a future sector wide approach.

PROGESTION is an institutionalized program in INIFOM, as the implementer of a component and administrator of the entire program. The program has a complex design that involves both public institutions (municipal governments) and civil society (municipal associations) as implementers. In the case of the associations they also function as intermediaries between INIFOM and the Municipal Governments. Responsibilities for directing complex processes were assigned to institutions with limited capacities to implement and supervise, and to a mixture of public institutions, civil society associations, and local level consensus building arenas.

The Program's development objective is to strengthen local democracy and good governance, and improve the population's living conditions. It includes four components: 1) institutional development of 16 Municipal Governments in the Boaco and Chontales Departments; 2) citizen participation and transparency in Boaco and Chontales; 3) promotion of local socio-economic development (DEL) and 4) assistance to development of national decentralization policies.

The program does not have its own implementing unit; instead, technical advisors were located in INIFOM in Boaco. Additionally the international advisor is responsible for supporting the Finnish Embassy in attending to component 4. The program has two Departmental Boards of Directors (CED), and one National Board of Directors (CEN), which will be responsible for insuring compliance with the program's general outline, monitoring progress, and approving the program's annual operational plans. All members of the CEN have equal rank in terms of program implementation, which differs from the institutional mandates of public institutions and from Finnish cooperation's role as guarantor of the good use of taxpayer's public resources. The plans of each partner are subject to approval, and veto power is given to

some members in relation to others. If the plans of a public institution, for example, are vetoed by a private institution or vice versa, this is not considered acceptable, for both legal and political reasons that include civil society autonomy.

Governance and the Rule of Law

During the document review, it was discovered that other evaluations of the Program had found its content very pertinent to decentralization and local development processes in Nicaragua. The search for greater consistency in the decentralization actions carried out by different national and local institutions, both public and private, led to a complex design in which INIFOM was assigned responsibilities that went beyond directing the process, and also included administering the implementation of actions. INIFOM administers and is the technical secretary of the CEN, which is the highest level executive authority, currently presided by the Nicaraguan Association of Municipalities (AMUNIC). This is further complicated by the fact that the other territorial implementing agencies are private, as in the case of the municipal associations, or are mixed structures, as in the case of the Departmental Development Councils, or are public, as in the case of the Municipal Governments.

In relation to the program's organization and incorporation into the INIFOM structure, the mid term evaluation of 2006 finds that the original design has not been maintained and this institution has been given full responsibility for program administration. This is not consistent with the program document (PRODOC), and does not correspond to the institution's responsibilities, according to its own mandate. "The role of brokering funds to trade associations or civil society organizations, which this implies, does not correspond to INIFOM either." (reference)

The task of administering resources over which INIFOM has no decision-making power – a model that had been accepted by the previous administration in January 2007 – has been rejected by INIFOM. Nonetheless, this is specified in the agreement. INIFOM has taken advantage of its administrative role to influence the program, facilitating or retaining the disbursements programmed by different entities, which has worsened internal conflicts.

This situation has led INIFOM to ignore the CEN's resolutions. It does not view them as legitimate, since these resolutions contradict its own statutes and institutional interests, even when they are adapted to the terms of the agreement with Finnish cooperation. The CEN, therefore, is no longer a space where disagreements between partners can be resolved, and no other such arena exists, either in design or practice.

In general, those interviewed have indicated that there is currently a climate of mistrust between the partners, both amongst national partners, and also between INIFOM and Finnish cooperation. In the case of territorial delegations, the climate of trust is different. The relationship between municipal governments, municipal associations and development councils are harmonious when these mostly pertain to the same political current, as in the case of the Boaco Department. In contrast, the situation in the Chontales Department has oscillated between cooperation and conflict.

In the case of municipal governments, these have a role both as implementers and as democratically elected political authorities, whose main responsibility is the development of their municipality. In their role as implementers, they must conform to the agreements and the program's operational structure; however, in their role as public authorities, no other public entity – such as INIFOM – has authority over them. In the cases where there have been conflicts during project implementation, the municipalities have made use of their municipal autonomy. This should not occur, however, above all in relation to the administrative aspects of the agreement.

The program has achieved successful results in each component, independent of one another. It can be affirmed that each institution has improved its ability to fulfill its tasks on its own. This was viewed as a positive indication in terms of pertinence to the program by the midterm mission; however, the program design has not functioned in terms of developing interrelationships.

Another key issue for evaluating the governance component of the program is how well the international advisors and the technical team hired for the program have performed. The terms of reference textually state that one of INIFOM's functions is to have general responsibility for coordinating and implementing the PROGESTION components at the national and regional levels. Before the change of government took place, in practice international advisors tended to assume responsibilities in relation to the program coordination. However, this unclear division of responsibilities became a point of conflict with new authorities following the change of government.

In summary, the assignment of roles that go beyond institutional mandates, and the design for implementing, administering and directing the program have ended up weakening the program's effectiveness, generating a need to invest time and effort in resolving the conflicts that have been generated in place of the synergy that was expected.

Human Rights

The program design does not include a rights approach in any of its components, or in any part of the program cycle. The MFA instructions for competitive bidding for the PROGESTION program mention that a Consulting Firm must have knowledge about the main strategic principles of Finnish development cooperation (including the HRBA), as one of the evaluation criteria for the adjudication of the program. However, it is not said that this prerequisite is applicable to long-term international advisers. In the program document, crosscutting themes (except for human rights and the rule of law, which are completely absent) are addressed within the chapter of relevance and compatibility with the strategic goals of Finnish cooperation. The absence of the issue of human rights is noteworthy, because the pillars of the National Development Strategy (PRSP) – upon which this program is based – include vulnerable groups, the development of human capital, and equitable access to services, among others.

The main objective and result of the Citizen Participation component of PROGESTION is guaranteeing the individual's right to democratic participation. In both design and implementation, this has been one of the program's greatest successes in terms of mainstreaming civil and political rights. But this component has not dealt the issue of democratic participation as civil and political right. From interviews and the study of documents, it is evident that developing individuals' capacities to demand civil and political rights, such as freedom of expression, organization, and voting in elections, has not been recognized as relevant. The evaluation group has not found evidence of initiatives aimed at building the capacities of duty bearers to fulfill civil and political rights. (Municipal Governments and INIFOM, Municipal Associations).

In the DEL component, the economic and social well being of the beneficiary population is not addressed in terms of economic, social or cultural rights, but rather in terms of needs. Emphasis is placed on ownership.

We found, however, progress in developing crosscutting issues in the planning documents (POG, POA for 2005 and 2006). The progress is also noticed in the annual reports which include a separate chapter in plans and reports. It is worth mentioning that there is a good analysis of gender, and of equitable access to services and their integration of women, men, youth, children, and the elderly.

The absence of a methodology for mainstreaming the human rights of vulnerable groups leads to the non incorporation in any tangible way into practice, and are simply part of the conceptual content of documents. The work with youth and child organizations, disabled persons organizations, and with the elderly has only been partially carried out during the program's implementation.

Gender Equity

When PROGESTION's implementation began, an analysis of gender mainstreaming in the program's processes related to democratic governance and women's rights was carried out, at the initiative of the junior specialist and the consulting firm. This analysis was presented to advisors of the MFA's Policy Unit in Helsinki, and also to the Progestion team in Nicaragua, as part of the Consulting Firm effort to promote a human rights approach that is consistent with 2004 policies. However, this initiative was not included in the program's POG, but a positive change was in fact noted in the POAs at the beginning of 2005.

PROGESTION has systematically mainstreamed gender equity, especially in the citizen participation and Local Economic Development components (components 2 and 3). Later in 2006 the mainstream took place in the institutional development component (component 1). This was done through setting up a thematic work group at the INIFOM Delegation, which provides a space for analyzing the operational work of implementing units. INIFOM/Region V has a gender specialist working as part of the PROGESTION technical team. This thematic group developed an institutional gender strategy. In the municipal management, the same thematic group has the mandate to promote the development of municipal capacities to use gender equitable management tools. In 2007, the gender team continued to seek the inclusion of a gender approach in municipal development plans, municipal investment plans, budgets, and projects. The 20 municipalities have all used a gender approach in their plans and projects. The evaluation team is aware that a gap between what the documents affirmed with the reality may exist. The evaluation team did not have the opportunity to assess the performance of the thematic group.

We find evidence of a specific line for gender equity in the budget of the 2006 POA. There is no evidence in the results of gender equity work in the institutional development component of the 20 municipal governments in the V Region, since the documents do not indicate the number of women who have obtained political positions and are therefore taking part in decision-making as mayors, council members and local leaders.

As part of 2005 POA, PROGESTION developed a proposal to mainstream gender equity in the municipal agenda for component 2 and 3 (citizen participation and DEL). In this analysis both women and men demands were important. The different arenas/spaces where women's experiences are developed, was also part of the analysis. The reality of women's lives in the municipal territory is important for prioritizing the problems detected. This guided the plans in the municipal agenda. The 2005 POA also mentions that women should have greater awareness about their rights, and should be part of development initiatives and training programs together with men. To facilitate this, PROGESTION utilizes methodologies that allow women to participate who have only a limited amount of time available, due to their household responsibilities.

As a tool for defining the intervention strategy, the implementing entities Departmental Development Councils of Boaco and Chontales (CODEBO and CHONTALDES) conducted two studies on Citizen Participation, Good Governance Practices, Transparency and Governability with Gender Equity. PROGESTION has used this study in an instrumental manner in the baseline for the Citizen Participation component.

Finally, we may conclude that PROGESTION has analyzed the integration of gender issues at all levels: municipal management, projects, and programs. In the DEL component, there have been efforts that specifically benefit women's well being, such as the promotion of local economic initiatives. Both the review of documents by the evaluation mission and the field visit revealed that a gender approach is considered in more areas than just the Local Economic Development component. However, these other efforts have mostly been promoted in a generalized way, rather than structured by gender. Women's participation in consensus-building arenas is evident. It is also evident that women's participation as citizens has increased thanks to the Program, and that spaces have opened up in women's commissions, gender roundtables, and other areas.

4.5.2 Key Findings – PROGESTION

- Political changes affect the performance of cooperation programs. In developing countries, these changes can be critical to a program's success. Thus, these programs need to have plans in place for managing risks, which include political risks. The design of programs should consider possible changes in government, and should allow adequate time for adjusting partnerships in the framework of program implementation.
- One extenuating element in terms of risks is basing interventions on the institutional mandates of public sector partners, respecting their hierarchies, and not placing organizations of different types above the others. This can lead to conflicts between actors from the same sector or territory, and affect local governance. In other words, it can affect the capacity to find solutions to local problems.
- It is important to clearly define the different roles that municipalities play in the program. The democratically elected municipal government may follow its own political prerogatives in its territory. In contrast, it must operate according to the rules of specific agreements when it is functioning as a program implementer. In each agreement, it should be clarified when a municipal government is acting as a program implementer and when it is acting as the government.
- The executive and supervisory councils that at one time functioned as part of the "project" conception have not been able to function as spaces for resolving misunderstandings related to program implementation. New consensus-forming mechanisms need to be found, based on the new implementation agreement, in case any old disagreements persist.
- Finally, based on the MFA guidelines for democracy, it should have been anticipated that political changes generate situations of risk for cooperation programs. In the case of the PROGESTION program, advisors were not aware of such guidelines in their monitoring of this program.
- Although the institutionalized programs were designed to be a step towards a SWAP, there is no evidence of actions of the Embassy to further develop conditions for these SWAPs.

4.5.3 FOMEVIDAS

The Government of Finland and the Government of Nicaragua signed a Specific Cooperation Agreement on May 14, 2004, for the Program to Strengthen Rural Development and Reduce Poverty in Boaco and Chontales (FOMEVIDAS). The agreement expired on December 31, 2007, and both governments agreed to extend the program until December 31, 2009. The funding agreement designates the Rural Development Institute (IDR) as the implementing agency for the program. The IDR prepares the operational plans and is responsible for the program's administrative, financial and technical management. FOMEVIDAS/IDR is being implemented in the Boaco and Chontales departments, through departmental delegations of the IDR. One of the central aspects of FOMEVIDAS is alignment with the IDR's strategies, structures, systems and procedures. Thus, the program's institutional framework depends, to a large extent, on the results of the IDR's own modernization process.

According to the consultancy of Technical Support of March 2008 (reference), various aspects have come together to create a favorable framework for continuing the program.

- There is compatibility and complementariness between the FOMEVIDAS strategy and the Sustainable Livelihoods Approach (SLA), on the one hand, and the policies and priorities of the Government, on the other.
- There is potential for cooperating with the Productive Food Program (PPA). The PPA is interested in expanding its methodological approach so that it is consistent with the SLA. In practice, this could mean that FOMEVIDAS would train PPA's technical staff.
- FOMEVIDAS is aligned with the PRORURAL sector program. It is not an isolated intervention with a sector-wide approach, but rather a complement to the Finnish contribution to PRORURAL through another modality, the Common Fund.
- The IDR is undergoing an institutional modernization process. This process will improve the outlook for effective and sustainable implementation of FOMEVIDAS. Moreover, the program supports – and can continue supporting – implementation of this process.
- The IDR Board has adopted FOMEVIDAS and the SLA. On various occasions, the IDR have indicated that the program and its strategy are highly consistent with the IDR's own objectives and strategy.

The objective of FOMEVIDAS is “to contribute to development and to poverty reduction in the rural zones of the Boaco and Chontales departments, through promoting and strengthening local, departmental and national organizations and institutions, thereby improving access to resources, reducing vulnerability, and supporting the livelihood strategies of the poor, both women and men.” (reference)

Cross-cutting issues and the SLA approach

The mission has evaluated the mainstreaming of crosscutting themes in FOMEVIDAS, analyzing all the documentation (terms of reference, program design document, overall and annual plans, mid term evaluations, and backstopping and technical assistance reports). Moreover, during the visit to Nicaragua the evaluation mission visited the departmental delegation of the IDR and the national offices, and has met with personnel from FOMEVIDAS/IDR and with the co-implementers. Finally, the mission visited a co-implementing community in Boaco.

The FOMEVIDAS program uses the SLA as a conceptual and methodological framework, in its formulation, design and implementation. The central idea of this approach is to strengthen capacities of poor people and attend their priorities, based on their needs. It is a comprehensive approach that considers various levels, from the micro to the macro, and the interrelationships and interaction of factors and levels. It is a holistic approach that initially focuses its actions on identifying entry points, but with a long-term view to expansion. It seeks a balance between productive, social and institutional elements. The mainstreaming of crosscutting themes in FOMEVIDAS is one of the aims of the SLA approach; therefore FOMEVIDAS (by implementing the approach) has enabled some crosscutting themes to become functionally incorporated into its work (especially gender equality and human rights of vulnerable groups). The SLA also contains some “sub-approaches” that address specifically the crosscutting issues of gender equity,

generational issues related to youth and middle-aged people, environmental issues and the improvement of watersheds.

Application of the SLA has not been sufficiently understood by some stakeholders who argued on the rigidity or lack of flexibility of the approach. However, the approach is flexible by nature, and invites innovation and adaptability because it is based on ownership of co-implementers who define the process of their own development. FOMEVIDAS/IDR has carried out during the process training on the SLA. All Municipalities have received training on the approach, as well as staff of many other local organizations. UNAG (National Union of Farmers and Cattle Farmers) is the only partner that did not need training on the SLA, but participated in training sessions organized by the programme.

The FOMEVIDAS Program explicitly addresses the following goals of Finnish policy: poverty reduction, environmental protection and promoting equality. The approach consolidates democracy at the local level through promoting participation, strategic alliances at the local level, coordination among different institutions in the rural sector, and coordination among donors who support the rural sector in Nicaragua.

Governability and the Rule of Law

The FOMEVIDAS is a rural development sector program and is consequently subject to being analyzed in terms of the crosscutting themes. The evaluation will emphasize findings related to program actions that build institutional capacities for service provision, respect for the legal framework, transparency and accountability, the promotion of pluralistic and inclusive dialogue, and the promotion of equity.

According to embassy advisors and IDR officials, the FOMEVIDAS methodology (SLA) incorporates elements such as a high level of citizen participation, a demand orientation, attention to vulnerable groups, the strengthening of municipalities – which is frequently called into question – and the IDR itself, and joint implementation with civil society organizations.

IDR is undergoing a capacity building process through the institutionalization of cooperation programs. IDR's departmental delegates are now responsible for the programs in Boaco and Chontales, unlike the situation under the previous government which maintained programs as independent structures. IDR officials have positively evaluated both FOMEVIDAS's contribution and the Embassy's flexibility in this process.

The program's institutional structure is clear in its design. The IDR is the main implementer and, through contracts, co-implements direct investments in the rural communities that are selected through a mechanism that is jointly carried out with the municipalities. The integration of a very special type of actor — an autonomous government — into this co-implementation process generates some confusion regarding its role as both administrator and authority.

With the change in government in 2007, and in light of the politicization of some public policy decisions, the Embassy has some doubts right now about the plurality of access to benefits and the selection of implementers. Both the IDR and the implementers affirm that they do not show any bias in the selection process. However in the absence of an approved operations manual by the Embassy, the IDR has a great deal of discretion over the selection process. The process of rewriting the manual has still not concluded, and the Embassy has decided to halt disbursements as a result. It has indicated that the time allotted for finalizing the manual has expired and that there is evidently a concentration of investment (80% of the resources) in one co-implementer – the UNAG – and in few municipalities, all of which are politically aligned with the current government.

The program's arenas for dialogue at the national level have functioned well. However, the IDR believes that despite the decisions made in the CEN, the Embassy makes use of its veto power through halting disbursements due to reasons that are not discussed. Once again, the CEN has been deficient in helping resolve differences that have arisen between partners, especially those between the Embassy and the IDR. As a consequence, there have been delays in program implementation. There is also little transparency in the actions of partners, and a high level of mistrust, all manifested in a lack of respect for agreements.

There are two systems of institutional planning linked to the public sector that co-exists within the program – sector-wide planning and municipal planning. Neither of these has been linked at the territorial level, which means that two different logics and two different cycles are operating. As implementers, the municipal governments have problems

getting the IDR's planning methodologies to coincide with their own programming cycle for investing FOMEVIDAS funds. The institution with a mandate for organizing responsibilities at the territorial level is INIFOM. Nonetheless, it has very little presence there.

The advisors and technical team in FOMEVIDAS are clearly oriented toward the IDR, helping to build its institutional capacities in a way that goes beyond just this program. This close relationship between the IDR and the international advisors has not been fully utilized by the Embassy to help mitigate mistrust.

Human Rights Approach

The methodological approach taken by FOMEVIDAS is particularly suited to address human rights: education (formal training of young people), health (water and sanitation), food (grains, fruit, vegetables, meat), participation (from the start vulnerable groups are encouraged at all stages to take to participate and take the lead in decision making), association (individual producers are encouraged to form alliances, and user groups are formed for the water systems), work (alternatives are sought, for women and men, based on participative assessments of their needs and opportunities).

FOMEVIDAS conducts a good analysis of vulnerability throughout its entire program cycle, considering the rights of women, youth, and the elderly. It does not include people with disabilities or indigenous peoples in its analysis. It does not recognize the international or national human rights framework, nor does it act in relation to the rights issues relevant to poverty.

The SLA is an approach that is "friendly" with a rights approach, and lends itself to being complemented by a rights approach. The SLA is an approach to human development based on people's needs, while a rights approach is oriented more toward strengthening the capacities of beneficiaries (right holders) to demand their rights and to strengthen the ability of institutions (duty bearers) to fulfill their obligations. The human rights approach makes use of the international human rights framework with the objective of strengthening the compliance of institutions that are supposed to guarantee rights, so that they fulfill their commitment and align national legislation and governmental and sector-wide policies and plans to this international legal framework. The rights approach guarantees the mainstreaming of all crosscutting themes at the level of impact and sustainability strategies, and in processes, strategies, plans, programs, and the project cycle. The rights approach also empowers individuals and organizations to demand their rights.

There are common elements between SLA and the rights approach. Both approaches understand poverty as a multi-dimensional concept that encompasses much more than the lack of employment or income. It is "*a human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights*".(reference) Poverty therefore takes several forms. Poverty is a result of disempowerment and exclusion. Poverty is a lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read and write. Poverty is not having a job, surviving from hand-to-mouth, and fearing for the future. Poverty is powerlessness, lack of representation and restricted freedoms of thought and association.

- Both approaches focus on the capacities of human beings.
- Both give priority to vulnerable groups, and identify the poorest members of society as co-implementers and agents of change (not as beneficiaries).
- Both analyze the structural causes and power relationships of poverty.
- Both approaches only analyze vulnerability in non-discriminatory terms.
- Both support and facilitate development processes based on the strengths of institutions and persons, identifying opportunities.
- Both approaches "empower" the poor through authentic participation, and through decision-making throughout the entire program cycle. This includes the program design, participatory planning, the diagnostic, implementation, evaluations, etc. Emphasis is placed on participatory methods.
- Both require a profound analysis of the responsible institutions, analysis of actors, partners, and strategic alliances.
- Both give attention at both the micro and macro levels.

- Both are focus on sustainability and impact on the lives of human beings. (reference)

FOMEVIDAS gives special attention to the situation of young people since, given the lack of employment possibilities in the zones where they live, they tend to migrate to urban zones where they usually join the ranks of the under-employed or unemployed. During the Rapid and Participatory Rural Diagnostics, special attention is given to the situation of women and young people—as viewed by them—in terms of their problems as well as their options for actions, based on the opportunities available. Potential partners and co-implementers working on the issues of child and youth rights are identified. Also, partners who provide occupational training to young people are identified, and other possible partners who promote youth training to work in home construction. When resources are allocated, priority is given to attention to children and youth, and recreational projects for this segment of the population.

Gender Equity and Women’s Rights

Although a gender analysis is mandated in the terms of reference for project design, the project document and the overall and annual plans, this aspect is left to be developed in the detailed planning of each financed project. However, during its planning, the FOMEVIDAS program assigns an active role to rural women, given the critical role they play in the family economy. Textually, the FOMEVIDAS operational plans state that *experience has indicated that women are usually responsible for various arenas where the program is developed, such as environmental management, family health and hygiene, managing credit, and in fulfilling community commitments. Their concern for family stability and well-being leads many women to seek out alternative economic activities, and even more so when they are heads of household, which is common in the areas of program intervention. Their enterprising attitude holds great promise, which is why productive groups of women are being strengthened, such as through the provision of micro-credits accompanied by training and assistance.* (reference)

FOMEVIDAS considers a gender analysis especially relevant to the issue of intra-family distribution of income, since greater family income does not necessarily imply equitable distribution, or necessarily improvements in the health, nutrition, and education of all members of the household. In this context, the productive role played by young people and older adults in many poor peasant families needs to be analyzed.

To monitor changes in women’s situations specific topics were included in the baseline study, such as the roles of men and women, access and control, decision-making in organizations, etc., and the data obtained is broken down by gender. In allocating resources, women without land are prioritized in the projects proposed by women’s groups and in projects for women in which men actively participate. The IDR has an expert on gender issues on its staff. With support from FOMEVIDAS, the IDR will develop a gender equity strategy.

4.5.4 Key Findings – FOMEVIDAS

- When a new methodology or approach is introduced, it is important to plan an inception phase where “a common understanding” of the approach is built among the partners of development. This process is long and tedious and it may take a lot of time until all the stakeholders understand the conceptual and instrumental aspects of the approach. Building a common understanding helps avoid the continuous re-examination of the appropriateness of the approach.
- Disbursements and quality: The disbursement rate is an important yardstick but cannot alone measure the success of a project. Reaching out to the poorest and supporting their livelihood is perhaps the most difficult process, particularly if methods aiming at sustainable development are used. The high level of financial flows is in the interest of national institutions. In Finland there are internal and external (OECD/DAC) pressures to reach high disbursement levels. Thus, there is great pressure to design work plans so that there is a high level of expenditure from a very early stage of project implementation, and the disbursement level has become a major criterion for the success of a project. Subsequently projects are pressured to implement, particularly in financial terms, in accordance with the annual disbursement plans. A comparison of the projects in Nicaragua shows that the level of expenditure alone will not guarantee that the overall aim of poverty reduction and reaching the poorest segments of the population is achieved. To reach such goals usually requires more tedious and time consuming processes.

- The quality of the implementation of an institutionalized program, and its sustainability, depend on the capacity of the institution that is receiving assistance. It is clear that in the case of the IDR that it is building its own vision and mission and its own institutional conception.
- The role of the Embassy and the criteria for decision-making in relation to the program should be completely transparent and understood within all spaces that the program establishes for this effect, such as the Program Coordination Council in the case of the IDR's relationship with the Embassy, but also in the Territorial Coordination Committee in relation to the IDR's relationship with the municipalities and its co-implementers.
- The municipal governments, as implementers who are subordinated to the IDR, cannot respond to the expectations of this approach without some political effects. This was true in the case of the comprehensive diagnostics, which later evolved into more of a municipal demand than a demand of the IDR.
- The decision of the IDR's Board of Directors to adopt the SLA as its main approach generated some very specific requirements in terms of developing its methodology and capacities.
- One important element that should be highlighted is the fact that the understanding of governance as a crosscutting theme among the Embassy's advisors to the rural development sector is linked to building the institutional capacities of the public sector. This is shown as deficient promoting of pluralistic dialogue, transparency, or respect for the legal framework outside of the rural sector, such as clearly understanding the role of municipal governments.

4.6 Local Cooperation Funds

According to the Embassy, the principle areas of assistance of the Local Cooperation Fund (LCF) in Nicaragua since 2007 are: 1) defense of vulnerable groups' human rights, especially children, youth, elderly persons and persons with disabilities; 2) process of reconstruction and preservation of the cultural identity of indigenous people and ethnic communities; 3) assistance to processes of local economic development, such as communitarian tourism. In previous years the emphasis was concentrated in governance and gender projects, but the now functioning basket funds for governance and sexual and reproductive rights have redirected the scope of the LCF. The application process is based on norms and follows the Ministry's guidelines: technical analysis of the proposals, approval of a selection committee, technical follow up for the projects and systematization of the experiences.

From the 14 projects in implementation in 2007, eight are concentrating in human rights for vulnerable groups, representing 57% of the funds assigned. There are two projects in cultural identity with 22% of the funds, three projects in local economic development with the assignment of 4% of the budget and one project directed to the assistance for the Poetry Festival of Granada, reaching into a 4% part of the global budget. For 2008 the Embassy has concentrated the assistance in 8 projects, giving priority to projects that can achieve greater sustainability and impact, maintaining the 3 main themes.

Although there exist an attempt to relate geographically or thematically projects financed from the LCF and the institutionalized programs, the LCF projects can not be considered to be transversal to the interventions of Finland in Nicaragua, nor have pretended to mainstream the crosscutting issues present in this study.

4.7 Key findings – Local Cooperation Funds

- The projects financed from the Local Cooperation Fund are specific interventions in human rights, gender equality, governance and democracy. The mission could not evaluate to what extent and way do these projects individually mainstream the crosscutting themes. Since this evaluation did not assess each of the projects funded from the fund, it is difficult to know the value added of good practices, methodologies and approaches used by each of the organizations when implementing their projects. What it is evident is that the LCF projects do not have in practice any synergy or cooperation with other Finnish aid modalities.
- At the level of the Embassy there does not exist a mechanism where the lessons learnt from the projects could contribute to the quality and content of the other modalities.

5 RESPONSIBILITIES AND PROCEDURES

5.1 Division of responsibilities between the Embassy and MFA

In 2006, as a sign of its good bilateral relations with Nicaragua, Finland decided to upgrade its representation to an Embassy. The MFA and the Embassy of Finland in Nicaragua have signed a contract in which the MFA decentralizes functions related to development cooperation to the Embassy. In line with the development policies from 2004 and the Paris Declaration, the Embassy has focused on implementing new cooperation modalities, promoting ownership, and strengthening the capacities of the Nicaraguans as the sole agents in its own development. These modalities include: budget support, sector-wide support, institutional support, shared funds with other donors, local cooperation funds, etc. It has been an intense and interesting effort, with many lessons learned not only with added value for Finland, but also for contributing to international cooperation efforts in general. However, these experiences have lacked a strategic national framework, as well as lessons learned, good practices and feedback mechanisms from Embassy to MFA in Helsinki.

With respect to the crosscutting issues, there is no clear division of roles and responsibilities between the MFA and the Embassy to guarantee the incorporation of crosscutting themes into strategies, plans, programming and project cycles. The crosscutting themes are described in cooperation policies, but the effort to apply the methodologies and best practices is left to the Embassy staff members, depending greatly on the grade of personal and professional interest. From the interviews, it was clear that the Embassy expected the MFA in Helsinki (ASA-33 and KEO 9) to be responsible for directing the programs' operationalization from Helsinki, through guidelines, checklists, training and backstopping. The active and direct contact with advisors from the MFA's cooperation policy department is seen as important. Moreover Embassy thinks that the MFA Quality Assurance Team is the forum for a profound analysis of proposals and the assessment of crosscutting issues.

The MFA has not systematically accompanied the Embassy in integrating issues and themes into the cooperation programming cycle. Moreover, no such accompaniment took place for the introduction of the new policies that change the approaches (2004 and in 2007). The greatest effort that was supplied from Helsinki was in the area of gender equality training, which has been extremely useful. The Human Rights Based Approach, included in the 2004 policies, is almost unknown by the team in the Embassy.

5.2 Internal Structure for Implementing the Crosscutting Issues

The Embassy of Finland in Nicaragua is headed by the Resident Ambassador. In addition, an adjunct diplomat is responsible for international multilateral and bilateral cooperation, and for coordinating the work of sector and thematic advisors. The team of advisors is comprised of 3 Finnish advisors and 3 Nicaraguan advisors as counterparts in the areas of rural development and the environment, democracy/governance, and health. The advisors have strategic and programmatic responsibility. In principle, it is understood that the head of international cooperation is accountable to the MFA, and is responsible for implementing cooperation policies and insuring their operationalization. It is also understood that the advisors are responsible for incorporating crosscutting issues into the cooperation strategies, work plans, programming, and the monitoring of different cooperation modalities. Apart from their strategic role, the advisors have also taken on monitoring tasks and the conceptual and operational accompaniment of the SWAp (Fonsalud and Prorural) and the institutionalized programs (PROGESTION and FOMEVIDAS).

Crosscutting issues are not dealt consistently in the job descriptions of the head of cooperation or the advisors. In some descriptions the responsibility is explicit, while in others it is not. Gender equity, the environment and human rights (from the political viewpoint) were explicitly included in the work descriptions. In practice, the health advisors have been responsible for gender equity and women's rights issues. The rural development advisors have been responsible for crosscutting environmental themes (prior to the policy of 2000 which prioritizes the environment), while the governance and democracy advisors have been responsible for the crosscutting issues of governance and the rule of law. The lack of a comprehensive conceptualization, and the lack of coordination promoting synergy among the crosscutting issues in each sector have given rise to the "sectorized" and separate treatment of crosscutting themes. Their treatment as separate issues has weakened their interdependence and comprehensiveness, and has reinforced the general idea that these issues "*need to be prioritized because there are so many.*" Opinions such as the following were encountered:

“The most important issue for cooperation with Nicaragua is governance.”

“In the rural development sector, the issues that guarantee an impact on the well-being of poor people are gender equity and the environment.”

“In my opinion, they aren’t connected.”

“In my opinion, they are connected.”

From the interviews, we find that the topics of democracy, good governance and gender were the most known by embassy staff.

The responsibility for monitoring human rights policies was explicit. In line with the mandate of guaranteeing implementation of coherent policies, the human rights of vulnerable groups—the disabled, indigenous peoples and children has not fallen under the explicit responsibility of anyone, nor in anyone’s job description. Thus, it is perceived that the issue of human rights has been limited, in the Embassy’s practice, to its political interpretation, but not necessarily as an objective of development or human rights incorporated into strategies, programs, and plans of action as part of a rights approach to development. The HRBA is not recognized as a methodology that integrates crosscutting themes. The rights approach promoted by the cooperation policy of 2004 is unknown as a framework concept by the Embassy. The MFA’s human rights advisor has not had proactive contact with the Embassy. They have only received instructions from headquarters to monitor the human rights policies of regional human rights programs.

5.3 Planning and Management Procedures

The Embassy's planning is based on goals by sector, with defined objectives and results. The definition of fund distribution is also done by sector, and gender equity is the only crosscutting theme that has had a special planning line. Governance and democracy have been treated as a sector, rather than crosscutting themes, in both planning and reporting.

The new forms of cooperation have obviously been the work priorities for the entire team, leaving crosscutting themes on the backburner. Thus, they have not been systematically incorporated into strategic sector lines, general cooperation plans, personnel, programs or projects. Perhaps if a country strategy had existed immediately following the 2003 evaluation, it would have helped to define the process and the manner in which the themes could be integrated.

As of this date, the Embassy has not had a country strategy in place, but there have been concrete attempts to develop one. The strategic guidelines have been pulled together from bilateral negotiations. Within the Embassy, there is no management instrument that helps guide and monitor the work of integrating crosscutting themes in different sectors. The working guides and documents related to crosscutting issues developed by the MFA in Helsinki have not been used systematically, except the gender strategy. Many of these documents have not been translated into Spanish.

To our knowledge, there is no Embassy plan to develop human resources in relation to crosscutting issues. The advisors have received systematic training only on gender.

There is general consensus that the crosscutting issues are the most relevant for cooperation with Nicaragua. The lack of a dialogue or any conceptual or operational examination of crosscutting issues is indicative of a lack of priority, particularly in the face of work pressure and internal management needs. There has not been good coordination or inter-sectorial work within the Embassy, nor have experiences about what has been learned through programming been shared. However, such coordination with other donors active in the same sectors has, in fact, been very good.

5.4 Reporting on Crosscutting Issues

There are no specific reports about crosscutting issues. Their integration is reported annually as part of the reports on Development Cooperation in the country, sent to ASA-33 in the MFA. Only the issue of gender equity was systematically included in the last report of 2007, as a separate chapter receiving the attention it deserved. The health sector's analysis clearly mainstreams gender equality and women's rights in every modality of cooperation, giving emphasis to the issues of gender governance, sexual and reproductive rights, and the criminalization of therapeutic abortion. Efforts by the health sector were also found to mainstream a disability perspective at the country level.

The biggest effort (in coordination with multilateral and bilateral donors) in mainstreaming gender equality was to be the PROGENDER program. However, after planning took place, the implementation was not feasible due to the slow progress of government policies and the lack of common methodologies. Nonetheless, the process had a positive impact on local actors, ministries, institutes and NGOs.

In the rural development sector, the intention of formulating a strategy for mainstreaming "the environment" as a theme was reported. However, this plan was not concretized due to the prioritizing of the sector in the new development policy. Issues of governance and transparency have been dealt within the sector dialogue when discussing PRORURAL, FOMEVIFAS and Proambiente.

Decentralization and support for the Municipal Management sector have been treated as part of the sectoral themes of good governance and rule of law, and not as crosscutting themes.

The human rights of vulnerable groups were only addressed in the health sector (youth in the multi-donor project with UNFPA, disabilities in FODINIC). Indigenous peoples' rights were only part of the analysis of LCF, treated as cultural issue.

5.5 Key findings – Responsibilities and Procedures

- There have clearly been concrete efforts to mainstream gender equity in national sector policies, and to influence national institutions through Progenero. The program was not implemented due to structural issues within the Nicaraguan Institute for Women (INIM), the national counterpart responsible for mainstreaming gender equality issues, and due to a lack of interest on part of the government.
- There have also been clear efforts to provide special attention to women's rights, with an emphasis on sexual and reproductive health rights through SARED program and the Support to Civil Society in Reproductive Health and Gender Equality (an LCF project).
- Initial and concrete efforts to mainstream the issue of disabled people's rights have been clear and evident. The study of the Finnish Embassy called "Situation Analysis, Opportunities and Alternatives for Supporting Inclusive Policies that Attend Comprehensively to People with Disabilities in Nicaragua, April 2008." is an example of such effort. The Embassy did not receive the MFA's authorization for financing the mainstreaming of the disability issue. Attention to people with disabilities is seen as part of the health sector, but the health sector is no longer a priority under the new cooperation policy. This sector interpretation of multidisciplinary themes and human rights lacks coherency. The same could be said for the interpretation of sexual and reproductive rights, which are not just health issues, but are also related to rights.
- The strategy for LCF addresses the crosscutting issues as a priority, however in practice these are put into operation as specific development interventions. Initially such funds were allocated only for governance, but have progressively been used for women's rights and the rights of people with disabilities and indigenous peoples, and to support civil society's right to participation.
- The MFA's support has not been continuous due to changes in the personnel of ASA-33, especially the post of desk officer which has changed numerous times during recent years.
- The Embassy has concrete plans to develop a country strategy that outlines the priorities of Finnish cooperation in Nicaragua, and the general plans of how to implement the strategy in relation to different modalities, sectors, the incorporation of crosscutting themes, human resources, and funding. The Embassy's team of advisors hopes this effort will take place jointly with ASA-33 and KEO-9.
- Personnel changes at the Embassy (six people are concluding their missions) will delay the operationalization of strategic plans during the phase in which new personnel are adjusting to their posts.
- There have not been discussions with other donors about the crosscutting issues and their added value, nor has there been any coordination with other embassies undergoing similar changes in cooperation modalities (i.e. Zambia, Mozambique, and Vietnam).
- No specific human or financial resources have been designated in the work plans for addressing crosscutting issues.
- Most resources will be allocated to rural development. The health sector is not a priority.

6 KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 General Findings

The crosscutting themes of the Finnish development cooperation are declarative, mentioned in a general way in the development cooperation policies and in some guidelines produced by the department of development cooperation (KEO 12) on gender, good governance and democracy. Excluding the advisors in the MFA, the other policy implementers in different levels do not have the experience to operationalize the crosscutting themes. Due to the lack of experience, there is no conceptual framework and less a methodology to mainstream these in the practice, nor intention to define resources to make them effective. There seems not to be a demand from the MFA to do this either.

Due to the lack of evidence of strategies, plans and concrete actions to mainstream these themes, the evaluation has had to concentrate in the execution of interventions related to the crosscutting themes. It is evident that there exists no initial intention to mainstream these in any of the modalities. The mainstreaming becomes evident only in the implementation, as an automatic effect to the use of a methodology, or as an effect of an inductive process, revision and training of the mainstreaming strategies as a MFA initiative (as has been the case for gender). Another way is when the implementation of programs has consequences in the conditions of the crosscutting issues, although this has not been done with clear consciousness.

6.2 Findings in the political dialogue

- The shared agenda between Nicaragua and the international community has a strong weight in democracy; rule of law and good governance, and in a lesser extent in human rights and gender equality. This prioritization has influence, defines and decides the content of the political dialogue. Therefore Finland has had to accommodate to this priority in the political dialogue.
- The Finnish Embassy is more prepared to participate in themes of governance than in themes of human rights. In governance, the Embassy has had a good execution highly valued by the donor colleges. However, the promotion of human rights has been and is one of the emblems of the Nordic donors as part of the like-minded group, but Finland has not prioritized these themes that are constantly invisible in the political dialogue. A dilemma the Embassy has faced is summing to the priorities of the country agenda
- In the political dialogue exists a total absence of the themes of children and adolescents, indigenous people, ethnic minorities and persons with disabilities.

6.3 Findings in the Intervention Modalities

Institutionalized programs

The institutionalized programs respond more to the demand to execute the program and not necessarily to strengthen and improve the institutions' capacities to integrate the crosscutting themes that could be mainstreamed to the national policies. The programs' priority is to execute instead of concentrating in creating policies. The interventions in the programs create a structure for the use of the program and not necessarily respond to the mandate and function described in the law for these institutions. These interventions make the institutions as implementers and executors of programs.

Although the institutionalized programs were designed to be a step towards a SWAP, there is no evidence of actions of the Embassy to create the conditions for these SWAPs.

SWAP – Fonsalud and Prorural

In evaluating the crosscutting themes of governance and gender, the evaluation mission needs to assess the performance of a community of donors, where Finland disappears as such. It would be unfair to evaluate Finland for the performance of a collective action. We should evaluate Finland on the basis of its contribution to the collective positions of donors. The performance of the group of donors had to be evaluated in relation to the impact on public policies in health and rural development.

In the SWAP, human rights are neither on the agenda of the government nor on the agenda of the donors.

Local Cooperation Fund

The projects financed from the LCF are specific interventions in human rights, gender equality, governance and democracy. The LCF projects do not have any in practice synergy or cooperation with other Finnish aid modalities.

At the level of the Embassy there does not exist a mechanism where the lessons learnt from the projects could contribute to the quality and content of the other modalities.

6.4 Findings for Responsibilities and Procedures

The Finnish Embassy in Nicaragua does not have a country program. The Finnish cooperation is divided in sectors and therefore it is very difficult to mainstream crosscutting issues that give coherence and quality to the portfolio of the Embassy. As a consequence, the advisors at the Embassy are sector specialists instead of strategists of the cooperation. Their role and responsibilities respond to the sectors and not to the integrating strategies of the crosscutting themes.

The knowledge on crosscutting themes is insufficient at the Embassy. This affirmation is done respecting the knowledge each one of the advisors have on the sectors of their competence. The unawareness exists with respect to the meaning of mainstreaming, the conceptual framework of each theme, the methodologies and the way the MFA guidelines for different intervention modalities can be used.

The accompaniment of the MFA in Finland in the training on the crosscutting themes is limited to sending the different manuals and guidelines by the unit of development politics of the MFA. There does not exist a continuous accompaniment to the advisors in the Embassy. As governance and democracy are two of the prioritized themes in Nicaragua, it could be expected that the advisor from MFA would make a visit to the Embassy.

The grade of individual proactivism of the gender advisor from MFA has demonstrated what changes can be done with the crosscutting themes. With the presentation and training of the MFA gender strategy in 2005 in Nicaragua, and revising what way the different modalities are integrating gender equality, a positive change was created in all implementers that took concrete actions to mainstream gender from 2005 on. This is evident in the majority of the work plans since 2005.

6.5 Conclusions

In the modalities not earmarked to Finland (Budget Support and SWAP) good governance and democracy have been enhanced.

In the earmarked modalities (institutionalized programs) there has not been previous intention to mainstream the crosscutting themes of the Finnish policy, although there were opportunities with the RBA already since the Development Policy of 2004. Only in the case of FOMEVIDAS, which has a clear methodology that integrates the crosscutting themes, there is evidence of an intention to mainstream the themes since the beginning and during the program.

The institutionalized programs of the Finnish development cooperation have caused a negative impact that was neither intentional nor foreseen in relation to the mandates of the Nicaraguan public institutions. With respect to the interventions, the institutions have converted to executors of the program funds without impact in the strengthening of their institutional mandate derived from the government. This can be seen most clearly in the Progestion program.

The Finnish cooperation in Nicaragua has demonstrated little sensibility towards the political situation and political changes in the country, although the MFA guidelines on good governance and democracy emphasize this. If the Finnish cooperation would have the crosscutting issues as a north, the cooperation in a country context can be renegotiated making a balance between the principles of the cooperation and the political situation.

A good impact has been obtained when introducing to the rural development sector the SLA. The approach has scaled up and it will be integrated to the rural development policies of the country.

There has not been a systematic coordination with other donors regarding the crosscutting issues. There exists coordination between the donors only when the modality requires so.

6.6 Lessons Learnt

The existence of strategies, plans, guidelines, check lists and methodologies of mainstreaming do not guarantee that the crosscutting themes would be operationalized in the different modalities of the Finnish cooperation. If there are no clearly defined processes of continuing accompaniment that includes training, supervision and mechanisms and

spaces for reflection on crosscutting themes and mechanisms of reorientation and strengthening of the quality of the interventions.

In the Nicaraguan case, the decentralization of the cooperation include the execution of the development cooperation and the decision making power over the resources. However, the task of guaranteeing the development cooperation policies is not decentralized, being a joint task both for the MFA and the Embassy. The policies that norm the development cooperation can not be decentralized, nor its supervision.

To be able to mainstream human rights and gender, an approach and a methodology with clear conceptual frameworks is needed. Without these the mainstreaming of crosscutting themes is very difficult. It is necessary to identify friendly approaches to human rights (such as the SLA) and implement the MFA's gender strategy.

6.7 Recommendations

Learn from the different strategies other donors have used, such as Denmark, GTZ, The Netherlands, EU and Austria.

The Finnish Embassies participating in development cooperation should count with strategies to mainstream the crosscutting themes that are country specific.

These strategies could count with action plans with a defined budget the way that it prioritizes one by one the systematic integration, supervision and revision of each crosscutting theme in the different intervention modalities.

Training on the conceptual framework and the methodologies of mainstreaming is necessary with the desk officers at the MFA together with the advisors at the Embassy. A manual on RBA for the mainstreaming of the human rights, gender equality, Rule of Law, good governance and democracy is urgently needed.

The trainings provided by the MFA to advisors working at the Embassies should integrate not only the gender equality but also RBA, human rights, Rule of Law, good governance and democracy.

Redefine the role of the advisors towards a more strategic role to guarantee the implementation of the directing principles of the Finnish policy.

The advisors at the Embassy need to know other experiences and lessons learnt from other development cooperation embassies, donors and multilateral agencies when they design country strategies.

The plans of the Embassy need to count with resources to address these themes.

The MFA need to guarantee stability among the personnel in their Geographic units in order to benefit from the investment created in the capacities in development cooperation related issues.

The advisors at the embassies need to relate more with the specialists in MFA/Helsinki.

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ANNEX 1 PEOPLE INTERVIEWED

Marja Luoto	Ambassador	The Embassy of Finland
Mari Lankinen	Jefe de Cooperación	The Embassy of Finland
Tiina Huvio	Advisor, Rural Development and Environment	The Embassy of Finland
Salvador Tapia	Advisor, Rural Development and Environment	The Embassy of Finland
Maria Luisa Babini	Advisor, Governance	The Embassy of Finland
Riitta Työläjärvi	Advisor, Health and Gender	The Embassy of Finland
Rosemary Vega	Consultant, Health and Gender	The Embassy of Finland
Nadia Prado	Program Assistant	The Embassy of Finland

Melba Hernandez	Damaris	Consultant, Rural Development	The Embassy of Finland
Marc Litvine		Chief of Operations	European Commission, Nicaragua
Pedro Alonso		Chargé d'affaires, Budget Support	European Commission, Nicaragua
Ricardo Gómez		Director	GTZ
Jaime Remmerswaal		Advisor, Governance	The Royal Embassy of the Netherlands
Silvia Porras		Advisor, Gender	The Royal Embassy of the Netherlands
Patricia Gómez		Program Officer	The Royal Embassy of Denmark
Kerry Max		Director ACDI	President of the Donors Round Table
Valdrack Jaentschke		Vice minister and Secretary for Economic and Development Cooperation	Ministry for Foreign affaire of Nicaragua
Nolvia González		Coordinator, Budget Support	MHCP, Nicaragua
Eduard Centeno		Executive President	INIFOM
Roger Gaitán		Director for Planification	INIFOM
Manuel Pinell		Director for Local Development	INIFOM
Alejandro Raudez		Director, Administrative Finance	INIFOM
Rafael Urbina		Director External Cooperation	INIFOM
Lucía Sequeira		Executive Director	AMUB
Elba María Salinas		Mayor	Municipality of Santa Lucía
Ova Ordeñana		Director for Planification and Citizen Participation	Municipality of Teustepe
José Santos Martínez		Director for Planification and Citizen Participation	Municipality of Santa Lucía
Roberto Urbina		Director for the Office of Environment	Municipality of Santa Lucía
Doña Agustina		Beneficiary of a Project supporting Pastry Shop	Municipality of Santa Lucía
Roger Barquero		Technical official	OAS
Victor Báez		Director for Planification and Local Development	Municipality of Boaco
Juana Meneses		Promotor OMAM	Municipality of Boaco
Alex Munive		Chief Technical Advisor	PROGESTION-INIFOM
Avedis Duarte		Advisor, Local Development	PROGESTION
Pío Blanco		Advisor for citizen Participation	PROGESTION
Ellieith Vilchez		Advisor for gender	PROGESTION
Juana Maria Buschting		Director	IDR
Germán Flores		Director for Rural SME	IDR
Leyra Bucardo		Director FOMEVIDAS	IDR
Ma. Antonieta Machado		Director for Planification	IDR
Jan Karremans		Chief Technical Advisor	FOMEVIDAS-IDR
Odell Ortega		Director Departmental of Boaco	IDR
Ronie Zamor		Advisor	FOMEVIDAS-IDR
Víctor Díaz		Contractor – UNAG	FOMEVIDAS-IDR
Gerardo Huerta		Contractor – UNAG	FOMEVIDAS-IDR

David Sandoval	Contractor – UNAG	FOMEVIDAS-IDR
El Rodeo	Beneficiary from a Community, Boaco	FOMEVIDAS-IDR

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ACRONYMS

AU	African Union
BESSIP	Basic Education Sector Support Implementation Programme
CTA	Chief Technical Advisor
GDD	Gender Disaggregated Data
CEDAW	Convention of Elimination of All Kinds of Discrimination Against Women
CPs	Cooperating Partners
CS	Civil Society
CSO	Central Statistical Office
CSOs	Civil Society Organizations
EFA	Education for All
ENRMMP	Environmental Management and Mainstreaming Programme
ESSP	Education Sector Support Programme
EU	European Union
FNDP	Fifth National Development Plan
GBV	Gender-based Violence
GDU	Governance Development Unit
GER	Gross Enrolment Ratio
GIDD	Gender in Development Division
GRZ	Government of the Republic of Zambia
HIPC	Highly Indebted Poor Countries
HQ	Headquarters
ILO	International Labour Organisation
JASZ	Joint Assistance Strategy for Zambia
LCF	Local Cooperation Fund
LCMS	Living Conditions Monitoring Survey
LD	Lead Donor
MACO	Ministry of Agriculture and Cooperatives
MoETNR	Ministry of Environment, Tourism and Natural Resources
MoESP	Ministry of Education Sector Plan
MoST	Ministry of Science and Technology
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MEA	Monitoring and Evaluation Advisor
MFA	Ministry for Foreign Affairs of Finland
MFNP	Ministry of Finance and National Planning
MoU	Memorandum of Understanding
MSME	Medium and Small Scale Enterprises
NCBPGGZ	National Capacity Building Programme for Good Governance in Zambia
NGOs	Non Governmental Organisations
OVC	Orphans and Vulnerable Children

PAF	Performance Assessment Framework
PD	Programme Document
PEMFA	Public Expenditure Management and Financial Accounting Programme
PLARD	Programme for Luapula Agricultural and Rural Development
PRSB	Poverty Reduction Support Budget
PRSP	Poverty Reduction Strategy Paper
PSDR	Private Sector Development Programme
PTA	Parent Teacher Association
PWDs	People with Disabilities
SADC	South African Development Committee
SAG	Sector Advisory Group
SC	Steering Committee
SCB	Supervisory Board
SWAP	Sector-wide Programme
TIZ	Transparency International Zambia
TORs	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
USA	United States of America
USE	Universal Basic Education
WEDGE	Women Enterprise Development and Gender Equality Programme
WfC	Women for Change
WILDAF	Women in Law and Development in Africa
ZAEPD	Zambia Agency for Employment of Persons with Disabilities

1 INTRODUCTION

This Zambian country-specific report is part of the Evaluation of Human Rights and Equality, Democracy, Good Governance and Rule of Law in the Finnish Development Cooperation. The field mission was conducted 1-14 June 2008 particularly to assess how well the crosscutting issues have been mainstreamed at the country level and in programs, projects and other interventions. Schedule of the mission is attached as Annex 1.

We essentially assessed the mainstreaming of i) Human rights (in all of its aspects with special attention to the rights of the most vulnerable groups like children, PWDs, indigenous peoples and minorities); ii) Women's rights and gender equality; and iii) Democracy, good governance and rule of law. In addition, other cross-cutting issues as defined in the Fifth National Development Plan (FNDP) were part of the assessment particularly regarding the mainstreaming and policy dialogue processes. FNDP at present forms the basis for donor support in Zambia through the Joint Assistance Strategy arrangement.

We analyzed the extent to which the above crosscutting issues have been mainstreamed and integrated into the policy dialogue with the partner country and within the donor community, in direct budget support and the sector wide approach as well as programs and interventions. In addition we assessed the mechanisms and processes used and the division of responsibilities and resources available regarding mainstreaming. We studied all the relevant documentation and interviewed the Embassy of Finland staff members and partner country authorities, people involved in various interventions, representatives of other donors and some NGOs. In the beginning and at the end of the mission a briefing and de-briefing was consecutively held at the Embassy of Finland. The people interviewed are attached as Annex 2.

We used the analytical framework introduced in the main report of the evaluation. This country-specific report does not make any specific recommendations as the main report synthesises the country-specific reports and provides recommendations based on the joint analysis.

For assessing the mainstreaming of the cross-cutting issues the following aid modalities and interventions were selected in order to have experiences of a mixture of aid modalities, interventions at various stages of the project cycle and Finland's role as a cooperating partner:

- i) *Budget support:* Poverty Reduction Budget Support (on-going)
- ii) *Sector-wide approaches:* Ministry of Education Sector Plan (MoESP) (2003 – phasing out June 2008); Environment and Natural Resources Management and Mainstreaming Programme (ENRMMP) (post pre-appraisal stage) (Finland the lead cooperating partner); Private Sector Development Reform Programme (PSDRP) 2006- 2008: Immediate objective 6: Local Empowerment – “Broad-based Wealth and Job Creation in Zambia: Economic Empowerment through MSME Development Programme” (ready for signing);
- iii) *Bi-lateral project:* Programme for Luapula Agricultural and Rural Development (PLARD) 2006-2010 (with committed extension until 2012) (on-going);
- iv) *Local Cooperation Fund:* LCF strategies and randomly selected interventions.

2 COUNTRY CONTEXT: CROSS-CUTTING ISSUES

2.1 Situation in Zambia regarding cross-cutting issues

The Fifth National Development Plan (FNDP) 2006-2010 defines governance (*constitutionalism, human rights, transparency and accountability, democratisation, and administration of justice*), gender, environment, HIV/AIDS, and food and nutrition as cross-cutting issues.

While Zambia is described as one of Southern Africa's most stable democracies strengthening governance mechanisms continues to be one of its major challenges according to the CPs' (donors) country assessment. The Government has pledged its commitment to democratic governance and has embarked on building good governance.

In 2000, the “National Capacity Building Programme for Good Governance in Zambia” (NCBPGGZ) was launched and the term ‘good governance’ was first introduced in Zambia. Policy commitments for good governance were further outlined in the Poverty Reduction Strategy Paper (PRSP, 2002-2004) which emphasized mutually reinforcing relationship between bad governance and deepening levels of poverty. Good governance was associated with larger growth rates and incomes for the poor. The current FNDP defines governance as i) constitution, legal and judicial issues (*constitutional reviews and reforms; restatement and review of the customary laws; review of the local court system; law reforms; quality of legal services* etc.); ii) human rights (*capacity building of HRC to enhance protection and promotion of human rights; reforms for the law enhancement agencies*); iii) accountability and transparency (*fight against corruption through capacity building and implementation of anti-corruption strategy*); economic governance (*public finance management reform; prevention of anti-competitive conduct*); and iv) democratization (*electoral, parliamentary and media reforms; decentralization; participation of civil society; review of public reform programme; mainstreaming gender*).

Zambia has ratified various international human rights conventions and treaties, and has put in place institutional structures and some legal frameworks for promotion of human rights. The ratified conventions and treaties include: The International Convention on the Elimination of All Forms of Racial Discrimination (1972); The International Covenant on Economic, Social and Cultural Rights (1984); The International Covenant on Civil and Political Rights and the First Optional Protocol (1984); The African Charter on Human Rights and Peoples Rights (1984); The International Convention on the Elimination of All Forms of Discrimination Against Women (1985); The International Convention on the Rights of the Child (1991) and The Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1998). At the regional level, Zambia has agreed to the African Charter on Human and People’s Rights which contains both civil and political and socio-economic rights. These treaties and conventions ratified by Zambia have not been fully integrated into national laws and citizens have limited knowledge of their rights and how to enforce them (State of Human Rights Report in Zambia 2007).

In 1996, the Human Rights Commission was established under Article 125 of the Constitution of Zambia. It is tasked to promote protection of human rights at all levels and build a sustainable culture of human rights in Zambia. The most common human rights violations received by the HRC are rights involving social security (non-payment of terminal or retirement benefits); mal-administration of justice; and poor working conditions. According to the HRC rights of many Zambians are violated on daily basis, and the scale of extreme poverty ensures that the most basic of human rights are not respected. According to the CPs’ joint assessment (JASZ), however, severe human rights violations in Zambia are currently rare, if any.

Economic, social and cultural rights are defined in the Constitution but it does not explicitly require that the Government respects, protects and fulfils these rights (right to education; right to health, and right to water and sanitation etc.). Discussion on the constitutional reform is on-going and the budgetary limitations of the Government to fulfil these rights are used by the Government as a justification for not accepting the changes in the Constitution.

The new government publicly declared war on corruption in Zambia which was a radical change from previous rule where corruption had not been addressed. The fight against corruption has helped to speed up reforms and has attracted some foreign investments to the country. Constraining the administration's efforts to reform, however, is the fact that corruption is still a significant problem at the political and administrative levels, as well as affecting the relations between companies and public officials. Many observers argue that the public campaign against corruption has not been consistent: People accused of corruption are allowed to remain members of the ruling party, anti-corruption institutions still lack adequate funds, sufficient staff and genuine independence from political influence, and there is evidence of serious maladministration within local governments and administrations. Observers have concluded that corruption has become a part of Zambian culture. Transparency International has not registered significant improvements in the public perception of corruption during the last 5-6 years in Zambia. Generally, however, both donors and CSOs agree that the new government has taken a major step forward by putting the fight against corruption on the agenda in Zambia. Enhanced financing to the Anti-Corruption Commission represented a break with former policies in Zambia.

Despite of multi-party democracy since 1991, Parliament is only marginally involved in the poverty reduction agenda which has limited the democratic oversight over the development process and political ownership of development process. Participation of CS has also been limited to periodic involvement in non-statutory mechanisms and processes and thus not what is expected in open democracy. The election monitors of the 2006 elections rated them as generally peaceful and well managed even though there were issues noticed related to the electoral/administrative

framework and uneven time usage in public media and campaigns. Press freedom has improved since the abolishment of one party state.

Protection of the right to life continues to be a key human rights issue, though, due to the death penalty clause. Application of death penalty has been suspended since the current government came in power in 2001, but it has not yet been abolished. The status of protection against arbitrary or unlawful deprivation of life, as well as protection against torture and other cruel, inhuman treatment in prisons is still alarming.

Children's rights are also a major challenge. There is no harmonisation in the definition of a child between the laws of the country and the customary definition. Whereas the Constitution defines a child as any person below the age of 15 years, customary laws use the criterion of puberty to determine the end of childhood. There is also no harmonisation in the definition of 'child' in the statutory laws (Adoption Act; Labour Laws; Wills and Interstate Acts). Children's birth registration problems, their corporal punishment and emerging child trafficking are issues of serious concern. For children under five, their quality of life with respect to nutrition is also relatively poor (CSO 2006 Living Conditions Survey).

While Zambia is party to various international and regional instruments on gender, which include e.g. CEDAW; Beijing Platform for Action; African Solemn Declaration on Gender; and the Southern African Development Community (SADC) Declaration on Gender and Development, these international and regional instruments for promotion of gender equality have not been domesticated nor comprehensively integrated into the national laws. This is constrained by limited knowledge and skills in gender mainstreaming amongst legal experts. On the other hand, the implementation of the National Gender Policy (since 2000) has been weak due to capacity constraints, resulting in limited progress towards gender equity and equality. In the political arena, government recognizes the need to promote equitable gender representation at all levels of decision making positions in accordance with the African Union Solemn Declaration on Gender and the SADC Declaration on Gender and Development, which call for 50 percent and 30 percent representation of women in decision making positions respectively. However, there are still low levels of representation of women in all spheres of political decision making (12% in Parliament; 7% of local government councillors).

The current Constitution does not explicitly provide measures for gender equity and equality. Furthermore, the Constitution allows the practice of a dual legal system based on both statutory and customary laws. The latter is principally based on or rooted in male power, authority, and domination over women. While statutory laws do provide for more equality for women, especially for inheritance and ownership of land, a majority of the Zambian population still seek legal redress from the local courts that administer customary laws since they are less expensive and more accessible.

Gender inequalities continue to exist at all levels and in all sectors of national development. A situation analysis reveals that some challenges remain critical and fundamental to the country's achievement of its vision and goal on gender (and the MDGs). These include chronic and increasing poverty; institutionalised gender inequality as reflected in the low status and limited opportunities for women and girls; the multiple impact of HIV and AIDS and other chronic diseases on women and girls; gender based violence; low education achievement; limited employment or income generating opportunities; low levels of representation of women in all spheres of decision-making positions; and negative cultural practices that constrain women's advancement in economic, social, and political arena and the lack of an explicit affirmative action policy. This situation is further compounded by the duality of the legal system, limited gender mainstreaming capacities, and the lack of sex disaggregated and gender related data and information especially in the agriculture, governance and land sectors.

Mainstreaming gender into the political, social and economic sectors remains a major challenge. Gender mainstreaming is constrained by the limited gender analytical skills, limited sex disaggregated and gender related statistics and data and limited appreciation of gender mainstreaming as a tool for achieving development goals. There is inadequate appreciation of the linkages between gender-based violence, HIV and AIDS and their implications on gender equality and women's empowerment.

The CPs' joint country analysis (JASZ) emphasises that despite the fact that policy and institutional framework for the promotion of gender equality and empowerment of women is in place, deep gender inequalities and disparities still exist. As a priority response the CPs indicate: focus of capacity development and gender mainstreaming; development of accountability mechanisms that will ensure that national gender machinery is able to provide leadership and

coordination for gender mainstreaming as well and for CSOs to hold government accountable; equipping the policy makers, planners, economists and budget analysts with gender analysis skills; integration of international and regional instruments on gender into the national legislative system; and specific interventions that promote the empowerment of women. They also rise as a concern low level of funding for gender mainstreaming.

Regarding HIV/AIDS Zambia is one of the Sub-Saharan African countries worst affected. Estimates are that the prevalence rate is at about 16% in the group 15-49 years and about 1 million infected with HIV, of which over 200 000 are in need of anti-retroviral therapy (ART). About eight % of boys and 17 % of girls aged 15-24 are living with HIV and 40% of infants born to HIV infected parents and HIV infected. This is a tragic reality being experienced by families, communities and the whole nation. There is no aspect of life that has not directly or indirectly been negatively influenced by AIDS. It is a major cause of illness and death among the young and the middle aged, depriving households and society of a critical human resource base and thereby revising the social and economic gains. HIV/AIDS has a disproportionate impact on the lives of women and girls. Women and girls carry the brunt of the burden of caring for people living with AIDS and orphans while also securing a livelihood for the household. In addition, AIDS increases poverty by decreasing inter-generational transfer of life skills and knowledge on livelihoods, and reduces productivity in labour and thereby increasing poverty. HIV/AIDS, gender inequality and poverty are thus closely intertwined.

Malnutrition has long been recognised as a serious health problem in Zambia. Indicators for nutritional status of children under five 1990-2003 show no decrease in the prevalence of under-weight (under nutrition) and wasting (acute malnutrition) and an increase in the prevalence of stunting (chronic malnutrition) from 39.6% to 49%. The rates of stunting are among the highest in the region.

Policy on disability was launched only in April 2007 to promote integration and facilitate provision of services to PWDs and increase awareness on the needs, rights and obligation of PWDs. Disability issues are only marginally reflected in the FNDP, and at present none of the CPs has promotion of disability on their priority agenda.

2.2 Development of Finland's Development Assistance Portfolio in Zambia

Finland is one of Zambia's long standing development partners. Development co-operation dates back as far as early 1970's. In the 1970's and 1980's, the main part of Finnish assistance was channelled through forestry, forest industries and agricultural programmes. Education became a major sector of co-operation in the 1990's but will be phased out in June 2008. The current development co-operation covers thematic areas of environment, private sector development, macroeconomics, agriculture and direct budget support for poverty reduction. In addition, local cooperation funds are used in different thematic issues. The current participation plan (2008) foresees the future cooperation to continue along the same lines. The financial volume has grown from MEUR 5.36 in 2004 to MEUR 18 in 2008, and is further expected to increase to MEUR 24 in 2010.

At present Finland's development cooperation is harmonised with the donor community through the Joint Assistance Strategy for Zambia (2007-2010). Finland has been participating fully in the JASZ and its dialogue since 2006. The Joint Assistance Strategy for Zambia (JASZ) is a national medium-term framework (2007-2010) which was developed by Cooperating Partners (CPs) to manage their development cooperation with GRZ in alignment with the FNDP. The JASZ represents the CPs' joint response to the Zambia's Vision 2030 and the FNDP which together constitute the national framework for reducing poverty and promoting sustainable expansion of the economy. The JASZ attempts to strengthen local ownership of the development process and enhance ODA effectiveness and mutual accountability by linking the international arrangements signed under the Paris Declaration (PD) and effectiveness criteria in Zambia's Aid Policy and Strategy to the FNDP. JASZ is a continuation of earlier attempts towards harmonisation. In 2003 a Harmonisation in Practise MoU (HiP MoU) was signed with the Nordic+ Group and became subsequently Wider Harmonisation in Practise (WHIP) MoU.

As a result of the JASZ division of labour Finland is a Lead Donor (LD) in environment; active donor in agriculture, macroeconomics and private sector, and a background donor in governance. It is phasing out of education sector in June 2008. In other cross-cutting 'sectors' than environment Finland is visible only as a background donor in governance. Regarding cross-cutting 'sectors' UN system, Norway and UK have the lead role. In gender UN alone has the lead role with Netherlands and Norway as actively involved. In HIV/AIDS, UN, UK and USA have the lead role.

The CPs having most leading positions are the World Bank and UN System – 10 out of 17. The leading positions of the World Bank are in the areas of agriculture, decentralisation, energy, macro-economics, private sector development and tourism. The focus of UN is on gender, governance, health and HIV/AIDS. UK is the next significant LD with five lead areas: governance, health, macro-economics, private sector development and social protection. It is notable that EC has only three lead positions: macro-economics, private sector development and transport. All other cooperating partners have only 1-2 lead positions.

3 POLICY DIALOGUE: FINLAND'S INFLUENCE

3.1 Bilateral consultations

There has not been a specific country strategy for Finland in Zambia. In between 1999-2003 there were also no bi-lateral negotiations. New interventions apart from in education were not started since 2001 when Zambia was put for special follow-up of fulfilment of conditions for bi-lateral assistance. The 2004 and 2005 bi-lateral consultation mandate and agreed minutes formed in a way the country strategy. Since 2006 the Finnish development cooperation programming document of Zambia (Suomen *ohjelmayhteistyön ohjelmointiasiakirja 2006*) and recently the 2008 participation plan (*osallistumissuunnitelma*) complement the JASZ. JASZ and high level consultations based on the JASZ have partly taken the role of bi-lateral negotiations and thereby decreased their importance. At present there is no clarity in which form, if at all, bi-lateral negotiations will take place in the future. The Minister for Development Cooperation will visit Zambia tentatively in 2009, and after that bilateral negotiations are planned to be held. These visits have been used earlier to raise issues of concern by Finland. For example, the mandate of the ministerial visit of Minister Kiviniemi in 2006 included dialogue on Zambia's participation in the UN Human Rights Council.

Denmark held just recently bi-lateral negotiations where they had strong agenda and raised e.g. gender issues in general and Zambia not signing the SADCC Gender Protocol. Danish Embassy considered these visits very important in the absence of bi-lateral negotiations to raise individual donor's concerns directly with the Government.

The bilateral negotiation **mandate for 2004** (5.5.2004) includes in its *objectives for negotiations* references to cross-cutting issues in terms of supporting the public sector reforms (good governance), democracy, good governance and equality. It is not specifically mentioned whether the question is of social or gender equality. In the items for *policy dialogue on current situation in Finland and Zambia* the plan of action for gender in the Finnish development cooperation is specifically mentioned. The Zambian Government was to be informed that the MFA has prepared a plan of action for promotion of gender equality which according to the mandate means that Finland will more actively than before aim at supporting Zambia in its efforts to achieve the national and sectoral objectives for achieving gender equality. The dialogue mandate includes also discussions on the refugee situation in Angola and their repatriation to their country.

In the *dialogue on the enabling environment for implementation of the Zambian national development plan* the mandate includes items of democracy, good governance and human rights; PRSP and the economic reforms. Finland is to emphasize the anti-corruption aspects and encourage the anti-corruption and good governance efforts of the country. Zambian Government will be encouraged to strive for promotion of human rights and democracy and to complete the ongoing reforms (constitutional reform; media law; election laws). At the same time attention will be given to importance of open political environment and policy dialogue to ensure development in a politically sensitive situation. In addition the Government is to be congratulated of the progress made in relation to HIV/AIDS situation in a country. Importance of keeping the PRSP monitoring and evaluation process open is to be raised and its progress to be discussed. Also issues related to the equal distribution of wealth are to be raised in relation to the worrying figures in Zambia and the focus of Finland's support to economic development which leads to just distribution of wealth. This is particularly related to the analysis of relationship between economy and poverty reduction and its use in economic policy planning. Regarding good governance the Zambian Government is to be encouraged to continue the public sector reform and financial management reform. Finland is to support other donors in the requirements of strengthening the role of the Parliament in monitoring the budget preparation process and its implementation. In addition, the progress of decentralization and local government reforms, and ratification of the Kyoto Protocol were issues to be asked.

Regarding the *dialogue on strengthening of cooperation* Finland informs that since 2001 Zambia was specially monitored regarding fulfilment of the conditions of bi-lateral assistance, particularly related to corruption and suspicions

regarding conducting fair and just elections. After the 2001 elections the situation changed positively and the development cooperation could be re-started and Zambia was restated as a key partner country of Finland. The objective of Finland is said to be increasingly the trade and economic relations. In relation to this, private sector development as a sector choice for Finland was to be discussed. Anti-corruption efforts and development of enabling legal framework were defined as key issues for effective private sector to emerge and also for Finnish companies to get interested in Zambia.

Regarding *dialogue on development cooperation* the mandate identifies as biggest challenges for effectiveness of the development cooperation the economic situation of Zambia which affects allocation of resources to development cooperation and weak public administration and governance which affects efficient use of the available resources. It is said that there is criteria agreed upon between Finland and Zambia based on which choices of cooperation will be made. Requests of Zambian side were to be asked, though.

The agreed minutes of the 2004 bilateral negotiations (5-6 May, 2004): In the *political dialogue* both recognized the important role of civil society and Parliament in development. Zambian side stated that there is still room for improving the participation of civil society. As in the mandate the MFA informed of the Plan of Action on Gender Equality (the minutes say "to enhance gender balance in development). Finland committed itself to actively supporting Zambia in achieving the objectives set in national and sectoral policies with regards to gender equality. Both sides shared views on the importance of the good governance and a corrupt-free society as a precondition for well-functioning system. The Zambian side expressed commitment to fight against corruption and institutional mechanisms have been created for this purpose, but they are still in need of strengthening. Zambia also informed that to increase transparency and transparent use of resources and Activity-Based Budgeting has been adopted. A significant part of the dialogue was on commercial relations between Zambia and Finland, and issues like red tape and corruption were taken up as issues for Finnish investors. In the *dialogue on review of current development co-operation* the only reference to cross-cutting funds was related to LCF. It was informed that LCF includes projects in the areas of human rights, good governance, citizen's participation, democracy and access to justice. It was stated that gender equality, HIV/AIDS and promotion of equal participation with disabilities are cross-cutting issues for all LCF projects. In the *dialogue on future bilateral cooperation* the Zambian side presented agriculture, governance, industry, finance, environment, roads, science and technology and vocational training for Finnish support and Finland responded positively for agriculture and forestry. The minutes do not reflect dialogue on cross-cutting issues related to these areas. A proposal by the GRZ was made for supporting Anti-Corruption Commission and a direct support request for cross-cutting issues and was to be considered within LCF support. It was stated by the Finnish side that it will follow developments of the constitutional reform and electoral reform process, decentralisation and ratification of the Kyoto protocol.

The bi-lateral negotiation **mandate for 2005** (14-15.6.2005): In the general framework for cooperation it is noted that because of challenges of the democracy and good governance in Zambia the cooperation has been lowest in history in the beginning of the decade. As factors affecting development cooperation, promotion of market economy, promotion of democracy and HIV/AIDS are listed as main factors. As progress, processes of democracy and good governance (constitutional reform; electoral law; anti-corruption measures) and broad based and consultative PRSP process (NDP and vision 2030 development; district development strategy preparation) are mentioned. The mandate explicitly mentions that Finland requests progress in democracy, anti-corruption, human rights, HIV/AIDS, gender and environment. Mandate for *dialogue on development cooperation* includes a statement that the dialogue on human rights, democracy and good governance will be carried out mainly through EU according to the Cotonou agreement, article 8. It also mentions that support to civil society is essential and LCF as an instrument is most appropriate for this purpose.

Dialogue on sector-specific support: In the education sector support the purpose is to increase access to education at all levels and same opportunities to go to school despite of sex, location or other challenges and relevance of education. Purpose is also good governance, improved financial management and fight against HIV/AIDS. Special education needs and access of PWDs are mentioned as major challenges and Zambia is stated to need a national special education strategy. The mandate specifically emphasises the need for special and inclusive education. In the agriculture sector there are no references to cross-cutting issues. In the forestry sector the analysis includes lack of coherence of agriculture and policies, unsustainable agriculture methods, illegal logging and related corruption. It refers to weak public administration in the forestry sector which is unable to monitor the use of forests and implementation of regulations. Finland expresses its interest in supporting e.g. establishment of the forestry commission.

Dialogue on budget support: Reasons for BS are the commitment of Zambian Government for its implementation and donor commitment to harmonisation. The key tool to mitigate the political, economic and public finance risks related to PRSB is dialogue with which to influence the Government. The underlying principles in the MoU related to democracy, rule of law, good governance (public finance management) and anti-corruption are mentioned in the mandate. It is stated that unresolved conflicts related to not following the above principles can result in cutting the funding and in extreme cases withdrawing from MoU. According to mandate Finland will not include any own conditionalities in addition to the existing PRSB and PEMFA targets and indicators.

The **agreed minutes** of the bi-lateral negotiations (14.6.2005): In the Finnish delegation economic; democracy and good governance; education and forestry advisors were attending – not a gender advisor. In the *opening statement* of Finland, references to cross-cutting issues are made. It is said that Finland is convinced that good governance, democracy and respect of human rights and gender equality are key factors to make progress towards the goal of poverty reduction. Good governance issues (fights against corruption) are said to come to the forefront of the questions being closely monitored. *Political dialogue* included aspects of regional stability; regional cooperation; EU-Africa relations; democracy, and good governance and human rights. The Finnish side raised the issue of good governance and the results of the Finnish State Auditors' report on corruption in Zambia which states that Finland should not embark on budget support modality with Zambia before the public financial management system in the country improves considerably. In *dialogue on harmonisation* the Finnish side expressed its wish to have a corruption clause included in all MoUs and about the separate audits by Finnish auditors. In dialogue of budget support, it is said that Finland considers it but bases its decision on the progress of good governance aspects (PEMFA; IFMIS; procurement reform; finalisation of anti-corruption strategy and other measures against corruption).

The **2006 programming document** places particular emphasis on monitoring the development of good governance, particularly anti-corruption work. In the analysis of the operating environment issues of poverty and related wealth imbalance; access and better access of boys to school; HIV/AIDS and maternal health are featured. It is also mentioned that human rights situation is reasonable, and that Zambia has expressed interest to discuss human rights aspects as part of the EU political dialogue. Anti-corruption measures are also strongly featured. Concern of non-ratification of the SADCC and UN anti-corruption declarations is raised. In the mandate (*kannanmuodostus*), as per the JASZ division of labour Finland is particularly said to influence the budget planning through PEMFA programme; monitor the decentralisation process (local governance) and good governance; support and monitor the progress of anti-corruption work. Other cross-cutting issues do not feature as targets.

In the **2008 participation plan** it is explicitly mentioned that the cross-cutting issues of environment, gender, participation of the most vulnerable and HIV/AIDS will be 'taken into consideration' in the budget, sectoral and programme dialogue as well as in the planning and implementation of interventions. Environment programme is specifically a mainstreaming programme. Specific strategic interventions for supporting the cross-cutting issues are to be funded from the LCF. As a target for influencing the budget support in the mid-term implementation and monitoring of cross-cutting issues of environment, gender and HIV/AIDS are explicitly mentioned. Targets set in the participation plan for cross-cutting issues do not feature similarly in the result contract for 2008, apart from environment. It is specifically mentioned though that LCF will be used for supporting CSOs in good governance, democracy and human rights. Special emphasis is made in the policy dialogue on strengthening the democracy and good governance including corruption so that Finland's position will be taken into consideration particularly in bi-lateral meetings but particularly in EU dialogue.

3.2 Budget support and sector dialogue

With new aid modalities like budget support, harmonisation and alignment through JASZ arrangement dialogue with the Government has changed from policy dialogue regarding sectors to policy dialogue on wider and systematic issues above sector lines. National ownership and national agenda of the FNDP are the key factors of development cooperation. As a result of the JASZ arrangement collectivism has replaced individual donor policy dialogue with the Government. There are no separate official dialogue forums in between the donors e.g. EU coordinating forum. Individual donors lose importance in policy dialogue, apart from those areas where they are the Lead Donors. On the other hand, collective voice of the cooperating partners has more emphasis than separate individual voices. How the interest of an individual donor is reflected largely depends on its role as per the division of the labour and involvement in the different working groups. There are also monthly meetings of the heads of the missions. The joint donor meetings are rare, and the main work is carried out in sub-sector meetings.

Budget support policy dialogue is a potential avenue to get cross-cutting issues on the agenda. At present, in this dialogue cross-cutting issues are on the agenda of the PRBS Group but do not transfer into mainstreaming, yet. They are treated as separate 'sectors' as defined in the FNNDP. Finland is LD or active in environment; PEMFA (transparency; efficiency of public sector which decreases corruption) and has strong emphasis on this. In public finance management issues of transparency and oversight issues which lead to decreased corruption and improved management are issues which are promoted and has gained political support from Cabinet e.g. MoA funding was cut because of inefficiency of the ministry. Finland is also active in raising issues of inequality (taxes and expenditures) through MTEF budget comments and public expenditure side.

According to the division of labour CP Group meets monthly on process and substance of the PRBS. Sector specific groups meet as donor 'Troika' (Lead Donors) which is relatively good but still varies in between the sectors.

The Memorandum of Understanding (MoU) for the provision of direct budget support includes the following underlying principles: good economic and political governance as an essential element for economic growth and sustainable human development; poverty reduction through sustained broad-based economic growth, improved delivery of social services and cross-cutting issues; and democratic principles, rule of law, good governance, and integrity including anti-corruption. It also commits the GRZ to a process of dialogue based upon mutual trust and accountability. Such dialogue forms the basis for monitoring of the progress of budget support and is carried out both jointly by the GRZ and the PRBS group comprising of the CPs, and the PRSB group internally. Joint review process with the Government and PRBS group is carried out annually based on the jointly agreed upon Performance Assessment Framework (PAF). Meetings are scheduled for the second and fourth quarter of each year. Since the signing of the MoU two joint reviews have taken place, one in June 2007, and the other in September 2007.

High level meetings are organised in June each year to assess Zambia's commitment to the Underlying Principles, as well as performance, budget execution and expenditure priorities, also on the basis of the agreed upon Performance Assessment Framework (PAF). This meeting forms the highest level forum for policy dialogue regarding budget support, including in principle also the civil society and private sector. Prior to the high level meeting technical thematic working groups come up with their statements of the progress. At the same time the results of the Review form the basis for the CPs' indicative commitments for the consecutive budget year, and serve the purpose of informing Government's own planning and budgeting process through a review of progress achieved in key reform measures and development outcomes. As part of the latest review process, a special mission from Strategic Partnership for Africa (SPA) was invited to observe and analyse the Review process as a Learning Assessment during the last review. In addition, the Government has established sector-specific Sector Advisory Groups (SAGs) with participation of CPs, civil society and private sector. CPs have established their own PRBS Group for their internal dialogue. SAGs are called by PS but e.g. in environment the SAG is not very active. CSOs play an important but not significant role in all SAGs. CSOs are strong in many areas e.g. HIV/AIDS but in environment non-existing.

According to the 2008 participation plan, the Finnish Embassy considers budget support as a cross-cutting instrument for policy dialogue and has set promotion of cross-cutting issues as an objective in the participation plan. Embassy considers budget support also as an efficient tool for holistic implementation of the FNNDP. In addition, it is considered as instrument which has impact in policy dialogue above the sectoral lines, particularly in dialogue considering the implementation of the underlying principles in the MoU and the Performance Assessment Framework (PAF). This framework is expected to enable the strategic and in-depth dialogue which crosses over the sectoral lines. Underlying principles in the MoUs are a tool for dialogue in good governance, rule of law and democracy i.e. on the specific aspects included in the MoU but other cross-cutting issues are not included in it. In addition, Finland does not consider budget support as an aid modality where conditional ties could be easily put in effect unless a major crisis occurs. Negative changes would significantly affect the GRZ budget. Finland's approach is based on positive pressure.

Reporting on the review meetings does not enable evidencing of issues raised by different participants so it is not possible to verify statements made by Finland during these processes. According to the JASZ arrangement the dialogue both with the GRZ and within the donor community is carried out through the Lead Donor (LD) mechanism. Finland is a LD in environment; active donor in agriculture, macroeconomics and private sector and a background donor in governance. In other words, regarding other cross-cutting 'sectors' than environment Finland is visible only as a background donor in governance. In the interviews with the donor community Finland's very active role in environment and macroeconomics was verified. A best practise is Finland's pressure to include environmental

indicators in the PAF which resulted in acceptance of the indicators in principle. However, this has not been operationalized, yet.

It is notable, that Finland does not yet have a verified role in promotion of gender equality, disability or HIV/AIDS in the budget support dialogue as they are responsibility areas of other CPs even though they have been explicitly included in the latest 2008 participation plan. A promising sign of a more active approach in promotion of gender equality is that Finland has indicated interest in the area of gender budgeting but the issue remains still at an 'idea stage'. Some discussions have been undertaken between the Embassy and the MFA Gender Advisor to map out possibilities of cooperation in this 'sector'. The problem has been the difficulty in finding a counterpart on the government side, particularly in the Ministry of Finance and National Planning. Another avenue would possibly be through the national economic cycle and the Planning and Economic Management Department of the same ministry. Gender budgeting is also included in the recently launched Joint Gender Support Programme (JGSP), with detailed results and activities and provides an opportunity for Finnish support. Since Finland is not part of the Gender WG, it seems that they have not been aware of this opportunity. The mid-term review of the FNDP could also offer an opportunity to high-light cross-cutting themes and is an opportune place to push gender budgeting to the agenda.

Finland does not participate explicitly in the human rights dialogue because they do not participate in the Human Rights WG. Human rights issues have been typically discussed with the GRZ as part of the Cotonou process where Finland successfully used the EU Chair period for raising issues of death penalty, prison conditions and duration of sentencing in the policy dialogue with the GRZ. This resulted in issues being taken up systematically in the budget comments; much larger number of sentences changes from death to life sentence; improvement of social conditions and budget increases for renovation and infrastructure development.

Embassy participates in the policy dialogue at the strategic level as part of the road map exercise i.e. monitoring of the process through PAF. Central Statistics is very weak and sector specific MIS needed are required. At present the monitoring mechanism does not provide GDD which is raised by Finland as part of the dialogue.

Much of the policy discussion is held between only between the GRZ and the donor community filtered through the LD mechanism. National level policy discussion e.g. between the GRZ, academic community and civil society is very limited. The academic community suffers of lack of support and civil society has not as yet fully developed a sufficient 'critical mass' of expertise to enable it engage effectively with government on policy and strategy development. While policy discussion with the donor community can help bring an international perspective to the debate, in the long term the progress depends on the dynamic tension between the state and civil society. At present civil society is participating in the national dialogue in a very limited manner. In budget support dialogue macroeconomics is a priority and performance criteria for donors for increased predictability.

3.3 Key Findings and Conclusions

There is evidence that good governance issues including democracy (electoral frauds), rule of law and anti-corruption, were used as criteria for putting the development assistance on hold in 2001. These cross-cutting issues feature significantly all through the policy dialogue. As the bi-lateral negotiations were re-started in 2004, good governance (incl. rule of law, democracy and anti-corruption) remained strongly on the agenda. Finland used developments related to constitutional reform and electoral reform processes, decentralisation and signing of the Kyoto Protocol as criteria for joining the budget support arrangement. Progress was monitored at the bi-lateral policy dialogue level in 2005 when the ground for direct budget support was prepared. Finland did not join the budget support arrangement amongst the first donors, but monitored the progress and signed the MoU only in 2006.

Other cross-cutting issues of promotion of gender equality and HIV/AIDS issues have not been significantly featured in the bi-lateral policy dialogue. They have been incorporated in the background analysis or as informative statements. It is notable that the 2004 mandate included increased commitment for supporting gender equality based on Finnish Gender Strategy and Action Plan but did not transfer into programming. It is only in the Embassy 2008 Participation Plan that in addition to good governance variety of cross-cutting issues (environment; gender; participation of the most vulnerable; HIV/AIDS) are explicitly mentioned 'to be taken into consideration' in policy dialogue, planning and implementation of interventions. Similarly, the Plan explicitly emphasises adoption of the human rights based approach. No specific targets have been set for achieving this objective, though, and apart from environment cross-cutting issues do not feature similarly in the Embassy Result Contract for 2008.

There is some evidence that human rights based approach has influenced the sector choice of Finnish development cooperation in Zambia. Finland has strong interest in macroeconomics and public sector financial and management reforms through which it has an opportunity to influence to a certain extent e.g. the budgetary allocations and tax reforms to be more pro-poor and just. This also serves Finland's own interests in ensuring that enabling environment for budget support exists. Other recent sectors choices have been strongly influence by the new Decision-in-Principle which emphasises both environment and private sector development. For example, Finland is pulling out from education sector where it has active for many years. One reason for this certainly is that education is an over-crowded sector, but also that social sectors are not the priority in the new Decision-in-Principle. Lead sector choice, environment, is clearly influenced by the new Decision-in-Principle. Within sectors choices have been made which are in line with the rights-based approach e.g. Local Empowerment of the PSD and poor geographical areas (Luapula in agriculture).

Use of human rights based approach is not featured as an explicit criterion for sector selection, though. According to the 2008 Participation Plan sector selection is based on added value of Finland, its comparative advantage in relation to other donors (particularly Nordic+), and preferences of the Zambian Government. It is notable that promotion of gender equality was offered to Finland by the GRZ, but Finland declined. Finland also does not address human rights explicitly as it is not an active member of that particular Chapter and Working Group. In the analysis part of the 2008 Participation Plan human rights feature relatively strongly, but this does not necessarily translate into action apart from LCF support. LCF is used as an instrument to directly address human rights and other cross-cutting issues apart from environment and good governance. This has been a strategic choice. LCF support can directly address cross-cutting issues but it provides a forum for policy dialogue only in a very limited manner.

At present, Finland's role in the present policy dialogue is defined by the JASZ division of labour. Regarding cross-cutting issues Finland is visible in the policy dialogue regarding environment and some aspects of good governance. Other cross-cutting issues are promoted on *ad hoc* basis. Interviews with the Government and other donors did not provide evidence for visibility of Finland in other issues. In the interview with the MoFNP it was specifically mentioned that in 1996-2000 Finland was active in supporting gender, after JASZ it is non-active and should re-consider its position. MoFNP mentioned that women are increasingly affected by environmental and climate change and at least Finland should support addressing this issue in the sector they are leading. Environment came to the FNDP very late as a 'sector' and also GIDD did not see correlation in between environment, climate change and gender but it is now included in the Joint Gender Support Programme.

Ministerial visits and negotiations on bi-lateral terms gain even more importance with the JASZ since they provide the only opportunity for an individual donor to have dialogue with the Government (experience of Denmark). Possibilities for dialogue at the high level are more limited in sequence and thematically. For example, once a year high level discussions dialogue is carried out on the selected themes which might not be interesting to all donors and thereby a possibility for a dialogue is in a way lost. Ministerial visits would provide an opportunity to address issues where Finland is not a leading donor but this needs to be followed by action.

4 MAINSTREAMING IN VARIOUS INTERVENTION MODALITIES

4.1 Budget support

Poverty Reduction Budget Support (PRBS)

The FNDP includes a dual approach to address cross-cutting issues. In the document they are treated as separate sectors with the aim of both mainstreaming and development of specific interventions. Due to the nature of the budget support it is not possible to assess whether and how much the Finnish development cooperation funds directly promote implementation of any of the cross-cutting issues.

Provision of budget support in Zambia requires that Zambia continues to demonstrate commitment to four Underlying Principles as set in the MoU: i) pursuing sound macro-economic policies; ii) fight against poverty; iii) public financial management reforms; and iv) peace, democratic principles, the rule of law, good governance and integrity in public life, including the fight against corruption. It is notable that the budget support pre-conditions do not include human rights as an underlying principle. However, there is dialogue amongst the CPs and with the Government to include this principle in the MoU but it has not materialised, yet. At present the MoU does not include human rights as an underlying principle, but there is pressure by the CPs to include it.

The FNDP specifies the following as cross-cutting issues: Governance; HIV/AIDS; Environment; Gender and Development; Food and Nutrition. It is notable, that disability does not feature in the FNDP as a cross-cutting issue and that there are no CPs interested in promotion of disability. This can be partly attributed to the fact that in the country there are no strong and vocal CSOs as advocacy organisations to promote disability issues.

The strength in the FNDP is that cross-cutting issues are separately addressed in detail and not mainstreamed in the other Chapters. This has increased their visibility as issues and institutional structures, implementation mechanisms, policy guidance and budgets have been created for their operationalisation. This visibility has been of great importance. For example related to gender, mainstreaming efforts in Zambia failed to transfer from policy rhetoric to actual action on the ground. The FNDP brought cross-cutting issues back to the agenda and as a starting point treats them as specific sectors. This recognition of the fact that gender mainstreaming has not been effective as a strategy and has failed to produce the wished for results enabled bringing the issue back to the agenda. At the same time the weakness of the FNDP is that cross-cutting issues are not visible in the other Chapters and guidance for mainstreaming them in other sectors is not provided. However, this is a starting point which enabled establishment of institutional mechanisms for coordinating the cross-cutting issues.

These institutional mechanisms exist now for all cross-cutting issues (Ministry of Gender and Gender in Development Division; Governance Secretariat; National Aids Council; Human Rights Commission; Environmental Council). These mechanisms are to function as a driving force for addressing the specific cross-cutting issues and for their mainstreaming. Establishment of these mechanisms can largely be attributed to the contribution of the cooperating partners. At present mainstreaming of cross-cutting issues to other sectors is not sufficient. With the assistance of the cooperating partners some of these mechanisms are in a process of preparing the mainstreaming strategies as the next step. For example, regarding environment an Environmental and Natural Resource Management and Mainstreaming Programme is in a process of being development. Similarly, a Joint Gender Support Programme aiming at mainstreaming gender and having also specific interventions in this area is being developed. A challenge for mainstreaming environment is that portfolio of natural resources is shared amongst various ministries (e.g. Ministry of Mines and Minerals; Ministry of Agriculture) and coordinating role of the Environmental Council and the Ministry of Environment is not fully accepted. The legislative framework for environment exists e.g. in a form of compulsory EIAs but enforcement is still weak.

At the same time it is evident that the concept of mainstreaming is not very clear for and understood by most of the Government structures or even cooperating partners. MoFNP confirmed this as the main challenge for the development of the Sixth National Development Plan. Capacity amongst the Government varies, though, but overall understanding of what mainstreaming entails in practise is limited. Not understanding the practicalities of mainstream was also raised at the Embassy of Finland and in interviews with other CPs regarding their own capacity and human resources. Some CPs have human resources specialised in cross-cutting issues like gender and HIV/AIDS but technical expertise in these issues does not necessarily guarantee expertise in mainstreaming them in other sectoral plans.

Acceptance and willingness are also issues affecting mainstreaming. Both Government ministries and to a certain extent also cooperating partners protect their own 'turf'. Particularly for the Government Ministries it is difficult to mainstream, as their mandates follow strictly sectoral division and their specific role in implementation of the FNDP. Even though cross-sectoral issues are defined as cross-sectoral in the FNDP, the mainstreaming responsibility is not explicitly given to sectoral ministries and they do not feel necessarily mandated to do so.

There is still lack of capacity and tools for mainstreaming. In addition, there are conflicting interests in between e.g. environmental and agricultural policies and practises and despite of legal framework for environment, the policies and practises of other sectoral ministries and private sector overpower environmental concerns.

The most recent review process carried out in June 2007 included as pre-meeting working group thematic issues poor growth; tax policy; service delivery; gender; anti-corruption and developing institutional capacity. This indicates that issues of equality (pro-poor approach particularly related to agriculture), gender and anti-corruption are high on the agenda of both the Government and CPs. The results of the working group discussion are well reflected in the Joint Annual Review Report (September 2007).

The report indicates clearly the CPs' wish to allocate significantly more funding to those areas in which results can be achieved to improve the lives of women: HIV/AIDS prevention; constitutional reform; gender-based violence and economic empowerment of women. In addition CPs raised concern on the functioning of the policy and institutional framework which are in place.

These concerns are followed by action in the Matrix of Action which identifies actions and responsibilities of the Government. Regarding gender two actions were identified: for the MoE to develop policy action to achieve targets set for gender equity in education and inclusion of the Gender SAG into the Governance SAG to promote mainstreaming of gender issues.

For anti-corruption issues of signing or not signing the international policy frameworks was raised. Zambia's ascension to the African Union Convention and Combating Corruption was raised and wishes for Zambia to join the UN Convention Against Corruption. As outstanding issues CPs called for approval and implementation of the National Anti-Corruption Policy and Strategy; clarification of the institutional framework for the fight against complex economic crimes; and creating Criminal Assets Bureau. These were seen as indicators for Government's commitment to combating corruption and good governance.

In the assessment of underlying principles CPs in general acknowledged the commitment of Zambia in good governance principles but raised few concerns for dialogue. On the rule of law it was noted that the justice system does not meet the needs of the majority of people and that there is continued delay of cases in courts.

On political and democratic governance CPs were concerned of the pace of constitutional reforms where the continued disagreement on the mode of adoption of a new constitution between government and other stakeholders including opposition and civil society prevails. Transparency, independence and actual feasibility of the framework of the constitutional review process were a concern. CPs further insisted on more inclusive policy and political dialogue involving civil society. Role of the Parliament has been weak and its improvement was seen critical for improving accountability. Pace of the decentralisation process was also reported as a concern of the CPs as the policy existed at the time of the review only on paper and the approval of the Decentralisation Implementation Plan (DIP) is still outstanding. Regarding anti-corruption it was noted that the National Anti-Corruption Policy should be approved. It is notable that when reporting of the performance that of the cross-cutting issues only HIV/AIDS targets and scores are presented in the report (score 100%). Also in the CPs' statement on PAF performance only success of HIV/AIDS was mentioned regarding cross-cutting issues.

For the joint review process the Government prepares a National Development Plan's Annual Review documentation i.e. Economic Report, PEMFA Annual Progress Reports, Auditor General's Report and quarterly budget execution reports.

In the second joint PRBS review meeting (6 December 2007) the purpose was to: (i) discuss the progress made on the Action Matrix agreed upon in the first meeting; (ii) approve the PAF for 2007-2009; and (iii) confirm the Cooperating Partners' commitments for the coming budget year, based on the outcomes of the joint performance assessment and the reconfirmation of eligibility to direct budget support. Moreover, a more forward-looking policy discussion was held with respect to the new MTEF 2008-2010. In the main text reflecting the dialogue in the meeting cross-cutting issues were not featured. In the CPs' statement on confirmation of their 2008 commitments good governance, corruption and wider participation of civil society in the PRBS process were explicitly raised.

Discussions around the formulation of the Performance Assessment Framework have considerably strengthened the sector dialogue between Government and CPs and to a lesser extent, civil society through their participation in the Sector Advisory Groups (SAGs), who are responsible for signing off on the various indicators and targets included.

Monitoring of the PRBS is based on the Performance Assessment Framework (PAF) jointly development by the Government and the CPs. Development of the PAF is a continuous process. PAF is a tool for bringing in focal sectors and issues of strategic nature, which will facilitate dialogue between the MoFNP and line ministries. In the CPs' comments of the review process it is clear that the PAF process and budget support are not necessarily supported by all line ministries. PAF is said to be used as a tool for bringing in the line ministries and in doing so "the risk that that some sectors remain reluctant to the shift towards budget support will be avoided".

The new PAF includes around 30 indicators, equally balanced between the main areas of FNDP focus: (i) Public Sector Reform (public service management; public finance management); ii) Macroeconomic Management (macro-

economy; financial sector development; public sector pension fund); (iii) Wealth Creation (agriculture; infrastructure; private sector development); and (iv) Social Equity (health; education; HIV/AIDS). Cross-cutting issues such as gender are represented to a limited degree apart from HIV/AIDS despite of e.g. gender being a separate “sector” in the FNDP. Indicators in the education and health sector enable monitoring of regional and district imbalances and include some gender aspects. For example, in education completion rate for girls and boys is monitored by districts, as well as teacher/pupil ratio. In the health sector percentage of institutional deliveries and fully immunised children are monitored. Similarly, number of people tested for HIV/AIDS is monitored by districts. It is not clear whether these are monitored in a gender disaggregated manner. At least they are not reported in such a form. Reporting of other sector performances do not include cross-cutting aspects, but are very technical. This can be attributed to the fact that cross-cutting issues have not been mainstreamed in the work of the sectors and their targets.

‘Environment’ sector in the PAF, even if only virtually, has been included and identifying of a suitable and measurable indicator(s) is in a process of being developed.

The main challenge is that disability issues are the responsibility of the MoST and they are not aware of the disability issues and have difficulties in operationalising any activities. This has partly led to segregation.

4.2 Sector support

4.2.1 Education Sector Plan (2003-2007) (phasing out 2008)

Finland supported the Education Sector Support Programme (ESSP), Phase III, which ended in January 2004. The total disbursements during 2000-2003 were MEUR 7.9. The programme focused on basic education development, specifically infrastructure development, special education and HIV/AIDS. In 2004, Finland signed with the Government of Zambia and seven other donors a direct sector support MoU to the Education Sector Plan (ESP) (2003-2007). The signed MoU includes the commitment of the GRZ to respect of human rights, democratic principles, rule of law, good governance, transparency and accountability and forms the basis for cooperation. In the MoU GRZ also commits itself to respecting the international targets regarding the allocation of funds for the education sector.

In its first Article (Introduction) the MoU also indicates the GRZ commitment to the Universal Declaration of Human Rights and the right to education, Convention on the Rights of the Child and the objectives of the Education for All. The article further stipulates as the vision and goals provision of quality lifelong education for all which is accessible, inclusive, equitable and relevant to individual, national, global needs and value systems. In the sub-article it is specifically mentioned that ESP is based on fulfilling the fundamental right of every person in general and vulnerable groups in particular to be able to benefit from educational opportunities. It is explicitly mentioned both as overall goals and overall priorities that particular emphasis will be placed on addressing HIV/AIDS and gender equality in all of its interventions (sub-articles 1.4; 1.5; 1.6).

Support in the education sector shows the best practise of mainstreaming cross-cutting issues and promotion of human rights. Policies and the ESP are influenced by international commitments. Right to education as in the Convention of the Rights of the Child (1989) is articulated in the Millennium Development Goals of Zambia (two of which deal directly with education) and the six EFA objectives. Zambia education policy has always been aspired towards these international (and national) goals and objectives. Challenges are related to finance and capacity. The education policy has been dynamic in the sense that it incorporates both national situation analysis of the challenges of the time and the International Community’s agenda as per the EFA goals and the MDG’s. The EFA goals and the MDGs are effectively integrated in the policy. The policy, as the ESP, is premised on the right principles linking basic education to economic productivity and poverty reduction. All activities were tailored towards achieving MDGs, Education for All (EFA), SADC and AU provisions for education. Activities aimed at achieving gender parity and Universal Basic Education (USE) such as Orphans and Vulnerable Children (OVC) bursaries, expansion in education infrastructure, creating a gender responsive school environment, adequate teaching and learning materials, and creating a non-gender discriminatory legal environment.

Already in the preface of the ESP references are made to education as a human right, and access to and quality of education are described as major challenges. Furthermore, active participation of all stakeholders in solving the challenges is strongly encouraged. Access of the poor, girls and children with special needs to particularly high school and tertiary education is explicitly mentioned as well as mitigation of HIV/AIDS. Furthermore, the ESP is seen as a tool to sustain the already achieved gains in gender equity, quality and decentralisation throughout the whole system

by mainstreaming. The four overall goals are access and equity in educational provision; quality of education; administration, financing and management of education; and mitigation of the impact of HIV/AIDS. Moreover, overall goal of HIV/AIDS has as a target an education system that counters the HIV/AIDS pandemic and manages its impact on education delivery, poverty and gender inequity. Gender is thereby mainstreamed in the targets of the other cross-cutting issue, HIV/AIDS.

Strong emphasis on cross-cutting issues and rights-based approach is also reflected in the sector priorities which explicitly mention improved access, gender equity and quality in basic education (Grades 1-9). Furthermore, effective decentralisation of decision-making, procurement and financial management to districts and schools and management/mitigation of the impact of HIV/AIDS are set as priorities. Priorities also include addressing the regional imbalances and it is mentioned that “remote and disadvantaged areas will be specifically targeted for additional resource allocation, teacher deployment, and construction or rehabilitation of infrastructure”. Alongside this focus a number of strategies were to be adopted to target out-of-school children, particularly orphans and vulnerable groups. Targets set for poverty eradication strategy (PRSP) were incorporated in the ESP which in practise meant renewing emphasis on equity issues including abolition of school fees and uniforms, and providing greater support to girls’ education, HIV/AIDS orphans and children with special needs. ESP addresses the key manifestations of poverty in the education system in terms of improving completion rates, learning achievement, pupil and teacher attendance, health and nutrition, and overall quality.

Analysis of the ESP reveals that although the economic and social contexts are properly analysed, the analyses are not taken into account when it comes to target setting and strategy formulation (MTR). For instance the resource allocation criteria of the Ministry do not take into account the poverty status of each district or the distance of particular schools from the provincial capital. Based on this the MTR argues that in its implementation the ESP is not explicit on the fact that basic education is a human right. However, ESP has performed well on all the indicators of access both gross and net. The enrolment rate for girls of 97.87% [grades 1-7] is phenomenal in that it exceeds that for boys and is above the national average of 97.02%. The sustained investments in basic education over the years and the campaign for girls’ education have paid off. The contribution of BESSIP (mainly infrastructure development) and community schools is of significance here. In order to keep this momentum MoE should examine how this social capital from communities could be enhanced. The concept of community education centre i.e. combining adult literacy, early childhood education, and basic education at one centre could be explored. Special attention should be paid to enrolling the 36.63% girls (seven year olds) who are still out of school. Community/family based girl-child campaigns should be intensified and collaborated with the various women/gender movements.

Despite the introduction of free basic education for Grades 1-7, a number of children, particularly orphans, may not enrol in the government system for a variety of reasons. ESP addresses this by strategies including bursaries for basic clothing and school materials along with weekly boarding facilities. Also new arrangements were to be developed with community schools and interactive radio centres to provide specific access for out-of-school children.

The education sector, has recorded some marked success in increasing enrolments at all levels, particularly in primary school (Grades. 1--7). In 2007, the primary Gross Enrolment Ratio (GER) reached 130 percent and completion rates rose to 91 percent. The gender disparity in enrolment is minimal especially at the lower educational levels. However, whilst there are more girls getting into school, retention of girls in the school system is a concern. The gender gap widens as one goes up the education ladder. Despite improvements in overall enrolment, there are still alarming dropout rates in grades 7 and 9. In 2007, the national gender parity index was 0.96 percent for grades 1-7 and 0.83 percent for grades 10-12. As a result, fewer girls are able to enter tertiary education especially universities and skills development. The rates are attributed to early marriage, pregnancies or simply demand for girls to assist with looking after the family. With boys too, poverty levels often force parents to take them out of school to assist with fishing, farming or small family businesses. In order to address the gender imbalances at higher levels of education, the Ministry of Education is implementing a mix of interventions such as the policy of free basic education, expansion of coverage combined with bursary provision; and the implementation of the pregnancy re-admission policy. Initiatives also include more effective sensitisation of traditional leaders, communities and parents, targeted grants and bursaries, and adjustment of school timetable and term dates to fit in with seasonal work activities. Visible improvement in literacy and numeracy also seems to encourage parents to keep both sexes in school.

Already under BESSIP a number of innovative, crosscutting programmes were incorporated into the new Ministry structures. These include HIV/AIDS, School Health and Nutrition, Special Educational Needs, and Gender and Equity, with a particular emphasis on girls’ education. The greatest challenge remains the management and mitigation

of the effect of HIV/AIDS on the teaching force in particular, but also on pupils, support workers and education officials throughout the country. Teacher attrition rates have been quoted as high as 1,600 basic education teachers lost to the system each year. This negates recent efforts to improve teacher output and redeployment. The Ministry of Education has developed a comprehensive HIV/AIDS strategy under BESSIP which will be scaled up. Activities under this programme include advocacy and sensitisation campaigns, development of workplace policies to provide counselling and protection to all in education institutions, and planning based on impact studies, particularly for the replacement of sick and absent teachers.

With nutrient supplementation there is a strong connection with the development of sustainable food security in the country as a whole. ESP encourages the expansion of agricultural production units at basic, high schools and colleges that will supplement the diet of pupils and students, as well as developing livelihood skills. In addition, through PTAs and Education Boards, parents are sensitised to contribute to their children's education by ensuring they do not go to school hungry. Partnerships with e.g. WFP are to be strengthened to ensure that targeted vulnerable school communities, particularly during periods of drought, are supported through carefully designed school feeding programmes.

A number of inclusive schooling initiatives have been expanded, including training of more teachers in identification and assessment of special needs pupils, and provision of specialist materials and equipment. Schools will be given incentives in the form of additional grants and/or bursaries to enrol more children with special needs from the local communities. The high school curriculum is also build on the life skills programme introduced in basic education, including information technology and appropriate psychosocial life skills such as HIV/AIDS, human rights and governance issues. In turn, all teacher education institutions will include life skills and the relevant practical subjects in their curricula.

Bursaries and special programmes have their own budget lines. The primary aim of the special issues programme is to respond appropriately to challenges facing the Ministry at a given time. It will ensure that these and other issues are co-ordinated and integrated across all strategic programmes. Situation analysis is based on GDD and the M&E system is able to provide GDD. All strategic elements are reflected in the sub-sectoral goals. ESP is very elaborate and accurately translates policy aims into measurable targets and /or performance indicators. The EMIS programme has developed comprehensive data on these verifiable indicators.

A high school sub-sector review was undertaken between the end of 2004 and early 2005. The high school sub-sector review report presents a comprehensive, wide-ranging assessment of the sub-sector, together with a wide array of recommendations covering cross-cutting issues of equity; access; gender; special education needs; school health and nutrition; and HIV/AIDS. Currently out of these three issues for the high school sub-sector are prioritised: local small day high schools, to cater for the increased numbers of Grade 9 leavers; dormitory facilities for female pupils; teaching and learning materials.

According to the JASZ country analysis achievement of universal primary education is on track which is attributed to the fact that user fees were lifted in 2000. Despite of long travel distances and still existing indirect costs enrolment rates significantly improved. In achieving 1-1 enrolment rates major achievements have been reached, however, other gender equality targets remain a challenge. Reversal of the high female illiteracy rate is mentioned as a concern as well as significant drop-out rates in secondary education.

Success factors are that education is and has been high on the government agenda; learning nature and responsiveness; international commitments; analytical capacity and technical expertise provided all through the development process; continuous monitoring; availability of data; MDG and EFA targets; now also gender parity index (as a result of issues being on the agenda); and good information system.

4.2.2 Private sector support (on-going and MSME waiting for approval)

The private sector support MoU includes human rights, democracy, rule of law and good governance as fundamental principles of cooperation (sub-§ 7 of § 1). In addition, MoU includes a corruption principle (§12).

As a whole, the Private Sector Development Reform Programme (PSDRP) (2006-2008) does not explicitly address any of the cross-cutting issues. The PSD Action Plan groups actions under six main reform areas: Policy Environment and Institutions; Trade Expansion; Infrastructure; Local Empowerment; Business Facilitation and Economic Diversification; and Laws and Regulations. Apart from Local Empowerment, no references to cross-

cutting issues are made. As part of programme justification crime and corruption are mentioned as prohibiting factors for PSD. This evaluation looks only at the MSME programme which is part of Local Empowerment reform area (Reform Area 6), and thereby the overall PSDRP. Finland's contribution to MSME development is through the "Broad-based wealth and job creation in Zambia: Economic empowerment through MSME development" programme (MSME).

Immediate objective of Local Empowerment is to "unlock the growth potential of the MSME sector through business development support and empowerment initiatives". As output it defines increased number of MSMEs taking part in economic activities. At the time of the PSDRP Programme Document development, the activities identified were limited.

In MSME programme human rights, gender and disability issues are very visible in the design, both at the level of policy support and action. Already in the background and justification, more precisely in situation analysis, cross-cutting issues are analysed. It is mentioned that wealth creation is limited only to a minority of the population, primarily in urban areas, and that unemployment particularly affects women, young people and PWDs. The challenges they face are further elaborated to include lack of technical and management skills; market, capital and information access. In addition, gender differences of labour force are analysed. In the policy analysis linkages with e.g. National Gender Policy are made.

Addressing cross-cutting issues in the programme document systematically continues when defining the target groups and beneficiaries. It is explicitly mentioned that gender of the owner-manager of the enterprise is a selection criteria and that affirmative action will be applied towards disabled entrepreneurs "by encouraging BDS providers to develop BDS products that enable people with disabilities to work their way out of poverty". The strategy thereby is both to mainstream e.g. gender and disability and to have specific interventions based on affirmative action. Similarly, extending of protection and rights are explicitly mentioned as part of addressing the legal status of the enterprises (both informal and formal enterprises are included). This is further continued when defining programme objectives, outputs and activities and in the log frame. The overall objectives (programme impact) defines pro-poor business model as an implementation model aiming at reduced vulnerability. It is also explicitly mentioned, once again, that women, youth and PWDs will have benefitted as a result of the changes.

Human rights issues deal with workers rights and ensuring just value chain. It has a link with the Joint Gender Support Programme and other connected programmes. Strategically it supports affirmative action for women and PWDs (specific projects).

Successful mainstreaming of cross-cutting issues in the design can be attributed to strong technical expertise provided both in MSME and cross-cutting issues either by the UN specialised agencies or other partners. Also the MSME uses an already tested approach, only adapted to the Zambian context.

Programme design has also benefitted from thematic audits, disability and gender audits, which have been used as a tool for mainstreaming these cross-cutting issues in the MSME programming from the design stages. Audits have included screening of legislation and programmes of some of the key ministries.

At the time of the mission the programme was not yet approved by the GRZ the reason being the programme's internal governance which was not necessarily in line with the ownership agenda. The ILO insisted on keeping the programme office in its own office instead of within the GRZ structure.

Expertise for programme development came from various UN specialised agencies. It combined UN programme for PSD with an existing Women's Entrepreneurship Development and Gender Equality Programme (WEDGE) which carries out affirmative action in support of women starting, formalising and growing their enterprises, and mainstreams gender equality issues into small enterprise development; it builds the capacity of and works directly with two women's entrepreneur organisations; the programme contributes inputs related to capacity development of BDS facilitators and provides, and the introduction of tools (e.g. GET Ahead for Women in Enterprise; The FAMOS Check for Female and Male Operated Small Enterprises; Improve Your Exhibition Skills; WED Capacity Building Guide; The Gender Sensitive Value Chain Analysis).

WEDGE programme's objective is to ensure that women and men have equal access to economic resources and business support to enable them to start, formalise and grow their businesses; it also contributes to the Global Employment Agenda's goal of ending discrimination in the labour market by focussing on policy issues that affect

women entrepreneurs; WEDGE also explicitly focuses to addressing the business development needs of women entrepreneurs with disabilities and those living with HIV/AIDS. Inclusion of Global Compact which works towards advancing ten universal principles in the areas of human rights, labour, environment and anti-corruption ensured focus on rights. ILO's Decent Work Country Programme Priority 1 emphasises more and better employment for the youth, women and PWDs.

Budget is not result-based so not possible to assess how much funding goes even to different components.

4.2.3 Environment sector support (initial, pre-appraisal stage): Environment and Natural Resources Management and Mainstreaming Programme (ENRMMP)

The objective of the Environment and Natural Resource Management and Mainstreaming Programme (ENRMMP; Draft 5) is *“to increase relevance of the environment and natural resources sector in national development through building leadership capacity in the MTENR and the associated mainstreaming of and investment in key environment and natural resources issues”*. Currently, it is at the pre-appraisal stage with Finland as the Lead Donor for environment.

As in the other MoUs good governance, democracy and rule of law guiding principles are incorporated in the environment sector. However, in the actual PD there is no mentioning of the international and national human rights framework. As in the FNDP environment is considered both as a specific sector and to be mainstreamed in all Government strategies.

In the PD development of gender strategies; HIV/AIDS strategy; good governance and human rights strategy are mentioned regarding cross-cutting issues. It is mentioned that relevance of these issues requires design into the Programme, with the development of appropriate inputs, anticipated results and indicators however, this will be done later on during implementation. In its present form, cross-cutting issues are neither mainstreamed nor addressed specifically, and thereby also not reflected in the budget and the expertise areas covered by the budget. It is mentioned in the PD that this will be particularly important when Programme extends its impact from the MTENR and governmental level to civil society, CBOs and other activity-based output locations. Intention is to push them forward for consecutive years. In addition, definition and strategy of mainstreaming is not described in the PD.

PD includes participation of CS but CSOs are very weak in the sector and not being able to significantly contribute to policy dialogue. The PD does not include elements for their capacity building. PD promotes wider participation through academia; private sector; and a proposed Natural Resources Consultative Forum as a public/private interface, though. Any of the organisations/authorities responsible for cross-cutting issues are not foreseen to participate in the decision-making structures of the programme.

The draft pre-appraisal report (2 June 2008) places emphasis on the above flaws in the PD regarding cross-cutting issues and mainstreaming. It specifically mentions that national context regarding cross-cutting issues is not included and that activities and indicators are not developed. For example regarding gender and environment policy framework the existing Strategic Plan of Action for the National Gender Policy (2004-2008) provides one starting point for mainstreaming gender in environment. Another opportunity is to integrate the JGSP aspects of gender and environment in the ENRMMP. Similarly the HIV/AIDS policy gives insight to the actual action in the area. In many cases there is no need to develop a separate gender or HIV/AIDS strategy for the programmes like ENRMMP but to incorporate the aspects of the existing policy framework in the PD.

It also raises the issues of concern of the evaluation team, that ENRMMP does not have pro-poor focus and that it does not support decentralisation. In its current form (Draft 5) it is a capacity building programme for the relevant ministry, and does not reach beyond that. Justification is that it paves the way for the fully-fledged environmental SWAP and thereby the structures need to be strengthened. However, with the increased budget support which largely supports the upper governance structures and the delayed decentralisation process at least the sectoral programmes need to have a strong pro-poor and decentralised focus to be able to reach the actual beneficiaries in communities and bring immediate improvements in their living conditions.

The PD (Draft 5) is a result of work by two consultant teams who were guided by a joint task force composed of MTENR technical staff and CP representatives (Finland; Denmark; Norway and UNDP). Prior to the pre-appraisal team, after the PD was ready as it is now, Finland as the lead donor together with other CPs raised the issue of cross-cutting issues not being operationalised the PD. As a result the pre-appraisal team was asked specifically to look at

this issue (TORs). However, it is evident that the joint task force guiding the PD preparation process did not ensure that cross-cutting issues are operationalised and that the consultancy teams did not have expertise in mainstreaming the cross-cutting issues. Even though Finland is not an active member in the Gender Group of JASZ, according to the JASZ it should ensure that in the sectors where it is the lead cooperating partner, gender and other cross-cutting issues are mainstreamed – not only to include few lines in the PD but to translate these lines in activities, indicators, responsibilities and accountability. If the expertise of the lead cooperating partners in gender has been used in the design of the ENRMMP, it is not reflected in the document (Norway and UNDP lead donors in gender and good governance etc. and participated in the joint task force guiding the work of the two consultancy teams).

4.3 Projects

Programme for Luapula Agricultural and Rural Development (PLARD)

The PLARD is a new phase in the 25-year history of Finnish-Zambian collaboration in the agricultural sector in Luapula Province. The PLARD inception phase was launched in April 2006 and resulted in a PD in May 2007. The overall objective of PLARD is *“to contribute to the development of the efficient, competitive and sustainable agricultural and rural sector, which ensures increased income and food security for the people of Luapula Province”*. The final programme document (PD) of PLARD was prepared as a result of the Inception Phase. Still at present some of the activities planned for the Inception Phase have not been completed. This also includes operationalisation of the cross-cutting issues. Within the JASZ arrangement PLARD is the only traditional bi-lateral project of the Finnish Government.

In the PD environment, gender and HIV/AIDS of the cross-cutting issues mentioned in the Finnish Development Policy are specifically mentioned. In addition, based on the country context and in line with the Fifth National Development Plan (FNDP) of Zambia, food security and nutrition has been identified as a cross-cutting issue. The PD states that during the Inception Phase the general context for cross-cutting issues has been established through review of existing documentation, in stakeholder consultations and through a specific gender consultancy.

The PD addresses cross-cutting issues as a separate issue as required in the PD format (Chapter 3.6). Objectives and strategies; component considerations and organisation for addressing cross-cutting issues is well identified. In addition, the policy framework for cross-cutting issues is presented separately which provides a wider context for addressing cross-cutting issues. However, none of the cross-cutting issues have been operationalised and translated into activities in the logical framework – not in the PD and even until now. One of the reasons can be attributed already to how the cross-cutting issues have been treated in the PD, as a separate issue.

Strength of the PD is that it clearly includes analysis of the cross-cutting issues, and it identifies a dual approach to address cross-cutting issues: both direct interventions and mainstreaming. According to the PD the main emphasis is on mainstreaming the cross-cutting issues in all Programme components and elements. Its weakness is that cross-cutting issues are treated as a separate issue, and actual mainstreaming is pushed for the forthcoming programme years. None of the actual component strategies mention cross-cutting issues.

Cross-cutting issues are also not visible at the overall objective, result, activity or component problem analysis level. In definition of the overall objective gender neutral language, “people of Luapula”, is used which is then reflected in defining the target beneficiaries in a gender neutral and non-disaggregated manner e.g. “fishing communities” and “viable producers and entrepreneurs”. This is not conducive for promotion of gender equality and improving the situation of HIV/AIDS positive persons, women, men or children. The PD itself states e.g. that division of labour in the fishing industry and crop growing is highly gendered which would require explicitly setting target groups in a disaggregated manner. Partly as a result, the monitoring system does not recognise these differences and is not disaggregated.

PLARD’s starting point is agriculture as a business opportunity. As a result it primarily operates with “progressive” or “intermediate” viable producers and entrepreneurs. It is expected that through a ‘trickle-down’ effect the poorer segments of the rural and urban communities will benefit through sales, employment opportunities and improved access to extension and training. They are defined as indirect beneficiaries. Monitoring of these changes is carried out only at household level, not in a disaggregated form (e.g. female-headed households; HIV/AIDS households). Indirect beneficiaries are not part of the decision-making process.

The main strategy of PLARD to address cross-cutting issues is mainstreaming but in reality cross-cutting issues are treated as a separate sector. This is particularly visible in addressing gender. The PD in its section on socio-cultural aspects identifies female-headed households; traditional land tenure arrangements; top-down male-dominated

decision-making structures (power issues) and its implications as major challenges in a society. Gender equality is conceptualised as issues related to basic rights; access to resources (services; knowledge; information); decision-making and division of labour. Even though e.g. women's economic empowerment is particularly defined as a PLARD strategy, this has not been operationalised, yet. Question is why all this knowledge and information has not translated into activities and budgets – not only related to promotion of gender equality but other cross-cutting issues as well?

The priority of addressing cross-cutting issues in PLARD is low. The prolonged start-up of the project and its Inception Phase has put pressure on the project to provide tangible results. The priority is on developing the technical aspects and full operationalisation of the components. Since cross-cutting issues are not included in the component strategies, activities and M&E system, they have automatically lower priority. At the same time there is lack of understanding of the value of addressing cross-cutting issues as development issues amongst some of the personnel, particularly those operationalising and implementing the components. In addition, the concept of overall mainstreaming is not clear. In addition, willingness and acceptance to address e.g. gender issues varies amongst the personnel.

PLARD has made attempts to use short-term consultants (e.g. gender) during the Inception Phase to operationalise the cross-cutting issues. However, these consultancies have been very short-term in nature instead of being an integral part of the whole planning process. As a result the recommendations of the consultants have remained at very general level and not translated into activities. At the same time with this evaluation the second leg of the gender consultancy took place. Despite of the fact that previous results of the consultancy remained at general level, the consultancy was again very short-term nature and enabled the consultant to stay in the field only for five days, report writing excluded.

The second consultancy was to focus on determining the optimal scope and focus for gender mainstreaming strategies and activities during implementation, including i) Gender screening analysis of current program interventions with identification of appropriate interventions and measures to integrate gender concerns; ii) Propose gender objectives and strategy for the four PLARD components; iii) Establishment of indicators for all interventions; and iv) Defining PLARD's comparative advantage at the interface with other key stakeholders in mainstreaming of gender concerns in program intervention. Deliberate measures will be taken to ensure gender mainstreaming and increase the contribution as well as effective participation to the development activities in PLARD. This process was to involve i) Defining gender objectives; ii) Identifying strategies and activities; iii) Identifying indicators for measuring performance and impact; iv) Implementation of action plan for gender mainstreaming; v) Monitoring and evaluation.

All these activities identified for the consultant were highly appropriate but not realistic within the duration of the consultancy. At this stage, in order to proceed with the mainstreaming process, semi- or long-term expertise (as a process) is required so that the mainstreaming process can be carried out as an on-the-job exercise, together with those planning, operationalising and implementing the components for them to internalise the process and justification. Short-term consultants can only assist in the process but there needs to be expertise also within the project team to ensure that the results of the process are also implemented. Consultancy of very short duration in case of gender was justified with limited financial resources by PLARD. However, PLARD has significant financial resources and at the same time encounters challenges with low disbursement rate. This implies that financial resources exist if there is willingness to re-allocate them to providing expertise in cross-cutting issues.

In the approved 2008 work plan allocation for cross-cutting issues is very minimal, only EUR 50 000, which is only 4% of the total annual budget. This includes only in-house events and meeting costs and reflects the present state of addressing cross-cutting issues in the absence of activities.

With regard to HIV/AIDS, discussions have been initiated with MACO regarding implementation of the work place policy. A structure already exists within MACO for the implementation of a work place policy including a work plan. However, there are no funds to implement planned activities. The strategy therefore is to review the current work plan and identify activities which can reinforce mainstreaming under PLARD and to support these activities. Given that PLARD does not have expertise in HIV/AIDS, the strategy is to identify organizations and NGOs with the required competence and comparative advantage to implement priority activities. These organizations will enter into contract with PLARD to implement activities based on agreed terms of reference, roles and responsibilities. PLARD will work through established structures at provincial and possibly district levels to implement HIV/AIDS programs.

Where these structures are weak, PLARD will seek to provide financial support to strengthen these structures to enable them carry out activities. The following activities have been planned for 2008 as part of PLARD to mainstream HIV/AIDS: i) Review of strategic HIV/AIDS concerns; ii) HIV/AIDS screening of programme interventions; iii) Defining HIV/AIDS objectives and strategies; iv) Prepare HIV/AIDS OVI; v) Identify PLARD HIV/AIDS advantage and preparation of action plan; vi) Integrating HIV/AIDS objectives, OVIs and action plans into work plan; vii) Supporting HIV/AIDS collaboration in Luapula; viii) Establishment of HIV/AIDS work place policy.

TORs of the environment consultant included explicitly considering gender, HIV/AIDS, food security and other cross-cutting variables in analysis. Expertise in these areas was considered 'added advantages'. As a result, regarding gender women's land rights were shortly analysed in the report, climate change screening was carried out and references were made on the impact of the HIV/AIDS. Otherwise the report was very technical, and not a regular EIA/SIA report with social aspects included.

According to the PD, in PLARD responsibility of mainstreaming cross-cutting issues lies with the Programme Director. The CTA is responsible for ensuring that cross-cutting issues are addressed during planning and implementation. In reality cross-cutting issues have been delegated to the Monitoring and Evaluation Adviser (MEA), who does not have sufficient expertise in the required areas. Mainstreaming cross-cutting issues in the specific components is not reflected as a responsibility in the TORs of the component coordinators which would make them accountable and increase importance of cross-cutting issues.

The M&E system and log frame (May 2008) still does not include activities or indicators related to cross-cutting issues. In the interviews with the personnel it was stated that PLARD cannot develop indicators because there are no activities, yet. However, PLARD as a project should first clarify what it wishes to achieve in relation to cross-cutting issues at the level of the objective and results, then develop indicators measuring these targets and define activities how to reach these targets.

The latest annual work plan (2008) sets a target for mainstreaming cross-cutting issues. By 2010 fully-fledged mainstreaming is expected to have taken place, and by 2009 mainstreaming of cross-cutting issues into all components should have been carried out. This poses serious challenges for the project. Mainstreaming and even addressing specific cross-cutting issues has been pushed forward. Experience from e.g. gender mainstreaming globally has shown that unless proper framework for mainstreaming including explicit objectives and results; indicators; activities; budget and technical expertise are provided at the early planning stages, cross-cutting issues will become add-on activities with very low priority. This has been again verified in case of PLARD. However, since the project is still at relatively early stages, there is possibility to successfully mainstream cross-cutting issues. However, this requires provision of proven technical expertise in mainstreaming and the specific cross-cutting issues.

According to the minutes of the Steering Committee (SC) and the Supervisory Board (SVB) decisions regarding cross-cutting issues have not been made in these meetings. Minutes do not reflect the dialogue, but based on the interviews and MFA and Embassy the dialogue concentrates more on the administrative and financial matters than substance. In the forthcoming meetings special emphasis should be placed on ensuring that the mainstreaming process progresses as planned and that sufficient technical and financial resources are provided. PLARD is at the cross-roads, after this it will be increasingly difficult to carry out the mainstreaming process as stakeholders and also beneficiaries (including communities) have already set their working practises. Finnish Embassy participation plan (2008) indicates explicitly that PLARD "improves the situation of women in Luapula". From this perspective keeping the promotion of gender equality on the agenda of these meetings together with other cross-cutting issues is an important tool for Embassy monitoring.

4.4 Local Cooperation Fund (LCF)

The Local Cooperation Fund as an instrument addresses directly cross-cutting issues of human rights, gender, and good governance (56% of LCF MEUR 1.1 budget in 2007) through support to local CSOs. Also HIV/AIDS and environment have been supported. In the 2008 proposal there is an increase of support to democracy of human rights (including equality; good governance; citizen education; legal framework; disability) totalling in 67%. HIV/AIDS support is 9% and unallocated funds planned for environment and natural resources 4.5%. Within democracy, good governance and rule of law LCF supports organisations such as Anti-Corruption Commission; Human Rights Commission; Transparency International Zambia; Drug Enforcement Commission. Other support

includes election support, legal aid and education, advocacy strategy development against gender-based violence; promotion of widows, orphans and vulnerable children; promotion of culture of constitutionalism; and disability.

The purpose of this evaluation is to assess integration of cross-cutting issues. The randomly selected LCF interventions directly address one cross-cutting issue each. In this chapter assessment of how other cross-cutting issues have been integrated in these interventions will be made. The selected LCF organisations/interventions are i) Zambia Association on Employment for PWDs (ZAEPD); and ii) Women in Law and Development in Africa (WiLDAF) – Zambia.

The ZAEPD's objective is to find and create agriculture employment opportunities for skilled PWDs. It has a strong human rights focus and rights-based approach as it addresses the right to work, inclusion and empowerment of women and girls. Empowerment of women and girls includes sexual and reproductive health (early pregnancies and preference for boys leading to abortions), which are taboos particularly related to PWDs and more so for intellectually challenged PWDs. At the same time one of its main target groups is mentally challenged PWDs and thereby the most vulnerable who are not able to demand their rights themselves. ZAEPD is a parent-based organisation. Its employment creation functions are decentralised in four Provinces (Luapula; Central; Lusaka and Copperbelt) thereby enabling broader participation of and increased opportunity for job seekers in the scheme. The objectives of the ZAEPD are also line with the Disability Policy to facilitate and deliver the acquisition of entrepreneurship and production skills. ZADEP is also an advocacy organisation for the rights of PWDs. On gender issues it cooperates with other PWD organisations which have different expertise. Their work also includes participation on the dialogue on employment laws and conditions of service for PWDs. They participated in the preparation of the FNDP as members of the WG on disability. The Finnish Embassy support to the project has ended. Despite of a good theoretical framework for operations implementation was very challenging and based on external funding. It is potential but needs technical assistance to be able to provide significant results. ZAEPD has just recently been introduced to PLARD.

4.5 Key Findings and Conclusions

Regarding interventions in which Finland currently has direct responsibility for mainstreaming cross-cutting issues i.e. environmental support and mainstreaming programme and PLARD, mainstreaming has not been successful. The programme supporting environmental mainstreaming and preparation of SWAP is just in the beginning and needs to ensure that mainstreaming of cross-cutting issues will be carried out immediately, and that the programme is not approved prior this. Finland as the lead donor has the main responsibility. Similarly, PLARD as the only 'traditional' bi-lateral programme has potential to mainstream the relevant cross-cutting issues. It is at cross-roads, though. If the investment is not done now, it will be tremendously difficult to carry it out any later. Already established practises have been created where cross-cutting issues do not feature.

Out of the assessed interventions (LCF support excluded) in the SWAP of education and selected intervention of the PSD cross-cutting issues are best addressed, both as affirmative action (specific intervention) and mainstreaming. In the budget support the FNDP provides a framework for preparatory work towards mainstreaming cross-cutting issues in the next NDP. At present, cross-cutting issues are still conceptualised as separate 'sectors', but programmes for mainstreaming are already emerging as in environment and gender. These mainstreaming programmes are, however, thematically specific programmes. There is a danger that implementation of these programmes will remain equally excluded as cross-sectoral issues until now unless programmes really aim at mainstreaming and succeed in committing all concerned ministries in its implementation.

Most of the LCF support is directed to human rights; good governance and democracy issues and other cross-cutting issues are better featured and mainstreamed in the interventions than in other aid modalities.

When looking at the factors which have affected mainstreaming positively, all comes down to understanding the concept of mainstreaming; timing of mainstreaming cross-cutting issues (from design phase); provision of expertise for sufficient amount of time (from design phase); inclusion of cross-cutting indicators from the beginning; and establishment of a M&E mechanism which actually reports on progress.

All in all it is unrealistic to expect to have impact if programming relies only on mainstreaming. Specific interventions are needed at the same time. As the best practise mainstreaming and affirmative action in the support to the Local Empowerment part of the PSD can be raised again. Gender budgeting and ensuring that the environment programmes both address cross-cutting issues specifically and that they are mainstreamed provide opportunities. Support to capacity building in mainstreaming; special cross-cutting issue audits and provision of expertise on long-term (mainstreaming) to guide the processes also provide opportunities for increased effectiveness.

5 RESPONSIBILITIES AND PROCEDURES

5.1 Division of responsibilities and procedures

With the JASZ arrangement, and the Finnish assistance being part of the overall donor community assistance, the responsibilities and procedures regarding cross-cutting issues in practise lie more with the donor community in Zambia and its relations with the Government rather than in between the Embassy and the MFA. The “traditional” responsibilities and procedures apply only to the PLARD project.

As cross-cutting issues are treated as separate sectors in FNDP in JASZ they are also “divided” amongst the cooperating partners. The lead donors for governance are UN, Norway and UK; for gender UN; and for HIV/AIDS UN, UK and USA. The division of labour is to be based on the comparative advantage and expertise of the cooperating partner.

According to the Generic TORs for Lead Donors (11/05), it is the responsibility of the lead donor to lead the overall sector development it is responsible for, also the cross-cutting “sectors”. Even though cross-cutting issues are not specifically mentioned the Generic TORs imply that it is the responsibility of the lead donor of other sectors to contact those cooperating partners responsible for cross-cutting issues to ensure that they are incorporated and mainstreamed. It is the responsibility of those leading cooperating partners, like in case of environment Finland, to ensure that all support provided incorporates cross-cutting issues.

In principle, the JASZ arrangement provides potential for maximising the available donor resources for addressing cross-cutting issues. However, there is a risk that cross-cutting issues become only the responsibility of those cooperating partners for whom cross-cutting issues are delegated to. At present cross-cutting issues are further developed as “sectors” rather than mainstreamed in all development cooperation. Also linkages in between the cross-cutting “sectors” and cooperating partners responsible for them are vague. The Government together with the cooperating partners has started developing mainstreaming programmes e.g. in gender and environment. However, in practise as seen in the case of environment and Finland, the mechanism for cooperation and including cross-cutting issues which already have plans has not been operationalised and systematised, yet. Whether the cooperating partner contacts those responsible for cross-cutting issues depends still on the interest of the lead donor. In case the cooperating partner is not a lead donor then incorporation of cross-cutting issues depends, even more of the individual interest and expertise available at the Embassy.

In practise, in Zambia Finland’s responsibility regarding cross-cutting issues lies in environment as a “sector” and its mainstreaming. As in the whole JASZ arrangement, cooperating partners are not to directly contact the Government in issues beyond their delegated responsibility. However, as a lead donor Finland is expected to ensure that other cross-cutting issues are mainstreamed in environment interventions.

This shift caused by the new aid modality limits the possibilities of individual donors to directly influence the Government related to cross-cutting issues. At the same time, in order to exercise influence constant dialogue with the donor community provides opportunities which requires that expertise in cross-cutting issues needs to be at the country level.

In Zambia the Finnish Embassy is headed by the resident Ambassador, and the personnel includes councillors who are experts in specific thematic areas reflecting the priorities of Finland (e.g. macro-economics; private sector development; education/environment; agriculture) and programme officers (e.g. LCFs). These expertise areas do not specifically include any of the cross-cutting issues. Cross-cutting issues were not also specifically delegated as a responsibility to any of the councillors, and their promotion depends mainly on individual interest and possible expertise of the staff members. Also their job descriptions do not reflect any of the cross-cutting issues. However,

follow-up of gender and disability issues have been delegated to locally recruited programme officers, and HIV/AIDS to a staff member in financial administration.

In the absence of the second in command, the Finnish Embassy is understaffed compared to other Finnish Embassies in the main programme countries. Usually the second in command is responsible for development programming and as a regular staff member would bear the overall responsibility of ensuring the coherence of programming with the Finnish Development Policy - also related to cross-cutting issues. Now this responsibility has been shared amongst many staff members and particularly those who are not regular staff members and thematically further from development programming. These responsibilities are add-ons to their other duties. Even though these staff members do the follow-up, there is no systematic mechanism how this follow-up transfers into programming. Full staffing and having a regular staff member with the overall responsibility for mainstreaming cross-cutting issues would enhance mainstreaming also in reality.

There are no systematic linkages with the MFA Advisors in cross-cutting issues. Linkages depend largely on personal initiatives. MFA Gender Advisor is the only Advisor who has visited the country, specifically to support the PLARD based on her own initiative. The PLARD considered her visit useful and would have continued the cooperation had she remained in her position. Cooperation with the new Gender Advisor has not been established, yet. At times, Embassy personnel visits MFA documents at different stages are sent to the MFA area unit for comments. If considered important, request for action is prepared by area unit to seek views of the Advisors in cross-cutting issues. Comments have been considered useful and often fully incorporated as in case of private sector development (MSME project) where the comments of Gender Advisor were incorporated. Cooperation with other Advisors in cross-cutting issues is less frequent/non-existing.

Cooperation with Advisors was not considered sufficient only from MFA HQ. The expertise at the Embassy is not strong enough to ensure that cross-cutting issues are mainstreamed in the development assistance. In the midst of various and increasing responsibilities (increasing development assistance portfolio) and limited resources, Embassy personnel does not have time to search the mainstreaming tools and use them. The preferred way of increasing the Embassy capacity to plan and monitor is that the Advisors on cross-cutting issues visit the Embassy and go through whole programming together with the Embassy personnel. This would lead to increased understanding of cross-cutting issues in specific sectors by the personnel and thereby better monitoring of planning and implementation processes. Another alternative is to organise regional Embassy meetings specialised on cross-cutting issues, mainstreaming and their practical implementation. These two should be seen complementary, not exclusive. This requires increased time use by Advisors in the field, and shift in their priority setting and job description. Advisors should increasingly support Embassies at least in Finland's main partner countries like Zambia. With the joint assistance strategy arrangement this is even more important than before, since the contribution of Finland is part of the overall development assistance portfolio rather than individual projects.

At minimum the expertise of the staff members should enable them to be in a position to demand from and ensure that planning and other missions have sufficiently incorporated cross-cutting issues in the outcomes of the missions. Human resource development should be practical, preferably held at the country level and using the responsibility areas of participants as case studies.

Utilisation of Local Cooperation Fund and its management is decided by the Embassy itself. As the LCF responds to the applications made by the CSOs, inclusion and mainstreaming of cross-cutting issues depends on the applicant. Embassy does not have an active role in modifying the contents of the approved applications. As mentioned above, the focus of the LCF is in cross-cutting "sectors" and that other cross-cutting issues were reasonably well covered in the randomly selected interventions.

5.2 Planning and management procedures

Apart from PLARD, planning of sectoral interventions is carried out jointly by Finland with other cooperating partners. As Finland is the lead donor only for environment, it is responsible for its overall planning process. In the planning process different cooperating partners might have different planning procedures which are not harmonised. These can lead to delays in finalising the documents. For example in case of environment, Finland funded the pre-appraisal report together with Denmark. Finland wished already at that stage to address evident flaws in the appraised document and prepare as a result a new improved document. However, Denmark funds appraisals and project document preparation process from different sources which led to fielding two different missions.

It is evident that at the planning stage of the environmental programme, the composition of the project document formulation team did not include expertise in cross-cutting issues or mainstreaming. As in case of PLARD these issues were pushed forward to be analysed and addressed during implementation. During the review process also by the Embassy/MFA it became evident that cross-cutting issues were not included and this was later criticized by the pre-appraisal mission. However, still during our mission it became a concern by the Embassy that the composition of the team to incorporate the pre-appraisal report recommendations in the PD might not have the required expertise in analysing, operationalising and mainstreaming cross-cutting issues. This to a certain extent shows that expertise in cross-cutting issues is not required in the TORs of the planning and design teams. As in the case of PLARD this expertise is an added value but not a basic requirement. As a result this expertise is not significantly valued by the bidders, and delegated to the members of the team (if delegated) who might have some the expertise in the cross-cutting issues which might not lead to quality outputs.

At present Embassy personnel does not use any tools for addressing and mainstreaming cross-cutting issues. This can be partly attributed to the fact that none of the personnel is responsible specifically for cross-cutting issues. Despite of cross-cutting issues being mentioned in the participation plan and that they are to be mainstreamed in all development cooperation, there is not specific expertise in the Embassy either in cross-cutting issues or mainstreaming. In a way, the only opportunity at the field level is to rely on other cooperating partners and their expertise in these issues. As experienced now Embassy personnel is over-worked and needs to choose their priorities. At the same time there is a need to improve and facilitate mainstreaming of cross-cutting issues. In practise, only very simple tool boxes would be useful, maximum A4 size “reminders” and checklists with concrete steps e.g. ‘Gender Equality in Planning’.

SIDA carried out just recently a gender profiling of SIDA assistance sectors in Zambia. SIDA carried it out it independently which is not exactly in line with the joint assistance strategy. However, SIDA wanted to make sure that all assistance they are providing is ‘gender screened’. SIDA has standard TORs for this exercise and it includes sectoral screening together with the legal framework regulating the particular sector. This can be considered a best practise, and Finland could carry out similar exercises regarding the key cross-cutting issues. These services could be outsourced. Another alternative is to support carrying out these ‘screenings’ jointly with other donors which would be more in line with the joint assistance strategy. SIDA, however, has shown example that also carrying out individual ‘screening’ exercises is possible within the joint assistance strategy. Carrying out these exercised in an in-depth manner would reduce the responsibility of the Embassy to monitoring of implementation. This would also give visibility to the cross-cutting issues and provide analytical background for policy dialogue.

Even though the 2008 participation plan of the Embassy places emphasis on cross-cutting issues, how this will be done is not yet operationalised and systematised. There has not been a forum to have in-depth dialogue on thematic issues as part of the Embassy management practises. The practise of having weekly programme meetings has just recently been initiated. These meetings provide an opportunity to have systematic dialogue and setting targets for promotion of cross-cutting issues, both in policy dialogue and regarding implementation of development assistance. Without systematising and operationalising the strategic choices made in the participation plan regarding cross-cutting issues there is a danger that they continue having a relatively low priority *vis-a-vis* other Embassy responsibilities and will be addressed only on *ad hoc* basis.

Reporting by the Embassy on budget support, poverty reduction is primarily making summaries of the PRBS bi-annual reviews and/or other assessments/evaluations made. For example, in reporting of the Special Partnership with Africa Forum’s Learning Assessment (2007) from the perspective of Finland issues of increased accountability, transparency and support to improving efficiency of governance were reported. Also a need for more inclusive budget dialogue towards civil society, Parliament and media was reported.

In general, PRBS group has paid special emphasis on reporting on cross-cutting issues and having dialogue with the Government.

5.3 Key Findings and Conclusions

The biggest challenge regarding roles and responsibilities is that either in the budget support and JASZ arrangement or in between the Embassy and MFA there is no systematic and operationalized mechanism for mainstreaming. Donors responsible for ‘cross-cutting sectors’ in Zambia and similarly the Advisors of the MFA are involved only on *ad hoc* basis. This is particularly problematic in the policy dialogue, budget support and programming of sectoral interventions where Finland depends on the expertise provided by other donor agencies.

The 2008 Participation Plan targets for addressing cross-cutting issues need to be systematised – what kind of messages and when – and provided with expertise and resources. In the current pressure to have Embassies even with more limited human resources and centralise the expertise at the HQ level, this might not be realistic to expect. Services on monitoring the mainstreaming and implementation of cross-cutting issues in Finland's programming can be outsourced which would leave only monitoring function and acting on the recommendations to the Embassy. These can be audits on cross-cutting issues in Finland's support, based on SIDA's model. This is important for operationalising the targets of the Participation Plan. It is not sufficient that the policy and sector dialogue only emphasise that mainstreaming and addressing cross-cutting issues is important. This dialogue needs to be translated concretely into specific issues to be raised in the policy dialogue and implementation.

Discussions with the donor community verified that in the current JASZ arrangement new kind of people and expertise is required. They should be specialists in 'soft' issues. Before there was a need for more technical expertise but now competence development should focus on e.g. mainstreaming and rights-based approach. This should be mandatory training.

Consultancy companies do not pay sufficient attention to ensuring that planning teams include proven expertise in cross-cutting issues. Addressing cross-cutting issues is a general requirement in the MFA TORs for missions however with the limited resources accepted emphasis is on sectoral expertise rather than cross-cutting issues which are often delegated to team members who have some knowledge of the issue. Proven expertise in mainstreaming of cross-cutting issues might be more valuable than actual expertise in the cross-cutting issues themselves. Sufficient time should be allocated for planning missions/Inception Phase to design the programmes in a way that reflect cross-cutting issues at the level of objectives, results and activities and mainstreamed in the overall logical framework.

REFERENCES

In addition to the documents below, programming and monitoring documents related to selected interventions; minutes of the official meetings; and correspondence between the Embassies and the MFA were reviewed.

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ZCSMBA/ZNFU, Zambia Voucher based Business Development Services for Small and Medium Enterprise Business Development. Phase I Proposal, Sept 2007

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Republic of Zambia, Strategic Plan of Action for the National Gender Policy (2004-2008), Office of the President, Cabinet Office, December 2002

State of Human Rights in Zambia 2007 – Human Rights in the Fifth National Development Plan, Human Rights Commission, 2007

Zambia: Millennium Development Goals Progress Report 2008 (draft)

Zambia: Millennium Development Status Report 2005, MDG Task Force, Lusaka, September 2005

ANNEX 1 SCHEDULE OF THE MISSION

Day	Date	Activity	Location
Sunday	1.6.2008	Arrival of the international consultant Team meeting with Zambian expert Meeting with PLARD personnel	Lusaka, IC Hotel
Monday	2.6.2008	Briefing and individual meetings with Embassy personnel	Embassy of Finland, Lusaka
Tuesday	3.6.2008	Ministry of Environment, Trade and Natural Resources; Ministry of Justice; UNDP; Department of Development Studies and the University of Zambia	Lusaka
Wednesday	4.6.2008	Zambia Association for Employment of Disabled; UNDP; Gender in Development Division at Cabinet Office	Lusaka
Thursday	5.6.2008	Human Rights Commission; Ministry of Agriculture and Cooperatives; Netherlands Embassy	Lusaka
Friday	6.6.2008	Ministry of Education; Private Sector Development Programme; Environmental Council	Lusaka
Saturday	7.6.2008	Preliminary analysis and writing	Lusaka
Monday	9.6.2008	Norwegian Embassy; Danish Embassy; Embassy of Finland; Team meeting for analysis	Lusaka
Tuesday	10.6.2008	Ministry of Finance and National Planning; Embassy of Finland; Team meeting for analysis	Lusaka
Wednesday	11.6.2008	ILO; Preparation for debriefing	
Thursday	12.6.2008	Debriefing at the Embassy; Swedish Embassy	Lusaka
Friday	13.6.2008	Team meeting; analysis and writing	Lusaka
Saturday	14.6.2008	Departure of the international consultant	

ANNEX 2 PEOPLE INTERVIEWED

Embassy of Finland

- Ms. Anne Ahonen, Counsellor, 12.6.2008
- Ms. Sinikka Antila, Ambassador, 2.6.2008
- Ms. Sari Jormanainen, Counsellor, 2.6.2008
- Mr. Oskar Kass, Counsellor, 2.6.2008
- Ms. Elizabeth Ndhlovu, Counsellor, 2.6.2008, 9.6.2008, 12.6.2008
- Ms. Riikka Elina Rantala, Programme Officer, 10.6.2008, 12.6.2008
- Ms. Melissa Säilä, Programme Officer, 10.6.2008, 12.6.2008
- Ms. Wilma Viljanmaa, Counsellor, 2.6.2008, 12.6.2008

Finnish bi-lateral programmes

- Ms. Mari Laaksonen, Partner Liaison Officer, Programme for Luapula Agricultural and Rural Development (PLARD), 1.6.2008
- Ms. Gun Mickels-Kokwe, Chief Technical Adviser, Programme for Luapula Agricultural and Rural Development (PLARD), 1.6.2008
- Mr. Mighten K. Mpiya, Programme Director, Programme for Luapula Agricultural and Rural Development (PLARD), 1.6.2008
- Ms. Charlotte Wonani, Gender Consultant, 3.6.2008

Government of Zambia

- Mr. Arnold M. Chengo, Senior Technical Advisor, Educational Quality Improvement Program (EQUIP2), Ministry of Education, 6.6.2008
- Mr. Vanny Hampondela, M&E and Information Specialist, Governance Secretariat, 3.6.2008
- Mr. E.C.J. Kalaba, Deputy Director, Programme Planning, M&E, Policy and Planning Department, Ministry of Agriculture and Co-operatives, 5.6.2008
- Ms. Sindiso N. Kankasa, Human Rights, Constitutionalism and Democratisation, Governance Secretariat, 3.6.2008
- Mr. D. Kasaro, National Programme Coordinator (PFAP), Ministry of Environment, Tourism and Natural Resources, 3.6.2008
- Ms. Chasiya V. Kazembe, Chief Economist (Bilateral Unit), Economic and Technical Cooperation Department, Ministry of Finance and National Planning, 10.6.2008
- Mr. Enoch Mulembe, Director, Human Rights Commission, 5.6.2008
- Mr. Fredrick Mulenga, Principal Forestry Officer, Ministry of Environment, Tourism and Natural Resources, 3.6.2008

Ms. Rhoda Mutema Mwjinga, Specialist – Social, Legal and Governance, Gender in Development Division, Cabinet Office, 4.6.2008

Mr. Wiseman Sangulube, Chief Extension Officer, Ministry of Environment, Tourism and Natural Resources, 3.6.2008

Ms. Kayla Siame, Programme Coordinator, Private Sector Development Programme, Ministry of Commerce, Trade and Industry, 6.6.2008

Multi- and bi-lateral donor agencies

Mr. Jeremias Blaser, Assistant Resident Representative – Governance, United Nations Development Programme, 3.6.2008

Mr. Gerry Finnegan, Representative for Malawi, Mozambique and Zambia, International Labour Organisation (ILO) Area Office, 11.6.2008

Ms. Tori Hoven, Counsellor, Economic Governance, Royal Norwegian Embassy, 9.6.2008

Ms. Majbrit Holm Jakobsen, First Secretary, Royal Danish Embassy, 9.6.2008

Ms. Judith Makulu Kumwenda, Policy Officer, Private Sector Development and Governance, Embassy of the Kingdom of the Netherlands, 5.6.2008

Mr. Olav Lundstol, First Secretary, Country Economist, Royal Norwegian Embassy, 9.6.2008

Ms. Eva Lövgren, Deputy Head/Economist, Development Co-operation, Embassy of Sweden, 12.6.2008

Ms. Delia Mwale-Yerokun, Programme Analyst: Gender and HIV/AIDS, United Nations Development Programme, 4.6.2008

INGOs and NGOs

Ms. Mwiche Kabwe, Planning Specialist, Environmental Council of Zambia, 6.6.2008

Mr. Paul Mwazi, Zambia Association for Employment of the Disabled, 4.6.2008

Ms. Agnes Phiri, Project Manager, Zambia Association for Employment of the Disabled, 4.6.2008