

Evaluation

Transition Partnership with Egypt



Evaluation report 2010:1

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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Evaluation

**The Transition towards a New Partnership
with Egypt**

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MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

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PREFACE

The Finnish Government decided in 2001 to phase out the traditional bilateral development cooperation of Finland to Egypt by the end of the year 2007. This decision was reconfirmed in the Government's development policy of 2004. The intention was to shift the relationship with Egypt into a normal partnership between the two countries, a partnership which would be more balanced and diversified and where political, commercial, cultural and institutional dimensions would be strengthened.

The Ministry for Foreign Affairs of Finland commissioned an external evaluation of the transition process in the co-operation between Finland and Egypt.

While the transition strategy itself has plausible objectives, they were too ambitious given the time frame and resources available in both countries. The Plan of Action designed for implementation lacked logical ordering of individual activities, which would have allowed resetting the objectives and extension of the implementation period. The evaluation shows that this would have been necessary due to several delays in the process. The evaluation presents also other valuable information on the process, where several Finnish actors from both public and private sector have taken part. In short, the evaluation succeeded in identifying lessons learnt, which are worthwhile to take into account in other similar transition processes.

It is noteworthy that an external independent evaluation presents one view on state of affairs.

Helsinki, 21 May 2010

Aira Päivöke
Director
Development Evaluation

ACRONYMS

AA	Association Agreement
BLACD	Better Life Association with Dorgas Aid International
CDM	Clean Development Mechanism (under Kyoto)
CIMO	Centre for International Mobility (in Finland)
CD	Community Development
DAC	Development Assistance Committee (of OECD)
DKK	Danish Krone
EAIS	Egyptian Antiquities Information System
EBC	Economic and Business Cooperation
ECIM	The Egyptian Cadastral Information Management
EEAA	Egyptian Environmental Affairs Agency
EIB	European Investment Bank
ENTRO	Eastern Nile Technical Regional Office
ENP	European Neighbourhood Policy
ENV	Co-operation in the field of Environment (ENV)
EPAP	Egyptian Pollution Abatement Project
EU	European Union
EUR	Currency Euro
GWR	Gender Equality and Women's Rights
GG	Good Governance
GoE	Government of Egypt
GoF	Government of Finland
HEI	Higher Education Institution
HR	Human Rights
HW	Hazardous Waste
HWMP	Hazardous Waste Management Project
HWMU	Hazardous Waste Management Unit of Governorate of Alexandria
IC	Institutional Cooperation
ICI	Institutional Cooperation Instrument
ICT	Information and Communication Technologies
ICZM	Integrated Coastal Zone Management Programme
LCF	Local Cooperation Funds
LDC	Least Developed Countries
MDG	Millennium Development Goal
MEDA	The principal financial instrument of the European Union for the implementation of the Euro Mediterranean Partnership
MCIT	Ministry of Communication and Information Technologies (of Egypt)
METAP	Mediterranean Environmental Technical Assistance Program
MFA	Ministry for Foreign Affairs of Finland
MIC	Ministry of International Cooperation (of Egypt)
MoU	Memorandum of Understanding

MSEA	Ministry of State for Environmental Affairs
NGO	Non Governmental Organisation
NOPWASD	National Organisation of Potable Water and Sanitation Drainage
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PPP	Public Private Partnership
RIPECAP	Regional Industrial Pollution and CO2 Emission Abatement Project for Arab Countries
RITI	Regional Information Technology Institute
RITSEC	Regional Information Technology and Software Engineering Centre
SYKE	Suomen Ympäristökeskus (Finnish Environment Institute)
TAIEX	Technical Assistance and Information Exchange instrument (of the European Commission)
ToR	Terms of Reference (of the study)
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Programme
USA	United States of America
USAID	United States Agency for International Development
WB	World Bank

Other acronyms and abbreviations mentioned in the text are explained as they appear.

Uusi Kumppanuus Egyptin kanssa: Siirtymävaiheen Evaluatio

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TIIVISTELMÄ

Siirtymä kohti Suomen ja Egyptin välistä uutta kumppanuutta oli seurausta Suomen valtioneuvoston päätöksestä päättää vähitellen kehitysyhteistyö Egyptin kaltaisten keskitulotason maiden kanssa. Evaluatation tavoitteena oli saada ulkopuolisten asiantuntijoiden näkemyksiä siirtymästä sekä mahdollisuuksista vahvistaa näiden kahden maan välistä suhdetta. Kuudesta lahjumuotoisesta kahdenvälisestä avustushankkeesta vetäytymistä analysoitiin laatimalla tarkat mittarit kutakin arviointikysymystä varten. Eri instrumentit ja painopistealat evaluoitiin samalla tavalla.

Kahdenvälisistä kehitysyhteistyöhankkeista vetäytyminen toteutettiin kestäväällä tavalla siirtymästrategian mukaisesti. Uusien instrumenttien kehittäminen ja käyttöönotto kesti kuitenkin melko kauan. Instrumentit eivät myöskään olleet sopivia Egyptin tilanteeseen. Lisäksi strategiassa asetettiin kunnianhimoisia tavoitteita, jotka oli määrä saavuttaa suhteellisen lyhyen siirtymäjakson (kolme vuotta) aikana, vaikka strategialle ei vahvistettu selkeää toimintakehystä eikä edistymisen todentamiseen tarvittavia mittareita.

Tärkein evaluaatiosta saatu opetus on, että kehitysavun lopettamis- ja siirtymästrategiat edellyttävät selviä ja saavutettavissa olevia tavoitteita sekä huomattavaa tukea kumppanimaalta. Tavoitteita asetettaessa on otettava huomioon se, että uusien yhteistyömuotojen kehittämiseen saattaa kulua pitkä aika. Uusien instrumenttien käyttö voidaan maksimoida, kun ne kehitetään paikallisessa kontekstissa ja muokataan siihen sopiviksi.

Avainsanat: arviointi, siirtymästrategia, uudet instrumentit, suhteiden tehostaminen, Egypti, Suomi

Utvärdering av Övergång till ett nytt Partnerskap med Egypten

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ABSTRAKT

Ett nytt partnerskap mellan Finland och Egypten är resultatet av den finska regeringens beslut att gradvis avsluta utvecklingssamarbetet med medelinkomstländer som Egypten. Syftet med utvärderingen är att tillhandahålla ett professionellt och oberoende utlåtande om övergången och om möjligheter och tillfällen att stärka relationerna mellan de två länderna. Avslutningen av sex bilaterala och bidragsbaserade biståndsprojekt analyseras med hjälp av en utvärderingsmatris med indikatorer för varje utvärderingsfråga. Ett liknande tillvägagångssätt användas också för instrument och prioriterade områden.

De bilaterala utvecklingsprojekten lades ner på ett hållbart sätt i enlighet med övergångsstrategin. Utvecklingen och införandet av nya instrument var dock tidskrävande. Vidare var de nya instrumenten inte anpassade till egyptiska förhållanden. I strategin angavs även ambitiösa mål för den relativt korta övergångstiden på tre år, utan att fastslå något tydligt ramverk för aktiviteter och mätbara utvecklingsindikatorer.

Den viktigaste lärdomen av denna utvärdering är att avslutandet av biståndssamarbetet och övergångsstrategier kräver tydliga mål som är möjliga att uppnå och betydande stöd av partnerlandet. I målsättningen bör beaktas att utvecklingen av nya samarbetsformer kan ta lång tid. Användningen av nya instrument blir störst när de utvecklas inom, och anpassas till, lokala sammanhang.

Nyckelord: utvärdering, övergångsstrategi, nya instrument, uppgradering av relationer, Egypten, Finland

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ABSTRACT

The Finnish Government decision to gradually discontinue development cooperation with middle income countries including Egypt resulted in a new partnership between Finland and Egypt. The objective of this evaluation was to provide professional, external views on the transition and on opportunities and possibilities for strengthening the relations between the two countries. The phasing-out of six grant-based bilateral aid projects was analyzed by using an evaluation matrix with specific indicators per evaluation question. The instruments and priority areas were evaluated in the similar way.

In accordance with the transition strategy the bilateral development cooperation projects were phased out in a sustainable manner. However, the development and phasing-in of new instruments took considerable time. The new instruments were insufficiently suited to the Egyptian context. The strategy also set ambitious objectives to be achieved within a relatively short transition time of three years, without setting a clear framework for activities and verifiable indicators of progress.

The main lesson from this evaluation is that aid exit and transition strategies necessitate clear and achievable targets with considerable support of the partner country. The fact that development of new forms of cooperation can take considerable time should be taken into account when setting the targets. The use of new instruments can be maximized when developed within and adapted to local contexts.

Key words: evaluation, transition strategy, new instruments, upscaling relations, Egypt, Finland

YHTEENVETO

Tausta ja menetelmät

Suomi on yksi avunantajamaista, jotka päättivät vuonna 2001 päättää perinteisen kahdenvälisen kehitysyhteistyön Egyptin kanssa voidakseen siirtyä tasapainoisempaan ja monipuolisempaan yhteistyöhön, joka kattaa poliittisen, kaupallisen, kulttuurisen ja instituutioiden välisen yhteistyön. Molemmat maat hyväksyivät siirtymästrategian ja toimenpideohjelman tammikuussa 2005. Strategiassa määritettiin toiminnot vuodesta 2005 vuoteen 2007 kestävästä kolmevuotisesta siirtymäkaudesta ajaksi.

Ulkoasiainministeriö teetti kesäkuuhun 2009 mennessä tulevaisuuteen painottuvan evaluaation siirtymäkaudesta. Tarkoituksena on tarjota ulkopuolisten asiantuntijoiden näkemyksiä siirtymävaiheesta sekä selvittää sen vahvuudet ja heikkoudet. Evaluaatiossa on myös tarkoitus arvioida siirtymätoimintojen lähestymistavan ja toteutuksen mahdollisia puutteita ja kiinnittää erityistä huomiota kummankin maan hyödynnettävissä oleviin valmiuksiin ja voimavaroihin. Lisäksi tulisi antaa suosituksia mahdollisuuksista parantaa maiden välisiä suhteita.

Siirtymästrategian evaluoinnissa käytettiin sekä kvalitatiivisia että kvantitatiivisia menetelmiä. Sekä Suomessa että Egyptissä tavattiin useita sidosryhmiä. Tiimi tukeutui voimakkaasti käytettävissä olevien asiakirjojen, raporttien ja kokouspöytäkirjojen tietoihin. Evaluointiprosessiin kuului myös kerättyjen tietojen todenperäisyyden vahvistaminen. Evaluaation tarkoituksena oli tutkia siirtymästrategiaa merkityksellisyyden, tehokkuuden, vaikutuksen, kestävyuden, Suomen saaman lisäarvon, johdonmukaisuuden, täydentävyyden ja vaatimustenmukaisuuden kannalta. Nämä kriteerit muodostivat pohjan evaluaatiomatriisille, jossa määritellään erityiset mittarit kullekin kriteerille. Lisäksi päätetyt hankkeet ja ohjelmat sekä uudet yhteistyöinstrumentit pisteytettiin neliportaisella asteikolla pääarviointikriteerien mukaan.

Siirtymää koskeva päätös ja siirtymän suunnittelu

Egyptin nousu keskitulotason maaksi oli tärkein peruste Suomen valtioneuvoston vuonna 2001 tekemälle yksipuoliselle päätökselle vetäytyä lahjamuotoisista kehityshankkeista Egyptissä. Tavoitteena oli siirtyä perinteisestä kahdenvälisestä avustusmuodosta monipuolisempaan kumppanuussuhteeseen. Päätöksestä ilmoitettiin Egyptille, ja kummassakin maassa alkoi tämän jälkeen neuvottelujakso. Tammikuussa 2005 käytyjen kahdenvälisen neuvottelujen aikana Egyptin ehdottamat muutokset sisällytettiin siirtymästrategia-asiakirjaan. Egypti korosti neuvotteluissa kiinnostustaan Suomen apuun kaupan alalla, mutta kyseistä alaa ei lisätty strategia-asiakirjassa määriteltyihin painopistealoihin, joita olivat ympäristö ja tietoyhteiskunta. Tammikuussa 2005 maat sopivat siirtymästrategiasta ja toimenpideohjelmasta vuosille 2005–2007.

Evaluaatiossa selvisi, että vaikka siirtymästrategialla oli uskottavat tavoitteet, ne olivat liian kunnianhimoiset kummankin maan käytettävissä olevaan aikaan ja voimavaroihin nähden. Suunnitelmasta puuttui looginen kehys ja järjestelmällinen lähestymistapa toi-

minnalle. Siinä ei käsitelty selkeästi panosten ja tuotosten loogista järjestystä eikä niiden oletettuja tuloksia ja vaikutuksia.

Suomi kehitti uusia yhteistyöinstrumentteja, jotka täydensivät ja korvasivat jo olemassa olevia. Osa instituutioiden välisen yhteistyön tärkeimmistä uusista instrumenteista saatiin käyttöön suunniteltua myöhemmin, mikä aiheutti tauon kehitysyhteistyöprojektien päättämisen ja uusien yhteistyötapojen käyttöönoton välille.

Lahjumuotoisista kahdenvälisistä hankkeista vetäytyminen

Siirtymästrategiassa oli nimetty kuusi hanketta, joista tuli vetäytyä vuoden 2007 loppuun mennessä. Hankkeiden lopetustapaa pidettiin tehokkaana ja kestäväenä, vaikka eri hankkeiden pisteet erosivat toisistaan. Siirtymätiimi onnistui kuitenkin lopettamaan hankkeet sovittujen suunnitelmien mukaan. Monet hankkeissa mukana olleista Egyptin instituutioista olivat kiinnostuneita jatkamaan yhteistyötä uusilla instrumenteilla. Merkkejä uudesta kumppanuudesta on jo ilmennyt.

Painopistealueet ja uusien instrumenttien vaiheittainen käyttöönotto

Korkotukiluotot, Finnpartnership-ohjelma, paikallisen yhteistyön määrärahat (PYM), opiskelija- ja tutkijavaihdon ohjelma, instituutioiden välisen kehitysyhteistyön instrumentti (IKI) ja korkea-asteen oppilaitosten välinen yhteistyöohjelma (HEI-ICI) on pisteytetty merkityksellisyyden, tehokkuuden, kestävyuden ja lisäarvon mukaan. Kaikki uudet instrumentit todettiin merkityksellisiksi ja Egyptin ja Suomen politiikkojen painopistealojen mukaisiksi. Finnpartnership arvioitiin kuitenkin vähemmän merkitykselliseksi, koska sen tyyppisille liiketoimintapalveluille on melko vähän kysyntää Egyptissä. Instrumenttien lisäarvo Suomelle arvioitiin vähäiseksi pääasiassa siitä syystä, että niiden käyttöaste on tähän mennessä ollut melko alhainen. Instrumenttien tarjoamat mahdollisuudet, jota mitattiin kummankin osapuolen jatkuvan kiinnostuksen perusteella, arvioitiin suhteellisen hyväksi. Instrumenttien tehokkuutta mittaavissa pistemäärisissä oli enemmän vaihtelua. Toisaalta korkotukiluotot ja Finnpartnership-ohjelma saivat alhaiset pisteet ja toisaalta paikallisen yhteistyön määrärahat (PYM) ja opiskelija- ja tutkijavaihdon ohjelma arvioitiin tehokkaiksi. Painopistealoiksi valitut ympäristö ja tietoyhteiskunta eivät herättäneet paljonkaan kiinnostusta.

Siirtymätavoitteiden saavuttaminen

Evaluaation yleinen johtopäätös on, että siirtymästrategian ensimmäinen tavoite eli kahdenvälisistä lahjumuotoisista ohjelmista ja hankkeista vetäytyminen saavutettiin, muita tavoitteita ei ole saavutettu kokonaan, minkä kumpikin osapuoli ennakoi jo siirtymävaiheen käynnistyessä. Poliittisen vuoropuhelun vahvistamista koskevaa tavoitetta ei pystytty arvioimaan.

Kauppa- ja taloussuhteita ei pystytty siirtymän aikana laajentamaan. Korkotukiluotot ja Finnpartnership-ohjelma eivät kumpikaan vaikuttaneet tilanteeseen. Finnpartnership keskittyi pääasiassa suomalaisiin yrityksiin, eikä se varsinaisesti edistänyt Egyptistä tapahtuvaa maahantuontia eikä Egyptillä puolestaan ollut vienninedistämisvirastoa Suomessa.

Tuloksiin vaikuttivat myös odottamattomat olosuhteet, kuten instituutioiden välisen yhteistyön uusien instrumenttien myöhäinen käyttöönotto ja vuonna 2006 tapahtunut pilapiirroskriisi, jolla oli vaikutusta koko alueen liikesuhteisiin.

Johtopäätökset

Evaluaatiosta tehdyt johtopäätökset voidaan tiivistää muutamaan seikkaan. Ensinnäkin maille tulee antaa runsaasti aikaa sopeutua uuteen tilanteeseen ja sopia yhteisistä kiinnostuksenkohteistaan, ja niille on annettava mahdollisuus uusien instrumenttien ja tavoitteiden vaiheittaiseen käyttöönottoon yhteisesti sovitulla painopistealoilla.

Toiseksi tarvitaan selkeä looginen kehys, jossa huomioidaan paikallinen yhteys ja muuttuvat olosuhteet. Kolmanneksi henkilöstövoimavarojen ja niiden valmiuksien on oltava siirtymästrategian tavoitteiden ja tehtävien tasalla kaikilla osallistujatasoilla.

Siirtymäkauden jälkeen: suhteiden parantaminen ja tehostaminen

Suomen ulkoasiainministeriö suunnitteli uudet instrumentit maailmanlaajuisen käyttöön ja kaikkiin yhteyksiin soveltuviksi. Evaluaatio osoitti, että instrumenttien täydellinen mukauttaminen Egyptin tilanteeseen vaatisi enemmän aikaa. Useimpia instrumentteja ei myöskään otettu käyttöön riittävän luovalla ja innovatiivisella tavalla. Uusien instrumenttien käyttö olisi ohjattava kahteen ensisijaiseen alaan: ympäristöön ja tietoyhteiskuntaan. Myös kaupan alalla on edistettävä useampia toimia, sillä se on molempien maiden edun mukaista. Huomiota tulee kiinnittää yhteistyön vahvistamiseen koulutuksen alalla, mistä kumpikin maa on erittäin kiinnostunut.

Suomen Kairon-lähetystön hallinnollisten valmiuksien ja voimavarojen puute tulisi korjata joko lisäämällä henkilöstöä tai ulkoistamalla hallinnollisia tehtäviä.

SAMMANFATTNING

Bakgrund och metodik

Finland är ett av de biståndsländer som 2001 beslutade att avsluta sitt traditionella bilaterala utvecklings-samarbete med Egypten. Syftet var att skapa en mer balanserad och diversifierad form av samarbete som även inkluderade samarbete inom politik, handel, kultur och institutioner. Övergångsstrategin och handlingsplanen godkändes av båda länderna i januari 2005. I strategin definierades de två ländernas fortsatta utveckling under en treårig övergångsperiod, från 2005 till 2007.

I juni 2009 beställde Finlands utrikesministerium en framtidsinriktad utvärdering av övergången. Syftet med utvärderingen var att ta fram professionella och externa synpunkter om övergångsfasen samt identifiera dess styrkor och svagheter. Utvärderingen ska även ge en beskrivning av eventuella begränsningar i strategin och genomförandet av övergången, med särskild tonvikt på utnyttjande av kapacitet och resurser i de båda länderna. Dessutom ska utvärderingen ge rekommendationer om möjligheterna att förbättra relationerna mellan de två länderna.

I utvärderingen av övergångsstrategin användes både kvalitativa och kvantitativa metoder. Utvärderingsgruppen träffade en rad intressenter både i Finland och i Egypten. Gruppen utgick till stor del från granskningen av bakgrundsmaterialet, rapporter och protokoll. I utvärderingsprocessen ingick att kontrollera insamlade data. Utvärderingen var utformad för att undersöka övergångsstrategin i fråga om relevans, effektivitet, verkan, genomslagskraft, hållbarhet, det finländska mervärdet, koherens, komplementaritet och överensstämmelse. Dessa kriterier med specifika indikatorer för varje enskilt kriterium låg till grund för utvärderingsarbetet. Vidare poängsattes de viktigaste utvärderingskriterierna i de avslutade projekten och programmen samt de nya samarbetsinstrumenten enligt en fyrgradig skala.

Beslut och utformning av övergången

Beslutet att gradera Egypten som ett medelinkomstland var det främsta argumentet när den finska regeringen 2001 enhetligt beslutade avveckla de bidragsbaserade utvecklingsprojekten i Egypten. Målsättningen var att förändra den bilaterala relationen med Egypten från en traditionell och stödinriktad modell till en mer diversifierad partnerskapsrelation. När Egypten meddelats om beslutet följde en period av överläggningar i både Finland och Egypten. Under de bilaterala överläggningarna i januari 2005 infogades de egyptiska ändringsförslagen i dokumenten för övergångsstrategin. Även om den egyptiska sidan under överläggningarna betonade att finländsk hjälp inom handelssektorn var ett intressant område, valdes inte detta område som ett prioriterat område i strategidokumentet, jämsides med miljö och informationssamhället. I januari 2005 enades de båda länderna om en övergångsstrategi och en handlingsplan för perioden 2005–2007.

Utvärderingen fann att även om övergångsstrategin omfattade rimliga mål var den alltför ambitiös med tanke på den tid och de resurser som var tillgängliga i respektive land. Utformningen av dessa mål saknade en logisk inramning och en systematisk implementeringsmetod. Övergångsstrategin var ett ramverk för att uppnå de önskade målen, men i strategin saknades en logisk systematisering av insatser och utslag, förväntade resultat och förväntad verkan.

Finland utvecklade nya instrument för att komplettera och ersätta befintliga instrument. Några av de viktigaste nya instrumenten för institutionellt samarbete var tillgängliga senare än planerat, vilket ledde till ett avbrott mellan utfasning och infasning.

Avslutandet av bidragsbaserade bilaterala projekt

I övergångsstrategin identifierades sex projekt för utfasning till slutet av 2007. Avslutandet av dessa projekt bedömdes enligt utvärderingen som effektivt, verksamt och hållbart, även om poängsättningen för de tre kriterierna varierar. Projekten lades ner enligt planerna. I ett antal egyptiska institutioner som medverkat i projekten förelåg ett samstämmigt intresse för vidare samarbete med hjälp av de nya instrumenten. Redan nu finns tecken på en övergång mot en bredare relation.

Prioriterade områden och infasning av nya instrument

Räntestödscreditsystemet, Finnpartnership-programmet, anslagen för lokalt samarbete, programmen för utbyte av studerande och forskare, instrumentet för institutionellt samarbete och instrumentet för internationellt samarbete för den högre utbildningen har betygsatts i fråga om relevans, effektivitet, möjlig hållbarhet och mervärde. Alla de nya instrumenten befanns vara relevanta och i överensstämmelse med prioriteringarna inom både egyptisk och finsk policy. Finnpartnership bedömdes dock vara mindre relevant på grund av den relativt begränsade efterfrågan på denna typ av företagstjänster i Egypten. Instrumentens mervärde för Finland är relativt lågt, vilket i huvudsak beror på den hittills begränsade användningen. Å andra sidan är instrumentens möjligheter, mätta utifrån det fortsatta intresset från båda sidor, relativt goda. Poängsättningen av instrumentens effektivitet varierar. Räntestödscreditsystemet och Finnpartnership-programmet fick låga poäng, medan anslagen för lokalt samarbete och programmen för utbyte av studerande och forskare ansågs tillräckligt effektiva. Det är anmärkningsvärt att miljö och informationssamhället, de två prioriterade områdena, inte uppmärksammades i högre grad.

Uppfyllande av övergångsmålen

Den övergripande slutsatsen av denna utvärdering är att det första målet, att fasa ut de bilaterala och bidragsbaserade programmen och projekten, uppnåddes. De återstående målen uppnåddes inte helt enligt båda parter planer i början av övergångsperioden. Resultatet för målet ”att stärka den politiska dialogen” har inte kunnat utvärderas.

Målet att öka förbindelserna inom handel och ekonomi uppfyllades inte, och systemet med räntestöds krediter och Finnpartnership bidrog inte till att förbättra situationen.

Finnpartnership var i huvudsak riktat gentemot finska företag och en inriktning mot att främja import från Egypten saknades. Egypten saknade dessutom en exportfrämjande verksamhet i Finland.

Andra bidragande orsaker var oförutsedda händelser som påverkade affärsrelationerna i regionen, till exempel det sena införandet av de nya instrumenten för institutionellt samarbete och karikatyrkrisen under 2006.

Lärdomar

Lärdomarna av denna utvärdering kan sammanfattas i några punkter. För det första är det viktigt att avsätta tillräcklig tid så att båda länderna hinner anpassa sig till den nya situationen och komma överens om gemensamma intressen och för att introducera nya instrument och mål för de överenskomna prioriteringsområdena.

För det andra ska det finnas ett tydligt utformat och logiskt ramverk som tar hänsyn till lokala förutsättningar och ändrade omständigheter. För det tredje måste personalresurserna och deras kapacitet vara i linje med övergångsstrategins mål och uppgifter på alla nivåer.

Efter övergångsperioden: förbättrade och uppgraderade relationer

De nya instrumenten utformades av Finlands utrikesministerium och var tänkta som globala instrument och tillämpliga under alla förhållanden. Utvärderingen visade att instrumenten behövde en längre tid för att vara fullt lämpliga för egyptiska förhållanden. Dessutom marknadsfördes de flesta av de nya instrumenten inte heller på ett kreativt och nyskapande sätt. De nya instrumenten bör också riktas mot de två prioriterade områdena: miljö och informationssamhället. Dessutom bör aktiviteterna inom handelssektorn främjas, då detta ligger i båda ländernas intresse. Vidare bör ytterligare insatser göras för att stärka samarbetet inom utbildning, ett område som båda länderna anser viktigt.

Bristen på förvaltningskapacitet och resurser vid den finska ambassaden i Kairo bör lösas antingen genom att anställa ytterligare personal eller genom att lägga ut förvaltningsuppgifter på entreprenad.

SUMMARY

Background and Methodology

Finland is one of the donor countries that decided to phase out its traditional bilateral development cooperation with Egypt in 2001. The intention was a shift to a more balanced and diversified form of cooperation, including political, commercial, cultural and institutional cooperation. The Transition Strategy and Action Plan were approved by both countries in January 2005. In the Strategy, the way forward for the two countries was set out over a three-year transition period running from 2005 to 2007.

By June 2009, the Ministry for Foreign Affairs of Finland (MFA) commissioned a future-oriented evaluation of this transition experience. The purpose of the evaluation is to provide professional, external views on the transition phase, identifying its strengths and weaknesses. It would also outline possible limitations in the approach and realization of the transition activities. One of the focal areas of the evaluation was the capacities and resources of both countries. Moreover, the evaluation should provide recommendations on opportunities to enhance relations between the two countries.

The evaluation of the transition strategy applied both qualitative and quantitative techniques. A number of stakeholders both in Finland and in Egypt were met. The team relied heavily on documentation reviews, reports and minutes of meetings. Verification of the data collected was part of the evaluation process. The evaluation exercise was designed to examine the transition strategy in terms of relevance, efficiency, effectiveness, impact, sustainability, Finnish added value, coherence, complementarity and compliance. These criteria formed the basis of the evaluation matrix, with specific indicators per criterion. Furthermore, the scoring of the phased-out projects and programmes and of the new cooperation instruments was done on a four-point scale for the main evaluation criteria.

Decision and Design of the Transition

Graduation of Egypt to middle income country status was the main argument for the unilateral decision by the Finnish Government, in 2001, to phase out its grant-based development projects in Egypt. The aim was to shift from a traditional form of assistance to a more diversified partnership. The decision was communicated to Egypt, and a period of consultation followed both in Finland and in Egypt. During the bilateral consultations in January 2005, changes suggested by the Egyptian side were incorporated in the Transition Strategy document. The Egyptian side emphasized its interest in Finnish assistance in the trade sector but it was not selected as one of the priority areas, which were environment and information society. In January 2005, both countries agreed on the Transition Strategy and Action Plan for the period 2005-2007.

The evaluation found that while the transition strategy had plausible objectives, they were too ambitious, given the time and resources available in both countries. The design of these objectives lacked a logical framework and a systematic approach to its implementation. The Transition Strategy was a framework designed for achieving the desired objectives, but it did not clearly address the logical ordering of inputs/outputs and their expected outcomes and impacts.

Finland devised new instruments to complement and replace existing ones. Some of the most important new instruments on institutional cooperation were available later than planned, which caused a gap between the phasing-out and phasing-in.

Phasing-out of Grant-Based Bilateral Projects

The Transition Strategy had identified six projects to be phased out towards the end of 2007. The performance in phasing out these projects was found efficient, effective and sustainable, although the scoring between projects varied. However, the transition team managed to phase out the projects according to the set plans. In a number of the Egyptian institutions involved in the phased-out projects there was a consistent interest in cooperation with the new instruments. There are already signs of a broader relationship emerging.

Priority Areas and Phasing-in of New Instruments

The concessional credit scheme, Finnpartnership, funds for local cooperation (LCF), student and research exchange programme, institutional cooperation instrument (ICI) and the higher education institutional cooperation (HEI-ICI) have been scored in terms of relevance, effectiveness, potential sustainability and value added. All the new instruments were found to be relevant and aligned with the priorities of both the Egyptian and Finnish policies. Finnpartnership was, however, judged to be less relevant, due to the relatively limited demand for this type of business services in Egypt. The added value of the instruments to Finland is rated low, primarily due to the relatively low usage rates until now. The potential of the instruments, measured by the continued interest from both sides, is evaluated relatively high. The scoring on the effectiveness of the instruments gives a more varied picture. On the one hand, the concessional credit scheme and Finnpartnership scored poorly, and on the other hand, the funds for local cooperation (LCF) and the student and researcher exchange programme are ranked as effective. Environment and information society, which were major priority areas, did not attract much attention.

Achievement of Transition Objectives

The overall finding of this evaluation is that the first objective, namely the phasing-out of the bilateral grant-based programmes and projects, was achieved. The remaining objectives have not been completely achieved as foreseen by both parties at the beginning of the transition. The objective of “strengthening the political dialogue” could not be assessed.

The objective of expanding commercial and economic relations was not met. Neither the concessional credit scheme nor Finnpartnership contributed to the situation. Finnpartnership was mainly oriented to Finnish companies and there was no actual focal point of promoting imports from Egypt. Egypt did not have an export promotion agency in Finland.

There were also unforeseen circumstances, such as the late introduction of the new instruments for institutional cooperation and the cartoon crisis in 2006, which affected the business relations in the entire region.

Lessons Learned

The lessons learned from this evaluation can be summarized in a few points. Firstly, it is important to allow ample time for the two countries to adjust to the new situation and to agree on their mutual interests and allow new instruments and objectives to be phased in for the jointly agreed priority areas.

Secondly, there should be a clear logical framework, taking into account the local context and changing circumstances. Thirdly, the human resources and their capacity must be in line with the objectives and tasks of the transition strategy at all levels involved

Beyond the Transition Period: Enhancing and Up-scaling the Relations

The new instruments were designed by the Ministry for Foreign Affairs in Finland to be available globally and applicable to all contexts. The evaluation showed that the instruments would require a longer time for them to be fully adapted to the Egyptian context. Furthermore, most of the instruments were not adequately introduced using creative and innovative ways. The new instruments should also be targeted towards the two priority areas: the environment and information society. In addition, more activities in the trade sector should be promoted, as that is in the interest of both countries. Attention should be given to strengthening cooperation in education, which is highly of interest for both countries.

Lack of administrative capacity and resources at the Finnish Embassy in Cairo should be solved, either by increasing staff or by outsourcing administrative tasks.

Findings	Conclusions	Recommendations
DECISION ON AND DESIGN OF THE TRANSITION STRATEGY		
<p>Relevance Finland focused on the phasing-out of projects and development of new modalities. Egypt needed time to accept the decision of phasing-out of bilateral aid and emphasized trade relationship improvement.</p>	<p>The Transition decision was in the interest of Finland while less so to Egypt.</p>	<p>Alignment of perceptions and goals of both parties is a prerequisite for a successful implementation of a transition strategy.</p>
<p>Coherence, Complementarity and Compliance The Finnish decision was unilateral. It took more than three years to prepare the design of the transition strategy. Egypt was consulted on the draft Strategy and provided inputs that were integrated in the final strategy document. The transition strategy and action plan lacked a clear logical framework of objectives, activities and results.</p>	<p>The exit decision and design of strategy for the transition were compliant and coherent with Finnish policy in 2004. They were also complementary to the European Neighborhood policy and policies of other donors in Egypt. The time-consuming design shortened the period during which the transition objectives had to be achieved. There was no good management tool to systematically keep track of progress during the transition.</p>	<p>Stronger involvement of the partner country in the design of the strategy is recommended in order to obtain better commitment to the strategy. A clear and jointly shared logical framework in line with the transition strategy and with a possibility for regular updates could assist the management of transition processes and the achievement of the objectives. Objectives should be specific, measurable, achievable, realistic and time-bound (SMART).</p>
TRANSITION MANAGEMENT		
<p>Efficiency The majority of projects were phased out according to the plans.</p>	<p>Phasing-out of the projects was efficiently managed.</p>	<p>Joint systematic reviews of the projects should be a central element also in</p>

<p>The monitoring of the phasing-out was adequate.</p>		<p>future transition processes.</p>
<p>Effectiveness After the projects were phased out, the Egyptian partners expressed an interest in further forms of cooperation.</p>	<p>There are signs of new partnership emerging, especially through the ICI instrument.</p>	<p>The results of phased-out projects should eventually constitute a basis for new cooperation forms.</p>
<p>Sustainability Importance of sustainability was highlighted in all projects and was praised by Egyptian counterparts.</p>	<p>Sustainability of phased-out projects is generally high.</p>	<p>Sustainability should be ensured also in the future cooperation.</p>
<p>New Instruments in the Egyptian context Both Finnish and Egyptian sides were interested in the new instruments.</p> <p>The new instruments were found to be coherent and relevant to Egyptian objectives. Finnpartnership scored lower on relevance.</p>	<p>The new instruments are appreciated by the partner country, with the exception of Finnpartnership.</p>	<p>Familiarity with and visibility of existing instruments are important.</p> <p>Elaborate guidelines and built-in flexibility of the instruments for ex. ICI and HEI ICI</p> <p>MFA could consider increasing the grant share in financing for Finnpartnership.</p> <p>Grants to local NGOs could be focused on the agreed priority areas (LCF)</p> <p>A study on the interest of Egyptian and Finnish students to adjust funding levels should be carried out (student and researcher Exchange programme):</p>

<p>Use of Instruments to the cooperation</p> <p>The evaluation found no evidence of specific negotiations on instruments, with the exception of concessional credits.</p> <p>The new instruments were developed by the MFA of Finland as global instruments. Their development came late in the process, contrary to the initial expectations.</p> <p>The instruments did not address well the agreed priority areas.</p>	<p>The delays in developing new instruments caused a gap between phasing-out of the bilateral development cooperation and phasing-in of the new types of cooperation. Therefore activities were minimal after 2007, while currently there are signs of increasing cooperation.</p>	<p>Pilot the instruments and learn from the initial experiences.</p> <p>Involving relevant stakeholders from both countries for enhancing the buy-in of the instruments is important.</p>
<p>TRANSITION MANAGEMENT – ACHIEVEMENT of OBJECTIVES</p>		
<p>Phasing-out of Bilateral Grant-Based Programmes and Projects</p> <p>All bilateral programs and projects were successfully finished by 2007, although some projects might have needed a longer phase-out period.</p>	<p>Finland successfully achieved the first objective of the transition strategy.</p>	<p>Planning the phasing-out of projects with strong participation of local stakeholders is advisable.</p>
<p>Strengthening Commercial and Economic Relations</p> <p>Trade balance between Egypt and Finland remains in favor of Finland.</p> <p>The instruments and activities hardly contributed to addressing the trade imbalance.</p>	<p>Commercial and economic relations have not been strengthened during the transition period.</p> <p>Concessional credit is potentially useful instrument while the Finnpartnership is less so.</p>	<p>A new study to diversify and enhance the trade and investment relationship between the two countries is advised. Both Finnish and Egyptian companies should be involved in the study, which should depart from existing activities.</p>

<p>Expanding Cooperation between Institutions This instrument became available very late. Three cases of twinning are starting.</p>	<p>Even though the ICI and HEI ICI instruments are quite new, they are promising.</p>	<p>Encourage cooperation among Institutions of different types. Improve availability of information on the ICI in Egypt and streamline the application procedures of ICI and HEI ICI.</p>
<p>Strengthening Cooperation between Civil Society Actors Finland has had one NGO working in Egypt since 2000. No observable changes have occurred since then. Egypt is interested in the work of international civil society organizations, but within the specific rules and regulations of the Egyptian Law. LCF is a strong tool that provides quick money to local NGOs in a flexible manner allowing changes and shifting among different priority areas.</p>	<p>Civil Society Law in Egypt presents challenges to international civil society organizations and Egyptian NGOs. This transition objective has not been achieved.</p> <p>The LCF is a viable instrument for supporting Egyptian NGOs.</p>	<p>The objective should have been adjusted to the local context.</p>
<p>Strengthening Cooperation in the fields of Culture and Education Cultural activities, except for education, lack proper planning. Thus the effect of the transition strategy on strengthening cultural cooperation could not be determined.</p>	<p>It is obvious that Finland has been active on the cultural front with Egypt but rather on ad hoc basis.</p> <p>The student and researcher exchange</p>	<p>Capitalize on successful cultural and educational cooperation activities.</p> <p>Further study on the interest of students and</p>

<p>The student and researcher exchange programs provide good opportunities to concentrate on the priority areas (environment and ICT).</p>	<p>programs were found to be successful. The number of different funding options has been increasing recently.</p>	<p>researchers from both sides, in order to adjust the funding levels. Further information sharing is needed to increase the visibility of the existing instruments.</p>
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1 INTRODUCTION

1.1 Objectives

The Finnish government decided in 2001 to gradually discontinue development co-operation with Egypt, Peru and Namibia as the new development policy preferred to concentrate the external aid to the LDCs. This evaluation focuses on the relationship between Finland and Egypt and the change in the relations as a result of this decision. The 2001 decision was translated into “the Transition Strategy and Action Plan” (Ministry for Foreign Affairs of Finland 2005). The evaluation focused on the process from the exit decision on development cooperation, leading to the formulation of the transition strategy and its implementation.

According to the Terms of Reference (ToR) the objectives of this evaluation are:

- Professional view on how the transition phase succeeded and what are the strengths, weaknesses and possible limitations in the approach and realisation of the transition activities; particular focus should be on capacities and resources of both countries to involve in the new type of approach and instruments used in the process;
- A realistic and innovative view on opportunities and new openings for enhancing and up-scaling the relations between Finland and Egypt.

1.2 Scope

The evaluation covered the period from 2001 until the present time. Hence, the 2001 decision is taken as point of departure for the analysis. The process leading to the formulation of the transition strategy and action plan is taken into account, while also the elements of the transition strategy are analysed. The main focus is on the implementation of the action plan and its elements of phasing out of bilateral projects, the new priority areas and instruments for future cooperation. The issue of scoping was addressed in the inception report. It was agreed that the evaluation team would review all the projects to be phased out, all priority areas and all instruments for future cooperation. The choice for this broad scope of the evaluation went at the expense of the depth of the analysis. The advantage is that all elements of the strategy are covered. No general conclusions on the global instruments are provided, but in line with the requirements of the ToR, the focus is on how these instruments were used in the context of the relations between Finland and Egypt with special attention for possibilities to further enhance the bilateral relations.

In relative terms, more resources were put into the analysis of the new instruments and future possibilities for enhancing and up-scaling the relations between Finland and Egypt than on the phasing out of the grant based development projects. It was not the intention of the project reviews to provide a holistic picture about the whole

life period of a project. The project reviews were meant to assess how the transition strategy affected the projects and to understand the transition management performance in phasing out these projects. The most important questions of the project reviews concentrated on the sustainability criterion: Are the exited projects taken over by the local institutions and are activities continued? For three out of the six development projects that had to be phased out, the project reviews examined the follow-up effects and the consequences of the phasing out on the implementing organisations and project beneficiaries. In consultation with the Office for Development Evaluation the following three case studies were selected for this analysis:

- Egyptian Antiquities Information System Project;
- Hazardous Waste Management Project in Alexandria;
- El Annania Wastewater Treatment Project.

1.3 Methodology

The methodology adopted qualitative and quantitative approaches. For example, the phasing out of the projects and the instruments were scored against a set of evaluation criteria on a four-point scale. The overall transition strategy was analysed thoroughly in terms of its relevance, coherence, complementarity and compliance, efficiency, effectiveness, impact, sustainability and Finnish value added. The evaluation questions were tested to both – the individual projects and instruments and the whole transition programme. The detailed evaluation questions used for each of the categories are presented in Annex 3.

The methodology draws on the assumptions used for the joint donor evaluation for Sweden, Denmark, Norway and the Netherlands on “Managing Aid Exit and Transformation” (Slob & Jerve 2008). In this evaluation the classification of aid exit and transformation cases was based on two main criteria: 1. justifications for the exit or transformation decision, and 2. communication of this decision and the interaction of partners in the development of a strategy. These two criteria formulate the basis for the analysis of the transformation of the bilateral relations between Finland and Egypt. The following working hypothesis was adapted for the field phase: The communication of the 2001 decision and the local context in Egypt influenced the quality and success of the implementation of the transition strategy.

The analysis in this evaluation is based on document reviews and extensive interviews with stakeholders both on the Finnish and the Egyptian sides.

2 ANALYSIS OF THE TRANSITION STRATEGY

The transition strategy can be properly analysed only against the background of the history of the Finnish-Egyptian relations. In line with the methodology described above, the justification for the decision is analysed as well as how the decision was communicated to the partner country and how the development of the strategy and action plan by the various actors evolved. Finally, the intervention theory of the transition strategy is analysed. This chapter focuses explicitly on the decision leading to the transition strategy and action plan.

2.1 Background and Policy Context

2.1.1 *Finnish-Egyptian Bilateral Relations*

Finland recognized Egypt as an independent State in 1922, four years after its own Independence. In the same year, an Honorary Consul was appointed in Alexandria. Subsequent to a bilateral trade agreement in 1931, a Finnish trade exhibition was brought to Alexandria by the legendary Suomen Joutsen frigate in 1933. While relations between the two countries were discontinued during World War II, diplomatic relations was restored in 1947.

Finland assumed a prominent role in the peace enforcement process in Egypt in the aftermath of the Suez Crisis in 1956. In 1959, a commercial representation of Finland was established, later followed by a full Embassy. Trade exchange and tourism flourished in the 1960's. President Kekkonen visited Egypt during the Nasser era in 1967. In the 1970's, there were various political and commercial contacts between the two countries. In 1977 an Agreement on Economic, Industrial and Technical Cooperation was signed. It was agreed to cover costs of joint projects, research, technology and expertise exchange, thereby marking the start of development assistance to Egypt. Between 1980 and 2000, Egypt was the sixth largest beneficiary of Finnish aid in the Middle East and North Africa. During this period it received development aid valued at around EUR 150 million, mainly in agriculture, water and energy (rural electrification by Nokia).

2.1.2 *Finnish Development Policies in 2004 and 2007*

Besides the government policy decision in 2001, two important policy documents have been issued by Finland over the period 2004–2007 – Government Resolution on the Development Policy in 2004 (Ministry for Foreign Affairs 2004a) and the 2007 Development Policy Document (Ministry for Foreign Affairs 2007). The Development Policy in 2004 committed itself to achieve eight Millennium Development Goals for Finland's development policy. On bilateral development cooperation, Finland would concentrate its cooperation on fewer countries and larger cooperation en-

tities in order to improve the effectiveness of cooperation. Government-to-government grant aid would be increased with the long-term partner countries where the premises for cooperation develop favourably.

In the 2007 Development Policy Document, sustainable development was highly emphasized. Depletion of non-renewable energy, environmental degradation and climatic change were brought in as prominent themes. The new Policy Document addressed the trend that the development policy will, to a greater extent, stress the significance of environmental issues, global migration and crisis prevention. To address some of these issues global or multilateral instruments would be deployed.

Solutions, such as new technologies (like biotechnologies) across the key sectors of Environment and ICT were presented. “Village phone for connectivity” as a concept was presented. Although not explicitly mentioned in the Policy, the concept seems to be inspired by the Base of the Pyramid philosophy – business to support the poor. Wireless communication had been pinned as one of the flagships of Finnish value added. Energy efficiency and environmental protection could be achieved by reducing energy usage in transport or by overall reduction of use of natural resources.

2.1.3 Egypt’s Policy Framework

The legal basis for Egypt’s relations with the EU is the Association Agreement (AA) which entered into force in 2004. Egypt has also negotiated with the EU through the European Neighbourhood Policy (ENP) Action Plan. The joint Action Plan was expected to be adopted in 2006 for three to five years and would constitute a comprehensive policy framework for developing mutual relations, including commitments on political, social and economic issues, centred on common values shared by Egypt and the European Union. According to the Plan, regular dialogue between the EU and Egypt would occur through technical committees. This mode would allow the two sides to set specific annual priorities. Egypt has drawn up a reform agenda for the years ahead. The Action Plan, valued at EUR 558 million, is consistent with Egypt’s reform agenda (2002–2007).

The objective of the Egyptian Government was to achieve equitable growth by developing the private sector and reducing the Government’s role in managing the economy (improving the business climate, actions on trade, finance and reducing taxation). The public sector was to focus on providing services (infrastructure and education) and on ensuring macroeconomic stability. More specifically, the Egypt reform agenda for 2002–2007 covered the following aspects:

- Improve the quality of life and standard of living; increase employment opportunities and reduce unemployment; reduce the poverty incidence and provide social security for poor families; eradicate illiteracy and develop schools and higher education;
- Enhance the state of institutions based on respect for human rights and public freedoms; enhance judiciary independence; expand participation in political life; and enhance human resources and build up institutional capacity;

- Increase rates of economic growth and investment; increase female participation in development; achieve a significant expansion in production and export capacity; improve industrial potential; promote innovation, scientific research and technological development; and preserve the environment.

2.1.4 Experiences of Other Donors

Finland is not the only country to phase out traditional aid assistance in Egypt. Other donor countries have made a similar decision and are currently working in Egypt on a smaller but also different scale than prior to their phasing out decision. Such donor countries include Denmark, The Netherlands, the USA and Sweden. Below reference is made to the transition experience of two countries, that are somehow comparable to Finland and which have demonstrated specific elements that could be beneficiary for Finland to consider for the future.

Denmark is one of the donors that have recently decided to phase out ODA in Egypt. The Danish decision was based on the shift of Egypt's official country status to a middle income country. Denmark had scheduled a phasing out by 2007, but rescheduled it till the end of 2009. Despite the fact that it is still early to assess the Danish experience in terms of processes and procedures, new instruments have been developed for the purpose of supporting private sector development through its B2B programme, Public Private Partnership programme and Mixed Credits. The ultimate objective of the B2B program is to improve economic growth and reduce poverty through support to the establishment of long term and mutually committing partnerships between Danish and Egyptian companies; a program very much similar to the Finnpartnership, but with a maximum level of support of DKK 5 million (around EUR 670 000). In addition, Denmark is supporting Egyptian Business Development Services, such as the Environmental Compliance Office, and a Danish Egyptian Dialogue Institute.

The Netherlands is another example of a donor country phasing out. The Netherlands downsized its development assistance to Egypt for the same rationale as Finland and Denmark. The Dutch development assistance, given the downsizing and the limited resources that would be available to Egypt, has taken a more focused approach towards ODA; it used mainly a sector and region (geographical) specific approach. In that sense, the Dutch development cooperation is mainly focused on the water sector. It is a specific focus area on the governorate of Fayoum in Egypt where many most water related problems have been identified.

2.2 The Exit Decision and Development of the Transition Strategy

2.2.1 Finnish Policy Changes and Exit Decision in 2001

The Finnish Government Decision-in-principle “Operationalisation of Development Policy Objectives in Finland’s International Development Cooperation”, (Ministry for Foreign Affairs of Finland 2001) led to major policy changes to Finland’s development assistance to several countries. Based on this Government Decisions-in-principle, the Finnish government would direct its development aid mostly towards the Least Developed Countries focusing on: 1) reducing poverty, 2) preventing environmental disasters and 3) promoting equality, democracy and human rights.

At the same time, macroeconomic changes occurred in Egypt. During the last decade, Egypt managed to achieve substantial economic growth averaging 5 percent between 1995 and 2000 and reached the status of a “middle income country” according to the UN classification. Based on these developments, Egypt (as well as two other countries, Peru and Namibia) would no longer fulfil the criteria for development assistance. Consequently, in February 2001, the Finnish Government decided to gradually discontinue the long-term partner country status with Egypt and phase out its grant aid programmes within three to seven years.

Further support to the Finnish government decision was provided by the 2001 evaluation report of the Development Cooperation Program between Egypt and Finland. The evaluation report recommended that a clear exit strategy had to be designed in close cooperation with the Egyptian authorities with more emphasis on diversified cooperation and interaction. The report equally suggested:

- Possible future thematic cooperation should be based on synergies between Finnish comparative advantages/expertise and under-resourced Egyptian needs;
- NGO cooperation and Funds for Local Cooperation should be continued, focusing on cross cutting issues;
- Regional and multilateral programmes, particularly MEDA cooperation should be given more emphasis;
- No major efforts to market concessional credits should be made;
- A new instrument for business partnerships between Finnish, Egyptian and other countries’ companies should be developed;
- PPP possibilities should be carefully studied.

2.2.2 Justification for the Transition Decision

The literature indicates that exit and transition decisions are mostly political and the Finnish decision in 2001 is no exception to this rule. Moreover, these decisions are most of the times taken unilaterally by donor countries. This is also the case for the decision of Finland to gradually discontinue its long term development cooperation

relationship with Egypt and to phase out its grant programmes. Egypt did neither participate in the decision, nor was it consulted.

Various justifications for exit decisions have been distinguished:

- The graduation argument: the recipient can manage without aid;
- The governance argument: the recipient is disqualified because of a perceived violation of good governance standards;
- The mismanagement argument: the recipient is accused of mismanagement of aid;
- Revised criteria for selection of partners.

In case of the Finnish Government decision, both the graduation argument and the revised criteria for selection of partner countries apply. The decision made clear that in the future Finnish development cooperation would focus on LDCs, which was not explicitly the case before 2001. The level of economic development in Egypt during the 1990s and its status as a middle income country provided Finland with an opportunity to move from relations where the emphasis is on development cooperation to relations based on more diversified cooperation and interaction.

2.2.3 Transition Management

In order to classify the transition management, some key characteristics have to be taken into account. The geopolitical significance of Egypt cannot be ignored in the turbulent Middle East region. Egypt is also characterised by a stable governance situation. Although aid dependence is not high in absolute terms, many donors are still present in Egypt.

These country characteristics point to a graduating country with which donor countries such as Finland would like to maintain good bilateral relations. Therefore, the issue of pursuing the transformation of relations is the main element of the exit process.

2.2.4 Communication of the Transition Decision to Egypt and Consultations between the Countries

During the 2002 bilateral consultations Finland gave an indication to Egypt of the forthcoming transition. The consultation and negotiation process in Egypt was lengthy and extensive. The beginning was not easy as the Egyptian authorities did not want the development cooperation to cease. The Egyptian counterparts needed time to get used to the idea

Before drafting the Strategy document a considerable amount of time was spent in 2003–2004 to explain the Finnish decision and the future objectives to the Egyptian counterparts. The fora for these discussions were project committees, discussions with the MFA of Egypt, donor coordination meetings and discussions at relevant Ministries at Minister and technical levels.

2.2.5 Preparation and Adoption of the Transition Strategy

The Transition Strategy document was prepared by the Egypt Team at the Ministry for Foreign Affairs of Finland in coordination with the Finnish Embassy in Cairo. One Finnish officer, who joined the Egypt team in 2003, was put in charge of writing the transition document. In 2004, the draft Strategy and Action Plan was subject to an extensive consultative process in Finland prior to the negotiations with Egypt. Several Ministries like the Ministry of Employment and Economy, the Ministry of Education and Finnish private sector firms were consulted. According to the nature of the transition, the aim was to find out and raise the interest of various public and private institutions, ministries and firms about cooperation possibilities in Egypt.

The Egyptian side was not in favour of phasing out development cooperation. The two parties engaged in elongated discussions till the end of 2004. In fact between 2001 and 2004, high-level Ministerial meetings and various other (also more informal) meetings between the MFA and the Egyptian Ministry of International Cooperation (MIC) were held to discuss the way forward and the interests on both sides. Consultant studies in the focal sectors were also carried out during the preparatory phase which provided an opportunity for Egypt to indicate their wishes.

The idea of a Transition Strategy was formally launched by Finland at a high level meeting during the 2004 visit of Minister Lehtomäki to Egypt and there the term 'diversification of the cooperation' was being used.

In January 2005, when the Transition Strategy was already drafted, a 15 person delegation from Egypt was invited to Helsinki to discuss the transition strategy and the action plan. The conclusions of the January 2005 consultations mention the Egyptian Government respect to the Government of Finland's decision, but also highlight the importance of continuing development cooperation between the two parties while Egypt would be considered as a "programme country."

The delegation of 15 persons was a larger delegation than normally was invited to Helsinki. This was to have a wider buy-in of the Strategy. The Head of the Egyptian Delegation, Ms. Abu Zeid, in her opening remarks of these bilateral consultations in Helsinki elaborated on the good results achieved in Egypt's economic and social reform process. She also commended that Finland together with the EU partners was committed to supporting this reform.

The Transition Strategy and Action Plan were considered by the MFA as a framework for negotiations. The head of the Egyptian delegation also expressed great concern about the significant trade imbalance between the two countries and requested Finland's assistance in this field. Moreover, Egypt wanted more cooperation in the field of tourism, technical and vocational education and civil aviation. Egypt also emphasized that the NGO and cultural cooperation should take place within the boundaries of Egyptian legislation and contractual relationships. This indicates that both the Finnish side and the Egyptian side came with special wishes to the table. As Finland drafted the

Transition Strategy, many ideas reflected the Finnish wishes such as cooperation in environment, cooperation between institutions and cooperation between NGOs.

After negotiations, priorities such as ICT were jointly agreed upon. The MoU on the concessional credit scheme was approved by the Egyptians. The Transition Strategy and Action Plan, with some changes, were accepted as an annex to the conclusions of the bilateral consultations between Egypt and Finland in January 2005.

The analysis of the preparation works of the Transition Strategy indicates that Finland was in the lead of the drafting process and Egypt was only gradually more actively involved. During the official negotiations and even at and after the signing of the MoU, the Egyptian side proposed concrete plans and ideas.

2.2.6 Main Contents of the Transition Strategy and Action Plan

The Transition Strategy and Action Plan set out the guidelines for the cooperation between Egypt and Finland until the end of 2007 and beyond. The Plan of Action contained a Vision, Objectives, and Principles and focused on the period of 2004-2007.

The Vision of the Plan states that: “By the year 2007, the current development cooperation projects will have been phased out in a well-thought-out manner with a view to arriving at sustained results. The relations between Finland and Egypt are based on strengthened commercial and economic relations and enhanced cooperation in the form of exchange of knowledge and know-how, and capacity building between various institutions. There will also be more cooperation between other civil society actors of the two countries. Both parties deem important that the Finnish support contribute towards the achievement of mutually agreed Millennium Development Goals and that it be carried out in such a way that it complements Egypt’s efforts to achieve its national development and reform goals”.

The implementation of the Transition Strategy and the shift from grant projects to diversified forms of cooperation would be governed by several principles:

- Participatory approach;
- Egypt’s ownership of its own reform and development processes;
- Intensified cooperation with all stakeholders;
- Identification of new cooperation partners;
- Innovative approach; and
- Awareness of the challenges ahead, regarding the promotion of private sector participation.

The main objectives of the Transition Strategy were:

1. Sustained phasing-out of grant-based bilateral programmes and projects and their replacement by regular cooperation;
2. Strengthening commercial and economic relations between Egypt and Finland and support for the on-going transformation of the Egyptian economy and institutions to market economy.

The other objectives were:

3. Strengthening cooperation between institutions;
4. Increased cooperation between various Finnish and Egyptian NGOs and other civil society actors;
5. Strengthened cooperation in the field of education, science and culture;
6. Strengthened political dialogue.

All ongoing aid projects would get a phasing out period of two to three years up to end of 2007. It was assumed that, after expiration of the transition period, other actors in the public and private sectors would take up a more central and active role at their own initiative: "Cooperation modalities and instruments will gradually be exchanged for new ones to better correspond to cooperation objectives between market economies" (Ministry for Foreign Affairs 2005, section 2.1).

The new cooperation instruments were planned to be ready by the end of 2007. New development cooperation instruments were designed by the Department for Development Policy of the MFA. They were not designed as country-specific instruments, but rather as global instruments to be used throughout the Finnish development cooperation programs.

In the Transition Strategy document, ways and means of achieving the objectives were specified by a further definition of each objective together with a list of planned activities and responsible actors.

Three main components of the strategy were:

1. Phasing-out of bilateral grant-based programmes and projects;
2. Priority areas of future cooperation;
3. Instruments of future cooperation.

Component 1: The development cooperation projects to be phased out included:

- Mental Health Programme;
- Egyptian Cadastral Information Management project;
- Egyptian Antiquities Information System project;
- Regional Water and Sanitation project in Beni Suef Governorate;
- Hazardous Waste Management project in Alexandria;
- Al Annania Wastewater Treatment project.

Component 2: Two priority areas of future cooperation included the environment and information society development.

Component 3: Among the instruments for future cooperation ODA is considered as a catalytic tool for private sector participation and for cooperation between institutions, while also multilateral cooperation can be funded. In addition the following instruments would be available:

- Concessional credits;
- Appropriations for Economic, Industrial and Technological projects (not in existence any more);

- Private sector Participation Facilitation;
- Funds for Local Cooperation;
- Support for student and researcher exchange;
- Regional and multilateral cooperation.

In practice, some of these instruments were not developed or used, while other new instruments were developed during the transition period (chapter 5).

The three components of the transition strategy will be analysed in details in the following chapters.

2.3 Assessment of the Transition Strategy

2.3.1 Reconstruction of the Intervention Logic

The whole idea of the Transition Strategy was to move to normal business-to-business, actor-to-actor relation. Some activities or forms of cooperation could still be ODA funded.

As mentioned earlier, the Transition Strategy document defined six objectives, the analysis of which revealed that there are obvious overlaps between some of them. As such, two objectives (2 and 6) deal with strengthening broader relations, i.e. commercial, economic and political relations. And in a similar manner, the three objectives (3, 4 and 5) deal with strengthened cooperation between institutions in general, including civil society actors and organisations in the fields of education, culture and science.

When the objectives are analysed in detail, it is observed that some activities are planned for each objective. However, in some cases activities are concrete, like carrying out mid-term reviews for all projects to be phased out. In other cases, new objectives are being mentioned under the headings such as strengthened cooperation between specific institutions, strengthening of commercial and economic relations. In other cases, reference is made to specific instruments such as support to NGO projects (through LCF). Consequently, the way the objectives are elaborated varies considerably.

For each objective, a number of actors is defined but their role and the type of interaction between the actors is not defined. For example, the private sector actors would need to play a vital role in cooperation with the MFA and the Embassy in Cairo in achieving objective 2. On objective 3, the MFA could facilitate matchmaking between the various institutions, though in the future the Egyptian and Finnish partners would be expected to act more independently. Implicitly, the MFA expected to play a key role together with the Egyptian counterparts in coordinating the transition towards a broader cooperation, in which other actors in the public and private sectors are supposed to play a more active role at their own initiative.

No clear logical framework has been used in the design of the Transition Strategy. Moreover, the Action Plan is not elaborated in detail

The bilateral consultations held in 2002 referred to an alternative priority area for co-operation, namely trade and commercial issues based on the EU-Egypt Association Agreement and the DOHA declaration. One option could be technical assistance and training to strengthen Egypt's capacity in export promotion and access to markets. Similarly, co-financing of EU's Industrial Modernisation Programme was mentioned.

As indicated earlier, during the January 2005 bilateral consultations between Egypt and Finland the Egyptian delegation expressed concerns about the significant trade imbalance between Finland and Egypt and requested the Finnish assistance in this field. This idea was included in the second objective of: Strengthening the commercial and economic relations. However, trade was not selected as a specific priority area. Referring to the 2002 Strategy, the Transition Strategy and Action Plan of 2005 merges trade and environment by referring to 'the DOHA Round and support [through duty exemptions] to environmentally friendly technologies'. However, how this should be implemented was not explained. Therefore some opportunities for complementary strategies were probably missed.

The Finnish Transition Strategy and Action Plan for Egypt do not differ much from other exit and transformation strategies prepared by other donors in the same period. For example, there is no clear definition of the concept of 'diversification of cooperation', which coincides with the finding that other donors did not often define the concept of 'broader cooperation' in their transformation strategies. Moreover, the issue of funding is not very clear. It seems that in the future ODA-funding will be still used, while it would be good to reflect on the use of ODA funding and non-ODA funding for new forms of cooperation. There are some good examples on the use of non-ODA funding for broader cooperation e.g. in Denmark and the Netherlands.

2.3.2 Relevance: Did the Transition Strategy meet Expectations from both Sides?

Initially there was a different perception of the goals of the transition. The Egyptian side emphasized the need to maintain the development cooperation and later on the need to reduce the trade imbalance. Finland laid more emphasis on environment, sustainable development and regional cooperation.

The Egyptian partners became only gradually more involved in the transition strategy. By the end of 2004, real mutual interest in the Transition Strategy and Action Plan started to develop. Egypt strengthened its negotiation position over time. Expectations of both sides seem to have been met, despite the more dominant role of Finland during the initial stages. However, the final analysis can only be made after the implementation of the transition, still ongoing, has been fully completed.

2.3.3 Coherence, Complementary and Compliance

The design of the transition strategy was coherent and compliant with the 2004 Development Policy Government Resolution of Finland. In addition the transition strategy was complementary to the European Neighbourhood Policy and the European Union activities, in which Finland was actively participating. The objective of strengthening the commercial relations was similarly coherent with the interests of the Egyptian side.

Regarding the compliance with the Paris Declaration, some elements are important such as the engagement with civil society organizations and private sector actors as independent development actors in their own right. Nevertheless, the Paris Declaration focused on aid effectiveness and ODA funded government to government relations play a central role in it. In that respect the Paris Declaration is somewhat less important regarding this Transition Strategy.

3 PHASING-OUT OF THE BILATERAL PROJECTS

The overall ODA from Finland to Egypt fell, in line with the transition plan, from 2000 to 2008, as expressed in Figure 1, while the funds for LCF have increased over the same time period from EUR 34 000 in 2001 to EUR 246 000 in 2008 (MFA statistics). The decline of ODA funding to Egypt and the change in the use of instruments points at a well managed phasing out. The total bilateral ODA payments from Finland to Egypt are illustrated in Figure 1 below:

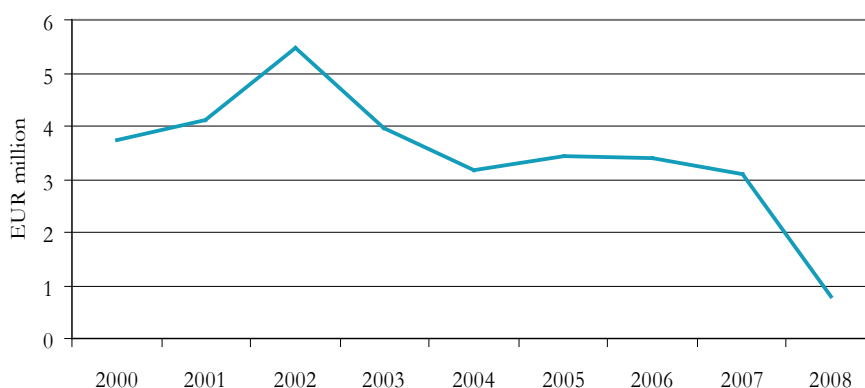


Figure 1 Total bilateral ODA payments from Finland to Egypt.

Source: OECD/DAC official development aid statistics.

In this Chapter we evaluate the six projects that were to be phased out. The process is assessed in terms of efficiency, effectiveness and sustainability. Three of these projects were subject to case studies concerning the consequences on the implementing organisations and project beneficiaries after the transition period.

Phasing out of bilateral grant-based projects in graduating countries is often not very difficult. Sustainability issues need to be addressed. However, this is mostly less problematic than in poor aid-dependent countries, because capacity is, in general, more developed and also alternative financing might be available. This does not mean, though, that sustainability is not important: the question is on how the phasing out process can be best tailored to the needs of the different kinds of institutions involved. The analysis of the local context influences greatly the quality and success of the transition strategy.

In general, the phasing out of the bilateral grant-based projects was well managed with a careful eye on sustainability, involvement of the Egyptian partners, realistic time frames and sufficient flexibility in the phasing-out in order to guarantee sustainability. It is also worth noting that sufficient attention was given to the phasing out. Often phasing-in of new activities may go at the expense of phasing out. In general, the projects adhered to agreed plans, adapting them when necessary. On the basis of this assessment, we can conclude that the local context was well taken into account and that contributed to a good phase out process.

3.1 Performance of the Projects

The performance of the phased out projects after the transition is summarised in table 1. This is measured against the evaluation criteria, efficiency, effectiveness and sustainability, set out in Annex 3. It was agreed not to carry out a complete impact evaluation of phased-out projects but rather assess how the transition affected their sustainability and how efficient and effective the transition management was.

The majority of projects were phased out according to plan and had monitoring systems installed (efficiency); no additional funding was granted to the projects after the transition period (effectiveness); and in nearly all projects, the sustainability was emphasized and praised by the Egyptian counterparts.

Possibilities for follow-up activities were identified at the EAIS through a twinning between SYKE and the Supreme Council of Antiquities. In another case, the phasing-out of project activities led to institutional changes. An example of this is the El Annania Wastewater Treatment project that was implemented in Damietta City. The National Organisation for Potable Water and Sanitary Drainage (NOPWASD) and the Damietta Governorate were the competent authorities for the project. The institutional support by the project aimed to hand over the plant from NOPWASD to the Damietta wastewater department of the Governorate. In the end, the operations of

the plant were handed over to the affiliated Holding Company of NOPWASD. For the beneficiaries, no major impact was found, which concurs with the high rating given for sustainability in table 1 below. Both the El Anania Wastewater Treatment Plant and the Hazardous Waste Management project in Alexandria are still in operation.

Table 1 Rating of Phased out Projects.

Project Title	Efficiency	Effectiveness	Sustainability
The Mental Health Program in Egypt (MH)	++	++	++
The Egyptian Cadastral Information Management (ECIM)	++	++	++
The Egyptian Antiquities Information System (EAIS)	++	++	+
Transition support to the Water, Sanitation and Waste Management in Beni Suef	+	+	-
Hazardous Waste Management Project in Alexandria	+	+	++
Al Anania Wastewater Treatment Plant	+	+	+

-- = very poor, - = inadequate, += sufficient, +++ = very good

3.1.1 Efficiency

On efficiency, the ToR put forward the following questions:

- Has the agreed action plan been managed and implemented efficiently? Is there reliable monitored data/factual evidence available?

Overall, the phasing out of projects has been efficiently managed to varying degrees. Based on the three above mentioned case studies and three quick reviews undertaken, the majority of projects was very efficiently managed (ranked as ++). In each case a clear phasing out plan was in place. Some of these projects had an independent phasing-out period, where both the Embassy and the partner organizations agreed to deadlines for specific activities as for instance for the EAIS and the MH. These clear delineations improved the understanding of the phasing out of the project by the beneficiary. In terms of efficiency, as shown in table 1, most projects were phased out according to a set plan. Monitoring systems were installed with clear output and outcome indicators, combined with substantial reporting. The time allocated to phase-out was generally described as adequate.

The projects that were less efficiently managed during the transition period were mainly the environment related projects.

3.1.2 Effectiveness

On effectiveness, the ToR put forward the following questions:

- How well the agreed transition programme has served the intended purposes? Has the transition towards a new partnership relation started to take shape or can it realistically be expected to lead to a changed partnership? With what pre-requisites?
- To what extent the choice of instruments, modes of support and delivery channels affected or promoted the transition and is apt to support a new type of relation? What are/were suited instrument/modalities of cooperation during the transition?

Overall, the phasing out of projects has been effectively managed. Two evaluation criteria were at the basis of this assessment: (1) gradual discontinuation of funds by 2008, and (2) a continuation of development aid in exceptional cases under the new bilateral relation. We found that development grant aid to project beneficiaries came in most cases to an end by 2008. Regarding the second criterion, all but one of these projects show strong potential for future cooperation, mostly in the form of twinning through the ICI instrument. This potential indicates that Egypt's partnership with Finland is advancing and that there is indeed a shift from the traditional development cooperation to new forms of cooperation of mutual interest. As revealed through the case studies and project reviews, the EAIS project has already applied for ICI funding, and the Mental Health project will continue cooperation with its old partner using the ICI instrument. The major bottleneck highlighted about the ICI instrument is its long application procedure that may take more than one year.

3.1.3 Sustainability

On sustainability, the ToR put forward the following questions:

- Will it be possible to maintain the eventual benefits gained during the implementation? On what premises? What are the particular lessons?

The approach that Finland adopted in phasing-out strongly emphasized their future sustainability. It was found to be a prominent issue in all projects documents. Despite phasing out of the grants, all six projects are still functioning, some under a different institutional form. For example, the EIAS project is now a department under the Egyptian Antiquities Department. Other projects such as the Mental Health Project and the Egyptian Antiquities Information Systems have resulted in further forms of cooperation between the two countries by using the newly introduced Finnish instruments like the ICI. It must be highlighted, however, that level of sustainability varied across the projects. The most sustainable projects (marked with ++) were the Mental Health project and the Hazardous Waste Management project in Alexandria. Other projects with potential risks were ranked lower in terms of sustainability. However, these risks were not inherent to the projects, but rather to the particular Egyptian institutional framework with limited administrative and technical capacity. The least sus-

tainable project (-) was the Transition Support to the Water, Sanitation and Waste Management Sectors in the Beni Suef Governorate where substantial risk factors were identified.

Reviews of the transition strategy have been carried out by Finland at least in 2005 and 2007. The reviews often resulted in further extension of projects in to maintain their sustainability.

4 PRIORITY AREAS OF THE TRANSITION STRATEGY

In this chapter we will analyse the two priority areas of the transition strategy, environment and information society.

4.1 Environment

4.1.1 Background and Motivation to the Selection of Environment as the Priority Area

Environment was selected as a priority area for future cooperation at an early stage. During the bilateral consultations in 2002, environment was considered to be the most important sector of the development cooperation programme, and therefore was selected as a priority area for future cooperation. The environmental cooperation should be based and built upon the results and experiences achieved in the environmental co-operation, perhaps with different instruments after 2007. The cooperation should primarily be focused on issues that are prioritised in the environmental policies of both the GoE and the MFA (Ministry for Foreign Affairs 2004b).

In the Transition Strategy and Action Plan of January 2005, the section on the environment sector emphasized two important points: 1. the alignment of policy objectives of both countries, taking into account the future cooperation instruments; and 2. the modalities of cooperation will be worked out during the transition period combining institutional strengthening, private sector participation and various civil society activities.

Finnish environmental policy was enumerated in the Finnish Development Policy (2004). It highlighted Finland's commitment to the achieving the Millennium Development Goals by 2015, including Goal 7 (which aims at reversing the loss of environmental resources, halving the proportion of people without safe drinking water and sanitation and achieving a significant improvement in the lives of at least 100 million slum dwellers-by 2020).

At the Beginning of the Transition Period, a decade ago, environment became more important for the newly industrialized countries including Egypt. EEAA expressed the wish that Finland would support the Industrial Modernisation Programme [MEDA] to integrate cleaner production methods in the modernization process. Nonetheless the environment as a sector was not among the seven policy objectives of the 1997–2017 National Development Vision of Egypt.

4.1.2 Activities in the Environmental Area

Identification Studies

Cooperation between Finland and Egypt in the area of environment has been projected in three different scenarios in the specific studies (Ministry for Foreign Affairs 2004a):

a. Survival of the fittest. In this model, support to bilateral and multilateral cooperation projects -like WB, UNEP sources- would be terminated after the transition period. Thus only the fittest of the fittest, such as viable projects with private sector spin-offs, or those projects emerging from the use of the NGO funds would continue. The role of Finland in this scenario was expected to be hardly noticed;

b. Diversification. This scenario focuses on continued support to multilateral and regional initiatives in Egypt and the region. Including the EU, all Finnish activities would be channelled through other actors by participation in their respective projects. In this scenario, Finland will seem to have ceased to exist, from an Egyptian point of view;

c. Bilateral thematic cooperation. This scenario was to guarantee the continued presence of Finnish expertise by building on previously successful projects, i.e. Alexandria HWMP and EPAP (and also some NGO cooperation). It called for strategic focus on pollution abatement, cleaner production and hazardous waste management. This way, direct contacts between Egyptian and Finnish private sector could be facilitated. Furthermore, this approach would have potential to open possibilities for collaboration with other actors, such as the UNIDO sponsored Cleaner Production Centre. This was also in line with the Egyptian strategy for PPP. In this scenario, a strong presence for thematic cooperation is secured. Consequently it was strongly recommended for future cooperation.

It is clear that the authors of the study on alternative scenarios were clearly in favour of continuation of bilateral thematic cooperation. There is no evidence whether the scenarios served policy formulation or whether MFA chose any of the scenarios as a strategy.

In the development cooperation programme of Finland in Egypt, the Egyptian Pollution Abatement Project (EPAP I 1997–2004) was the biggest single project with a EUR 6.4 million grant for technical assistance. Parallel funding in the form of loans through WB and EIB and/or grants through other bilateral donors was available for

environmental investments by industries. Finland decided to join financing of the Technical and Institutional Support Component of the second phase, (EPAP II 2007–2009), because also the evaluation of EPAP I was to a large extent positive. An agreement on the contribution of EUR 950 000 was signed as late as July 2009. A mid-term review was reportedly in progress during the field work of the evaluation team.

Multilateral environmental projects supported by Finland, with or without Finnish staff, were the following:

- Nile Basin initiative (2000–2005) supports use of the Nile water in a sustainable and equitable manner. The office, ENTRO, is located in Addis Ababa;
- Basel Convention for the Arab countries (2004–2006, EUR 1 million for 3 years);
- Integrated Coastal Zone Management (ICZM, 1997–2000 and bridge funding till 2003 among Egypt, Lebanon, Syria and Tunisia). In 2004 it was relocated to the secretariat of METAP (next bullet);
- METAP IV 2001–2005, follow-up to METAP I since 1990 addressing common environmental problems in 15 countries; a multilateral facility with Finland and Switzerland being the principal sponsors. Finland had decided to finance in principle ICZM activities of METAP till the end of the 4th phase;
- RIPECAP (2007–2009), UNEP associated project physically located at University of Alexandria on industrial pollution abatement in three counties in the region (Morocco, Egypt and Jordan).

Until 2004, about one-third of the funding for NGOs of the LCF went to the environmental sector. There were only a few projects, including a project by Better Life Association and Dorgas Aid International in Hawarta (Comprehensive Development (BLACD) in water and sanitation).

The only NGO-to-NGO co-operation in the area of the environment was between Ains Shams University and Mikkeli Polytechnic /Mikkeli Fair Trade Association with a scope on cooperation between trade and environment. Later, the Ain Shams University was an EAAA candidate for eventual twinning in environmental training, but according to informants of this evaluation, Mikkeli had insufficient manpower.

For private cooperation in the environment area, the MFA (MFA 2004a) proposed the creation of a new financial facility jointly sponsored by several existing core institutions (Finnfund, Finnvera, Nopef, etc.) in Finland to cover 100 percent of business proposals and 90 percent of the feasibility studies on priority investments in Egypt. This was not realised.

In 2005, Egypt tried to arrange a business delegation to Finland to discuss further cooperation in the environment sector, but it was cancelled. An environmental match-making took place in Alexandria (EU 2006). By the end of 2006, 36 investment and development profiles were developed. Of these projects, 32 were sent to FINPRO

for announcement at their matchmaking website and for direct delivery. Some business service linkages were created and business prospects in the field of environment emerged: pollution control, clean energy, cleaner production, waste recycling, wastewater and renewable energy. According to the commercial section at the Embassy, some of these business initiatives are still alive. At the same time Clean Tech, a focused export marketing group on clean technologies, was set up at FINPRO.

According to a report on Ecolabel marketing (EU 2006), it is problematic that most of the proposed projects are turnkey projects, whereas many Finnish companies offer only certain components, services or equipment; they are mostly not interested in acting as main contractors. This report suggested support for smaller Finnish firms to enable them to visit and present their technologies in Egypt. On the basis of the work done by Ecolabel and presented to Finnpartnership a subsequent matchmaking seminar was run in June 2006. This time, only firms with industrial interest were allowed to join. The matchmaking included a follow-up with comments on environmental business prospects in Egypt and advice on WB projects of EPAP II.

By the end of June 2006, the Egyptian Environment Minister visited Finland and a joint communiqué was issued with the heading “Environment will remain a priority sector of co-operation”. The Minister was introduced to the Finnish counterpart, as well as to communal solutions of waste systems and the Ekokem ltd plant. The Greater Cairo HW incinerator was discussed. In discussions with SYKE the Clean Development Mechanism (CDM) was brought up. The Egyptian Environment Minister was interested in Finnish technologies in oil spill management and requested support for the Cairo HW plant, as well as for air quality and water purification technologies. The promotion of the Ecocities project was considered of importance by the Minister. He submitted to the Finnish side a list of 52 CDM projects. The Finnish counterpart proposed that Egyptian environment initiatives be incorporated into Twinning and TAIEX (EC). The Finnish Minister in Environment recognised the importance of CDM for the Mediterranean Sea.

The most important environmental project that was discussed was the replication of the Hazardous Waste Management Project (HWMP) concept in Cairo. On 28 January 2007, Ekokem was requested by EEAA to export its know-how while the company proposed use of its treatment capacity in Finland. In 2008 an independent assessment was made and recommendations were given in a Feasibility Study carried out by Ramboll Finland (2008). This study assessed quantities of HW and respective capacity needs, legislation, organization and institutional capacities. The study concluded that the most advantageous approach in the Greater Cairo Region was “to establish a network of treatment services provided by public and private enterprises in a decentralized manner. When incinerator capacity is needed, existing cement plants rather than any specific unit would be used. The Nasreya plant in Alexandria, being currently underutilized, would specialize in inorganic liquid waste treatment”.

Environmental cooperation is currently far below the benchmark level of EUR 1 million as was envisioned by the Unit for ME and Africa beyond year 2007.

4.1.3 Evaluation of the Activities in the Environment Sector

Coherence, Complementarity and Compliance

The 2004 Development Policy (Ministry for Foreign Affairs 2004b) called for increased support through multilateral cooperation. An implicit assumption was that the bilateral activities would be complemented with more resources to the multilateral organizations. The 2004 Development Policy also implied that other ministries should show policy coherence in their actions towards global development needs. The Ministry of Environment, for instance, prepared a policy document including a country reference to the Basel Convention Centre in Cairo as a regional resource for Arabic countries.

While Finland had the plan of using the new ICI instrument for further cooperation in the field of environment in Egypt, the EEAA suggested that according to policy directives of the Ministry of State for Environmental Affairs (MSEA) the Egyptian preference lies in bilateral pilot projects that have a positive impact on grass root level rather than on institutional development.

By the end of the transition phase, while hazardous waste management remained a strong area of joint interest with solutions provided by the EPAP II and Alexandria HWMU, the Cairo Hazardous Waste plant proposed by the Egyptian side was not seriously considered by the Finnish side.

Effectiveness

Little results were achieved from selecting environment as a priority area for future cooperation. EEAA underlined that the NGOs should be institutionally and financially strong enough to carry out the activities in the environmental sector.

EEAA recommended also that the institutional cooperation project between SYKE and the Egyptian Antiquities Information System (EAIS) should focus on establishment of a data base and a monitoring system for the environmental aspects affecting archaeological areas. These proposals are not on par with what a normal institutional cooperation agenda would entail.

While in 2007- 2008 the EPAP II had little to report the EEAA suggested to formulate a committee from MSEA/EEAA and the MFA to study the reports to be sure that the work is running according to the work plan.

Potential Sustainability

Environment as a priority area has not resulted in major projects with Finnish value added thus far. Therefore, it is difficult to assess the potential sustainability. However, both the EEAA and NOPWASD expressed interest in cooperating with Finland in this area.

Value Added

Finland has often pioneered and demonstrated value added of either new solutions or traditional (Beni Suef) technologies at the grass root level. However, the Finnish value added has been modest at best during the transition period.

The expert view on the Cairo Hazardous Waste Plant was that the plan was not feasible from the technical and financial point of view. The reasons for the negative stance was not due to inter-institutional problems and lack of willingness to engage in peer-to-peer partnering among equals.

Forward Looking

The strength of cooperation in the environmental area I, first and foremost, that both parties have strong institutions, SYKE and EEAA. This creates potential for mutual cooperation, for instance by using ICI.

Also the new cooperation instruments need further marketing in order to give a further boost for the cooperation. It is necessary to facilitate matchmaking between the countries. Also it will be necessary to secure the availability of Concessional Credits for Egypt. With a number of Concessional Credit projects in the field of environment, Finland could secure a higher profile and value added.

After the end of the transition period, the Finnish Foreign Trade and Development Minister's visit in February 2008 prompted many meetings. The travel report itself is an excellent record on business prospects. A follow-up meeting at the Unit for Middle East and North Africa on 24.4.2008 triggered 11 realistic business proposals, most of them in the field of environment. By now there are several business candidates for alternative energy. However, they are ranked by the evaluation team as "too early to assess".

4.2 Information Society

4.2.1 *Background and Motivation to the Selection of Information Society as the Priority Area*

ICT is a new priority sector only since the beginning of the transition strategy. Unlike the environmental sector, no substantial history of cooperation exists in ICT. This priority sector aligns both with the Finnish policy and the Egyptian priorities.

According to the GoF, the new form of cooperation aims to strengthen commercial and economic relations as well as increase cooperation between various institutions to exchange knowledge, know-how and capacity building. Both countries have followed their respective action plans towards inclusive information societies. Accordingly, ICT strategies will be incorporated in other strategies, functions or operations.

According to the 2004 government resolution Finland emphasized the fact that information technology can be a powerful tool to advance poverty alleviation, equity and other key objectives of development co-operation (Ministry for Foreign Affairs 2004b). Accordingly, ICT is cross-cutting. Too often, ICT is seen merely as information and computers rather than as comprehensive learning tool in knowledge economies.

The Ministry of Communication and Information Technology (MCIT) aims to develop Egypt as a regional ICT hub while less official statements like to advance the idea of Egypt seeking benchmarks from India's software sector.

ICT, as a priority area for development cooperation, is best documented in the jointly agreed EU/Egypt action plan covering Egypt's three ICT-priorities: ICT in development, ICT in innovation and ICT in business (referring to 'communication and links'). In the Egypt's 20 year vision on national development ICT supports attainment of the economic growth target of 7 percent p.a. Egypt is one of the few MEDA countries to have participated in information science and technology projects within the EU Framework Programme, with a number of successful proposals involving Egyptian organisations. At the regional level, Egypt leads the process of digitizing Arab script for the Internet. The EU Neighbourhood Policy, specifically the Agreement on Scientific and Technical Co-operation between the EU and Egypt in June 2005 is expected to integrate Egypt into the European Research Area.

Direct financial assistance to Egypt was channelled through the MCIT's National Indicative Programme 2005–2006. The MCIT had earlier also recommended Finland to support the ICT trust fund, which was already being sponsored by Italy and the UNDP.

4.2.2 Activities in the Area of Information Society

Since the early 2000's, the Regional Information Technology and Software Engineering Centre (RITSEC), an NGO with UNDP and Arab Fund for Economic and Social Development support, had coordinated Finland's ICT operations. According to interviewees, RITSEC is a good facilitator. It was created in 1995 to upgrade the regional information infrastructure. It is a group of programs and projects designed to provide regional interconnectivity, to create basic regional network services, and to act as an incubator for networks in various fields, with the objective of providing value-added services to an increasing number of users. It has created thematic networks like Arabic/Latin Email System, Trade Information Systems, TradeNet and Presidential Web Site and Business Online.

An ICT identification mission was organised by the MFA in June 2005. The objective of the mission to Egypt was to find partners who are committed to cooperation and ready to set aside resources for it. The Finnish support was described to be "mainly of the twinning type", to which "demand driven support [will be provided] for commercial pursuits".

The aim of the cooperation was to promote Egyptian information society by establishing partnerships, primarily between higher education and research institutions, including information systems for higher education, e-learning applications and new forms of flexible life long learning.

During the transition and after, the ICT infrastructure grew quickly in Egypt. The flagship of the Egyptian ICT sector is the Smart Village with all the major ICT operators present at the outskirts of Cairo. The Village has by now progressed into its second phase as new organisations have moved in, including smaller firms, business incubators as well as electronic, virtual and everyday service providers. Also the MCIT was relocated there.

A memorandum of understanding was signed to promote the Egyptian Information Society and partnerships with Finnish Higher Education Institutions (HEI).

Since 2005 small scale events have been programmed. The first high level event was at the ICT fair in November 2006 in Helsinki, where during the Finnish EU Presidency also the EU plan on 'information society' was released. Next, there was the ICT 2007 exhibition in Cairo (January- February) 2007.

"Planning Collaboration between RITSEC, Egyptian and Finnish educational institutes in the Interest of Lifelong Learning" was issued by RITSEC in mid 2007. Some projects were commenced using LCF. However, the interest seems to have slowed down and in Finland the Oulu University alone remains active.

In the process towards partnerships, intermediate activities like an IT workshop in February 2007 and production management courses (partnering between the Regional Information Technology Institute, RITI and Oulu University) were run in September 2007.

4.2.3 Evaluation of the Activities in the ICT Sector

Coherence, Complementarity and Compliance

Since the 1990's, the countries mutual interests diverged as Finland placed emphasis on the overall goals of poverty alleviation, promotion of cleaner environment and sustainable development, democracy and human rights, while Egypt began to prioritize the upgrading of technology, employment creation through small and micro-enterprise promotion, acceleration of exports as well as private sector development.

In the Transition Strategy 2005 ICT had been designated as a priority area indicating that Finland was prepared to comply with Egypt's needs. The real challenge remained in operations as development of joint activities was needed while the new instruments were still in the pipeline.

The challenge was intricate, as Finland was often called to engage in new projects with unknown partners. In the early part of transition, there was no obvious mechanism to obtain reliable information for partnering.

Today, high expectations by both sides are loaded on the HEI ICI. A “one window solution” where research co-operation would be included in the ICI package is thought to be ideal. The rationale for such a broader instrument is the assumption that it would ensure higher quality of the approved projects. In sum, Finland was coherent with Egypt’s ICT development policy in its Transition Strategy and at the same time the activities were consistent with the Finnish development policy of 2004.

Effectiveness

A series of comments from interviewees in the ICT sector pointed to obstacles in achieving results in this priority area. For instance, it was remarked that ICI is not matching with Public-Private requests.

Despite the efforts by the Egypt team at the MFA and the Embassy to initiate cooperation in this ICT area, the lack of relevant instruments proved to be an obstacle.

Potential Sustainability

At the time of the ICT needs assessment study, Nokia had already reached a high 80 percent market share, which has strengthened the image of Finland as a high tech country. The ToR of the ICT needs assessment study requested to identify firms and institutions that were interested in commercial or business cooperation with Egypt. The initial problem was that while Nokia was known, the countries were largely unknown to each other and thus had little idea about what could be expected or what was possible. But the needs assessment was able to establish links at several levels, between various types of institutions and accordingly, a network has taken shape. With the introduction of the HEI ICI the institutions of this network may reap benefits from the preparatory work during the transition period.

Value Added

The cooperation in the ICT sector is just about to emerge – or re-emerge. In ICT, one should not forget the economic benefits of ICT subcontracting, modelled by India. Usually reference is made to localisation to Arabic script but this in our opinion is a too narrow scope of co-operation. We see a lot of potential for ICT to balance the huge trade gap.

By the end of the transition period, the activity level in ICT did not decline further as almost half of the members who were in the ministerial delegation in Cairo in 2008 were from the ICT sector. The high level of research, ICT and the related potential at the Egyptian Higher Education institutions may perhaps not always be fully understood in Finland. Cooperation in the sector will be on relatively equal terms in the future, whereby win-win situations will be targeted.

Forward Looking

The strengths and weaknesses of cooperation in ICT are as follows:

Strengths:

- Finnish image and evidence of high quality in information, transparency, connectivity and education;
- Finnish solutions in the software area are broad based;
- Many institutions of higher education in both countries (in scientific and in applied research);
- Many complementarities in Egypt as well; English widely spoken; Microsoft with prominent presence in the country represents same tradition as Finland of anti-piracy.

Weaknesses:

- Institutions may not always understand each other as the Egyptian institutions typically have ten times more personnel;
- Although many institutions have expressed interest, the primary contacts were created a few years ago. The evaluation team does not know if the Egyptian counterpart has been only waiting for new instruments or whether their interest has waned away.

5 INSTRUMENTS USED DURING THE TRANSITION PHASE

At the end of the transition period in 2007, the following instruments were in use: concessional credits, Finnpartnership for private sector support, Funds for Local Cooperation, support to student and researcher exchange and regional and multilateral cooperation. The Institutional Cooperation Instrument (ICI) was launched in 2008 and the new HEI ICI for cooperation between higher education institutions. This mode of cooperation needed new instruments after the higher education institutions in Finland became private. The appropriations instrument mentioned in the Transition Strategy was ceased to exist as Finnpartnership replaced it as an instrument for facilitation of private sector cooperation.

Four of the instruments, which are available for future cooperation, are not new: ODA as a catalytic tool (Local Cooperation funds, Support for Student and Researcher Exchange and Regional and Multilateral Cooperation, Interest support for concessional credits). The new instruments developed during the transition period were Finnpartnership, ICI and HEI ICI.

The interest support for concessional credit scheme, Finnpartnership and LCF are funded from the MFA's ODA budget. Also the student and researcher exchange, ICI and HEI ICI instruments are ODA funded, but the implementation is not taken care of by the MFA. In the case of student and researcher exchange the implementation is managed by CIMO. ICI and HEI ICI rely on the initiatives and cooperation be-

tween Finnish and Egyptian institutions. The culture related activities are not ODA-funded but funded through the Culture Exchange Programme of the Ministry of Education of Finland.

5.1 Evaluation of the use of Instruments

The main overall finding of the evaluation team was that both Finnish and Egyptian sides were interested in the selection of the instruments; they were found to be coherent and relevant to Egyptian objectives. Finnpartnership scored relatively low on relevance. The design of the new instruments was finalised late during the transition process and they were developed as “one size fits all”.

After tough negotiations, a Memorandum of Understanding concerning concessional credits was signed in Cairo on 26 September 2006. Thus far only a few applications have been received and no ODA funds were utilised to fund interest subsidy under the concessional credit scheme. However, both Egypt and Finland demonstrated interest in the instrument. The evaluation team recommends that the ongoing evaluation of concessional credits advises on the possibility of cost sharing of feasibility studies in case exporters are engaged in local tendering.

Four Finnish companies were granted business support by the Finnpartnership whereas from Egypt, six matchmaking requests were posed. This indicates relatively low levels of mutual interest in the instrument. The larger Finnish companies are not using the instrument. In doing business with Egypt, language barriers may prevail and issues regarding the investment climate. Egyptian businesses find the process related to the use of the instrument too long. The instrument has no relation with the local business support service providers. Consequently, it is not actively promoted among their members or users. Value added to the Finnish private sector is negligible. The evaluation team recommends to increase the grant amount per project – currently at EUR 250 000.

LCF was introduced in 2003 in Egypt and from 2004 to 2008 the instrument funded 50 projects in the areas of Gender Equality and Women’s Rights (GWR), Community Development (CD), Human Rights (HR), Democracy and Good Governance (GG), co-operation in the field of Environment (ENV), Economic and Business Cooperation (EBC) and Institutional Cooperation (IC). The instrument has offered valuable opportunities for interaction with civil society actors. Egyptian NGOs welcome the instrument since external funds are important for their survival. Targeted planning could be beneficial to direct the funds on priority areas. More transparency in communication about the reasons for rejected applications could be considered.

Finland’s support to regional and multilateral cooperation has not been discussed here in detail, since it is not specifically directed to Egypt, but to specific funds and thematic areas.

The table 2 provides a short summary of the scoring for each of the instruments with regard to relevance, effectiveness, potential sustainability and value added.

Table 2 Scoring of the Instruments in the Egypt-Finland Cooperation.

Tool	Relevance	Effectiveness	Potential Sustainability	Value added
Concessional credits	+	--	+	n.a.
Finnpartnership	-	-	+	-
Funds for Local cooperation (LCF)	++	+	+	n.a.
Student and research exchange instruments	++	+	+	-
ICI	++	-	+	n.a.
HEI ICI	++	(+)	++	n.a.

N.B. ++ = very good; + = sufficient; - = inadequate; -- = very poor, n.a. = not applicable.

5.1.1 Relevance

The new instruments appear to provide cooperation and development possibilities that are appreciated by both sides. That means that both the Egyptians and Finns are interested in using most of the new instruments. Similarly, the instruments were found to be coherent with Egyptian objectives. For example, although no concessional credits have been granted to Egypt so far, both Egyptian and Finnish firms and institutions informed to be interested in using the instrument. The Egyptian authorities view LCF positively because the supported NGO projects are directed towards the specific needs of society and because the support has been provided within the framework of Egypt's strict regulations on NGOs. The ICI and HEI ICI proposals were in the priority areas for future cooperation. Only the Finnpartnership instrument was found to have a slightly lower relevance, because of the low levels of mutual interests in this instrument.

5.1.2 Effectiveness

With regard to the effectiveness of the new instruments, the picture is more varied. The evaluation has focused on the following aspects: 1) do the stakeholders understand the functioning of the instrument and are they satisfied with it, 2) to what extent has the instrument contributed to strengthening the Egyptian-Finnish relations, 3) the number of applications and usage for the instrument and 4) how the instrument was managed and coordinated with the Egyptian authorities.

While the effectiveness of the LCF as well as student and researcher exchange programmes scored very well, the concessional credit programme is not considered to be competitive and is not well understood by the Egyptians. The Finnpartnership was considered to be relatively ineffective, because it has achieved a low utilization rate. While both sides have shown interest in increasing business relations, the Egyptians consider the process related to the use of Finnpartnership relatively slow and the funding possibilities rather low from a business' perspective considering the high risk profile of Egypt.

The effectiveness of the ICI and HEI ICI instruments were relatively difficult to evaluate due to the short time that the instruments have existed. However, the relatively long application process, the low visibility of the ICI instrument and the limit of the applicants lower its effectiveness.

The HEI ICI had only been recently launched, but based on the first applications received, its effectiveness seems rather good. While the student and researcher exchange programme is rather well understood and appreciated by both sides, it appeared that CIMO as a facilitating organisation was still not well known in Egypt, at least by the interviewed people.

The LCF is well understood and used, though its application process was considered cumbersome for first time applicants.

5.1.3 Potential Sustainability

The potential sustainability of the instruments scored "sufficient" or "very good" based on three criteria: 1) the introduction of the instrument and the needs assessment was done before launching the instrument; 2) there were previous related activities and 3) the extent that users have been ready and able to finance the activities themselves.

There was not always evidence of a needs assessment being done in Egypt before the launch of the instruments. In some cases, bilateral projects had similar activities and formed a basis for further cooperation. Most of the stakeholders participated in financing the activities in addition to the funds received via the instruments.

5.1.4 Value Added

The value added of the HEI ICI could not be assessed due to its recent launch and the value added of the ICI instrument was similarly hard to judge. With respect to the concessional credit scheme, its added value could not be established either due to the fact that the instrument has not been used so far. The added value of the Finnpartnership is considered poor because of its limited use by Finnish companies in doing business with Egypt and *vice versa*.

The exact number of student and researcher exchanges is not clear since the statistics of CIMO cover only part of the exchange programs. On the basis of the existing statistics this instrument is estimated to be of low value added. However, the exact value added of the programs to individual students, researchers and teachers is likely to be high (in the evaluation of the CIMO's North-South-South program the individuals expressed satisfaction with the program.).

At the first glance the added value of the LCF for Finland is of little relevance given the nature of the fund, which is designed to support local NGOs. However, the LCF evaluation in 2008 revealed that the LCF is a valuable instrument in addressing themes like human right, good governance, democracy, needs of vulnerable groups of society etc. Moreover, the LCF has proved to be an excellent source to get knowledge about the needs and views of the civil society. Recently, in 2008, LCF was used to finance the possibility to local civil society actors to attend conferences in Finland. This kind of activity is likely to result in contacts with Finnish NGOs and could provide opportunities for value added to the two societies.

5.2 At the Program Level

The evaluation examined three main questions to assess the newly introduced instruments: 1) Are there regular joint meetings to discuss the new instruments? 2) Is the decision making participatory? 3) Is there high level political commitment to the new instruments?

Although the evaluation team was unable to interview the main partner of the Finnish Embassy in Cairo, the Ministry of International Cooperation (MIC), documentation indicates that most instruments have been taken into discussions during meetings with the MIC. It also seems that the Egyptian side has shown interest in these instruments. On the other hand, the strict and demanding local context in Egypt clearly has had an adverse effect on the performance of the ODA funded instruments.

External factors influencing the effectiveness of the ODA funded instruments included the cartoon crisis which also had a negative effect on the commercial cooperation in the region. Although Egypt wanted to improve the bilateral trade relationship it had in practice only one representative of the Ministry of Trade stationed in Copenhagen to cover the Baltic and the Nordic countries.

6 KEY FINDINGS AND CONCLUSIONS

6.1 Findings and Conclusions on Decision and Design of the Strategy

The graduation of Egypt to a middle income country level was the main argument for the unilateral decision of the Finnish Government to phase out its grant-based development projects in Egypt and shift its bilateral relationship with Egypt from a ‘traditional’ form of assistance into a more diversified ‘partnership’ relation. The decision was communicated to Egypt followed by a period of consultations both in Finland and in Egypt. In January 2005 both countries agreed on a Transition Strategy and Action Plan for the period 2005–2007.

The transition strategy had six objectives. For each objective and related activities, responsible actors and critical assumptions were specified. However, no logical framework has been defined relating activities and outputs to results or milestones. Verifiable indicators on the priority areas of environment and information society to help the transition team better coordinate the process and focus the activities were not developed. For example, when it would become clear that milestones set for a certain transition objective cannot be achieved, the MFA could have discussed this fact with the responsible actors and adjust the use of available resources.

The Finnish side should have tried to involve the counterparts in the “localisation of the instruments”. Clearly, global instruments cannot be made completely country-specific, but a certain learning-phase is needed on both sides in order to render the instruments operational, which implies discussions on the adaptability and applicability of the instruments to the local circumstances. First steps have been taken on this learning process, but this could be further enhanced.

Generally, the working hypothesis that ‘the communication on the 2001 decision and the local context in Egypt influenced the quality and success of the implementation of the transition strategy’ was validated through this evaluation exercise. This was most notably the case with respect to commercial, NGO and cultural cooperation. If Finland had better acknowledged the changing local context, the transition objectives could have been less ambitious and a longer timeframe could have been envisaged specially for the phasing-in of the new instruments.

The strategy decision and design were compliant and coherent with the Finnish 2004 policy, and complementary to the European Neighbourhood policy, and other donor activities in Egypt. Initial buy-in of the strategy by the Egyptian side appeared to be slow, but gradually Egypt adjusted to the changed relationship. There were, however no evidence of an effective management tool for systematically keeping track of the transition progress in order to redirect the strategy and approach if necessary.

6.2 Findings and Conclusions on the Transition Management

The majority of projects were phased out according to plan and had monitoring systems installed with a relatively adequate phasing out period. After the projects were phased out, the stakeholders expressed interest in further forms of cooperation. Sustainability was highlighted in all projects and was praised by Egyptian counterparts. A mid-term review was carried out in Cairo in early 2007 including project level revisions. At least two large joint meetings took place in addition to more than ten different types of follow-up discussions between the Embassy and the MIC. The delays in instruments development caused a wide gap between phasing out and phasing in of cooperation. Therefore activities outside development cooperation were minimal at a critical stage of time.

The transition strategy was compliant and relevant to the Finnish policies. The strategy was also relevant to Egypt's reform agenda (2002–2007), which emphasised increasing employment and reducing poverty.

The Egypt team and the Embassy staff efficiently managed the transition under difficult local circumstances. The management of the transition strategy was effective in phasing out the grant-based development projects by end of the year 2007. The level of ODA to Egypt dropped in the transition period correspondingly. The actual time of the transition period was three years (2005–2007), which was too short to successfully achieve the other highly ambitious objectives. These objectives could be only partially realised, by the end of 2007 but there is potential for continuing the process successfully over a longer period of time. Sustainability of the phased out projects is relatively high.

No commercial Finnish value added could be achieved from the environmental projects that were phased out. The idea was to attract Finnish companies to work in the water treatment and energy sectors as a follow up to the earlier development cooperation projects. Apparently, Finnish companies did not take up these business opportunities in Egypt. A good understanding of Public Private Partnership mechanisms could have induced further private sector participation and interest. The transition team needs to have a good understanding of the mechanisms involved in Public-Private Partnerships. There are signs of new partnership relations starting to take shape, although slowly through the ICI instrument.

There has been hardly any Finnish value added of the cooperation in the two priority areas since the transition period started, despite the fact that there is real interest for cooperation in ICT and environment in Egypt. The instruments, matchmaking, cooperation between higher educational institutions and concessional credit financing have not generated projects that provided added value. The monitoring of the transition strategy could have provided insight on the reasons behind the weak response, and perhaps possible solutions.

Most of the new instruments are relevant for and appreciated by both sides and they were found to be coherent and relevant to Egyptian objectives. Only Finnpartnership scored lower on relevance. The effectiveness of the concessional credit programme and Finnpartnership was found to be inadequate (in terms of usage and support for achieving the objective of strengthening commercial relations). The ICI and HEI ICI's effectiveness is difficult to envisage due to their recent launch. Effectiveness of the LCF and student and research exchange programme is promising. The LCF and student and researcher exchange instruments were clearly understood sufficiently utilized and enjoyed both partner countries' satisfaction. Finnpartnership, on the other hand, is not well understood by the Egyptian partners and has a low utilization rate. The potential sustainability of the new instruments was scored variably from sufficient to very good. Their added value to Finland has been quite limited so far.

6.3 Findings and Conclusions on Achievement of Transition Objectives

All Bilateral Grant Based Programs and Projects successfully ended by 2007. Finland succeeded in achieving the first objective of the transition strategy on phasing-out of bilateral grant-based projects and programmes. The remaining transition objectives were not or only partially achieved.

The trade balance between Egypt and Finland remains in favour of Finland. There was no focal point for import promotion in Finland in order to facilitate imports from Egypt. Finpro and Finnpartnership did not provide this facilitation service. It must be noted that the commercial objective was hindered by adverse external political events. It can be concluded that commercial and economic relations hardly changed between the two countries as a result of the Transition Strategy

Activities to strengthen cultural cooperation were planned on short notice. The first responsibility for this transition objective lies with the Ministry of Education in Finland, and not the MFA. Evidence suggests that Finland has been actively engaged with Egypt on the cultural exchange, education and science fronts. However, the activities lacked longer term planning. The Civil Society Law in Egypt presents challenges to international civil society organizations and Egyptian NGOs. The transition objective of strengthening cooperation between civil society actors has not been achieved. The objective of strengthening the political dialogue could not be assessed.

Many of the objectives planned for the Transition Strategy were too ambitious to be achieved in the tight timeframe and the local circumstances. However, it should be noticed that that strengthening of relations can only improve over a longer period of time.

7 RECOMMENDATIONS

7.1 Transition Decision and Design of the Strategy

Although the Strategy was promoted among relevant Egyptian counterparts in 2003–2004, ample time should be given for the discussion and alignment of each partner perceptions and goals of the transition. The MFA should have been more realistic on setting the transition strategy objectives within the given timeframe. Similarly, a clear and jointly shared logical monitoring framework in-line with the transition strategy providing possibilities for regular updates, could help MFA in the future in similar transition strategies management.

7.2 Phasing-out of the Bilateral Projects

MFA/Embassy should give attention to sustainability aspects of the development projects also in future, especially in view of future cooperation in another form. The MFA and the Embassy should continue to have systematic reviews of the action plans with partner country participation.

7.3 New Instruments

It is recommended that the new instruments, which are not understood well by the partner country, should be discussed properly. Their suitability to the local context and capacity should be considered early enough. Involvement of all relevant stakeholders from both sides, including potential cooperation partners in the discussions is recommended (e.g. also CIMO and Finpro from the Finnish side could be included in the discussions given their prominent roles and knowledge).

Future monitoring and evaluation by the MFA and the Embassy of the added value (to both Egypt and Finland) of instruments is recommended. Similarly, the feasibility of the instruments should be re-checked on the ground. The results of these reviews should feed into the design of instruments.

7.4 Achievement of Objectives

- Despite a strict planning to phase out, flexibility is important to be taken into account by the MFA and the Embassy, especially for projects where sustainability issues still need to be addressed. The planning of the phasing-out of projects with strong participation of stakeholders is a good practice to observe;
- A new study on the best ways to diversify and enhance the trading and investments between the two countries is advised. Inputs should be sought from the

business community and the study should start with an analysis of the existing business activities;

- The MFA is advised to facilitate cooperation among institutions of different types. From the Egyptian side, triangular cooperation has been requested;
- Given the challenges posed by the regulatory environment in Egypt with respect to NGOs, the transition management unit in the MFA is advised to reconsider the objective to strengthen cooperation between civil society actors in a realistic manner;
- The MFA, although not primarily responsible for cultural, educational and science cooperation, can capitalize on successful activities to promote cultural, education and science cooperation.

7.5 Up-scaling and Enhancing the Use of the Instruments

Most of the instruments in use for the cooperation between the Egypt and Finland were found to be relevant and have a good sustainability element, but have still limited added value. Furthermore, the effectiveness of the concessional credit scheme, Finnpartnership and the ICI instrument were found to be low. These conclusions refer to a need for changes in the schemes and up-scaling of the use of the instruments. Given the very different nature and structure of the instruments, the following summarises the potential for up-scaling and/or enhancing each of the instruments individually.

- The Concessional Credit Scheme should be continued, with possible opportunities for improvement. Stakeholders pointed to high transaction costs and uncertainty when exporters are facing local tendering after having developed the project. The ongoing evaluation of the concessional credit scheme is advised to look into these issues.
- MFA is to consider increasing the grant amount for Finnpartnership projects, which is now limited to only EUR 250,000 per project.
- LCF should continue; it can attract demand by civil society actors interested in the agreed priority areas of the transition strategy. The Embassy could consider focusing the grants towards a smaller number of priority areas. The Embassy could also increase transparency in handling rejected applications.
- It is advised to further study the interest of students and researchers from both countries in order to adjust the current funding levels to match better the demand. Further marketing and visibility of the existing instruments is recommended.
- Information dissemination in Egypt by the Embassy on the possibilities provided by the ICI and streamlining of the application process could improve the usability of the instrument.

- Guidelines of the instrument could be made clearer. Further flexibility could be considered by: 1) accepting applications more often; 2) accepting various types of cooperation; and 3) adjusting the funding to allow more eligible costs.

8 LESSONS LEARNED

The lessons learned for wider use in transition strategies are as follows:

- It is essential to give due attention to how the unilateral decision on the change of bilateral relations is communicated to the transition country partner;
- It is crucial to involve the partner from the very beginning in the joint development of a Transition Strategy and Action Plan, which should be based on mutual interests. This will ensure commitment later on;
- Regular review sessions on the implementation of the transition strategy should be held with all the responsible actors that are playing a vital role in the new forms of cooperation. This concerns especially the responsible organisations in the transition country. Clear milestones and verifiable progress indicators should be formulated in the transition strategy to alert responsible actors in case of insufficient progress;
- Realistic objectives and sufficient time for the implementation should be set in the transition strategy. A change towards a regular cooperation between two market economies takes usually a lot of time;
- The use of instruments that are designed for all developing countries should be adapted to the local situation in the transition country or at least facilitate a buy-in and learning period. The contacts with the local counterparts in the commercial and economic cooperation should be maintained preferably by private sector actors as they speak the business language and are in a good position to increase the effective use of the instruments such as concessional credits and Finnpartnership;
- Better focus on the priority areas (environment and information society) should be given in the transition strategy. Activities and instruments should concentrate on these priority areas to get more Finnish added value and impact;
- New instruments in the transition countries should be properly marketed through creative and innovative ways;
- When the transition phase came to the end in December 2007, the transition objectives were only partly achieved. The continuation of the transition beyond the formal transition period should be discussed with the partner country. It should be announced also on the Embassy website or otherwise communicated to concerned parties that the transition is still continuing with an adapted action plan.

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ANNEX 1: TERMS OF REFERENCE

Terms of Reference for the Evaluation of the Transition towards a New Partnership with Egypt (89856301)

1. Subject of the Evaluation

Egypt is one of the world's largest recipient of development assistance and the second largest recipient of the US aid, followed by the EU and Japan. Egypt is a lower middle-income country and a general trend of gradual decline of aid funds is a reality. In addition, the donors want to concentrate their aid on fewer sectors and to channel their aid through international organisations. Support to local and grass root level and to commercial associations has increased. The donors attempt also at a more intensive coordination and coherence of the aid. Sector programmes and budget support are discussed but so far there are only a few examples (Trade Enhancement Program, Industrial Modernisation program, Health Sector Reform).

Egypt is one of Finland's oldest development cooperation partners. Cooperation began in 1977. The total volume of the Finnish assistance over the 20-year period was FIM 854 million (circa 144 million Euros) 65% of which was disbursed during the 80's the nature of assistance has undergone some changes during the years. Between 1980 and 2000 the largest sector of the Finnish assistance was energy (43%) followed by the water and sanitation, agriculture, health and environmental sectors. Especially in the 80's the assistance was scattered over a big number of projects. With the economic recession in Finland in the first half of the 90's the aid became more concentrated. The energy sector was gradually phased out and the environment sector was included in the Finnish support programme.

A decisive event was the decision taken by the Finnish government in 2001 to gradually discontinue development cooperation with Egypt, Peru and Namibia as the new development policy preferred to concentrate the external aid to the LDCs. In practise this decision meant that a clear exit strategy was needed. The Ministry for Foreign Affairs of Finland (MFA) estimated that approx. three to seven years would be needed for the transition towards a new type of partnership with these countries.

The development cooperation between Egypt and Finland was evaluated in 2001. The evaluation report made some general recommendations. Grant aid should not be totally abandoned and concessional credits should not be used (earlier development credits were forgiven and converted into grant). The MFA was encouraged to develop new instruments for business partnerships. The evaluation recommended also regional programmes, multilateral as well as thematic cooperation and NGO and LCF cooperation.

The good relations between Egypt and Finland are largely founded on long-term development cooperation between the countries. The phasing out of the development cooperation was just the first step in the process of moving towards normal bilateral relations with a lower middle-income country where there are possibilities for a more diversified relations. Egypt is one of the leading Arab Countries and it plays a central role in the Middle East Peace Process. It is also an active cooperation partner to many developing countries and to the rest of Africa (NEPAD). These are all facts in favour of Egypt continuing to be an important partner for Finland even though the development cooperation was decided to be discontinued.

A process of transition was started in close cooperation with the Egyptian authorities. The beginning was not easy as the Egyptian authorities did not want the development cooperation to cease. A Transition Strategy and Action Plan were approved in the bilateral negotiations in January 2005. According to it the objective is “to support Egypt in implementing its own and wider Arab modernisation and reform initiatives both bilaterally and by participating in the dialogue between Egypt and the EU”. The specific objectives were for example 1) phasing down of bilateral development programmes 2) initiation of economic cooperation and development of new instruments and 3) strengthening of political dialogue. Environment and information society were selected as priority areas of the Action Plan. A limited amount of official development funds was decided to be used as a catalytic tool for private sector participation and for cooperation between public institutions. Also multilateral cooperation can be funded by ODA. Concessional credits are included in the instruments that can be used to support the Egyptian priorities. EIT (Economic, Industrial and Technological) appropriations can be used as seed money to support for ex. various type of studies, project planning, training and exchange of personnel. Finnfund and Finnpartnership programmes can facilitate the cooperation with the private sector. In addition, ODA financed Funds for Local Cooperation (LCF), administered by the Embassy, are available as well as funds to support Student and Researcher exchange administered by CIMO (Centre for International Mobility) under the Ministry of Education.

The general aim is that bilateral, regional and multilateral cooperation complement each other. It is also assumed that after the expiry of the transition period other actors in the public and private sectors will assume a more central and active role based on their own initiative.

2. Evaluation Purpose and Objectives

The main purpose of the evaluation is to assess to what extent the objectives set for phasing out of the traditional bilateral development cooperation between Egypt and Finland have been achieved and whether the vision, strategy and the actions mutually decided upon have led to expected results and to the satisfaction of both parties. The evaluation shall be future-oriented, based on solid evidence to be extracted from the experiences since 2002 when the process started.

The objectives of the evaluation are:

- Professional external view on how the transition phase succeeded and what are the strengths, weaknesses and possible limitations in the approach and realisation of the transition activities; particular focus should be on capacities and resources of both countries to involve in the new type of approach and instruments used in the process.
- A realistic and innovative view on opportunities and new openings for enhancing and up-scaling the relations between the countries.

The main users of the evaluation results are the MFA decision makers, advisors and desk officers and the Embassy of Finland in Cairo – and more broadly the public institutions in Finland and the private sector actors. The results of this evaluation may be beneficial also for similar transition plans in other partner countries of Finland and give ideas on what may or may not work in the transition and in shifting from pure grant assistance to a new more multifaceted partnership.

3. Scope of the Evaluation

The evaluation will cover the period from 2001 development policy decision until the present time.

The evaluation team is expected to carry out a careful study on the basic principles that have been guiding the transition process, including the Finnish development policies and the mutually agreed transition strategies and action plans as well as the recorded discussions between the countries on the subject.

The evaluation team shall familiarise itself also with the principles, policies and practises of Egypt that might have had and have bearing on the evolving transition process. The team shall study also which international treaties and agreements would be relevant from the point of view of this evaluation and what is the Egyptian Government position to them (for ex. agreements related to environment etc.).

The evaluation shall focus on legislative and policy level issues, on development of relations between public and private sector and business communities, on CS actors as well as on research and innovative activities and particular aspects relevant for furthering the transition towards new type of partnership between the countries. Special attention shall be paid also to the instruments used for the transition and their usefulness.

The activities and efforts of other international actors in Egypt shall be studied as well to draw lessons, for comparative reasons or to identify actors/partners with similar transition plans.

As the development cooperation between Egypt and Finland was evaluated in 2001 covering the period 1980–2000 there is no need to do any deeper analysis on the co-

operation before 2001, rather only a synthesis based on existing information. Of interest is an assessment whether the transition was in any way building on the experiences and lessons learned from the earlier cooperation and whether the relationships created between the countries were utilised (for ex. in agricultural research, environmental research etc.) in the transition phase. Primarily, the evaluation team is expected to concentrate on the transition phase (since 2004) itself and, the actions leading to it and on the outcome and results.

Special attention shall be paid also to such relations and ties between Egypt and Finland outside the official development cooperation, which might supplement, support and enhance the transition activities and in the future largely compensate for the aid-subsidised activities.

4. Evaluation issues

The OECD/DAC evaluation criteria as well as those of the EU shall be applied in the evaluation to the extent relevant and necessary to comply with the evaluation purpose and objectives.

In the following a list of key questions is given as a basis for the evaluation. It is, however, expected that the evaluation team utilises its own professional experience and knowledge and adds to these questions as deemed adequate. These and additional questions could be discussed at the juncture of the inception phase.

Relevance

- Have the strategies and actions been conducive to the mutual understanding of the nature and goals of the transition? Have there been any factors causing deviations or omissions that affect relevance?
- Have there been any changes in the general policy environment or political and economic context of either Egypt or Finland or priorities/needs of the target groups/stakeholders that have affected the relevance of the actions?
- Is the adopted transition strategy and action plan presenting a balance with the interests and objectives of both sides or are there differing views of approaches i.e. how have the interests of both sides been accommodated; have the expected results been achieved?

Coherence, Complementarity and Compliance

- To what extent have the principles of coherence and complementarity and compliance guided the planning, design and implementation of the action plan for the transition?
- Are/were the plans in coherence and compliance with Egyptian development goals?
- Are/were the activities in line with principles of the Finnish development cooperation policy on ecologically, socially and economically sustainable development, respect for human rights, democracy, equity and crosscutting issues?

- How does the importance of the Paris Declaration principles reflect in transition activities?
- Do the activities of the transition complement actions and efforts of the Egyptian authorities on one hand and of the international agencies and donors on the other?
- How do the actions comply with the private sector endeavours in Egypt and in Finland? Are these coinciding?
- To what extent the efforts of the MFA to involve Finnish public institutions with the Egyptian ones are in coherence with the Egyptian objectives?
- Are the intentions to encourage the cooperation between the Finnish and Egyptian civil society organisations in compliance with the views of the Egyptian authorities?

Efficiency

- Has the agreed action plan been managed and implemented efficiently? Are there reliable monitored data/factual evidence available?
- Can the costs be justified by the results? Have financial and immaterial resources been used in an effective manner?
- Have the periodic reviews affected the implementation of the action plan?

Effectiveness

- How well the agreed transition programme has served the intended purposes? Has the transition towards a new partnership relation started to take shape or can it realistically be expected to lead to a changed partnership? With what prerequisites?
- To what extent the choice of instruments, modes of support and delivery channels affected or promoted the transition and is apt to support a new type of relation? What are/were the most suited instruments/modalities of cooperation during the transition?

Impact

- What are the overall effects/influence on the relations/partnership between the countries, intended or unintended, long or short term, positive or negative, qualitative and quantitative? Any concrete impacts discernible, which can be attributed to the Finnish transition programme?
- Any lessons learned to improve the impact in the longer term?

Sustainability

- Will it be possible to maintain the eventual benefits gained during the implementation? On what conditions/premises? What are the specific benefits? Any particular lessons to be learned?

Finnish value added

- How would the team assess the Finnish value added in the planning and implementation of the transition programme? Any lessons drawn to benefit future planning for even better added value?

5. Methodology

The evaluation team will make use of and review all the available material on the subject within the MFA and the Embassy of Finland in Cairo. The Ministry is preparing a tentative list of useful documents. The team is also urged to seek for relevant material utilizing all the modern means of technology. The main responsibility for carrying out the background work lies with the team itself, and the time allowance for this needs to be made in the inception report.

The approach and the critical issues and the methodology of the work have to be worked out carefully for the tender and elaborated further in the preparation of the inception report and during the first/desk phase weeks of the evaluation.

In addition to the desk study of the documentation and the round of interviews at the HQ level the team will have a possibility to visit Egypt to familiarize itself with the present situation and policies and development plans of the Government of Egypt that have affected the formation of the transition programme. The evaluation team shall conduct interviews with relevant Egyptian representatives and the Finnish Embassy staff in cooperation and assistance of the Embassy. Project/programme visits can be carried out but based on selection of targets the criteria for which the team shall formulate prior to the country visit. Multiple methods, triangulation, statistical analysis (where possible)/comparison with exit/transition strategies of some other donor(s) shall be applied for getting a comprehensive picture of the transition process. The whole evaluation is an inter-active process whereby all the stakeholders have the possibility to express their views, albeit the evaluators shall take measures to protect the integrity of their own views.

The team shall carry out also a comparative analysis between the situation now and during the first half of this decade in the relations between the two countries paying attention to the evolving context in both countries and, if necessary, also at global level. The analysis will include also an assessment of past experiences and lessons learned that have or could have served as building blocks for new sustainable basis for development of relations.

6. Evaluation team

The team will be composed of three experts two of whom shall be international senior experts. The team shall include an independent/impartial Egyptian evaluator, who should be a fully fledged member of the team, preferably with wider international experience. One junior member can be attached to the team in assisting role. The team shall have both male and female members. One of the team members shall speak and understand Finnish fluently as some of the background material might be available only in Finnish. At least one of the team members shall have experience of Egypt or other Arab countries in similar phase of development.

The team must have a solid evaluation experience, thorough professional experience and knowledge in development economy and commercial issues, including international development policies and international agreements concerning especially environment and trade. The team shall be also capable to analyse sustainability factors and dynamics that affect the probability of benefit flow and of influence in a society. In addition, as environment and development of information society are the two central pillars of the transition programme the team should have expertise in these areas. As one of the objectives of the transition programme has been the further diversification of the relations between Egypt and Finland the team should have expertise also in cross-cutting issues and ability to assess the institutional cooperation and opportunities. The skills of the team members shall complement each other.

The division of the tasks within the team is free but the team leader should preferably have expertise in development economy and preferably in one of the main areas (environment and information society) of the transition programme. The more detailed requirements for the team are presented in the Instructions to the Tenderer (ITT, Annex A of the Invitation of the Tender).

7. Work Plan and Schedule and Reporting

The evaluation shall be carried out in approx. four (4) months from the signing of the contract. The final report shall be available not later than December 2009. The work plan shall be prepared so that the holiday season July-August and Ramadan is taken into account. The evaluation shall proceed in stages the tentative time table for which is the following:

Desk Study

The desk study shall include a thorough inventory and study of adequate background material in the compilation of which the MFA and the Embassy in Cairo will help. The analysis of the background material will be complemented by interviews at the MFA HQ. On the basis of the gathered information a more detailed work plan will be prepared than the one presented in the tender document. Also the final distribution of the tasks between the team members will be fine-tuned as well as the methodology. Preparation of evaluation matrix on key issues and indicators might be beneficial to ensure coherence and connectedness at the aggregate level of analysis of the data gathered. As preparation for the field visit major lines of themes, questions and an interview plan shall be prepared. At the end of the Desk Study an Inception Report shall be submitted to the MFA for approval.

Field Visit

The field visit shall be planned so that it does not coincide with the Ramadan period. As comprehensive study tour and interviews should be organised as deemed necessary for obtaining an in-depth view on the state and quality of implementation of the transition programme and on factors affecting it. At the end of the mission an oral presentation on the observations and findings to the key stakeholders shall be ar-

ranged to facilitate check-up of facts and identification of gaps in information. Upon return from the field a conference call/video conference or a meeting at the premises of the Development Evaluation (EVA-11) will be organised for presentation of the major findings.

Synthesizing Phase

During this phase the outcomes of the other phases shall be synthesized and observations, conclusions and recommendations of the team, including specific approaches and instruments that could serve as drivers for further shaping the way, shall be condensed in a draft final report. After the field visit approx. one to one and a half months can be reserved for preparation of the draft final report that will be sent for comments within the MFA, to the Embassy and to other stakeholders. The comments shall be sent to the EVA-11 within two weeks and by EVA-11 to the team for finalisation of the work. The final report shall be submitted not later than two weeks after the receipt of the comments. A public final seminar will be organised by the MFA in December 2009/January 2010 to represent the final results.

In reporting the models described in the Evaluation Guidelines “Between Past and Future” of the Ministry shall be used to structure the evaluation process and the various reports (available

[http://formin.finland.fi/public/default.aspx?nodeid=15454&contentlan=2
&culture=en-US](http://formin.finland.fi/public/default.aspx?nodeid=15454&contentlan=2&culture=en-US)

or as a hard copy, which can be requested from EVA-11@formin.fi).

The reports shall be concise and clear and the main body of the text of the final report shall not exceed 50 pages, excluding the annexes. Figures, flow-charts, graphs and other visual means are encouraged to be used to clarify matters rather than long verbal expressions. It is important that the report is clear in defining its findings, conclusions and recommendations in separate chapters. Vague language is not acceptable. The report will include an abstract in Finnish, Swedish and English, and an executive summary also in Finnish, Swedish and English. The abstracts and summaries are not included in the 50 pages. The MFA will take care of translations into Swedish and Finnish, if necessary.

The summary table of findings, conclusions and recommendations shall be only in English and attached to the English summary.

Instructions to be followed in the layout and design of the final evaluation report will be provided separately by the Evaluation Office. A recently published evaluation report should be consulted.

The evaluation team is expected to check the quality of the evaluation report against the nine (9) criteria of the EU (can be found at the web page of the evaluation unit of the Europeaid):

http://ec.europa.eu/evaluation/methodology/guidelines/gui_qal_flr_en.htm

The consultant shall also fill in the form relevant to these criteria.

The quality standards of development intervention evaluation of the OECD/DAC (2006) should be observed throughout the evaluation. Standards can be found from the web page of OECD: <http://www.oecd.org>

Further information concerning Finnish Development Cooperation and policy, procurement policy and earlier evaluations can be obtained from <http://formin.finland.fi> or by sending a request to the Evaluation Office (EVA-11@formin.fi).

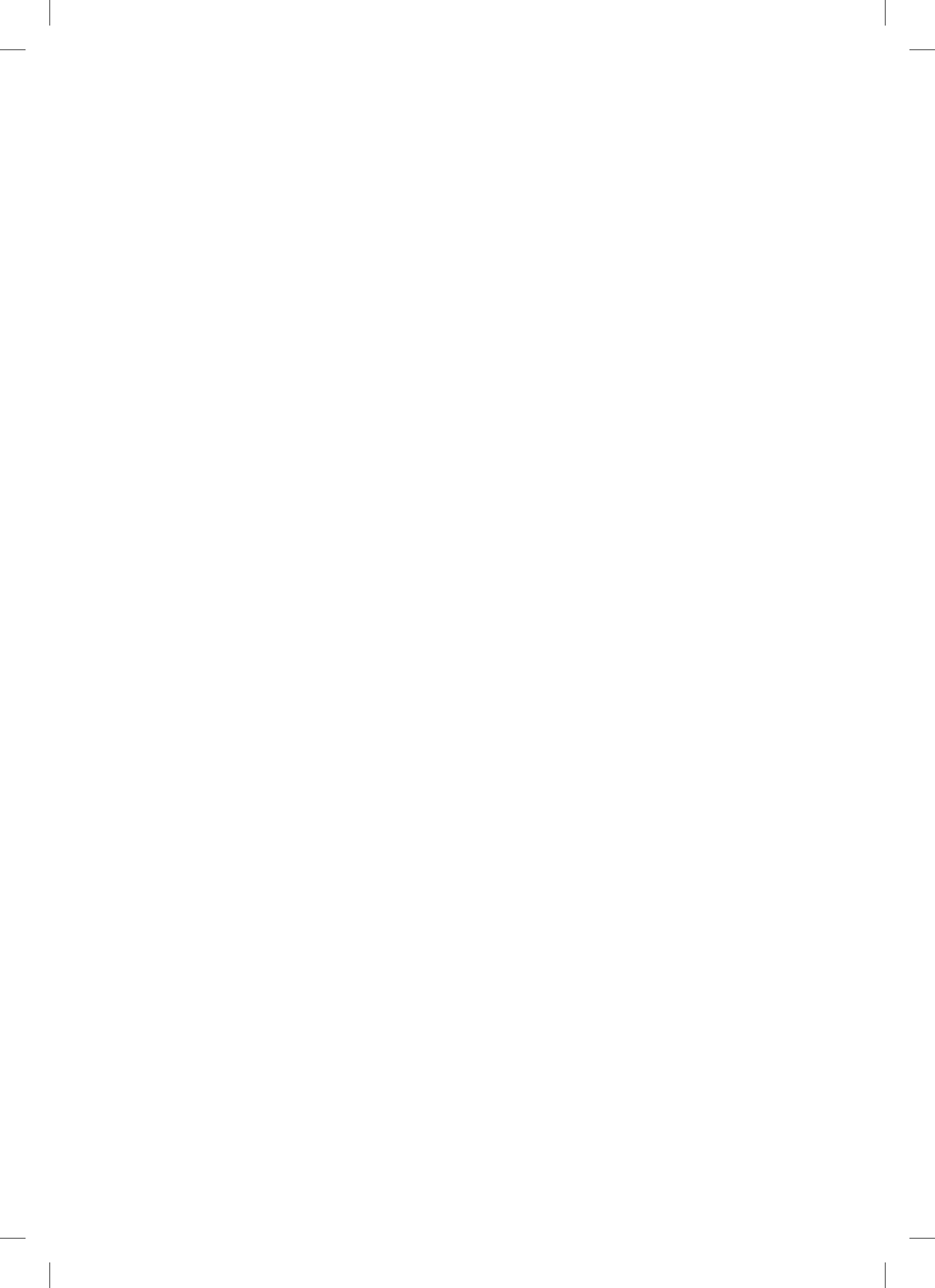
8. Budget

The maximum budget available for the evaluation is 165 000€ (VAT excluded), which cannot be exceeded

9. Mandate

The evaluation team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organizations. However, it is not authorized to make any commitments on behalf of the Government of Finland.

Aira Päivöke
Director for Development Evaluation
Office of the Under-Secretary of State





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