

**ANNEX 7 A CASE STUDY ON PEACE AND DEVELOPMENT IN FINLAND'S
COUNTRY PROGRAMME IN PALESTINIAN TERRITORIES**

Evaluation

A Case Study on Peace and Development in Finland's Country Programme in Palestinian Territories

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This report was commissioned by the Ministry for Foreign Affairs of Finland to Itad Ltd.
The Consultant authors bear the sole responsibility for the contents of the report.
The report does not necessarily reflect the views of
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ACKNOWLEDGMENTS

Research for this evaluation was conducted between July 2013 and August 2014 by a team of consultants contracted by Itad Ltd, which is based in Hove, UK. The team comprised Jon Bennett in the role of team leader, lead author of the synthesis report and lead author of the Afghanistan case study; David Fleming as Itad evaluation manager, co-author of the synthesis report and member of the Ethiopia sub-team; Bill Sterland as lead author of the Western Balkans case study; Debi Duncan as lead author of the Palestinian Territories case study; Tuija Stenbäck as lead author of the Ethiopia case study; Zehra Kacapor Dzihic and Rozeta Hajdari as members of the Western Balkans sub-team; Mohammed Mussa as member of the Ethiopia sub-team; Akbar Sarwari as member of the Afghanistan sub-team; and Samir Baidoun as member of the Palestinian Territories sub-team. Itad extends thanks to the evaluation team for their commitment and engagement throughout in what has been a very challenging and exciting evaluation.

The evaluation team was supported by a number of Itad staff and associate consultants. David Fleming (Senior Consultant) was responsible for evaluation management and coordination, with the support of Jodie Ellis (Senior Project Officer) and Dane Rogers (Managing Director). Itad's Duty of Care team comprising Julian Barr, Sarah Ockenden, Alice Parsons and Susannah Bartlett, supported by Brennan Dwyer and the Safer Edge Team, provided logistical and security arrangements for the Afghanistan fieldwork. Former Itad Director, Derek Poate, provided quality assurance and methodological insights throughout the evaluation, for which the team is extremely grateful. In Finland the team was supported by Erja Hänninen (Junior Expert). Proof-reading was carried out by editing consultant Chris Steel and abstract and summary translations were carried out by Karoliina Zschauer and Wolfestone.

Itad Ltd and the team wishes to express sincere gratitude to the Unit responsible for development evaluation (EVA-11) attached to the Office of the Under-Secretary of State in Finland's Ministry for Foreign Affairs (MFA): Jyrki Pulkkinen (Director), Riitta Oksanen (Senior Advisor), Sanna Pulkkinen (Senior Evaluation Officer), Riiikka Miettinen (Evaluation Officer) and Kristiina Kuvaja-Xanthopolous (Counsellor).

The team is extremely grateful to all of the staff members of the Ministry for Foreign Affairs in Helsinki as well as the Embassies in Western Balkans, Afghanistan, Ethiopia and the Representative Office in the Palestinian Territories for their kind support in facilitating the team's fieldwork and for being available for interviews and freely expressing their views.

The evaluation team for this case study of the Palestinian Territories wishes to express its thanks to the Ministry for Foreign Affairs of Finland and its partners for their cooperation during this evaluation. Special thanks go to MFA personnel in the Ramallah office for their assistance and commitment to the evaluation during the field mission. They are a small team with a heavy workload; the time they spent with the team responding to questions in a detailed and open manner was invaluable. In addition, thanks are due to Ms Jenny Sjöberg in the MFA regional department for providing assistance over the course of the evaluation and for being the focal point for the evaluation team.

The team would also like to take this opportunity to gratefully acknowledge and thank the numerous individuals interviewed. They graciously gave their valuable time to facilitate the team's country and mission visits and to provide information, analysis, interpretations and explanations. The views of all of these stakeholders were crucial in helping the team to formulate its assessments and recommendations. The team has attempted to address all the evaluation questions in the Terms of Reference. Needless to say, the flaws and omissions are entirely ours. The team is also responsible for the views and recommendations expressed in the final report.

ACRONYMS AND ABBREVIATIONS

| | |
|-------------|------------------------------------------------------------------|
| AHLC | Ad Hoc Liaison Committee |
| CCO | Cross-cutting Objective |
| DAC | Development Assistance Committee |
| EDSP | Education Development Strategic Plan |
| EQ | Evaluation Questions |
| ESD | Education for Sustainable Development |
| EU | European Union |
| EUPOL-COPPS | EU Police Mission in the Palestinian Territories |
| FAO | Food and Agriculture Organization |
| FLC | Fund for Local Cooperation |
| GDP | Gross Domestic Product |
| ICI | Institutional Cooperation Instrument |
| IMF | International Monetary Fund |
| IPA | Instrument for Pre-accession Agreement |
| IPE | Initiative for the Palestinian Economy |
| JFA | Joint Financing Agreement |
| LAP | Land and Administration Project |
| MDGs | Millennium Development Goals |
| MFA | Ministry for Foreign Affairs of Finland |
| MoE | Ministry of Education |
| MoPAD | Ministry of Planning and Development |
| NGOs | Non-governmental Organisations |
| OCHA | Office for the Coordination of Humanitarian Assistance (UN) |
| ODA | Official Development Assistance |
| OECD | Organisation for Economic Cooperation and Development |
| OQR | Office of the Quartet Representative |
| PA | Palestinian Authority |
| PCP | Palestinian Civil Police |
| PEFA | Public Expenditure and Financial Accountability |
| PEGASE | European–Palestinian Management and Socioeconomic Help |
| PLA | Palestinian Land Authority |
| PLO | Palestine Liberation Organisation |
| PM | Prime Minister |
| PNA | Palestinian National Authority |
| PWA | Palestinian Water Authority |
| PRDP | Palestinian Reform and Development Plan |
| PRDP TF | Palestinian Reform and Development Plan – Trust Fund |
| SWAp | Sector-wide Approach |
| TA | Technical Assistance |
| TIM | Temporary International Mechanism |
| ToR | Terms of Reference |
| UK | United Kingdom |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNGA | United Nations General Assembly |
| UNOPS | United Nations Office for Project Services |
| UNRoD | UN Register of Damages |
| UNRWA | United Nations Relief and Works Agency |
| UNSC | United Nations Security Council |
| US | United States of America |
| USSC | United States Security Coordinator |
| WB | World Bank |

TIIVISTELMÄ

Tämä osaevaluaatio arvioi Suomen kehitysyhteistyön tuloksia ja osuutta Palestiinalaisalueilla osana laajempaa evaluaatiota Suomen rauhan ja kehityksen tuesta hauraissa valtioissa. Evaluaatio sisälsi kattavan dokumentti-analyysin, Suomen ulkoasiainministeriön henkilökunnan haastatteluja Helsingissä ja kahden viikon kenttätutkimusjakson Länsirannalla.

Suomen yleistavoite Palestiinalaisalueilla on edistää perustan luomista elinkelpoiselle Palestiinalaisvaltiolle. Tämä sisältää valtion instituutioiden tukemista kahdenvälisen ohjelmien kautta ja kansalaisyhteiskunnan tukemista hanketuen välityksellä. Evaluaatioon kuuluvan tarkastelukauden aikana (2007–2013) Suomi rajasi kehitysyhteistyönsä kolmelle sektorille sekä suoraan budjettitukeen, mikä on linjassa globaalien menettelytapojen kanssa. Evaluaatiossa todettiin, että Suomi edisti tätä yleistä tavoitetta keskittymällä erityisiin valtion rakentamistavoitteisiin. Myös Suomen yleinen maaohjelma oli linjassa Palestiinalaishallinnon (PA) tärkeimpien kansallisten suunnitelmien kanssa ja hyödynsi maan järjestelmää. Tämän lisäksi koordinaatio Palestiinalaishallinnon (PA) ja muiden rahoittajien kanssa oli hyvää, ja Palestiinalaishallinto (PA) piti Suomen roolia koko opetussektorin kattavan lähestymistavan luomisessa merkittävänä.

Evaluaatio suosittelee, että yleistä strategista suunnittelua ja päätöksentekoa vahvistetaan laatimalla maaohjelma. Läpileikkaavien tavoitteiden tulisi keskittyä sukupuoleen ja oikeuksiin ja erityisen raportoinnin avulla mahdollistaa poliittinen dialogi ja kokemusten hyödyntäminen. Kansalaisyhteiskunta-aloitteiden ja valtion rakentamistavoitteiden välistä linkkiä tulisi vahvistaa. Lisäksi UM:n tulisi kasvattaa maassa olevaa henkilöstöä paremman ohjelmatchokkuuden takaamiseksi.

Avainsanat: Palestiinalaishallinto, Palestiinalaisalueet, Suomi, evaluaatio, valtion rakentaminen

ABSTRACT

Denna fallstudie bedömer resultaten och bidragen från Finlands utvecklingssamarbete i de Ockuperade Palestinska Territorierna, som en del av en bredare utvärdering av Finlands stöd till fred och utveckling i bräckliga stater. Utvärderingen innefattar omfattande granskning av dokument, intervjuer med utrikesdepartementets personal i Helsingfors och en två veckors fältinsats på Västbanken.

Finlands övergripande målsättning i de Ockuperade Palestinska Territorierna är att bidra till att bygga grunden för en livskraftig palestinsk stat. Detta omfattar stöd till statliga institutioner, genom bilaterala program och stöd till det civila samhället genom projektstöd. Under perioden som granskats (2007–2013), begränsade Finland sitt utvecklingssamarbete till tre sektorer, plus direkt budgetstöd, i linje med global politik. Utvärderingen visade att Finland bidragit till detta övergripande mål genom att fokusera på specifika målsättningar för statsbyggande. Det befanns också att Finlands totala landsprogram var i linje med de viktigaste nationella planerna för den palestinska myndigheten (PA: Palestinian Authority) och utnyttjade landsspecifika system väl. Samordningen med PA och andra givare var dessutom bra, och Finlands roll i upprättandet av utbildning genom ett sektorsövergripande tillvägagångssätt sågs som en betydande prestation av PA.

Utvärderingen rekommenderar att övergripande strategisk planering och beslutsfattande stärks genom att en strategi för landet utarbetas. Övergripande målsättningar bör inriktas på genus och rättigheter, med särskild rapportering för att möjliggöra dialog om policy och inhämtande av lärdomar. Sambanden mellan det civila samhällets initiativ och målsättningar för uppbyggnaden av staten bör stärkas. UD bör dessutom utöka den inhemska bemanningen för att säkerställa en högre effektivitet för programmet.

Nyckelord: Palestinska myndigheten, Ockuperade Palestinska Territorierna, Finland, utvärdering, statsbygge

ABSTRACT

This case study assessed the results and contributions of Finland's development cooperation in the Palestinian Territories as part of a broader evaluation of Finland's support to peace and development in fragile states. The evaluation involved extensive review of documents, interviews with Ministry for Foreign Affairs staff in Helsinki and a two-week field mission in the West Bank.

Finland's overall objective in the Palestinian Territories is to contribute to building the foundations of a viable Palestinian state. This includes support to state institutions, through bilateral programmes, and support to civil society through project support. During the period under review (2007–13), Finland limited its development cooperation to three sectors, plus direct budget support, in line with global policies. The evaluation found that Finland contributed to this overall objective by focusing on specific statebuilding objectives. It also found that Finland's overall country programme was aligned with the main national plans of the Palestinian Authority (PA) and made good use of country systems. Moreover, coordination with the PA and other donors was good, and Finland's role in establishing the education sector-wide approach was viewed as a significant achievement by the PA.

The evaluation recommends that overall strategic planning and decision making be strengthened by drawing up a country strategy. Cross-cutting objectives should be focused on gender and rights, with specific reporting to enable policy dialogue and lesson learning. The links between civil society initiatives and statebuilding objectives should be strengthened. Also, the MFA should increase in-country staffing to ensure greater programme efficiency.

Keywords: evaluation, Finland, Palestinian Authority, Palestinian Territories, statebuilding.

Johdanto

Tämä evaluaatio tarjoaa tutkimuksen Suomen kehitysyhteistyöstä Palestiinalaisalueilla vuosina 2007–13. Evaluaation tarkoituksena on tarjota kattava katsaus Suomen kehitysyhteistyön saavutuksista, osallisuudesta ja heikkouksista rauhan ja kehityksen tukemisessa Palestiinalaisalueilla. Se pyrkii tarjoamaan kokemuksia ja suosituksia, jotka tukevat Suomen ulkoasiainministeriötä (UM) hauraiden valtioiden rauhan ja kehityksen edistämisen linjausten ja ohjelmastrategioiden suunnittelussa.

Tiimi kehitti yhtenäisen, neljän laaja-alaisen arviointikysymyksen ympärille rakennetun evaluaatiokehiksen kaikille osaevaluaatioille. Aluksi suoritettiin dokumenttianalyysi, joka sisälsi asiakirjakatsauksen ja haastatteluja Helsingissä. Tämän jälkeen tehtiin kahden viikon kenttävierailu Länsirannalle tiedonkeruuta sekä dokumenttianalyysin alustavien tulosten triangulointia varten.

Tulokset

Tuen merkitys rauhan ja kehityksen edistämisessä

Suomen kehitysyhteistyölle Palestiinalaisalueilla ei ole maaohjelmasuunnitelmaa, mistä johtuen kontekstin väliset yhteydet, erityisesti rauhan ja kehityksen edistämässä ja strategisten painopisteiden valinnassa sekä Suomen kehitysohjelman suunnittelussa, eivät ole selkeitä. Yksityiskohtaisen maaohjelman puuttuminen tarkoittaa, että Suomen kehitysyhteistyöohjelmaa tukeva logiikka ja halutut tulokset eivät ole helposti UM:n ja ulkoisten sidosryhmien nähtävillä.

Suomi hyödyntää laajaa instrumenttivalikoimaa ja keskittyy rajoitettuun määrään sektoreita, mikä maksimoi rajalliset taloudelliset ja henkilöstöresurssit. Ei ole näyttöä siitä, että valitut sektorit olisivat perustuneet konfliktin kokonaisvaltaiseen strategiseen lähestymiseen. Suomen suora budjettituki PA:lle on vaikuttanut haurauskysymyksiin ylläpitämällä PA:n kapasiteettia ja vakautta.

Ulkoasiainministeriön (UM) vakava henkilöstöressurssivaje alueellisella osastolla tarkoittaa, että tähän mennessä ei ole ollut kapasiteettia sisäiselle analyysille ja suunnittelulle, joilla vastata esille nouseviin kysymyksiin.

Politiikan johdonmukaisuus

Suomen kehitysohjelma on noudattanut keskeisiä globaaleja poliittisia kysymyksiä. Tosin UM:n 2009 linjauksiin ei ole selkeästi viitattu niissä dokumenteissa, jotka liittyvät Suomen kehitysyhteistyön tavoitteisiin ja ohjelmiin.

Evaluaatio ei löytänyt näyttöä tulosperustaisesta kehiksestä eikä myöskään tuloksia ja oppimismekanismeja ole saatavilla. Sen vuoksi ei siis ole selvää, kuinka Suomen globaalien linjausten noudattamista ja johdonmukaisuutta, on seurattu, ja miten noudattamista voidaan arvioida. Käytössä ei ole interventiologiikkaa, tavoitteita ja indikaattoreita mahdollistamassa tulosperustaista johtamista ja tavoitteellista suunnittelua.

Ei ole selvää, miten Suomi mittaa jokaisen kehitysohjelmansa erityistavoitteen edistymistä, erityisesti missä määrin Suomen kehitysyhteistyö on edistänyt valtion rakentamistavoitteita.

Läpileikkaavat tavoitteet

Politiikan linjausten tasolla läpileikkaaviin tavoitteisiin (CCOs) on selkeästi viitattu suomalais-palestiinalaisissa yhteistyösopimuksissa. Ohjelmallisesti Suomi on myös osoittanut sitoutumisen läpileikkaaviin tavoitteisiin. Sukupuolta-, ihmisoikeuksia- ja oikeusvaltio kysymyksiä koskevia lausuntoja on sisällytetty sektoriohjelmiin liittyviin sopimuksiin. Kaikissa Suomen interventioissa on sukupuoleen ja tasa-arvoon liittyvät indikaattorit, samalla kun vesiohjelma käsittelee myös ympäristökysymyksiä.

Vaikka Suomen kehitysohjelma Palestiinalaisalueilla on osoittanut sitoutuneisuutta läpileikkaaviin kysymyksiin, konkreettiset tulokset toimista puuttuvat. Tämä johtuu useista tekijöistä: ei ole näyttöä PA:n läpileikkaavien tavoitteiden täytäntöönpanon ja edistyksen seurannasta eikä ohjelmissa ole keskitettyä raportointia eikä mekanismeja, joilla opitut ja hyvät käytännöt tunnistettaisiin.

Avun tuloksellisuus

Suomen kehitysyhteistyön tulosten ja saavutusten kestävyys Palestiinalaisalueilla on ongelmallista kahdesta syystä: ensiksi Israelin miehityksen vaikutukset sosioekonomiseen kehitykseen, jotka vakavasti haittaavat yrityksiä tehostaa apua ja ylläpitää sosioekonomista kehitystä; ja toiseksi Palestiinan valtiollisen aseman puuttuminen, mikä on olennainen kehityksen este.

Siinä missä Suomen yksittäisten aloitteiden suunnittelu sisältää riskianalyytit ja riskien mahdolliset hillitsemistoimet, Suomi ei ole tehnyt riskianalyysejä skenaariosta, jossa kahden valtion suunnitelmasta luovuttaisiin, eikä seurauksista, joita tällä olisi Suomen yleiselle lähestymistavalle liittyen yhteistoimintaan Palestiinalaisalueilla.

Suomella on erittäin hyvät suhteet PA:n pääyhteistyöministeriöihin. Suomen portfolio on erittäin selkeä, ja keskittymistä rajattuun määrään sektoreita pidetään positiivisena. Kaikki Suomen kahdenväliset ohjelmat ovat linjassa PA:n prioriteettien kanssa, mikä ei välttämättä ole merkityksellistä, sillä PA ei hallinnoi tukea kovin tiukasti.

Palestiinalaishallinto (PA) pitää Suomen roolia koko opetussektorin kattavan lähestymistavan rakentamisessa merkittävänä. Tämä on nostanut Suomen profiilia sektorilla. Joidenkin rahoittajien mielestä Suomella olisi hyvät mahdollisuudet ottaa vahvempi johtorooli opetuksen työryhmässä varapuheenjohtajan tehtävissä.

Suomen näkyvyys maasektorilla on viime aikoihin asti ollut rajallista. Mutta äskettäiset, poliittisiin neuvotteluihin liittyneet aloitteet ovat kasvattaneet maan merkitystä sektorina. Ainoana maasektorilla toimivana kahdenvälisenä rahoittajana Suomen profiili onkin merkittävästi kasvanut.

Päätelmät ja opit

- Strategisen- tai maasuunnitelman puuttuessa Suomelta uupuu yhtenäinen kehys, joka erittelisi Suomen antaman kehitysyhteistyön taustalla olevat perusteet.
- Samalla kun Suomen sektorispesifinen lähestymistapa (SWAp) on keskittynyt, ja luultavasti sopii, Suomen erityisosaamisalueiden korostamiseen ja tunnistamiseen, on olemassa vaara, että tämä on mahdollistanut rajoittuneen ”siiloajattelun”, mikä estää yhtenäisen, maan kattavan strategian syntymisen.
- Vaikka selkeää yhteyttä rauhanrakennukseen ei ole, Suomen suora tuki Palestiinalaisvaltion rakentamiselle voidaan nähdä panoksena rauhanprosessille siten, että vahva Palestiinalaishallinto edistää kahden valtion ratkaisun elinkelpoisuutta Israelin ja Palestiinan konfliktissa.
- Ei ole olemassa ei ole keinoja, joiden avulla maaohjelma voisi syöttää konteksti spesifiset kokemukset ja opit takaisin politiikan kehittämiseen ja ohjeistukseen.
- Vaikka politiikan ja ohjelmasuunnittelun tasolla läpileikkaavien tavoitteiden (CCOs) käsittely on tyydyttävää, yksittäisen CCO:n tulosten ja seurausten taltiointi puuttuu. Tämä tarkoittaa, että Suomen Palestiinalaisalueiden kehitysyhteistyöllä ei ole keinoja muuttaa ohjelman tuloksia poliittiseksi dialogiksi.
- Suomen merkittävin saavutus on tähän mennessä opetussektorilla. Vesisektori on ylikuormitettu, vaatien huomattavia taloudellisia resursseja ja Suomen varat ovat rajoitetut. Koska Suomi on ainoa kahdenvälinen avunantaja maasektorilla, sen profiili on tästä syystä merkittävästi noussut. Suomella voisi olla tulevaisuudessa tärkeä rooli sektorilla.

Suosituks

Palestiinaa koskevat suositukset

- Suomen tulisi harkita varapuheenjohtajuutta opetuksen Joint Financing Partnership:ssa ajaakseen ja edistääkseen tulosperustaisen johtamisen lähestymistapoja.
- Maaohjelman tulisi määrittellä läpileikkaavat tavoitteet (CCOs) ja sisältää selkeät päämäärät.
- Ohjelmatoteutuksessa tulisi kiinnittää suurempaa huomiota läpileikkaavien tavoitteiden (CCOs) seurantaan ja raportointiin.
- UM:n tulisi harkita paikallisen lisähenkilöstön palkkaamista maahan. Kompleksi ja haastava ympäristö edellyttää enemmän ”eläviä”, dynaamisia analyysimuotoja. Suomen nykyinen kapasiteetti on vakavasti rajoittunut ja täysin keskittynyt ohjelmajohdon vaatimuksiin.
- Kansalaisyhteiskunta-aloitteiden ja valtionrakentamistavoitteiden välisen yhteyden vahvistamiseksi PYM tulee liittää kokonaisstrategiaan. Yhteisrahoituksen järjestämistä samanmielisten rahoittajien kanssa tulee harkita.

Linjatasen suositukset UM:lle

- Syksyksi 2014 kaavaillun strategisen suunnitelman tulisi toimia perustana maaohjelmalle. Tärkeimmät strategiset kysymykset, joita tulisi käsitellä sisältävät todennäköisyys-kenaarion analyysin ja linjaukset ja Palestiinalaisalueet Suomen toiminnalle C-alueella, Gazassa ja Itä-Jerusalemossa.
- Suomen tulisi miettiä temaattinen lähestymistapa sen yleiseen kehitysohjelmaan. Tämä voisi keskittyä Suomen omasta hauraiden valtioiden toimintaohjeesta löytyviin kolmeen päätavoitteeseen; konfliktien ehkäisyyn, demokraattisen ja vastuullisen yhteiskunnan kehittämiseen ja oikeusvaltioon sekä naisten osallistamiseen kaikilla tasoilla.
- Suomen tulisi harkita kahdenvälisten hankkeiden rajoittamista kahdelle sektorille: opetus ja maa.

SAMMANFATTNING

Introduktion

Denna utvärdering ger en studie av Finlands utvecklingssamarbete i de Ockuperade Palestinska Territorierna från 2007 till 2013. Utvärderingen syftar till att ge en omfattande översyn av vad som uppnåtts, bidrag och svagheter i Finlands utvecklingssamarbete för att stödja fred och utveckling i de Ockuperade Palestinska Territorierna. Syftet är att ge lärdomar och rekommendationer som kommer att stödja utrikesdepartement (UD) i utformningen av politik och programstrategier för att främja fred och utveckling i bräckliga stater.

Teamet utvecklade en för alla fallstudier gemensam utvärderingsram strukturerad kring fyra övergripande frågor. Efter en skrivbordsstudie som involverade granskning av dokument och intervjuer i Helsingfors, genomfördes ett två veckors fältbesök på Västbanken för att samla ytterligare material och triangulera preliminära resultat från skrivbordsstudien.

Resultaten

Betydelsen av stödet till de som driver på för fred och utveckling

Det finns ingen strategiplan för landet för Finlands utvecklingssamarbete i de Ockuperade Palestinska Territorierna, således är inte kopplingarna explicita mellan kontexten, särskilt de som driver på fred och utveckling, och valet av strategiska prioriteringar och design av Finlands utvecklingsprogram. Frånvaron av en detaljerad strategi för landet innebär att den logik som ligger till grund för Finlands utvecklings- och samarbetsprogram och önskade resultat inte klart framgår för UD och externa intressenter.

Finland använder ett brett spektrum av instrument och fokuserar på ett begränsat antal sektorer som maximerar begränsade finansiella och mänskliga resurser. Det finns inga bevis för att de sektorer som valts var baserade på en gemensam övergripande strategi till konflikten.

Finlands direkta budgetstöd till PA har bidragit till frågor om bräcklighet genom hjälpen att bibehålla PA:s kapacitet och stabilitet.

Allvarliga begränsningar av personalresurser i Finlands utrikesdepartements (UD) regionala avdelning innebär att det hittills inte funnits någon kapacitet för intern analys och planering för att bemöta nya framväxande frågor.

Politisk samstämmighet

Finlands utvecklingsprogram har hörsammat globala politiska nyckelfrågor. Man hänvisar dock inte explicit till UD:s riktlinjer från 2009 i dokument rörande Finlands målsättningar och program för utvecklingssamarbete.

Utvärderingen finner inga belägg för ett resultatbaserat ramverk, inte heller finns det resultat eller mekanismer på plats för att dra lärdomar. Det står därför inte klart hur man registrerat efterlevnad och överensstämmelse med Finlands globala politik och hur efterlevnaden kan utvärderas. Det finns ingen interventionslogik, inga målsättningar eller indikatorer för att möjliggöra resultatbaserad förvaltning och målinriktad planering.

Det är inte klart hur Finland mäter framsteg mot vart och ett av dess specifika syften för utvecklingsprogrammet, särskilt i vilken utsträckning som Finlands utvecklingssamarbete har bidragit till målsättningarna att bygga upp staten.

Övergripande frågor

På politisk nivå hänvisas uttryckligen till övergripande frågor i finsk-palestinska samarbetsavtal. Programmatiskt har Finland också visat ett engagemang för övergripande frågor. Utlåtanden om genus, mänskliga rättigheter och rättsstatliga frågor ingår i de avtal som är relaterade till sektorprogrammen. Alla Finlands insatser har indikatorer för genus- och jämställdhetsfrågor, medan vattenprogrammet också tar upp miljöfrågor

Även om Finlands utvecklingsprogram i de Ockuperade Palestinska Territorierna har visat ett engagemang för övergripande frågor, saknas konkreta resultat av deras insatser. Detta beror på flera faktorer: Det finns inga

tecken på uppföljning med PA gällande implementering och framsteg för att ta itu med övergripande frågor; och det finns ingen fokuserad rapportering i programsektorerna och ingen mekanism för att identifiera lärdomar och god praxis.

Biståndseffektivitet

Hållbarheten är problematisk för Finlands utvecklingsresultat och prestationer i de Ockuperade Palestinska Territorierna på grund av två anledningar; för det första inverkan av den israeliska ockupationen på den socioekonomiska utvecklingen, vilket allvarligt hämmar försök att göra stödet "effektivare" och försök att upprätthålla en socioekonomisk utveckling; och för det andra, avsaknaden av en palestinsk stat, vilket utgör ett grundläggande hinder för utveckling.

Utformningen av Finlands enskilda initiativ omfattar identifieringen av risker och potentiellt mildrande åtgärder, men Finland har inte genomfört en riskanalys för ett scenario där tvåstatslösningen inte längre blir genomförbar och vad konsekvenserna skulle vara för den övergripande strategin i de Ockuperade Palestinska Territorierna.

Finland har en mycket positiv relation med sin huvudsakliga motpart i PA:s departement. Finlands portfölj är mycket tydlig och fokuset på ett begränsat antal sektorer ses som positivt. Alla Finlands bilaterala program är i linje med prioriteringarna för PA, men detta är inte nödvändigtvis betydelsefullt då PA:s förvaltning av stödet inte är inte särskilt strikt.

Finlands roll i upprättandet av utbildning genom ett sektorsövergripande tillvägagångssätt sågs som en betydande prestation av PA. Detta har förbättrat Finlands profil inom sektorn. Vissa givare känner att Finland har goda förutsättningar för att ta en starkare ledarskapsroll i arbetsgruppen för utbildning, genom ett delat ordförandeskap.

Finlands profil inom marksektorn har tills nyligen varit begränsad. Men de senaste initiativen relaterade till politiska förhandlingar har höjt prioriteringen av mark. Finland har som den enda bilaterala givaren involverad i mark därför i betydande grad profilerat sig.

Slutsatser och lärdomar

- Avsaknaden av en strategisk plan och plan för landet innebär att Finland saknar ett samstämmigt ramverk för att utarbeta logiken bakom sitt utvecklingssamarbete.
- Emedan Finlands strategi är specifikt fokuserad efter sektorer och kan hävdas lämpa sig för att framhäva och identifiera Finlands distinkta kompetensområden, finns det en risk att man har infört en nivå av "silo"-tänkande som hämmar en sammanhängande strategi för hela landet.
- Det finns ingen tydlig koppling till fredsbyggande, men Finlands direkta stöd till byggnationen av den palestinska staten kan ses som ett bidrag till fredsprocessen såtillvida att en stark palestinsk myndighet förbättrar möjligheterna för att genomföra en tvåstatslösning i konflikten mellan Israel och Palestina.
- Det finns inga mekanismer för landsprogrammet att returnera kontextspecifika erfarenheter och lärdomar för utveckling av politik och riktlinjer.
- Även om det finns en tillfredsställande behandling av CCO:er på nivån för utformning av politik och program, så saknas att man fångar upp resultat och resultat för enskilda CCO:er. Detta innebär att Finlands utvecklingssamarbete i de Ockuperade Palestinska Territorierna inte har några medel för att överätta bevis från programmen till någon form av politisk dialog.
- Finlands mest betydande insats hittills är inom utbildningssektorn. Inom vattensektorn råder trängsel, och där krävs betydande ekonomiska resurser medan Finland har begränsade medel. Finland har som den enda bilaterala givaren involverad i mark därför i betydande grad profilerat sig. Finland kan ha en viktig roll att spela i framtiden.

Rekommendationer

Rekommendationer specifika för Palestina

- Finland bör överväga att ta på sig rollen som medordförande i det gemensamma partnerskapet för finansiering av utbildning för att leda och driva på resultatbaserad förvaltning.
- Ett lands strategi bör ange CCO:er och inkludera tydliga målsättningar.
- Ökad uppmärksamhet bör ägnas övervakning och rapportering om CCO:er i programgenomförandet.

- UD bör överväga att rekrytera mer lokal personal i landet. Komplexa och utmanande miljöer kräver mer "levande" dynamiska former av analyser. Finlands nuvarande kapacitet är starkt begränsad och helt fokuserad på de krav hanteringen av programmen ställer.
- För att stärka banden mellan det civila samhällets initiativ och målsättningarna att bygga upp staten, måste FLC kopplas till den övergripande strategin. Överväg poolade finansieringsarrangemang med likasinnade givare.

Rekommendationer för UD på politisk nivå

- Den planerade strategiska planen för hösten 2014 bör ligga till grund för en strategi för landet. Viktiga strategiska frågor som bör tas upp innefattar en analys av troliga scenarier, politik och de Ockuperade Palestinska Territorierna för Finlands deltagande i Område C, Gaza och östra Jerusalem.
- Finland bör överväga en tematisk strategi för sitt övergripande utvecklingsprogram. Detta skulle kunna fokusera på de tre prioriteringarna från Finlands egna riktlinjer för bräckliga stater, dvs. konfliktförebyggande; utvecklingen av ett demokratiskt samhälle som kan ställas till svar och rättssäkerhet; och kvinnors deltagande på alla nivåer.
- Finland bör överväga att begränsa sitt bilaterala program till två sektorer: utbildning och land

SUMMARY

Introduction

This evaluation provides a study of Finland's development cooperation in the Palestinian Territories from 2007–13. The evaluation's purpose is to provide a comprehensive review of the achievements, contributions and weaknesses of Finnish development cooperation in supporting peace and development in the Palestinian Territories. It seeks to provide lessons learned and recommendations that will support the Ministry for Foreign Affairs (MFA) in designing policy and programme strategies to promote peace and development in fragile states.

The team developed an evaluation framework common to all of the case studies structured around four overarching evaluation questions. After the desk study was carried out involving document review and interviews in Helsinki, a two-week field visit took place in the West Bank to gather additional evidence and triangulate preliminary findings from the desk study.

Findings

Relevance of support to the drivers of peace and development

There is no country strategy plan for Finland's development cooperation in the Palestinian Territories, thus the links between the context – in particular the drivers of peace and development – and the choice of strategic priorities and design of Finland's development programme are not explicit. The absence of a detailed country strategy means the logic underpinning Finland's development cooperation programme and desired outcomes are not readily apparent to the MFA and to external stakeholders.

Finland utilises a broad range of instruments and focuses on a limited number of sectors which maximises limited financial and human resources. There is no evidence that the sectors chosen were based on an overall strategic approach to the conflict. Finland's direct budget support to the PA has contributed to issues of fragility by helping to maintain the capacity and stability of the PA.

Severe human resource constraints in the Ministry for Foreign Affairs of Finland (MFA) regional department mean that to date there has been no capacity for internal analysis and planning in order to respond to emerging issues.

Policy coherence

Finland's development programme has complied with key global policy issues. However, the 2009 MFA guidelines are not explicitly referred to in documents relating to the objectives and programmes of Finland's development cooperation.

The evaluation finds no evidence of a results-based framework, nor are there results and learning mechanisms in place. It is not clear, therefore, how compliance and coherence with Finland's global policies has been tracked and how compliance can be evaluated. There is no intervention logic, targets and indicators to enable results-based management and goal-oriented planning.

It is not clear how Finland measures progress against each of the specific aims of its development programme, in particular the extent to which Finland's development cooperation has contributed to statebuilding objectives.

Cross-cutting objectives

At the policy level, cross-cutting objectives (CCOs) are explicitly referred to in Finnish–Palestinian cooperation agreements. Programmatically, Finland has also demonstrated a commitment to CCOs. Statements on gender, human rights and rule of law issues are included in the agreements related to sector programmes. All Finland's interventions have indicators pertaining to gender and equality issues, while the water programme also addresses environmental matters.

Even though Finland's development programme in the Palestinian Territories has a demonstrated commitment to CCOs, there is an absence of the concrete results of their interventions. This is due to a number of

factors: there is no evidence of follow-up with the PA on implementation and progress towards addressing CCOs; and there is no focused reporting in the programme sectors and no mechanism for identifying lessons and good practice.

Aid effectiveness

The sustainability of Finland's development results and achievements in the Palestinian Territories is problematic for two reasons: first the impact of the Israeli occupation on socioeconomic development, which severely hampers attempts to make aid more "effective" and sustain socioeconomic development; and second, the absence of Palestinian statehood which is a fundamental block to development.

Whereas the design of Finland's individual initiatives includes the identification of risks and potential mitigation measures, Finland has not carried out a risk analysis on a scenario whereby the two-state solution becomes no longer viable and what the implications would be for its overall approach in the Palestinian Territories.

Finland has a very positive relationship with its main PA counterpart ministries. Finland's portfolio is very clear and the focus on a limited number of sectors is viewed as positive. All of Finland's bilateral programmes are aligned with the priorities of the PA, but this is not necessarily significant as the PA's management of aid is not very strict.

Finland's role in establishing the education sector-wide approach (SWAp) is viewed as a significant achievement by the PA. This has enhanced Finland's profile in the sector. Some donors feel Finland is well placed to take a stronger leadership role in the education working group, in the role of co-chair.

Finland's profile in the land sector has, until recently, been limited. But recent initiatives related to political negotiations have increased the priority of land. As the only bilateral donor involved in land, Finland's profile has therefore significantly increased.

Conclusions and lessons

- The absence of a strategic or country plan means that Finland lacks a coherent framework within which to detail the rationale behind its development cooperation.
- While Finland's SWAp is focused and arguably lends itself to highlighting and identifying Finland's areas of distinctive competence, there is a danger that it has introduced a level of "silo" thinking that inhibits a coherent country-wide strategy.
- While there is no explicit link to peacebuilding, Finland's direct support to building the Palestinian state can be seen as a contribution to the peace process in that a strong Palestinian Authority enhances the viability of a two-state solution to the Israeli–Palestinian conflict.
- There is no means whereby the country programme can feed context specific experience and lessons back into policy development and guidance.
- While there is a satisfactory treatment of CCOs at the policy and programme design level, capturing the results and outcomes on individual CCOs is lacking. This means Finland's development cooperation in the Palestinian Territories has no means to translate evidence from the programme into any form of policy dialogue.
- Finland's most significant achievement to date is in the education sector. Water is an overcrowded sector, requiring significant financial resources and Finland has limited funds. As the only bilateral donor involved in land Finland's profile has therefore significantly increased. Finland could have an important role to play in future.

Recommendations

Recommendations specific to Palestine

- Finland should consider taking on the role of co-chair of the education Joint Financing Partnership in order to lead and push forward results-based management approaches.
- A country strategy should specify CCOs and include clear targets.
- Greater attention should be paid to monitoring and reporting on CCOs in programme implementation.
- The MFA should consider recruiting more local staff in-country. Complex and challenging environments require more "live", dynamic forms of analysis. Finland's current capacity is severely limited and totally focused on the demands of programme management.

- In order to strengthen the links between civil society initiatives and statebuilding objectives, the FLC needs to be linked to the overall strategy. Consider pooled funding arrangements with like-minded donors.

Recommendations for the MFA at a policy level

- The planned strategic plan for autumn 2014 should serve as the basis for a country strategy. Key strategic issues that should be addressed include an analysis of likely scenarios and policy for Finland's involvement in Area C, Gaza and East Jerusalem.
- Finland should consider a thematic approach to its overall development programme. This could focus on the three priorities from Finland's own fragile states guidelines: conflict prevention, development of a democratic and accountable society and the rule of law, and the participation of women at all levels.
- Finland should consider limiting its bilateral programme to two sectors: education and land.

Summary of key findings, conclusions and recommendations

| Findings | Conclusions | Recommendations |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Finland does not have a country strategy plan for Finland's development cooperation in the Palestinian Territories, thus the links between the contexts; in particular the drivers of peace and development, and the choice of strategic priorities and design of Finland's development programme are not explicit. | The implications for not having a country strategy include: no link between the context, Finland's development programme and overall aims; no results chain against which to measure progress and in a sensitive political environment there is no assessment of risks and opportunities. In particular, decision making on key issues such as Finland's approach to Area C, Gaza and East Jerusalem is inhibited. | 1 The planned strategic plan for autumn 2014 should serve as the basis for a country strategy. Key strategic issues that should be addressed include: an analysis of likely scenarios and policy for Finland's involvement in Area C, Gaza and East Jerusalem. |
| Finland does not carry out its own political economy and poverty analysis of the Palestinian Territories, relying on a variety of external sources. | External sources provide an adequate overview of key political and development issues, but this does not compensate for Finland's own analysis of specific issues in relation to its development programme. | 2 The strategic plan should follow the MFA fragile state guidelines by incorporating a conflict analysis. The analysis should lead to a conflict sensitive approach, including a "do no harm" assessment, of the sector programmes. |
| The logic underpinning Finland's development cooperation programme and desired outcomes is not readily apparent to the MFA and to external stakeholders. | The absence of strategic or country plan means that Finland lacks a coherent framework within which to detail the rationale behind their development cooperation. | 3 The strategic plan should include a theory of change and a political economy analysis. These should aim to provide clarity as to the logic underpinning Finland's development programme and how this supports Finland's political objectives. |
| Finland's capacity to effectively analyse and plan a development strategy is impaired. This is necessary for decision making and the flexibility of response required at country level where the political situation can very rapidly change. | There is a chronic lack of human resources in the regional desk in Helsinki and at country level. Complex and challenging environments require more "live", dynamic forms of analysis. Finland's current capacity is totally focused on the demands of programme management. There is no capacity to conduct analysis. | 4 The MFA should consider recruiting more local staff in-country for programme management. |
| Finland utilises a broad range of instruments and focuses on a limited number of sectors which maximises limited financial and human resources. However, there is no evidence that the sectors chosen were based on an overall strategic approach to the conflict. The chosen sectors of land, water and education have not changed over the course of the evaluation period. | Finland has pursued a sector-specific approach in the Palestinian Territories over many years. While this approach is clear and focused and arguably lends itself to highlighting and identifying Finland's areas of distinctive competence, there is a danger that sector-specific specialisation has introduced a level of "silo" thinking that inhibits a coherent country-wide strategy. | 5 Finland should consider a thematic approach to its overall development programme (see also below under recommendations on policy coherence). |

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| <p>Finland's development cooperation is clear on the key priorities in Finland's development policies and responded accordingly. But there is no means by which guidance on fragile states is translated into planning and strategy on the ground. This is partly due to a disproportionate allocation of resources to policy development compared to what is expected to be delivered in-country. Resources available for policy implementation are thus limited.</p> | <p>Bilateral agreements are an important tool for documenting how Finland's global development policy priorities are addressed by the programme in the Palestinian Territories. This serves more as a record of tracking compliance than as a useful means of translating policy priorities into action. There is no means whereby the country programme can feed context specific experience and lessons back into policy development and guidance.</p> | <p>6 Finland should consider a thematic approach to its overall development programme. This could focus on the three priorities from Finland's own fragile states guidelines, i.e. conflict prevention; development of a democratic and accountable society and the rule of law; and the participation of women at all levels. The aim should be to deliver results on the ground.</p> |
| <p>Cross-cutting objectives are explicitly referred to in Finnish–Palestinian cooperation agreements, featuring as principles and commitments. These have not been followed up with the PA.</p> | <p>Finland's approach to CCOs in the Palestinian Territories has been to emphasise the need to address CCOs in bilateral agreements with the PA and to incorporate CCOs in Finland's programme design and monitoring. The FLC has also been used to support projects that relate to CCOs.</p> | <p>7 A country strategy should specify CCOs and include clear targets.</p> |
| <p>Programmes have consistently addressed gender, human rights and rule of law issues in the design of different sector programmes. There has been no focused reporting on CCOs nor is there any mechanism for identifying lessons and good practice.</p> | <p>While there is a satisfactory treatment of CCOs at the policy and programme design level, capturing the results and outcomes on individual CCOs is lacking. This means Finland's development cooperation in the Palestinian Territories has no means to translate evidence from the programme into any form of policy dialogue, be this with the PA, with other donors and to the MFA's global policy forums.</p> | <p>8 There needs to be greater attention paid to monitoring and reporting on cross-cutting objectives in programme implementation. Rather than trying to cover all three CCOs in Finland's 2012 development policy, it is probably more effective to focus efforts on issues that Finland is likely to successfully address; for example gender and land rights. This would enable a focus on policy dialogue with the PA and other donors and provide practical experience and lessons.</p> |
| <p>Finland highest profile is in the education sector, where its role in establishing the SWAp is well recognised. As a planning tool, the JFA has brought positive changes in the ministry. There are ongoing needs for institutional reform and improving accountability; moreover, a results-based approach is absent.</p> | <p>Finland's most significant achievement to date is in the education sector and it seems pertinent that this should be the sector where Finland takes a lead role.</p> | <p>9 Finland should consider taking on the role of co-chair of the education Joint Financing Partnership in order to lead and push forward results-based management approaches.</p> |
| <p>Finland's profile in the water and land sectors has to date been limited. Land is now an emerging policy priority for the PA and donors, therefore Finland's profile in the sector is increasing.</p> | <p>Development results in the water and land sectors are harder to assess; the water project is yet to be evaluated and the land administration programme is at an early stage. What is clear is that water is</p> | <p>10 Finland could consider limiting its bilateral programme to two sectors; education and land.</p> |

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| | <p>an overcrowded sector, requiring significant financial resources and Finland has limited funds. Land on the other hand has had very limited attention from other donors and Finland has a long history and distinctive competence in this sector. This is a complex and extremely challenging sector, with a perceived weak local institution, a lack of “quick wins” and the need for a long-term involvement. Recent initiatives related to the Israel/Palestinian political negotiations have increased the priority of land as a sector, with high-level political impetus and more donors looking at ways of involvement. As the only bilateral donor involved in land, Finland’s profile has therefore significantly increased. Finland could have an important role to play in future.</p> | |
| <p>The FLC is explicit about its aims to support civil society; however, there is no discernible link between projects under the FLC and how such civil society initiatives contribute to statebuilding.</p> | <p>Statebuilding has focused on institutional development and reform, at the expense of strengthening civil society and citizen empowerment.</p> | <p>11 In order to strengthen the links between civil society initiatives and statebuilding objectives, the FLC needs to be linked to the overall strategy. Consider pooled funding arrangements with like-minded donors.</p> |
| <p>The impact of conflict has a significant impact on Finland’s development programme. The design of Finland’s individual initiatives includes the identification of risks and potential mitigation measures. Finland has not carried out a risk analysis if the two-state solution becomes no longer viable.</p> | <p>The assessment of risks can lead to risk avoidance, especially in a challenging environment. There needs to be a balance between risk and confidence, with assessments that set out options that include “high risk–high opportunity” and “low risk–low opportunity”.</p> | <p>12 In line with MFA fragile state guidelines, there needs to be a risk assessment of Finland’s development programme in the planned strategic planning process.</p> |

1 INTRODUCTION

This report is one of four case studies that contribute to a strategic, thematic “Evaluation of Peace and Development in Finland’s Development Cooperation”. In compliance with the Terms of Reference (ToR – Annex 4) it is:

a comprehensive overall independent view on the achievements, contributions and weaknesses of Finnish development cooperation in supporting peace and development in fragile states. [It will] provide lessons learnt from the past... and give recommendations on how to enhance the implementation of policy priorities in supporting peace and development through development cooperation.

Rather than being a conventional country programme evaluation, it focuses on the peace, security and development nexus. Fragility is interpreted here in a broad sense to encompass not only those states currently or recently in conflict, but also those that have an important role to play in regional stability and peacebuilding. The chosen case studies cover a spectrum from relative stability (Ethiopia) to those still in the midst of conflict (Afghanistan). The evaluation is geared towards the usability of findings both at headquarters and country levels; it is a learning process that captures how strategy is translated into action at the country level. It should also help support the implementation of the new *Fragile States Guidelines* published by the Ministry for Foreign Affairs of Finland (MFA) in 2014 (MFA 2014).

The majority of Finnish development cooperation includes a wide range of interventions supporting conflict prevention and mitigation indirectly, with development cooperation being implemented in parallel with diplomacy, crisis management and humanitarian assistance. Hence, an important element of the evaluation is a contextual analysis of events over time, how Finnish development cooperation interplays with wider international development cooperation, and how strategy has evolved in relation to national priorities and policies. Humanitarian aid and civilian crisis management operations are not included in the scope of the evaluation, but we explore the interface between development cooperation and other Official Development Assistance- (ODA)-financed activities at the country level. Likewise, individual projects will not be evaluated as such, but may be used to illustrate wider strategic learning.

The analysis and evaluation addresses both the “why?” questions flagged in the intervention logic(s) – the rationale for, and consequences of, decisions made by Finland over time; and the “how” questions – the manner in which policy has translated into action. Although our focus is on development cooperation, the continuity between this and the totality of Finland’s approach will be explored, as well as the leverage that development cooperation affords to political dialogue in the countries under review.

2 APPROACH

2.1 Scope and purpose

This evaluation provides a study of Finland’s country programme in the occupied Palestinian Territories from 2007 to 2013. It is neither a country programme evaluation nor a project(s) evaluation but rather a thematic evaluation to assess how Finnish development cooperation in the Palestinian Territories has contributed to peace and development. The purpose of the case study is to raise issues, identify lessons and make recommendations on Finland’s contributions to peace and development in fragile states. The emphasis is therefore on this higher-level of analysis and learning rather than the specifics of the country programme.

More specifically, the objective of the evaluation is to provide answers to four key evaluation questions set out in the ToR (Annex 1):

- EQ1 Has Finnish development cooperation provided relevant support to the drivers of peace and development in fragile states including poverty reduction? Have the choice and mix of sectors and instruments contributed to these targets?
- EQ2 What have been the mechanisms to integrate the Finnish development policy priorities also stipulated in the 2009 *Development and Security in Finland's Development Policy, Guidelines in Cooperation* (MFA 2010) in the country level interventions? Are development interventions on the ground complying with the priorities and thematic focuses of the development policies and the 2009 guidelines?
- EQ3 How have the cross-cutting objectives been integrated in Finland's development interventions in fragile states? How has their integration/non-integration affected identified and achieved results? What are the lessons learned and best practises in implementing cross-cutting objectives?
- EQ4 How have the aid effectiveness commitments been integrated in the Finnish development interventions? How has their application supported development results and the overall objective of peace and development? What have been the lessons learned and best practices?

The report begins by outlining the methodology for the case study, including limitations of the selected approach. Section 3 provides an outline of the country context, including an overview of the socioeconomic and political situation during the evaluation period, as well as global development assistance. Section 4 examines global development policy towards the Palestinian Territories, the evolution of Finland's development policies and programme as well as cross-cutting themes and objectives. Section 5 presents the key findings around the four evaluation questions, covering issues of relevance, efficiency, effectiveness, impact, sustainability, coherence and coordination. In the final two sections, conclusions are drawn on the extent to which Finnish development cooperation has supported peace and development in the Palestinian Territories, followed by recommendations to improve the implementation of policy priorities and the new fragile states' guidance.

2.2 Methodology and limitations

The evaluation team comprised two consultants, one international with expertise in conflict and peacebuilding and experience from the country, together with a Palestinian expert in evaluation. There were three phases to the evaluation: (a) an inception phase; (b) a desk study phase, which consisted of an analysis of all strategy, programme, project memorandum, appraisal, monitoring and evaluation reports, internal memos and independent secondary sources, combined with interviews with Ministry for Foreign Affairs staff in Helsinki; and (c) a two-week field mission to the Palestinian Territories in February 2014, comprising interviews with staff at the Finnish Representative Office in Ramallah, the Finnish Embassy, project staff, Palestinian Authority senior officials, key informants from other Development Agencies and NGO representatives.

Evaluation approach

The case study team used a common evaluation framework, developed in the inception phase, for conducting analysis and gathering evidence. The framework set out between four and six sub-questions under each of the four overarching evaluation questions, together with indicators of success. The desk report presented an initial analysis against each sub-question and indicator, which enabled the team to develop a series of hypotheses to be tested and triangulated through field-level interviews and additional analysis.

The evaluation approach is centred on *intervention logic analysis*,¹ which was used to understand the theory behind Finland's approach in Palestinian Territories and assess the results of Finnish engagement. To achieve this, we first reconstructed an intervention logic based on existing policy and planning documents as well as interviews. This set out Finland's *planned* strategy for engagement in Palestinian Territories together with an elaboration of the critical assumptions that might have impeded achievement of outcomes. This was presented as part of the desk report. The intervention logic was then tested during the field phase to assess the extent to which it was (a) realistically assessed in terms of the underlying assumptions, (b) measurable, in terms of the kind of data analysis that was in place, and (c) realised in terms of what actually occurred within the lifetime of the programmes. The intervention logic is included in Annex 5 of this report; the accompanying analysis can be found in Section 5.5.

¹ According to EuropeAid's evaluation methodology guidance, an intervention logic sets out "the expected effects of an intervention as well as the assumptions that explain how the activities will lead to the effects in the context of the intervention"(EruopeAid 2006).

Alongside the intervention logic analysis, our approach to assessing Finland's contribution to results in Palestinian Territories was guided by an adaptation of *contribution analysis*,² which was used to provide an account of not only why the observed results occurred (or not), but also other internal and external factors that influenced outcomes. It was used to confirm the intervention logic, providing evidence and a line of reasoning from which to draw plausible conclusions regarding the extent to which the programme has made an important contribution to the documented results. An analysis of Finnish contribution to results is set out in the findings and conclusions sections of this report.

Evaluation methodology

In addition to the above analytical methods, three methodological tools were developed to contribute to our understanding of the “storyline” of Finnish engagement in Palestinian Territories: *contextual analysis*, *events timeline analysis* and *portfolio analysis*. A *contextual analysis* was conducted during the desk phase with the purpose of (a) understanding the context in which Finnish interventions were implemented during the evaluation period; (b) to analyse the extent to which the country programme in Palestinian Territories was sensitive to country events, and which was adjusted in response to changes in the conflict environment. The subsequent fieldwork used interviews with Finnish Embassy staff and other key stakeholders to add current trends and dynamics to the analysis. The contextual analysis is presented in Section 4.4 of this report.

An *events timeline analysis* was conducted alongside the contextual analysis during the desk study phase. This entailed setting out a selective listing of three concurrent elements in recent history – major political/military events, events common to all donors, and a selection of project interventions or initiatives undertaken by Finland. The purpose in juxtaposing these three elements was to map the response of MFA to contextual and inter-donor events. The events timeline analysis is presented in Annex 4 of this report.

In addition, a *portfolio analysis* was conducted during the desk study phase. MFA disbursement data was collated and analysed with the purpose of constructing a picture of Finland's commitments and disbursements over the course of the evaluation period in Palestinian Territories, and understanding how these compare and fit with wider collective donor commitments. This analysis is presented in Section 3.2 and 4.3.

Methodological limitations

One of the main limitations to the methodology has been the absence of a comprehensive strategic plan or country strategy document for Finnish engagement in the Palestinian Territories during the evaluation period, and thus the lack of articulation of the key assumptions and critical pathways of change on which programming is based. This has complicated the task of analysing the development and management of Finnish strategy, the responsiveness of Finnish strategy to contextual changes, and most importantly the intervention logic for Finnish engagement in the Palestinian Territories. Furthermore, the evaluation has been hampered by a lack of documentation and data with respect to outcome and results. The literature is heavily weighted towards project inception, design and monitoring outputs, with less reporting on outcomes. This has made the task of generating solid evidence for the impact of Finnish support on peace and development in the Palestinian Territories very difficult.

In addition, the evaluation team encountered problems with the availability of regional staff for interview. During the period covered by the evaluation the regional department has comprised of three staff. Out of these only one was available for interview. Other interviews were with staff whose main responsibilities were for regional political affairs.

² Contribution Analysis is an approach developed by John Mayne (2008) that seeks to provide “reasonable evidence about the contribution being made by the programme” through verifying the intervention logic or theory of change on which a programme is based and exploring other factors that influence outcomes.

3 COUNTRY CONTEXT

3.1 Country background

The Palestinian Authority was established in 1993 by the Oslo Accords, and was supposed to be a temporary institution, for five years until the conclusion of final status talks, with the aim of establishing an independent Palestinian state. It has a limited authority over the Palestinian population living in the Palestinian Territories, defined as the West Bank, East Jerusalem and the Gaza Strip.

The West Bank, apart from East Jerusalem, is divided into three administrative zones or areas: Area A under Palestinian civil and security control; Area B under Palestinian civil control and shared Israeli–Palestinian security control; and Area C under full Israeli security control and almost full civil control. Area C is the only contiguous piece of land in the West Bank and comprises the largest area (62%). It is also the most fertile and resource rich. The areas under limited PA rule are not contiguous, but rather are separated by 102 Israeli checkpoints in the West Bank and 21 in Gaza (UNOCHA 2012).

3.1.1 Socioeconomic situation

Palestine has a population of around 4,4 million, comprising 2,7 million in the West Bank and 1,7 million in Gaza (PCBS 2013). Poverty rates in 2011 were 25,8% (17,8% in the West Bank and 38,8% in Gaza) with a deep poverty rate of 12,9% (7,8% in the West Bank and 21,1% in Gaza) (PCBS 2011).

According to the PA's 2013 Report to the Ad Hoc Liaison Committee (AHLC), unemployment stood at 20,6% in the second quarter of 2013. Compared to 2011, unemployment in the Gaza Strip has increased by 2,3% while in the West Bank unemployment rose by 1,4% over the past two years. Youth unemployment among the age group of 15–24 reaches just over 29% in the West Bank and just over 54% in the Gaza Strip (PNA 2013b).

The Palestinian government faces a severe financial crisis, which has been mounting since 2010. Although approximately 70% of the PA's revenues come from so-called clearance revenues, which are indirect taxes collected by Israel on behalf of the PA from imported goods, this system is affected by Israel's sporadic suspension of these transfers as well as the lack of transparency concerning the amount of fees deducted by Israel for goods and services it charges to the PA. Both of these elements undermine the predictability of the PA's revenues.

Overall, the PA's already fragile financial situation deteriorated significantly in 2012. The overall budget deficit is estimated at US\$1,7 billion (€1,3 billion, 17,1% of gross domestic product (GDP)). In particular, the PA faces a liquidity crisis with a large buildup in net arrears (Table 1). The level of PA loans from the Palestinian banking sector has also been rising since 2008 and in 2012 stood at US\$1,4 billion (€1,1 billion, equivalent to 112% of the banks' equity). This risks undermining the stability of the banking sector. At the same time donor funding, on which the PA is heavily dependent, dropped substantially from US\$1 146 million (€858 million) in 2010 to US\$774 million (€587 million) in 2012. In 2012, donor support to finance the recurrent budget deficit was US\$214 million (€166,6 million) less than anticipated (WB 2013).

Table 1 Net arrears accumulation 2009–12 (€ million).

| | 2009 | 2010 | 2011 | 2012 |
|--------------|-------|------|-------|-------|
| Total | 190,7 | 83,3 | 392,1 | 451,9 |

Source: IMF staff report for the meeting of the AHLC, 19 March 2013.

This crisis is further complicated by a bleak economic outlook for the remainder of 2013 and 2014. Growth in the West Bank, which generates most of the revenues, continues to slow down. The West Bank's real GDP shrank by 0,6% in the first quarter of 2013. Real GDP growth in the Gaza Strip, mainly induced by donor-funded projects, amounted to 12% in the same period. The overall real GDP growth rate of 2,7% for Palestine contrasts significantly with the double-digit growth figures experienced only three years ago. As a result,

the PA has been forced to undertake fiscal retrenchment policies to reduce its deficit, which in turn further negatively impacts economic growth and fiscal revenues. The consequence is a downward spiral with increasing poverty rates (Table 2).

Table 2 Poverty rates among individuals according to monthly consumption in Palestine by region, 2009–11 (%).

| Region | 2009 | | 2010 | | 2011 | |
|------------|---------|--------------|---------|--------------|---------|--------------|
| | Poverty | Deep poverty | Poverty | Deep poverty | Poverty | Deep poverty |
| West Bank | 16,2 | 8,0 | 18,3 | 8,8 | 17,8 | 7,8 |
| Gaza Strip | 33,7 | 19,9 | 38,0 | 23,0 | 38,8 | 21,1 |
| Palestine | 22,6 | 12,3 | 25,7 | 14,1 | 25,8 | 12,9 |

Source: Palestinian Central Bureau of Statistics 2011a.

3.1.2 Overview of main political/security events from 2007 to 2013

In 2006, the Islamist Resistance Movement (Hamas) defeated the Palestinian National Liberation Movement (Fatah) in the Palestinian legislative elections. Hamas, designated a terrorist organisation by the US and the EU and considered an enemy by Israel, was politically and economically boycotted. International aid was suspended. Hamas was unable to govern and forced to form a Unity Government with Fatah and other parties. As Fatah sought to regain overall power, relations with Hamas deteriorated to near civil war. During the first half of June 2007, renewed clashes in the occupied Palestinian Territories between Hamas and Fatah became a struggle for control of the Gaza Strip. The Islamist forces overran PA security installations and key Fatah centres, culminating with assaults on PA security headquarters and the occupation of the Gaza City presidential compound. The President of the Palestinian National Authority, Mahmoud Abbas, dismissed the national Unity Government, declared a state of emergency and appointed an “emergency government” headed by Saleh Fayyad. Prime Minister Fayyad made Palestinian statehood a key priority.

At the end of 2008 open violent conflict broke out between Israel and Hamas in the Gaza Strip. In response to rocket fire into Israel, the Israeli security forces launched Operation Cast Lead. The military aggression, including a land offensive in the Gaza Strip, lasted three weeks.

Palestinians and Israelis have resumed negotiations three times during the period of 2007 to date. The first series was in November 2007 at the Annapolis Conference. This marked the first time a two-state solution was articulated as the mutually agreed-upon outline for addressing the Israeli–Palestinian conflict. A second series of peace talks was launched in September 2010 by the US with direct negotiations between the two parties taking place in Washington DC followed by another round in Egypt. Both attempts ended with failure. Another negotiation process was resumed in August 2013 led by the US Government Secretary of State John Kerry, labelled the Kerry Initiative.

From 2007 intra-Palestinian political relations have emerged as a new and second growing threat to Palestinians’ human security. Political divisiveness, combined with the ongoing Israeli/Palestinian conflict and the prolonged occupation, is reversing social development gains, undermining governance institutions, eroding the human security of Palestinians and creating a crisis of confidence among the population (UNDP 2010). On 23 April 2014, Fatah and Hamas made steps towards reconciliation, agreeing to a unity pact that paves the way for the formation of a united government and elections later in 2014. The implications of the Palestinian reconciliation to the political and development context and the impact at the macro-level on the Israeli–Palestinian negotiations under the Kerry Initiative are uncertain.

3.2 Development assistance to Palestine

As recipients of one of the highest levels of aid assistance per capita in the world, external assistance contributes significantly to meeting Palestinian emergency and development needs. In the unique political context of a nation under occupation, the situation does not fit into the normal development paradigm. Palestine is not

an independent, sovereign state. It does not have international standing as a government and the PA has little or no control over natural resources, financial revenues and borders. Moreover, regular political and economic crises fuel a cycle of fluctuation between development spending and emergency aid.

Net ODA to the West Bank and Gaza was approximately US\$2,5 billion in 2010 and US\$2,4 billion in 2011. This declined slightly in 2012 to US\$2 billion. The largest cooperating partners in 2010–11 were the US (providing US\$457 million); the European Union (EU) (US\$359 million), Germany (US\$130 million), Norway (US\$110 million) and the United Kingdom (UK) (US\$95 million). The majority of bilateral ODA by sector in 2010–11 went to other social sectors, followed by humanitarian aid. Education comprised just over 5% of the total, while health was just below 5%. Economic infrastructure and services were the least supported sector; the majority was in the form of general budget support, sector programmes and project support (Tables 3 & 4 and Figure 1).

Table 3 Net official development assistance to the West Bank and Gaza.

| Receipts | 2010 | 2011 | 2011 |
|----------------------------------|-------|-------|-------|
| Net ODA (US\$ million) | 2 519 | 2 442 | 2 001 |
| Bilateral share (gross ODA) | 70% | 67% | 64% |
| Net ODA/GNI | – | – | – |
| Net private flows (US\$ million) | 14 | –5 | –12 |
| <i>For reference</i> | 2010 | 2011 | 2012 |
| Population (million) | 3.8 | 3.9 | 4.0 |
| GNI per capita (Atlas US\$) | – | – | – |

Source: OECD/DAC undated

Table 4 Top ten donors of gross ODA, 2011–12 average.

| Countries/donors | (US\$ million) |
|----------------------------|----------------|
| 1 United States of America | 457 |
| 2 EU institutions | 359 |
| 3 UNRWA | 357 |
| 4 Germany | 130 |
| 5 Norway | 110 |
| 6 United Kingdom | 95 |
| 7 Japan | 74 |
| 8 Canada | 69 |
| 9 France | 67 |
| 10 United Arab Emirates | 67 |

Source: OECD/DAC undated

Under the Occupation, the PA has not been able to develop economically and generate its own base for revenues. The Palestinian Territories are therefore heavily aid dependent. According to PA figures the gap between requested and received funding has been falling. In 2011, for budget support the PA received 65% of requested funding, reducing to 52% in 2012. Overall the shortfall between requested and actual funding for development support fell from 67% in 2011 to 36% in 2012. Per sector, the economy (from 60% received in 2011 to just 17% in 2012) and governance (from 72% received in 2011 to just 19% in 2012) have suffered the largest shortfalls. Humanitarian support has remained relatively consistent with 84% of requested funding received in 2011 and 88% for 2012 (Table 5).

Figure 1 Bilateral ODA by Sector, 2011–12.

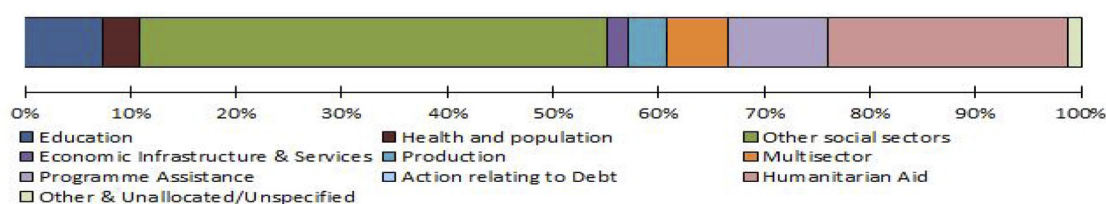
West Bank & Gaza Strip

| Receipts | 2010 | 2011 | 2012 |
|---------------------------------|-------|-------|-------|
| Net ODA (USD million) | 2 519 | 2 442 | 2 001 |
| Bilateral share (gross ODA) | 70% | 67% | 64% |
| Net ODA / GNI | .. | .. | .. |
| Net Private flows (USD million) | 14 | - 5 | - 12 |

| For reference | 2010 | 2011 | 2012 |
|----------------------------|------|------|------|
| Population (million) | 3.8 | 3.9 | 4.0 |
| GNI per capita (Atlas USD) | .. | .. | .. |

| Top Ten Donors of gross ODA (2011-12 average) | | (USD m) |
|-----------------------------------------------|----------------------|---------|
| 1 | United States | 457 |
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| 4 | Germany | 130 |
| 5 | Norway | 110 |
| 6 | United Kingdom | 95 |
| 7 | Japan | 74 |
| 8 | Canada | 69 |
| 9 | France | 67 |
| 10 | United Arab Emirates | 67 |

Bilateral ODA by Sector (2011-12)



Sources: OECD - DAC, World Bank; www.oecd.org/dac/stats

Source: OECD/DAC undated

Table 5 Summary of official development assistance to Palestine, 2011–12 (US\$ millions).

| | Requested funding | | Actual funding | | Gap | | % Actual funding | |
|------------------------|-------------------|------------|----------------|------------|------------|------------|------------------|------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Budget support | 1 261 | 1 455 | 823 | 761 | 438 | 694 | 65 | 52 |
| Development support | | | | | | | | |
| Economy | 74 | 135 | 45 | 23 | 29 | 112 | 60 | 17 |
| Governance | 142 | 207 | 102 | 40 | 40 | 167 | 72 | 19 |
| Infrastructure | 142 | 248 | 83 | 137 | 59 | 111 | 58 | 55 |
| Social | 142 | 283 | 106 | 114 | 36 | 169 | 74 | 40 |
| TOTAL | 500 | 873 | 337 | 314 | 163 | 559 | – | – |
| Humanitarian support * | 839 | 738 | 711 | 656 | 128 | 82 | 84 | 88 |

Source: Adapted from PNA 2013a.

*Includes the Consolidated Appeal Process, UNRWA's Emergency Appeal and funding to UNRWA's General Fund for the West Bank and Gaza Strip.

4 FINLAND'S SUPPORT TO PALESTINE 2007–13

4.1 Development policy background

4.1.1 Main donor initiatives and levels of funding from 2007 to 2013

Following the Hamas election victory in 2006 the majority of multilateral agencies and donors suspended aid to the PA. As a reaction to the weakening humanitarian and economic situation the EU set up a “temporary international mechanism” (TIM) to channel money to key sector workers for an initial three-month period, which was later extended. In April 2007 following formation of the Unity Government, contacts and coopera-

tion were renewed with the PA. The TIM was gradually adapted to work more closely with the PA. It attracted contributions from 19 international donors, of which 15 were EU Member States, including Finland, for a total of approximately €200 million.

At the end of 2007 the Paris Conference was convened in support of the *Palestinian Reform and Development Plan* (PRDP) 2008–10. This new national plan received widespread endorsement and attracted financial pledges of US\$7,7 billion to be committed over the next three years in line with the PRDP. Pledging on this level was as much a political signal of support to the PA as purely development support. Following the Paris Conference, the international community disbursed more than US\$920 million in six months in direct budgetary support and signed for US\$1 billion of bilateral agreements with the PA for development projects. In addition, two financing mechanisms, the EU's European–Palestinian Management and Socio-economic Help (PEGASE) (launched to replace the TIM) and the Palestinian Reform and Development Plan Trust Fund (PRDF TF) (World Bank) were instrumental in channelling budget assistance to the PA.

Support to the security sector – Palestinian Police

On 24 June 2008, foreign ministers and representatives of over 40 countries and international organisations met in Berlin for the *Berlin Conference in Support of Palestinian Civil Security & the Rule of Law*. The main purpose of the conference was to re-focus and support international efforts to improve Palestinian capacity building in the area of civil security and the rule of law, with civil police and criminal justice as a main focus.

Following the conflict in Gaza between Hamas and Israel, in March 2009, Egypt hosted an international conference in support of the reconstruction of Gaza, co-sponsored by Norway. The PA produced a damage assessment report, *The Palestinian National Early Recovery and Reconstruction Plan for Gaza, 2009–10*, to guide deliberations. Despite the absence of a formal pledging session, many of the 90 participating countries made pledges for both the recovery of Gaza and the support of the entire Palestinian economy. Participants pledged an approximate total of US\$4,5 billion covering the next two years, the US promising US\$900 million, Saudi Arabia US\$1 billion and the EU €439,9 million. The PA had requested only US\$2.8 billion. Donor pledges failed to materialise, including the US\$300 million earmarked by the PA to finance Gaza's relief and emergency expenditure (PNA 2009b).

4.1.2 Finnish political and development policy response

Finland's response to Hamas legislative election victory

Immediately following the Hamas election victory, while the US and other EU members suspended all relations with PA Ministries, Finland's mission in Ramallah followed a pragmatic approach. Direct funding to line ministries, for example the Ministry of Education, was suspended. However, Finland continued working in the land and water sector projects as the Palestinian Land Authority (PLA) and Palestinian Water Authority (PWA) came under the Palestinian President's office and were therefore outside the authority of the Hamas PA (interviews with MFA staff). In addition, the MFA commissioned an analysis to support the preparation of its assistance strategy for the Palestinian Territories. The overall objective of the assignment was to assist the MFA in assessing whether it would be possible to continue bilateral development cooperation with the Palestinian Territories in its then format and shape, or whether the ministry should consider alternative ways of supporting the Palestinian people.

Finland's contribution to budget support

Finland supported the EU 9.) Palestiinalaisedustuston tukeminen Helsingissä TIM with €1 million and continued budget support to the PA when the TIM was replaced by the EU PEGASE budget support instrument. To some extent this was a political decision by Finland in support of the EU. The aim of budget support was to ensure that previous statebuilding gains would not be lost as a result of a Hamas-led government; the danger was that lack of donor financial support would mean that no key worker salaries were paid and these workers would not turn up. It was important politically for the EU that the PA did not collapse.

Finland's overall approach

From 2008, Finland's formal approach was to move in line with the Paris Declaration on Aid Effectiveness by focusing on three main sectors (water and sanitation, education and land administration) and to implementing programmes in a manner compliant with the spirit of the Paris Declaration. The development cooperation

agreement signed with the PA emphasised that for Finland the EU was a key channel of influence at the policy level as well as a channel for Finland's contribution to PA budget support (MFA 2008a).

In 2012 Finland signed a bilateral agreement on development cooperation with the PA Ministry of Planning and Administrative Development (MFA 2012a). Finland's overall approach was two-fold: to preserve the level of development assistance to the Palestinian Territories; and to focus its limited resources more effectively.

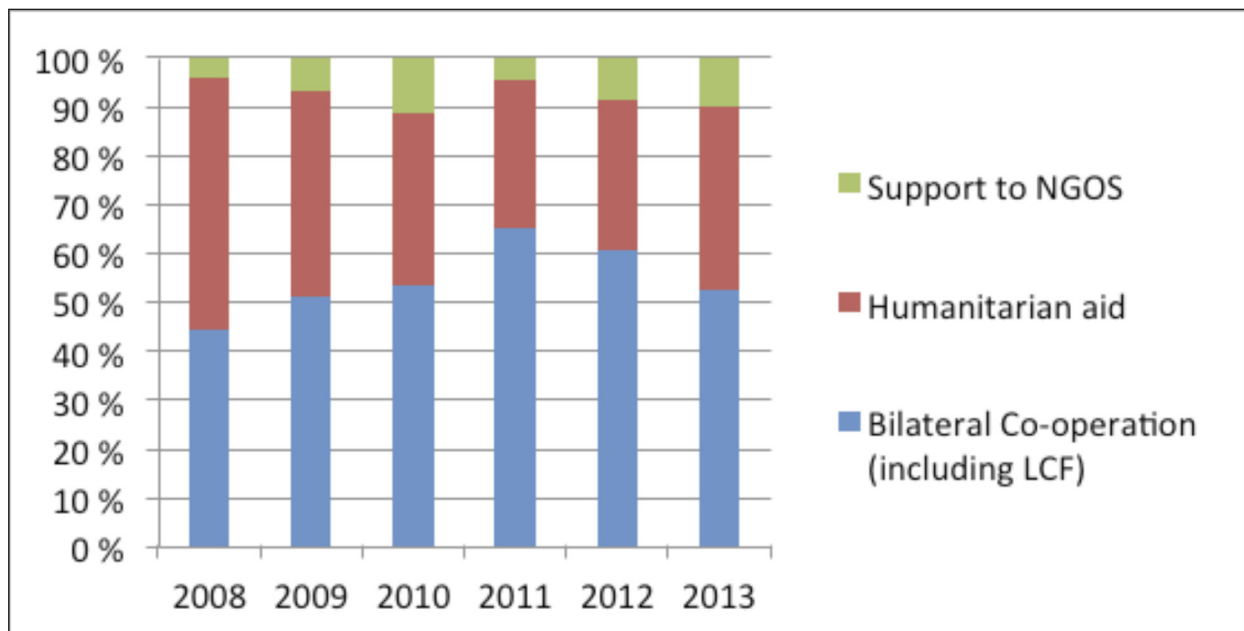
Funding to the Palestinian Territories had previously been increasing, with a high of €9,8 million in 2011, but under the tight economic climate at that time Finland's development cooperation budget was not predicted to increase. Thus Finland's aim was to preserve the level of funding over the next three years (2012–15) to €8 million per year. In line with the potentially restrictive levels of development assistance Finland aimed to limit the number of projects in the Palestinian Territories and to focus cooperation on three sectors (education, land and water).

4.2 Finland's development cooperation in Palestine 2007–13

The Palestinian Territories have partnered Finland in development cooperation since 1994. The main sectors of bilateral cooperation are water, education and land administration. In addition, Finland provides humanitarian assistance through the UNRWA and supports development aid provided by Finnish and Palestinian non-governmental organisations (NGOs) in the region. Figure 2 shows that Finland's overall support for the occupied Palestinian Territories has amounted to approximately €14 million a year.

Finland's Representative Office in the Palestinian Territories was established in 1996 following the formation of the PA. There are three MFA members of staff. It was only in September 2010 that a full-time development specialist (Advisor, later Counsellor) was appointed. The Deputy Head of Office, as well as holding diplomatic responsibilities, leads on the education and security sectors. A local Programme Manager supports the administration of the Local Cooperation Fund (FLC).

Figure 2 Palestinian Territories: Finnish aid according to aid modality, 2008–13.



Source: MFA 2014.

4.2.1 Bilateral programme

Education

Finland has been involved in education sector development since 1997 and was one of the first donors to harmonise aid in this sector. From 2010, Finland moved to a common sector programme based on the five-year *Education Development Strategic Plan 2008–12: Towards Quality Education for Development*, drawn up by the PA's Ministry of Education in 2008 (MoE 2008).

In November 2010 the PA signed a Joint Financing Agreement (JFA) with Finland, Ireland, Norway and the German Development Bank, KfW, acting on account of Germany. The signatories, or joint financing partnership, committed to providing an agreed level of funding towards the Education Development Strategic Plan (EDSP). The EDSP is the policy framework document that describes the national strategy and action plan for achievement of national education policy goals. Support from the financing partners was based on progress against implementation of the EDSP. The JFA was also viewed as a harmonisation tool, providing a coordinating framework for joint consultations with the PA, joint reviews on performance, and common procedures on disbursement for reporting and for audits.

Water

Finland has supported the water sector since 1995. The project *Construction and Rehabilitation of Water Infrastructure Networks in Northwest Villages of Jerusalem* began in 2010 with the objective of repairing infrastructure in order to provide villages with a reliable supply of clean and safe water and, thereby, improve the quality of life, socioeconomic situation and health status of the residents of the project areas. At its inception the project aimed to reach almost 40 000 Palestinians (PNA 2010c).

Land management

Finland has been involved in the land sector in Palestine since 1997, initially in Gaza (1997–99). Since 2005, jointly with the World Bank, Finland has supported the development of the Palestinian Land Authority (PLA), property registration and land policy and legislation reform. The aim of the first phase Land and Administration Project (LAP I) was to test the PA commitment and technical capacity to prepare and implement land reform, as well as to prepare for a wider scale support programme. The second phase (LAP II) began in 2011 and aims to develop a sustained, efficient and transparent land registration system to ensure that the Palestinian-controlled scarce land can be best utilised (MFA 2013b).

Security sector

Finland supported the reform and development of the civil police through the Palestinian administration's Civil Police Development Fund. Finland also has a number of experts in the EU Police Mission in the Palestinian Territories (EUPOL-COPPS). In addition, Finland has seconded police expert trainers to the United States Security Coordinator (USSC) Ramallah Mission.

4.2.2 Multilateral programme

Finland contributed direct budget support to the PA via the WB-managed Palestinian Reform and Development Plan Trust Fund (PRDP TF). This was set up in response to the 2008–10 PRDP in order to channel international direct budget support for PA recurrent expenditures. When the EU developed its own budget support instrument, PEGASE, Finland switched its funding to this instrument. This is in line with Finland's approach of working closely with the EU.

Finland provides direct support to the PA via the PEGASE programme, Supporting Palestinian Public Administration and Services. The objective of Finland's support is to reduce poverty in the context of the PRDP by contributing financially towards the payment of salaries and pensions of the civil servants and pensioners of the PA through the PEGASE programme. The main objective of the PEGASE programme is to ensure the continuous provision of public services and to help the PA meet its financial obligations towards civil servants and pensioners.

Support to FLC and Finnish NGOs operating in the area

The FLC was set up in 2002 to support local civil society organisations. There are two separate funds: one provides support to civil society initiatives in Israel and is managed and administered by the Finnish Embassy in Tel Aviv; and one provides support to Palestinian civil society initiatives and is managed and administered by the Finnish Representative Office in Ramallah. The focus of the FLC in the Palestinian Territories has been mainly on activities promoting human rights, gender equality and conflict resolution.

Finland also provides project funding to a number of Finnish NGOs operating in the Palestinian Territories. These projects are supported and managed from Helsinki via an annual (global) call for proposals. The projects have a range of aims including the promotion of Palestinian reconciliation through informal dialogue processes; raising cultural awareness among young people; increasing awareness of democratic process among young adults; mitigating human rights violations and violent incidents at checkpoints and crossings; and creating employment opportunities for Palestinian women through art projects.

Other projects supported

Finland provides support to peace mediation efforts via support to the Geneva Initiative, a peace and dialogue promoting project implemented by a Palestinian NGO together with an Israeli counterpart (2004: €200 000; 2013: €150 000). The project's overall objective is to advance the prospects of a two-state solution between Israel and the Palestinians. By engaging specific target groups from both societies the project aims to assist and encourage the Israeli and Palestinian leaderships to undertake political steps in order to reach a comprehensive agreement. This project is managed and administered from Helsinki.

From 2009 until 2013, Finland has provided consistent financial support to the Gaza Summer Games (2009: €1 million; 2010: €1,5 million; 2011: €1,1 million; 2013: €2 million). The games are a children's event organised by UNRWA with the purpose of offering children a break from the conflict and the poverty that surrounds them by holding summer holiday activities that enhance and contribute to tolerance.

Finland provided support for media professionals, including a project with a focus on female media professionals, via funding to UNESCO's two projects Strengthening the Safety and Protection of Journalists and the Press Freedom in the Gaza Strip; and Promotion of the Freedom of Expression, Safety of Journalists and Empowering Women in Media to Enhance Respect for Human Rights in the Gaza Strip and West Bank. These projects included a number of media-related activities managed by UNESCO and implemented by Palestinian partners. The projects sought to address the restrictions on freedom of expression, the rights and the safety of journalists, particularly in Gaza; and the empowerment of female media professionals aimed at promoting gender equality in the media, enabling a more balanced and positive representation of Palestinian women in the media. Finland provided support from 2009 to date (€300 000 in 2009 and €200 000 from 2011–14).

Finland supported the UN Register of Damages (UNRoD) caused by the construction of the wall in the Occupied Palestinian Territory in 2009 (€400 000) and more recently in 2013 approved a further €200 000 for 2013–14. UNRoD's project focuses on vulnerable groups, such as minors, women and religious minorities. For Finland, support is part of their aim to support good governance and rule of law and promote social stability in fragile states.

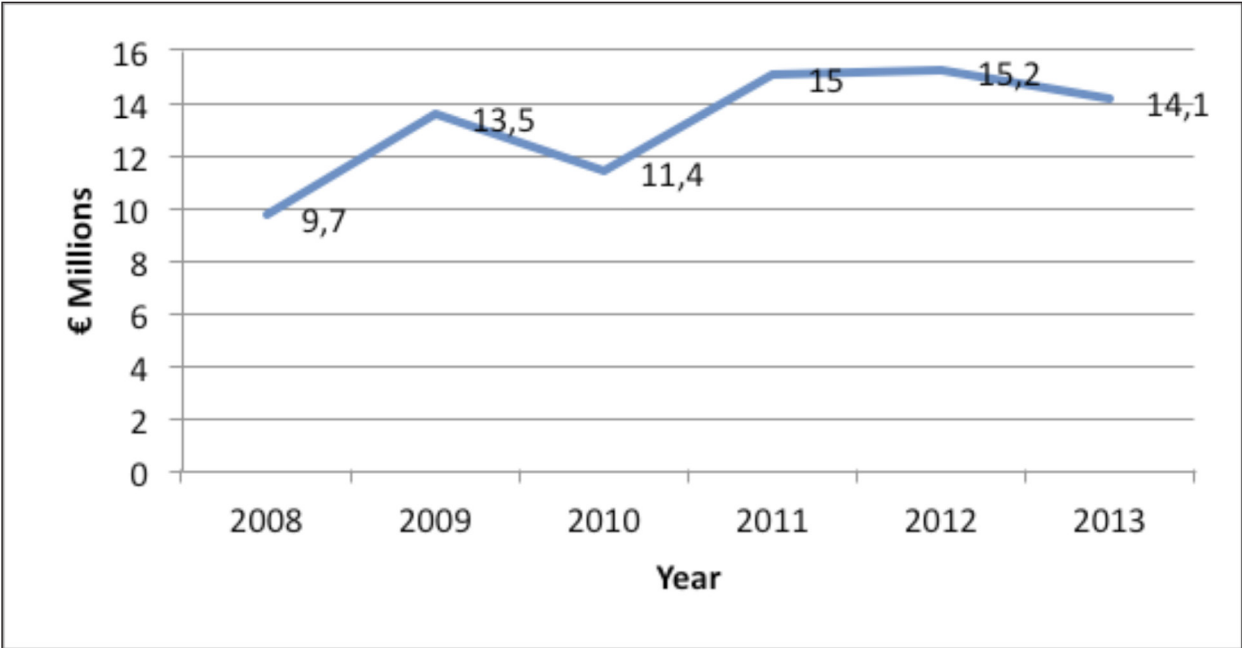
4.2.3 Humanitarian assistance

Finland provides humanitarian assistance via the UNRWA, Finnish Church Aid and the International Committee of the Red Cross. The UNRWA provides health, education and basic services as well as humanitarian assistance to Palestinian refugees, both in Palestine and the region. Finland's support to UNRWA is managed in Helsinki in line with the MFA global policy on multilateral support and treated in the same manner as other humanitarian agencies.

4.3 Analysis of Finnish financial disbursements

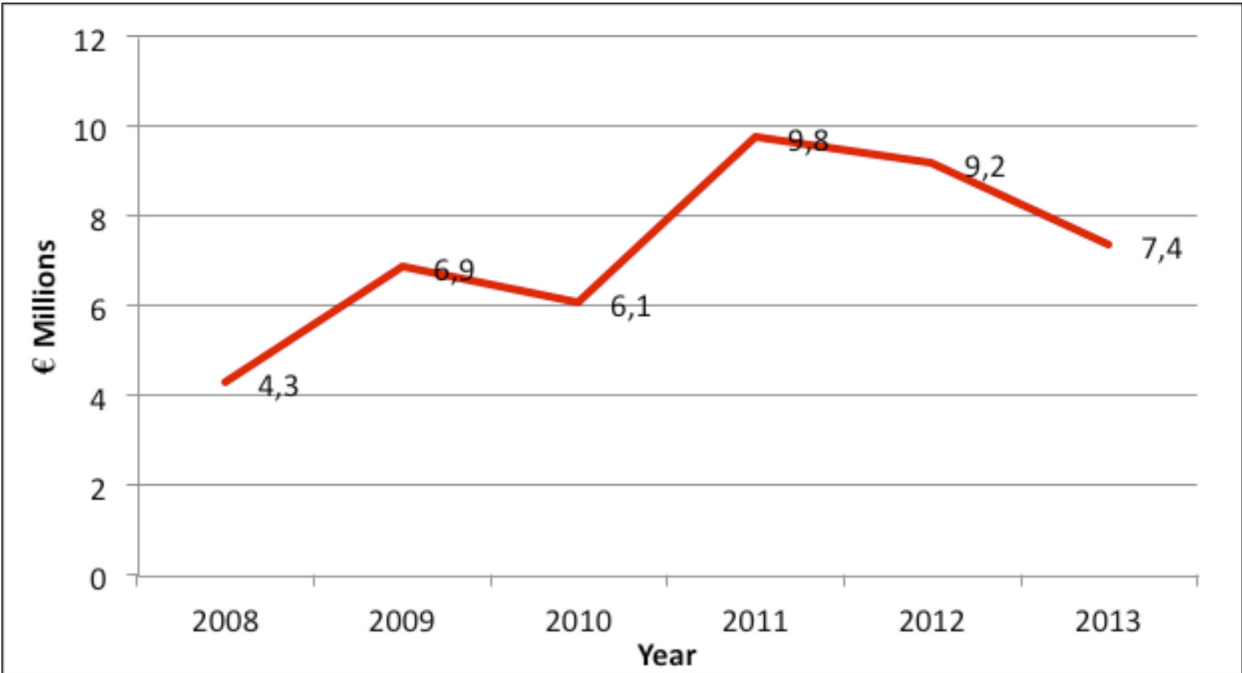
Finland's total funding to the Palestinian Territories is around €14 million per year (Figure 3). Over the period of the evaluation Finland's bilateral funding has increased from €4,3 million in 2008, to nearly €10 million in 2011 and €9,2 million in 2012 (Figure 4). Finland's bilateral development programme is delivered through a

Figure 3 Finnish aid total funding (including humanitarian support) to Palestinian Territories (€ millions).



Source: MFA, 2014.

Figure 4 Finnish aid total bilateral funding (including FLC) to Palestinian Territories (€ millions).



Source: MFA, 2014.

variety of means: bilateral cooperation programmes, contributions to multilateral donor funds and a fund to support local civil society organisations. Support for Finnish NGOs working in the area is approximately €1 million for 2013. The budget for local civil society organisations is €200 000.

Over the course of the evaluation period, the largest percentage of funding was allocated to direct budget support to the PA, via the EU’s funding instrument PEGASE (€9 million in disbursements since 2009); followed by water (€7,7 million since 2010), education sector support (€6 million) and land administration (€3.5 million) (Table 6).

Table 6 Finnish support to the Palestinian Territories – actual disbursements from 2008 (€).

| Project name | Start | End | Total € | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------------------|-------|------|-----------|---------|---------|-----------|-----------|-----------|-----------|
| FLC/Ramallah | 1997 | | 1 134 210 | 253 760 | 151 126 | 151 853 | 185 289 | 220 631 | 246 551 |
| FLC/Tel Aviv | 2005 | | 311 413 | 72 045 | 72 798 | 41 545 | 80 025 | 10 000 | 63 000 |
| PALFEP III | 2005 | 2010 | 2 159 043 | 694 344 | 795 954 | 668 745 | | | |
| EDSP II Education Sector Support | 2010 | 2013 | 6m | | | | 3,3m | 2,7m | |
| LAP I | 2005 | 2009 | 1 593 534 | | | | | | |
| LAP II | 2010 | 2016 | 3 502 681 | | | | 2 321 | 1 862 223 | 1 638 137 |
| Water III | 2010 | 2014 | 7 769 350 | | | 663 500 | 2 743 662 | 3 908 425 | 453 763 |
| WB PRDP Trust Fund (TF) | 2008 | 2010 | 2,5m | 2,5m | | | | | |
| PEGASE | 2009 | | 9 000 519 | | 3m | 2 000 519 | 2m | 0 | 2m |
| Unesco Media | 2009 | 2010 | 500 000 | | 300 000 | | 200 000 | | |
| UNRWA Summer Games | 2009 | 2013 | 5,6m | | 1m | 1,5m | 1,1m | | 2m |
| UNRoD | 2009 | 2014 | 600 000 | | 400 000 | | | | 200 000 |
| Geneva Initiative | 2013 | 2014 | 300 000 | | | | | | 150 000 |
| Civil Police Programme Fund | 2009 | 2011 | 2,1m | | 1m | 1m | 100 000 | | |

Source: MFA 2014.

4.4 Contextual analysis

The following areas are the key social and political concerns that, from 2007–13, have shaped donor response to the country. They reflect the main issues and analysis expressed by in-country consultations.

4.4.1 *Fatah-Hamas split – no development cooperation in Gaza*

The emergence of two rival governments in the West Bank and Gaza in June 2006 presented the international community with significant challenges. Attempts have been made by the international community, including the EU, to encourage Fatah and Hamas to reconcile their differences. The recent reconciliation agreement post-dated the evaluation field work and therefore local responses are unknown and the implications on the political and development context uncertain.

Since the US and the EU have no official contact with Hamas and do not recognise its authority within the Gaza Strip, donors are mainly reliant on the programmes of UNRWA to address the socioeconomic situation in Gaza. This has been on a rapid downward trajectory since the ongoing embargo imposed by Israel in 2007 and as a direct result of the Israeli military offensive at the end of 2008.

4.4.2 *Israeli-imposed restrictions on Gaza*

The Israeli-imposed blockade on Gaza has had wide-ranging and severe impacts on the population of Gaza. As a consequence of the associated import restrictions and a rapid increase in population, the quality of infrastructure and vital services, including in areas of health, education, water and sanitation, have significantly declined. The continued ban on the transfer of goods from Gaza to its traditional markets in the West Bank and Israel, along with the severe restrictions on access to agricultural land and fishing waters, also prevents sustainable growth and perpetuates the high levels of unemployment, food insecurity and aid dependency (UN-OCHA 2012).

The impact of Israel's ongoing restrictions, combined with no formal contacts with Gaza's Hamas government, means that donors are faced with the challenge of how to engage in a situation of increasing retraction in development and dependency on humanitarian assistance.

The statebuilding “project”

Diplomatic efforts

As part of its strategy to gain international recognition for the State of Palestine, the PA launched a diplomatic campaign to become a full member state of the UN. The Palestinian President Mahmoud Abbas submitted an application on 23 September 2011. The bid failed due to lack of support in the UN Security Council. In the same month, a draft resolution was presented to UNESCO's Executive Board requesting that the State of Palestine be granted membership in the organisation. The board voted in favour and the resolution to admit Palestine as a member state to UNESCO was adopted on 31 October and ratified on 23 November. The vote highlighted the divisions in EU foreign policy, with some member states voting for, and some against, the resolution (Germany and Holland voted against Palestinian membership, France voted in favour. Britain and Italy abstained).

In September of the following year, the PA downgraded its aspirations with respect to the UN and announced a draft resolution to accord non-member observer status to Palestine; this was passed by the General Assembly on 29 November 2012.

Development assistance

Many donors see statebuilding as the overall goal of their development cooperation policy, in that building the institutions of a viable future Palestinian state will evolve as an outcome of a negotiated solution, based on a two-state solution.

The main impetus for this policy came in August 2009 when the then PA Prime Minister Salem Fayyad launched his two-year statebuilding plan “Ending the Occupation, Establishing the State” (PNA 2009a). This heralded a new era in the PA's approach to institution building, reform and development. First and foremost, the government programme introduced the concept of organising development and institution building activities to expedite ending the occupation despite the constraints it imposes. The approach was to strengthen the PA's institutions as a basis for challenging the occupation, alongside a commitment to building strong, sustainable, competent and effective democratic institutions.

The current problem for donors is that without a political settlement to the Israeli–Palestinian conflict, the statebuilding “project” has nowhere to go and the Palestinian government will continue its heavy dependency on foreign aid. It has been 20 years since the Oslo Accords foresaw an independent Palestinian state and it is not only donors who are growing fatigued. Palestinians are frustrated, facing severe economic hardship and constraints under the occupation, and have a growing sense of disenfranchisement by a PA that has questionable legitimacy.

4.4.3 Economic growth – new initiatives in Area C

To recap, Area C of the West Bank is under full Israeli military and civil control. Palestinian aspirations to develop projects in Area C were emphasised in the Salem Fayyad 2009 statebuilding plan, “Area C is not disputed territory; it is occupied territory and the Israelis have to relinquish control. It is an integral part of where the Palestinian state is going to emerge” (PNA 2009b). One of the objectives of this plan was to develop large infrastructure projects in Area C. The PA has been prevented by Israel from implementing many of these projects and consequently several donor projects have been indefinitely suspended.

Following Sayem Fayyad's plan, Area C has not had much attention in Palestinian national plans. The PRDP of 2008–11 did not pay much attention to Area C nor give recommendations on a way forward, while the Palestinian National Development Plan of 2011–13 does not give clear guidance on how the Palestinians would like to deal with Area C.

The formulation of strategies and programmes for development in Area C has now become a priority policy agenda for the majority of donors, while the PA Ministry of Planning and Administrative Development is

developing a draft strategy for Area C. Members of the AHLC and the Office of the Quartet Representative (OQR)³ have recognised that Palestinian development of Area C is fundamental to statebuilding and sustainable economic growth.

At the EU Foreign Affairs Council in May 2012, the EU took a formal political position regarding socioeconomic development in Area C. The conclusions to that meeting state that “social and economic developments in Area C are of critical importance for the viability of a future Palestinian state, as Area C is its main land reserve”. The EU also stated that Israel should allow the PA to have more access and control over Area C and enable Palestinian ownership and development of its plans. The EU reiterated its commitment to provide financial assistance for Palestinian development in Area C (Council of the EU 2012).

4.4.4 Finland’s response to key social and political issues

Fatah-Hamas spilt – no development cooperation in Gaza

At the political level, Finland has used diplomatic efforts to encourage reconciliation between Fatah and Hamas and has followed the EU political line on no official contacts with the Hamas government in Gaza. Support to the PA’s Ministry of Education, which continues to provide education services in Gaza, enables Finland to maintain some development support to the Gaza population. However, Finland has mainly had no direct development cooperation programmes in the Gaza Strip, nor does the MFA have a clear strategy on how to address the socioeconomic needs of the Gaza population. The MFA relies on support to UNRWA to address social and humanitarian needs in this part of the occupied territories, although funding UNRWA enables Finland to gain access to relevant and reliable humanitarian and socioeconomic information.

Development cooperation in Area C

Finland supports the EU strategy towards the development of Area C, but limited capacity and lack of a strategic plan hampers decision making on how to plan initiatives. Despite this, Finland’s long-standing work in the land sector means it is well placed to contribute to emerging policies and strategies in this area.

Statebuilding “project”

Diplomatic efforts

Finland was the only Nordic EU member state to vote for the PA to be admitted as a full member of UNESCO in October 2011. As part of the March 2012 negotiations between MFA and the PA, Finland noted PA aspirations with regard to UN membership and in November, in the UN General Assembly (UNGA) in New York, Finland’s President Tarja Halonen aligned with countries that advocated a unilateral declaration of a Palestinian state. Finland voted in favour of the UNGA resolution admitting Palestine as a non-member observer state to the UN.

Development cooperation

Finland’s overall approach is to support the statebuilding aims of the PA through direct budget support and institutional capacity building to PA partner agencies in the sector programmes. This is complemented by Finland’s support to a variety of civil society initiatives. Although aware of the issues, the MFA has yet to develop an alternative strategy to deal with the situation where the existing two-state solution and support to institutional capacity building of the PA is no longer tenable.

³ The Quartet on the Middle East, or simply the Quartet, was set up in 2002 and consists of the UN, the EU, the US and Russia. Its mandate is to help mediate Middle East peace negotiations and to support Palestinian economic development and institution-building in preparation for eventual statehood. It meets regularly at the level of the Quartet Principals (UN Secretary General, US Secretary of State, Foreign Minister of Russia, and High Representative of the EU for Foreign Affairs and Security Policy) and the Quartet Special Envoys. The Quartet Representative is Mr Tony Blair. The Office of the Quartet Representative consists of a team of policy advisors based in Jerusalem entrusted with shaping and implementing the development agenda of the Quartet Representative.

5 EVALUATION OF PEACE AND DEVELOPMENT IN FINLAND'S DEVELOPMENT COOPERATION IN PALESTINE

The following chapter captures the key findings of the evaluation based around the four evaluation questions agreed at the inception stage, and their corresponding judgement criteria (i.e. sub-questions). The evaluation criteria of the OECD/DAC – relevance, efficiency, effectiveness, impact and sustainability – in addition to issues of coordination and coherence are addressed within the judgement criteria. We recall that this is neither a country programme evaluation as such, nor a project evaluation. It is a thematic evaluation wherein the evaluation questions, common to all our case studies (Afghanistan, Palestine, Ethiopia and Western Balkans) are formulated to raise issues, lessons learned and recommendations on Finland's contributions to peace and development in fragile states. The emphasis therefore is on this higher-level of analysis and learning rather than the specifics of each programme. The four evaluation questions (EQs) are as follow and are addressed in turn:

- EQ1 Has Finnish development cooperation provided relevant support to the drivers of peace and development, including poverty reduction, in Palestinian Territories? Have the choice and mix of sectors and instruments contributed to these targets, and recognised issues of fragility in the country?
- EQ2 What have been the mechanisms to integrate Finnish development policy priorities in country-level interventions? Are development interventions on the ground complying with the priorities and thematic focuses of the development policies and the 2009 guidelines?
- EQ3 How have cross-cutting objectives been integrated in Finland's development interventions in Palestinian Territories? How has their integration/non-integration affected identified and achieved results? What are the lessons learned and best practices in implementing cross-cutting objectives?
- EQ4 How have aid effectiveness commitments been integrated in Finnish development interventions in Palestinian Territories? How has their application supported development results and the overall objective of peace and development?

5.1 Relevance of support to the drivers of peace and development

This section addresses whether Finnish development cooperation provided relevant support to the drivers of peace and development in Palestine, including poverty reduction, and whether the choice of mix of sectors and instruments contributed to these targets, and recognised issues of fragility.

Box 1 Summary of key findings for evaluation question 1.

- Finland does not have a country strategy plan for development cooperation in the Palestinian Territories, thus the links between the context, the choice of strategic priorities and design of Finland's development programme are not explicit.
- Finland's political activities and development cooperation are closely linked. Key planning documents do not make the links clear.
- Finland utilises a broad range of instruments and focuses on a limited number of sectors, but there is no evidence that these were chosen based on an overall strategic approach. The chosen sectors of land, water and education have not changed over the course of the evaluation period.
- Finland conducts an annual review with the PA on the implementation of conclusions in the bilateral agreement. This reviews programme progress, monitoring and assessment of higher level policy goals and is based on IMF and World Bank reporting. Monitoring of sector programmes is systematic and comprehensive.
- Finland's support to humanitarian programming provides important assistance to Palestinian refugees in Gaza and enables Finland to access information on the overall situation.
- Finland's support to direct budget support for the PA is an important contribution to stability. However, the PA is hugely reliant on donor support and without budget support there is a risk of insecurity.

5.1.1 Extent to which the design of and strategic choices made within each country programme is based on good contextual, political economy, poverty and conflict analyses

Finland does not conduct its own political economy and poverty analysis of the Palestinian Territories.

Finland's contextual and political analysis is derived from a variety of credible sources, including the EU, the WB and the UN. Finland's overall objective in the Palestinian Territories is to contribute to building the foundations of a viable Palestinian state. Finland's development programme complements diplomatic efforts aimed at enabling the PA to function as an independent state. This is viewed by the international community, including Finland, as the main driver in support of resolving the long-term conflict.

Finland does not have a country strategy plan for development cooperation in the Palestinian Territories, thus the links between the context and the choice of strategic priorities and design of Finland's development programme are not explicit. Three documents cover the evolution of Finland's development cooperation in Palestine: (a) the *2007 Draft Development Cooperation Strategy for Palestinian Territories*; (b) *2008 Palestinian–Finnish Negotiations* (MFA 2008a); and (c) the *2012 Agreed Conclusions, Bilateral Consultations on Development Cooperation between Finland and the PA* (2012c).

A draft cooperation strategy was drawn up in 2007, but never finalised, due to MFA human resource constraints. However, it is a useful draft document as it presents Finland's thinking at that time and it is also the only detailed strategic planning document for Finland's development cooperation covering Palestine (MFA undated).

The MFA, taking into account the challenges posed by the Hamas election victory in 2006, had commissioned an independent study to analyse the context and present conclusions on how Finnish development cooperation should respond in the case of different future scenarios, including a continued Hamas PA (Valjas 2007). These scenarios were: the status quo, deterioration in the operating environment and an improvement. The status quo was considered the most likely scenario and the report focused mainly on presenting Palestinian Territories for this situation. Under this scenario the key factors were:

- no long-term peace plan under serious consideration, although attempts were being made by the international community;
- ongoing military actions between Palestinian militant groups and the Israeli defence forces;
- expansion of settlements in the West Bank;
- continued tensions between Hamas and Fatah;
- hampered movement of Palestinian goods and people;
- stagnant economic activity;
- no increase in donor aid volumes; and
- the humanitarian situation in Gaza continues to deteriorate.

The 2007 analysis and corresponding strategy have been both appropriate and relevant, and in many ways continue to be so. This is because apart from the very recent reconciliation between Hamas and Fatah, and the position of Hamas as leading the PA (although it does control the Gaza Strip and continues to be isolated by the international community as a result), all of the key factors identified in the draft 2007 strategy continue to be relevant to the present day.

The 2008 and 2012 cooperation negotiations between the MFA and the PA form the official strategically guiding documents that cover the evaluation period. Rather than setting out a country strategy as such, these documents outline Finland's plans and progress, and financial allocations for its development programme.

In terms of analysis, the 2012 negotiation document frames Finland's development cooperation within the political context and the challenges posed by the conflict to sustainable development in the Palestinian Territories. Finland emphasised that the ongoing occupation by Israel was the major external challenge to the Palestinian Territories for social and economic development. The occupation was the primary driver of poverty in the Palestinian Territories. Among the most serious obstacles to development in Palestine was accessing land and water resources, two of Finland's three development cooperation sectors. Also of concern to Finland was the impact of the continued political and geographical divide between Fatah and Hamas.

In 2014 the MFA is planning a new programming process for its development cooperation in the Palestinian Territories. This process will include an analysis of the context and a scenario analysis. A new country programme or strategy will be derived from the conclusions and this will feed into the planned 2015 consultations with the PA.

5.1.2 Extent to which intervention logics underpinned the designed strategy, and the extent to which these were relevant, valid and understood by Finland's MFA and its partners

There is no explicit intervention logic or underlying assumptions in the documents guiding Finland's development cooperation in the Palestinian Territories that are relevant, valid and understood by Finland MFA and its partners. In addition, the absence of a detailed country strategy means the logic underpinning Finland's development cooperation programme and desired outcomes are not readily apparent to external stakeholders. Given that Finland is a small donor, the absence of an intervention logic may not necessarily be relevant for its PA partners. In a complex environment, this would however be useful to the MFA to aid planning.

Finland conducts an annual review with the PA on the implementation of conclusions in the bilateral agreement. This reviews programme progress though there is no monitoring and assessment of higher-level policy goals. Monitoring of sector programmes is systematic and comprehensive.

Monitoring system

An annual review forms part of the 2012 Bilateral Conclusions Agreement with the PA. The first review was at the end of 2013. Finland uses this platform to review with the PA the implementation of the conclusions in the bilateral agreement. This review confirmed Finland's future funding levels and continuing support to the same three sectors of education, water and land management. Progress, key achievements and challenges – including areas of delay in implementation – are noted for each sector. This process does not include monitoring and assessment of Finland's higher-level policy goals.

Finland's assessment of progress against higher-level statebuilding goals is based on IMF and WB reporting; the latter reports biannually to the AHLC, a forum of donors to the PA (interviews with MFA staff).

All the sector programmes have systematic monitoring in place. This includes mid-term reviews, annual progress reports and annual reviews, plus mission reports on the individual sectors of education, water and land. Monitoring is at the level of individual project targets and goals with indicators at the micro-level. There is no means of linking the outcomes of sector programmes to higher-level goals. Reporting on the development programme is scheduled for every six months, but this is not routinely followed nor is there a results framework against which to report and measure progress (interviews with MFA staff).

Although monitoring missions are systematic and carried out as planned, there is a tendency to micro-manage programmes. The missions are perceived by partners and implementers to be more like supervisory missions rather than focused on management and problem solving. However, in terms of management of programmes, the situation greatly improved with the appointment of an in-country development councillor in 2010 (interview with MFA staff member).

5.1.3 Extent to which other MFA interventions (political dialogue, humanitarian action) have complemented and/or provided leverage to development cooperation

Finland complements its development cooperation with political dialogue with the EU. There are three EU forums for coordination among member states: the Head of Mission, the Head of Political and the Head of Operations. The Deputy Head of Office covers all these levels as well as leading on Finland's education sector. This division of labour was decided on for pragmatic reasons, but it does provide a useful read across from political and diplomatic issues to the education sector, a position other donors recognise as useful. However, it also presents a heavy workload for one member of staff.

Finland's support to humanitarian programming provides important assistance to Palestinian refugees in Gaza and enables Finland to access information on the overall situation. Over the time span

covered by this evaluation, Finland has provided consistent support to UNRWA. Funding arrangements are managed in Helsinki in line with the MFA global policy on multilateral support and treated in the same manner as other humanitarian agencies (interview with MFA staff). However, in-country, UNRWA has a greater significance than purely humanitarian programming. First, UNRWA provides important support to the Gaza Strip and access for donors, including Finland, to information on the socioeconomic situation. Support to UNRWA is Finland's only means of providing health, education and basic services as well as humanitarian assistance to Palestinian refugees in Gaza. Second, given the centrality of the refugee issue in the peace process, UNRWA also has an important contribution to the political process in Palestine and regional stability, a role Finland recognises (MFA internal memo).

Support to UNRWA represents around 30% of the total aid budget. To some extent, this is reflected by the amount of time spent on UNRWA by the representative office in Ramallah, led by the development councillor. There are six meetings a year (in Jordan), regular EU Coordination and ad hoc meetings with donor groups in order to prepare for UNRWA meetings. Finland has been pushing for reform and increased cost-effectiveness of UNRWA, alongside other donors. This process is ongoing but Finland's commitment and positive contribution is recognised by other donors (interview with Head of Development Cooperation).

Finland's political activities and development cooperation are closely linked but key planning documents do not make the links clear. Given that development cooperation in the occupied territories is affected by the political situation, it is important to locate Finland's development cooperation within a wider policy framework, in particular the links to diplomatic policy objectives and activities. While the links between political issues and Finland's development cooperation are not explicit, the MFA's 2007 draft cooperation strategy, the 2008 negotiations and the 2012 bilateral consultations, as well as their background documents, set out Finland's policies and activities with regard to political areas and development cooperation. These documents also provide information on Finland's key concerns for peace and stability in the Palestinian Territories (MFA 2007; 2008; 2012c). Even though intervention logics are not explicitly made in these documents, it is possible to map the range of diplomatic and aid policy objectives and activities applied by the MFA.

Table 7 outlines some of Finland's key interests and concerns covering security, diplomatic and aid issues; the linkages between development cooperation and political activities; and some of the key problems and challenges that impact directly on development policy and planning.

There are clear links between Finland's political policies, activities and its development cooperation on the ground. For example, at the diplomatic level Finland has conformed to the EU's proscription of Hamas and ban on direct contacts with the Hamas government. This means that Finland has no development programme in the Gaza Strip, relying on support to UNRWA to address human security needs for the local population. The latter is in line with Finland's principles of responding to humanitarian needs (MFA 2012d).

Finland signed a diplomatic agreement with the PA on the further upgrading of the status of the Palestine mission in Finland. This upgrading was signed during high-level consultations between the Finland delegation led by the Secretary of State and a PA delegation. Although the purpose of the consultations was not the signing itself, together the two issues gave a quite a strong political signal of Finland's political support to the PA, which is linked to Finland's support to an independent Palestinian state (interview with MFA Ramallah). These diplomatic matters translate directly into Finland's development cooperation in the areas of alignment with the PA's development plans, budget support and institutional capacity building objectives in their sector programmes.

There are, however, areas where the links between political issues and Finland's development cooperation are less clear. At a political level Finland has supported the EU proposal to work in Area C, but the MFA has yet to develop a development policy and cooperation activities in response. This would appear to be viewed by the MFA as a political risk rather than a financial one. In addition, it has yet to clarify how this would impact at the diplomatic level with Israel and how the Embassy in Tel Aviv would respond (interview in Ramallah and Tel Aviv).

At the political level, encouraging the reconciliation between Fatah and Hamas clearly has an impact on development issues and policy in that this unifies the Palestinian polity and geographical split between Gaza and the

Table 7 Policy objectives and activities applied by Finland.

| | Security | Diplomatic | Aid |
|---------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key concerns | Regional stability Intra-Palestinian political conflict | Supporting Israeli–Palestinian peace process | Promoting good governance Support for human rights Responding to humanitarian needs |
| Policies | EU proscription of Hamas | Support to the two-state solu- tion, creation of independent Palestine Political support to the PA Align with the EU Coordination with Nordic countries | Partner PA's own development programmes Long-term commitment, trans- parency and predictability Coherence with EU develop- ment policy Promote multilateral coopera- tion Concentrate on fewer sectors Reduce number of projects |
| Activities | No bilateral sup- port to Hamas Government in Gaza Strip | Encourage reconciliation be- tween Fatah and Hamas No direct contact with Hamas government Participation in EU Brussels. Participation in EU Heads of Mission meetings Voted in favour of Palestine mission to UN Funding support to Geneva Initiative High-level bilateral consulta- tions with PA in Ramallah Establishing diplomatic rela- tions with the PLO Formal upgrading of status of Palestinian mission in Helsinki | Sector support in line with PA's NDP Regular coordination and meet- ings with Ministry of Planning and Administration and other donors Provision of budget support via EU PEGASE Support to basket funding in ed- ucation sector Technical assistance (TA) capac- ity building support to partner Palestinian agencies in land and water Stopped financing media and education projects 2014 new project support to East Jerusalem hospital Funding of UNRWA |
| Problems/ challenges | Regional insecurity deteriorating The PA does not have monopoly over security forces in Gaza | Israeli–Palestinian peace pro- cess not resolved. Therefore no political framework within which to operate Fatah/Hamas political recon- ciliation but Israel considers Hamas a terrorist organisation, which jeopardises overall peace process Continued settlement expan- sion by Israel, ongoing occupa- tion, closure regime No legislative elections since 2006 undermines legitimacy of the PA | Lack of clarity of MFA policy response to Area C, East Jerusa- lem and Gaza. PA severe fiscal crisis may un- dermine gains in statebuilding agenda. Impeded prospects for econom- ic growth and development in Palestinian Territories Lack of development assistance to Gaza maintains reliance on UNRWA to alleviate chronic human security issues |

West Bank and paves the way for elections. But it is not clear how this would affect Finland's development cooperation programme, in particular with respect to Gaza.

There are areas where it is apparent that development policy has not been strictly adhered to by development cooperation activities on the ground; for example, the recent agreement by the Ramallah office to support a new project initiative with a hospital in East Jerusalem. This response was as much to do with immediate political priorities and considerations rather than development objectives. However, it illustrates two key issues affecting Finland's engagement in the Palestinian Territories: (a) a lack of clarity about policy direction on the ground; and (b) the extent to which political signalling from the EU influences responses. This example reinforces the need for people on the ground to have a formal strategic framework within which to locate and on which to base ad hoc decisions.

5.1.4 Extent to which the mix of Finnish development cooperation aid instruments and modalities was appropriate to achieve objectives

All of Finland's aid instruments are coherent with the aim of enabling the conditions for an independent Palestinian state by supporting responsible and good governance, capacity building of Palestinian institutions, and citizen participation and empowerment through strengthening of civil society.

Direct budget support to the PA forms a significant part of Finland's development assistance and is appropriate in support of the objective of establishing the conditions for a Palestinian state. The bilateral sector support includes primary institution building objectives, while channelling funds through multi-donor trust funds ensures that Finland supports the overall governance reform objectives of the PA.

Budget support

Finland's direct budget support for the PA is an important contribution to the functioning of the PA and the maintenance of stability in the Palestinian Territories. The PA is hugely reliant on donor support and without budget support there is a risk of the weakening or collapse of the PA, and insecurity. These issues would have a negative impact on the overall peace process. The continued engagement of Israel is dependent on a credible and viable Palestinian partner, i.e. currently the PA, and on the maintenance of law and order in the Palestinian Territories.

Finland has provided budget support through two multi-donor funds, the WB and the EU's PEGASE. Helsinki decided to concentrate Finland's support via the EU instrument as this provided a closer policy dialogue with the EU and the use of common frameworks. From a political perspective, PEGASE also provides essential salary support for PA staff in Gaza, enabling the Fatah-controlled PA to maintain a presence in Hamas-controlled area.

Direct budget support to the PA is viewed as a safety valve as one of the main threats to stability in the West Bank and Gaza is the financial crisis suffered by the PA. The contribution made to the PA via budget support is significant as without support for critical areas such as PA salaries, to pensions and maintaining service delivery, there is a likelihood of rising tensions among Palestinians and fears of civil unrest and possibly violence (interviews in Ramallah and Jerusalem). This is borne out by the recent audit of PEGASE which stated that the programme had made a significant contribution to covering the PA's salary bill, but the increasing number of beneficiaries and declining funding through PEGASE from donors had led to serious delays in the payment of salaries by the PA in 2012, which in turn led to unrest among the Palestinian population (EU Court of Auditors 2013).

Finland's ongoing support and commitment to PEGASE is recognised and welcome in-country (25 interviews with donor representatives). There is growing fatigue among donors that there is no resolution to the conflict and some question whether ODA is effectively substituting for Israel's responsibilities under internal law. In addition to declining donor funding of PEGASE, there is concern that some EU member states *may* go through with their threat of stopping direct support to the PA; Finland is not among them.

Primary institution building

Finland's sector-wide approach in education and technical assistance support to partner agencies, the PLA and the PWA, is fully in line with its institutional capacity building goals.

Education sector-wide approach

Finland has been at the forefront of establishing the SWAp in education, pioneering basket funding. In providing agreed levels of funding towards the national strategy and action plan for education, the JFA has achieved its aim. There are, however, gaps between the annual plan and implementation. Among the donor partners, coordination and coherence of approach has improved.

As a planning tool, the JFA has brought about positive changes in the ministry and its planning and reporting capacity has improved. Planning and reporting of results have moved from the micro-level to a strategic level, and annual reports include monitoring data. In terms of management, the ministry is restructuring to help increase accountability and delivery targets. However there are ongoing needs for institutional reform, including management of the sector; there is no results-based approach (this is not included under the JFA); and there is a need for improving accountability within the Ministry of Education (interviews with MFA staff; Finnish Liaison Office, Ramallah reports).

Technical assistance in the Land Administration Programme

In addition to channelling funds through the WB for the registration of land and the development of a methodology for national roll-out of land registration, Finland also provides separate funding for a second component of technical assistance (TA) to the PLA. This support aims to strengthen the PLA as an institution by improving management capacities, including management structure, leadership, planning and monitoring functions. Progress to date has been poor. In order to achieve reform of the PLA there are still significant challenges and it is not apparent as to how much institutional change Finland's TA alone can achieve (MFA 2013b).

The PLA was a part of the Ministry of Planning and Development (MoPAD) but was elevated to an independent agency under the President's office in order to give more importance to the sector. There are widely perceived issues with accountability and incentive systems of the PLA. Reporting to the President's office means there is little incentive and accountability to accelerate work, nor to highlight its role politically and distinguish itself as an institution. It is also perceived as very bureaucratic. Land transactions are not easy to accomplish as people do not want to pay taxes in relation to the value of their land and the PLA is not necessarily viewed as transparent.

Project funding in the water sector

Palestinian access and control over water resources is a key element of its future viability as a state. In this respect, Finland's support to the water sector is clearly in line with and appropriate to the overall objective of supporting a future Palestinian state. At the project level, the overall objective of Finland's support to the water project, Construction and Rehabilitation of Water Infrastructure Networks in Northwest Villages of Jerusalem, was to improve the quality of life, socio-economy and health conditions of the inhabitants in eight target villages, with an estimated total population of 50 000 in the project document; this was later deemed to be underestimated (MFA 2009).

Finland's support consisted of financial support for the rehabilitation, expanding and installation of water networks and main water pipelines and the development of the institutional setup for the management of the network.

Single funding arrangements allow Finland to adopt a more flexible approach with partner organisations than would be possible through pooled funds and so increase the likely achievement of specific objectives. This approach also increases Finland's leverage and enables greater influence over project design, management, monitoring and evaluation. As there were no other donor-financed water sector development projects in the project area, it would appear that funding of the project could also potentially increase the profile of Finnish contributions in the water sector.

Project funding in support of statebuilding objectives

The Local Cooperation Fund is explicit about its aims to support civil society; however, there is no discernible link between projects under the FLC and how such civil society initiatives contribute to

statebuilding. Project funding comprises direct support to implement specific projects rather than an annual block grant. The individual projects are not linked to an overall objective (MFA 2013a).

5.1.5 Extent to which the sectors chosen by Finland were done so in recognition of the characteristics and priorities relating to the fragility of the country/region

There is no country strategy or plan that details the characteristics and priorities relating to the fragility of the context. There is no overall plan that sets out the relationship between Finland's sector programmes and the development priorities of the Palestinian Territories. As noted above, while Finland *did* commission a contingency and scenario planning exercise in 2007, it was never formally adopted, neither has this process nor the outcomes fed into any subsequent analysis and planning of sector programmes.

Over the course of the evaluation period there have not been any changes in the sectors that Finland supports. Continuing support to the land and water sectors has been the subject of periodic debates, however. Finland's contribution is very small compared to the scale of needs in these sectors and therefore questioned as to whether it is better used in, for example, the education sector where positive results are easier to obtain. In spite of the level of contribution, Finland's continued involvement in water and land is based on an analysis that these areas are as much political as developmental and therefore key to the political process (interviews with MFA staff).

Finland has too few human resources in order to fully support and respond to the demands of the context. The Palestinian Territories is a complex and challenging environment in which significant changes are driven as much by political factors as development priorities. Severe human resource constraints in the regional department mean that there is no capacity for internal analysis and planning in order to respond to emerging issues. For example, Finland is committed to supporting the EU plans to implement initiatives in Area C, but neither the Ramallah office nor the regional desk has the capacity to develop an appropriate strategy. The MFA does have a conflict advisor but, given their global remit, access to this resource by the Palestinian Territories' programme is rare and not readily available.

5.1.6 Extent to which Finnish country strategy identified specific areas of intervention where its added value would be apparent and recognised by stakeholders

There is no country strategy for the Palestinian Territories that identifies specific areas of intervention where Finland brings added value. Finland notes its long-term involvement in the education, land and water sectors in the 2012 negotiation agreement. Such historical engagement, accumulated knowledge and sector expertise are important, especially with regard to the education sector. The move to a SWAp in education is acknowledged by the Ministry of Education and stakeholders as a significant achievement by Finland. Finland is a lead donor in this sector and the MFA's history and expertise in the education sector are widely recognised (interviews with MoE and donors).

There is evidence that Finland aimed to strengthen state–society relations in its development cooperation. Citizen participation and empowerment and strengthening of civil society are viewed by Finland as key aims in statebuilding (MFA 2012b). However, Finland's focus is on institution building at the centre, and the only civil society work is projects supported under the FLC.

There is evidence that the intended beneficiaries of Finland's development cooperation were clearly identified and their needs analysed. In the water and land sectors there were specific initiatives which focused on beneficiaries. A baseline study was conducted in 2011 (PNA 2011c) to provide baseline data specific to water and sanitation issues as well as on the broader socioeconomic situation. Both qualitative and quantitative research methods were used for the study. The qualitative research included focus group discussions with people from the project area, including women, students, farmers, teachers and local activists as well as local government authorities. The main tool was a household survey, and all interviews were conducted in Arabic to ensure full participation and were wide-ranging in scope. The land administration programme included an extensive public awareness campaign, which with the full involvement of the municipal council ensured good public support and outreach (MFA 2013b).

5.2 Policy coherence and resource allocation

This section examines the mechanisms used to integrate Finnish development policy priorities into interventions in Palestine, as well as the extent to which development interventions on the ground have complied with the priorities and thematic focuses of the development policies and the 2009 guidelines.

Box 2 Summary of key findings for evaluation question 2.

- There is no reference to the 2009 MFA guidelines in key documents pertaining to Finland's policy priorities. Key elements from the development policies of 2007 and 2012 are explicitly referred to in bilateral agreements with the PA.
- Over the course of the evaluation period, Finland has concentrated on a limited number of sectors and moved away from project cooperation towards programme approaches, in line with global policy.
- Support to the security sector has been limited; there has been no support to the justice sector, nor direct support for economic growth and employment.
- Finland's development cooperation aims to enable the conditions for an independent Palestinian state by focusing on specific statebuilding objectives. There are no results or learning mechanisms in place by Finland in order to measure the extent to which their development cooperation has contributed to statebuilding objectives
- There is no evidence of a results-based framework or process in place in order to monitor and evaluate compliance and coherence of Finland's programme in the Palestinian Territories with global policies.
- **Finland is a small donor in terms of its financial volume for development assistance in the Palestinian Territories.** In line with this and limited prospects for an increase in its budget for development assistance, Finland's programme has become more focused.

5.2.1 *Extent to which the policy priorities stipulated by MFA (particularly in the 2009 guidelines) were understood and incorporated into country-level interventions*

The 2009 guidelines are not explicitly referred to in documents relating to the objectives and programmes of Finland's development cooperation in the Palestinian Territories. In general there is no formal mechanism for incorporating the policy priorities in the 2009 Guidelines into country-level interventions (interviews with MFA Helsinki and Ramallah staff). The main development policies of Finland that cover the period evaluated were as follows:

Development Policy Programme 2007 emphasised the international context (the UN, OECD and the EU), and Finland's active engagement in these organisations. The main goals for the development policy were to eradicate poverty and to promote sustainable development, in accordance with the Millennium Development Goals. The emphasis was on the three dimensions of sustainable development – economic, social and ecological – with cross-cutting themes. These were the promotion of gender and social equality, the promotion of the rights of marginalised or excluded groups and the promotion of equal opportunities for participation.

The guiding principles of the 2007 development policy were stated as coherence, complementarity and effectiveness. Policies and activities needed to be coherent at all levels: global, among donor countries, in the EU context and in Finland. Complementarity was to be achieved multilaterally within the UN and the EU as well as at country level. An adequate division of labour between donors, and ownership by developing countries themselves, would result in the effectiveness of aid (MFA 2007).

In line with this global policy, the multilateral part of Finland's development cooperation consisted of contributions to UNRWA in the Palestinian Territories. In order to ensure coherence between Finland's bilateral development policy and that of the EU, Finland is an active participant in the related EU decision making.

The draft strategy of 2007 clearly sets out the principles for Finland's cooperation in accordance with the policy of increasing local ownership. Bilateral cooperation would support the PA's own development plans, the Palestinian Medium-term Plan for 2006–08. The areas of bilateral cooperation, water and sanitation, education and land administration were priorities set in the PA plans (MFA undated).

Development Policy Programme 2012 focused on a human rights-based approach, promoting human rights, and a democratic and accountable society. Cross-cutting objectives (CCOs) were gender equality, reduction of inequality and climate sustainability. It recommended that the size of programmes and projects were to be increased, and the number be decreased to reduce fragmentation. Each country programme was to include a maximum of three sectors. The Development Policy Programme defined the Occupied Palestinian Territory as a fragile state among the so-called lower-middle-income countries. This classification was derived from the instability of the operating environment (MFA 2012a).

The draft strategy of 2007 proposed to concentrate on a limited number of sectors and move away from project cooperation towards programme approaches. This was in line with Finland's development policy of the time. A series of bilateral consultations took place between the PA Ministry of Planning and Finland's office in Ramallah in 2008 and 2012. The aim of these discussions was to raise issues of concern on the part of both governments, and to discuss the focus of Finland's programme, PA priorities and objectives. The 2008 negotiations noted Finland's global strategies of focusing on certain sectors, increasing aid and working according to OECD guidelines (MFA 2008a).

In 2008, the justification for the new initiative of support to the security sector – support to civil policing in the PA – drew directly on the policy frameworks. The Development Policy Programme states that “social stability and comprehensive security is a prerequisite for all development” and that “stability and security” are among the foundations for sustainable development (MFA 2010).

The consultations of 2012 differed from those of 2008 in that they included more emphasis on the political context. The importance of Finland's development cooperation, however, was emphasised with discussion of the new Finnish Development Policy Programme, the priorities of Finland's development cooperation and the human rights-based approach. Finland encouraged the PA to improve governance, including respect for human rights, freedom of speech and freedom of expression and the promotion of equality of citizens and civil society empowerment. Finland also stressed the fundamental importance of women's role in driving society's development (MFA 2012b).

The resultant agreed conclusions included as development cooperation principles key policy elements from the Development Policy Programme, namely: respect for human rights, rule of law, with gender inequality, reduction of inequality, and climate sustainability as important cross-cutting themes. Finland's sector programme remained limited to three sectors (MFA 2012c).

5.2.2 *Extent to which security and justice priorities are reflected in country interventions, and the results and learning obtained from these*

Security and justice priorities do not feature significantly in Finland's interventions in the Palestinian Territories. Finland's support to the security sector in the Palestinian Territories originated at the Berlin Conference of June 2008, where Finland committed funds to support the Palestinian Civil Police (PCP) (interviews with MFA staff). The subsequent documentary evidence cites Finland's support in the security sector as based on an analysis that at the political level security sector reform was strategically important as an integral part of the Middle East peace process and the creation of an independent Palestinian state. In this regard Finland viewed its support to the civil police as critical. *Palestiinalaisalueiden tilanne* At the policy level, the situation in the Palestinian Territories on hyvä esimerkki turvallisuuden ja kehityksen kytköksistä. was cited as a good example of the links between security and development. At the policy level, support to the PCP would assist in building efficient, accountable, lawful and transparent civilian police and a Palestinian priority in the PRDP. The involvement of all major actors in the EU, plus Norway, in supporting the civil police was also added justification for Finland's support (MFA 2008b).

In 2010 the MFA agreed a no-cost extension and amendment to the original project agreement to enable the balance of Finland's funds to be used for the first phase of building a police training facility. The project ran into difficulties when the PCP would not agree on a date to open the building, running costs were not included and the Interior Ministry priorities started to change. Finland was planning a second phase of support and had a funding envelope in mind in 2011, when Jericho was more or less completed and the Ministry of Interior re-

requested more funding. Finland decided not to commit any more funding without implementation of the first phase and a greater emphasis on training of the PCP. This was a priority of the PCP and the UN Office for Project Services (UNOPS) (the implementing partner) had no capacity for training.

A lack of experience in the security sector combined with ad hoc decision making negatively influenced the achievements of Finland's involvement in the security sector. Prior to the Berlin Conference (2008), there is no mention by the MFA Finland in guiding documents of support to the security sector in the Palestinian Territories. However, during discussions with the PA (Ministry of Planning) on Finland's development cooperation programme, the PA had highlighted their concern for security and rule of law and the importance of the forthcoming conference in this respect (MFA 2008a). On the one hand Finland's support could be viewed as aligning with PA priorities and concerns, but on the other hand there is no evidence that this was a strategic priority for Finland and thus it may also have been a political decision by Finland to support the EU and the UK, who were key partners for the PA in the sector.

5.2.3 Extent to which economic development and employment issues are reflected in country interventions, and the results and learning obtained from these

Finland's development cooperation in the Palestinian Territories does not directly address economic development and employment issues.

5.2.4 Extent to which statebuilding and governance priorities are reflected in country interventions, and the results and learning obtained from these

Finland's development cooperation aims to enable the conditions for an independent Palestinian state by focusing on specific statebuilding objectives. There are no results or learning mechanisms in place by Finland in order to measure the extent to which their development cooperation has contributed to statebuilding objectives.

Finland's development cooperation programme specifically includes statebuilding aims. The aims are: (a) responsible and good governance, institution building, and abiding by the rule of law; (b) economically and socially sustainable and geographically balanced development support; and (c) citizen participation and empowerment and strengthening of civil society.⁴ Finland uses reports by the WB, the Quartet, the EU and other donors against which to measure the overall progress of the PA towards statebuilding goals. But it is not clear how Finland measures progress against each of the specific aims of its development programme.

Finland's support to EU PEGASE is a key instrument for Finland to contribute towards statebuilding and governance by the PA. In terms of the results of the PEGASE instrument to statebuilding, a report published at the end of 2013 by the European Court of Auditors questions its sustainability and recommends major revisions. While the Court noted the success of PEGASE in providing support to the PA, it also found that several aspects of the programming of funding need strengthening. The findings include:

- The PA needs to undertake more reforms, especially in relation to its civil service.
- There is scope for savings by making more use of competitive tendering and simplifying the complex management system currently in place.
- PEGASE has contributed to essential public services but a considerable number of civil servants in Gaza, due to the political situation, were being paid without going to work and providing a public service. This problem has not been sufficiently addressed.
- Despite the large PEGASE funding, the PA was facing a severe budget deficit in 2012 which was also threatening to erode public financial management reforms. Ultimately the threat to the financial sustainability of the PA can, to a considerable degree, be traced to the obstacles raised by the Government of Israel to the economic development of the Palestinian Territories and so also undermining the effectiveness of PEGASE.
- A public expenditure and financial accountability (PEFA) assessment included in a 2007 WB public expenditure review provided a robust baseline for measuring improvements in public financial management reforms. However, a follow-up exercise has not yet been carried out despite improvements in public financial management being a key objective of PEGASE and it being standard practice to have fol-

⁴ See background documents to Negotiation Agreement between Finland and the PA 2012.

low-up PEFA exercises every three to five years. Only in 2012 did the Commission recommend to the PA that such a follow-up should be carried out.

- PEGASE has provided more than €1 billion to the PA, or an average of some €200 million each year between 2008 and 2012. This corresponds to more than 10% of the PA's annual revenues and, as such, has played a key part in keeping the PA's budget deficit down (EU Court of Auditors 2013).

5.2.5 Extent to which results-based management is able to monitor and evaluate compliance and coherence with global policies

There is no evidence that a results-based management mechanism or process is in place to monitor and evaluate compliance and coherence of Finland's programme in the Palestinian Territories with global policies. Monitoring is systematically carried out on a project by project basis. Individual project monitoring comprises TA progress reports, supervision and joint technical missions (with partners), quarterly mission reports and progress reports covering a four-month implementation period and mid-term reviews. Progress is based on outputs and outcomes reported at the project level against a results framework. Results for each project are based on development objectives at the project level with corresponding indicators.

At the programme level, Finland's 2012 Development Cooperation Agreement states that "in the administration of cooperation the aim is for a results-based approach, which implies a more strategic and goal-oriented planning and management, performance monitoring and evaluation, as well as learning and communication about the results" (MFA 2012a). However, there is no evidence of a results-based approach being used to monitor and evaluate Finland's overall programme in the Palestinian Territories during the evaluation period. There is no intervention logic, targets and indicators (national or international) to enable results-based management and goal-oriented planning. Cross-cutting objectives are not systematically integrated into the planning and implementation of interventions. It is not clear, therefore, how compliance and coherence with Finland's global policies has been tracked.

5.2.6 Extent to which the totality of resources made available and disbursed was equal to the ambitions set by programme objectives

Finland is a small donor in terms of its financial volume for development assistance in the Palestinian Territories. In line with this and limited prospects for an increase in its budget for development assistance, Finland's programme has become more focused over the course of the evaluation period. Small scale projects in media and education have been dropped and overall project objectives set realistically in relation to available resources. As a small donor Finland has sought to maximise its limited resources by working in partnership with other donors, such as the World Bank for the land project and the joint finance in the education sector. Finland's strategy has also been to pilot models at a small scale, demonstrating results with the aim of attracting donors for cooperation and up-scaling.

The desk review and interviews during the field mission suggest that the funds from Finland are disbursed on a timely basis and used efficiently. An increase in human resources in the Middle East and North Africa Unit Helsinki, in 2013, has enabled good financial information, showing disbursements against planned expenditures.

5.3 Cross-cutting objectives

This section assesses how cross-cutting objectives have been integrated in Finland's development interventions in Palestine, and how their integration/non-integration has contributed to identified and achieved results. It also identifies lessons learned and best practices in implementing CCOs.

Box 3 Summary of key findings for evaluation question 3.

- Cross cutting objectives are explicitly referred to in Finnish–Palestinian cooperation agreements, featuring as principles and commitments. There is no evidence of follow up with the PA on implementation and progress.
- Finland has included statements on gender, human rights and rule of law issues in the agreements related to sector programmes; and has undertaken specific measures to address gender and rights issues in different sector programmes.
- At the programme level, all Finland’s interventions have indicators pertaining to gender and equality issues, while the water programme also addresses environmental issues. But there is no evidence on how the integration of these cross-cutting objectives has contributed to identified and achieved results.
- **Under the FLC, Finland provides support to individual projects that address human rights, gender, youth and marginalised groups.**
- There is no focused reporting on CCIs and no mechanism for identifying lessons and good practice.
- Finland does not have any specific initiatives on the UN Security Council (UNSC) Resolution 1325.

5.3.1 Extent to which cross-cutting objectives were taken into account in the analysis and design of Finnish interventions

Finland has included statements on gender, human rights and rule of law issues in the agreements related to sector programmes, and has undertaken specific measures to address gender and rights issues in different sector programmes.

The agreement between Finland and the PA on the Cooperation in the Construction and Rehabilitation of Water Infrastructure Networks in the North-West Villages of Jerusalem states that the respect for human rights, democratic principles, good governance and the rule of law shall form the basis for the cooperation between Finland and the PA (EU Court of Auditors 2013, Principles of Cooperation).

In the land administration programme gender and human rights issues form part of the overall objectives of the project and are included in the design and implementation plans. The programme design pays specific attention to incorporating the views and needs of women through group and individual consultations in order to understand how they are affected by inheritance issues. In addition, the land programme aide memoire of 2013 sets out a commitment to look at how different vulnerable groups are affected by land rights issues. The aim is to include studies on how the implementation of inheritance laws in West Bank and Gaza has affected different groups, including women, poor, youth and elderly (MFA 2013b).

Finland provides support to individual projects that address human rights, gender, youth and marginalised groups. Under the FLC, Finland supports two projects that address cross-cutting objectives. One supports a human organisation, which works in the West Bank and Gaza. This project promotes human rights and accountability by monitoring and reporting on violations and providing legal assistance to victims of conflict. The other project aims to strengthen the participation of marginalised groups in Palestinian society, including youth and women.

5.3.2 Extent to which cross-cutting objectives were taken into account in political and policy dialogue

Cross-cutting objectives are explicitly referred to in Finnish–Palestinian cooperation agreements, featuring as principles and commitments, but there is no evidence of follow-up with the PA on implementation and progress.

According to the EU in 2011, gender and environment have received limited attention in political debates and aid efforts (European Union 2011). Finland appears to have acted on this as gender equality, reduction of inequalities and promotion of climate sustainability are stated as important themes in the 2012 Finnish–Palestinian development cooperation agreement. This agreement also prioritises respect for human rights and the rule of law. However there is no evidence of any detailed gender strategy by Finland to follow up on this broad

statement. Despite the PA's statements under its National Gender Strategy, there is no evidence of any follow-up with the PA to monitor their commitments in the agreement. Also the annual review of Finland's development cooperation with the MoPAD (2013) makes no mention of gender, human rights or the rule of law (internal document, "Guidelines for Yearly Cooperation Review").

The EU does have a working group on gender but in the absence of specific reporting from programmes on gender, plus limited in-country staff, Finland does not have the input or capacity to attend this group and raise its profile on gender. Also Finland has not initiated any specific initiative with respect to the UNSC Resolution 1325 on women, peace and security.

5.3.3 *Extent to which Finnish development cooperation has contributed to the stated objectives and intended outcomes of its interventions*

At the programme level, all Finland's interventions have indicators pertaining to gender and equality issues, while the water programme also addresses environmental issues. But there is no evidence on how the integration of these CCOs has contributed to identified and achieved results.

On gender, there have been mixed results in the areas where Finland supports the reform of PA institutions. In education there has been progress on gender issues. The 2013 evaluation of the Education Development Strategic Plan noted that the PA records the access, enrolment and retention rates for girls and boys, plus data on recruitment and retention of women and male teachers. This provides valuable baseline and monitoring data. The evaluation found that Palestine had closed the female gender gap in basic and secondary schooling with access and retention rates for girls on a par or superior to boys. The retention of boys in the secondary cycle was a problem with only 65% of boys compared with 83,8% of girls enrolling in the secondary cycle. Girls' participation and performance in school outstrips boys. Therefore the gender issue is one of improving boys' education across all dimensions (MoE 2013).

Gender issues still lack adequate focus for the PA as a whole. Gender-sensitive policy, strategic planning and budgeting are relatively new. There are also difficulties in measuring outcomes in terms of gender. Gender-disaggregated data is not available systematically nor is this data routinely included in baseline studies at project level (EuropeAid 2011).

5.3.4 *Extent to which lessons on implementing cross-cutting objectives have been recorded and disseminated*

There is no evidence of lessons learned and best practices in their implementation nor is there a dissemination strategy to capture and transmit lessons on CCOs. Finland does not report separately on the implementation of CCOs. This may be a reflection of the lack of a specific monitoring system to take account of CCOs and to disaggregate data. In addition, as stated above, CCOs have been variously incorporated in projects which mean there is a lack of evidence and potential lessons on CCOs from across the programme as a whole. In general, without disaggregated data on CCOs it is not possible to gather and record evidence on the implementation of CCOs and thus draw lessons.

5.4 Aid effectiveness and development results

This section assesses how aid effectiveness commitments have been integrated into Finnish development interventions in the Palestinian Territories, and how their application has supported development results and the overall objective of peace and development.

Box 4 Summary of key findings for evaluation question 4.

- Finnish–Palestinian agreements are explicit about Finland’s commitment to joint working in line with the Paris Principles.
- Finland’s record on ensuring transparency and predictability of aid is good, as is coordination with key counterpart ministries. Finland is seen as an open and responsive donor, providing detailed information.
- Finland’s pioneering approach to harmonisation in the education sector is widely recognised and held as a model for replication by the PA and donors.
- Finland’s entire bilateral programme is in line with the priorities of the PA; but these are very wide. The PA considers the water sector to be overcrowded, while land registration is viewed as a priority.
- Finland’s development cooperation is complementary to the EU’s local development strategy.
- Statebuilding aims have been deemed a success story by donors, although attribution of Finland’s programme is difficult. Finland’s key contribution to statebuilding has been through enabling the functioning (via support for civil servant salaries and pension payments) and the strengthening of the PA to deliver services (in education).
- The impact of the conflict is a key factor in the achievement of sustainability of Finland’s development programme. At the project level, Finland assessed and integrated sustainability issues in the design and implementation stages of the land administration and water. Project design includes the identification of project related risks and the potential mitigation measures.
- Finland has not carried out a risk analysis if the two-state solution becomes no longer viable.

5.4.1 Extent to which Finland has applied and integrated its aid efficiency commitments in the country/region

Both bilateral agreements with the PA are clear as to Finland’s commitment to aid efficiency principles. The background to the 2008 bilateral negotiations on development cooperation was the Paris Declaration on Aid Effectiveness. Finland stated its intention to move in line with the Declaration by focusing on three main sectors – water and sanitation, education and land administration – and to implement programmes in a holistic manner. In addition, Finland stressed the importance of budget support to the PA and on using the Central Treasury Account. The goal of the PA was to sign the Paris Declaration and to work with the international community on implementing its principles. In line with the aim of improving national ownership, the PA had just approved its PRDP.

Finland attended the Fourth High Level Forum on Aid Effectiveness in Busan, South Korea, in November 2011 at which the G7+ countries signed a New Deal for engagement in fragile states (International Dialogue 2011). This was now to be the cornerstone for Finland’s policy towards fragile states. The principles put forward in the New Deal were repeated in Finland’s own fragile states guidelines published in March 2014 (MFA 2014). The guidelines reaffirm Finland’s holistic approach towards tackling the challenges in fragile states. Long-term cooperation should focus on three thematic priorities: (a) conflict prevention; (b) development of a democratic and accountable society and the rule of law; and (c) the participation of women at all levels.

The 2012 negotiations and bilateral agreement between Finland and the PA make no mention of the New Deal (MFA 2012c). There is an explicit commitment to joint working on the Paris Declaration for aid principles (MFA 2014). There is a commitment by Finland in the agreement to strengthen local aid delivery mechanisms as a basis for strengthening ownership and institutional capacity. Finland also committed to ensuring transparency and predictability of aid; predictability being enhanced by regular dialogue with the PA; and greater transparency by providing information on its aid to the locally developed information system of MoPAD (MFA 2012b).

Finland’s record on ensuring transparency and predictability of aid is good; coordination with key counterpart ministries is very good. Finland has a very positive relationship with its main PA counterpart ministries, the MoPAD and the Ministry of Education. It is seen as consultative and responsive. Finland’s portfolio is very clear and the focus on a limited number of sectors is viewed as positive. Finland’s role in establishing the JFA is viewed as significant by the MoPAD, which uses it as a model for other donors to follow. The Ministry is keen to see the continuation of the JFA.

Finland's coordination with the MoPAD takes place at both the formal level, consisting of an annual strategic consultation review, which the ministry carries out with the top 20 donors, and at the informal level. Informal consultation is good, with Finland openly discussing proposed changes in programmes (interviews with MoPAD and MoE officials).

5.4.2 *Extent to which national ownership and alignment with national policies is incorporated into interventions undertaken*

All of Finland's bilateral programmes are aligned with the strategic priorities of the PA, although these priorities are very wide. The PA considers the water sector to be overcrowded. MoPAD in theory sets the priorities and agrees with individual donors on sector support. In practice the management of aid is not very strict, in part because the development agenda of the PA is so wide that almost anything fits with its priorities; but also more significantly, the PA is so dependent on donor assistance it is fearful of setting priorities. So in cases where donors with a long-term involvement in sectors do not want to change priorities, often driven by head offices, the PA does not push its agenda too rigorously.

This may be illustrated by the water sector. MoPAD has tried to encourage Finland to leave the water sector as this is an overcrowded sector, but it recognises that Finland has a long-term involvement here (interviews with MoPAD officials). Contrary to the view that the sector is crowded, MoPAD, together with the PWA, finalised the identification and planning for the next phase of Finnish support in the water sector (from 2014 onwards) with funds to be channelled through a multi-donor infrastructure trust fund managed by the WB. For the PWA, the modality of support is important to ensuring the efficacy of support in the water sector. From its perspective, for aid to be more effective funding should be directly aligned to the water sector, not to the infrastructure sector. For this, a pooled funding mechanism is needed (interview with PWA official). Finland channelled funds directly through the PA financial system for the North-West Jerusalem Water Supply project. The PWA believes that this modality contributed to the effective and efficient implementation of the project (ibid.).

Land registration is seen as a priority by the PA. The registration of land protects peoples' rights to own land and makes it harder for Israel to confiscate it; it also attracts investment, creates economic activities and generates revenues for the PA. There is a lot of social conflict over land and initiatives in this sector can help resolve local level conflict. The ministry would like more donors to be involved in the land sector, and to work in Area C (interviews with MoPAD officials).

5.4.3 *Extent to which Finnish development cooperation is coherent with and complementary to the development strategies and programmes of other major bilateral and multilateral donors*

Finland's development cooperation is complementary to the EU's local development strategy. This strategy was drafted in 2011 with the contribution of EU Heads of Cooperation in Palestine, including Finland. Like Finland's goal, it looks at ways in which development assistance is provided by the EU in support of the Palestinian statebuilding agenda and contributes to the resolution of the Israel–Palestinian conflict (ibid.).

Finland's highest profile is in the education sector, where its role in establishing the SWAp is well recognised. In addition, Finland is known to have a long history and experience in the sectors it works in and noted for providing particular expertise. Some donors feel Finland is well placed to take a stronger leadership role in the education sector's joint financing partnership, in the role of co-chair.

Finland is the only bilateral donor working in the land sector. Finland was keen to get involved in a land programme in the Palestinian Territories and proposed to work jointly with the World Bank. For the World Bank, the partnership was welcome. Land issues are politically sensitive; therefore Finland's involvement gave the World Bank support when discussing land issues with the Palestinian government. In terms of modalities, the WB preferred a trust fund approach, whereas Finland preferred to contribute through TA. For Finland this was in line with its global approach and where it felt it could bring added value. Until the appointment of a development councillor in-country, the programme was managed from Helsinki (interviews with MFA and WB staff).

Co-financing and parallel reporting are challenges in that they detract from the management case and efficiency of a trust fund arrangement when different reporting and management arrangements are in place. Parallel funding also increases the workload on Finland on a day to day basis as it increases the management and administration workload.

Finland's profile in the land sector has, until recently, been limited. As a rule, donors have viewed this sector as too challenging and complex in which to get involved. The challenges involved include a perceived weak local institution, a lack of “quick wins” and the need for a long-term involvement, which combine to limit the perceived effectiveness of donor inputs.

But recent initiatives have increased the priority of land as a sector for donors to explore ways to support. The political negotiations between Israel and the PA under the Kerry Initiative have led to new complementary processes by the Quartet. Among these are plans to bring about change and substantial growth in the Palestinian economy and create hundreds of thousands of new jobs. The Quartet's Initiative for the Palestinian Economy (IPE) has eight key sectors, including housing construction. The IPE envisions the construction of different types of housing to address the various demographic and geographic segments across the West Bank, East Jerusalem and Gaza – including available land in city centres, around the urban periphery and in new locations. Under the IPE construction plan, land is a key area and the registration of land an important priority, being described as “under way” and a need for “ramping up”.

As the only bilateral donor involved in land Finland's profile has significantly increased. In 2014, representatives from the Quartet and the UN visited the LAP along with the WB and the head of Finland's Representative office. On the diplomatic front, the Middle East Special envoy, Tony Blair, has raised land issues with the Palestinian President.

5.4.4 Extent to which the results of Finnish development cooperation have, through the choice of its aid modalities, contributed to peacebuilding and/or statebuilding objectives

Finland's key contribution to statebuilding has been through enabling the functioning (via support for civil servant salaries and pension payments) and the strengthening of the PA to deliver services (in education).

Finland's development cooperation aims to help establish the conditions for an independent Palestinian state and while attribution is difficult, the majority of key donors to the Palestinian Territories consider support to statebuilding a success story.

In 2011 official AHLC reports of the UN, the WB and the IMF were extremely positive. The UN declared that “in six areas where the UN is most engaged, governmental functions are now sufficient for a functioning government of a state”; the IMF wrote that “the PA is now able to conduct the sound economic policies expected of a future well-functioning Palestinian state”; and the WB stated that “the PA has continued to strengthen its institutions delivering public services and promoting reforms that many existing states struggle with”; and “if the Palestinian Authority maintains its current performance in institution building and delivery of public services, it is well positioned for the establishment of a state at any point in the near future” (PNA 2011b).

Two years on, while a number of donors still subscribe to the success story, there is a perception among some that PA institutions are weakening and that the stability of the PA is questionable. There are concerns about declining capacity, lack of coordination and functioning of sector working groups, in particular the governance sector; a perception that Palestinians are growing disenchanted and frustrated with a combination of lack of progress on a peace settlement, increasing hardship and no tangible results on the ground (interviews with donors and NGO representatives in Ramallah and Jerusalem).

The participation and empowerment of citizens and strengthening of civil society as key factors in statebuilding were recognised by Finland in the background to documents to the 2012 cooperation agreement.

However, Finland's support for civil society organisations is limited to the Fund for Local Cooperation. The focus in the past years has been on activities promoting human rights, gender equality and conflict resolution.

In 2011, the Fund supported activities such as human rights monitoring, youth leadership training, research on the economic dimensions of a two-state solution, and strengthening the position of Palestinian institutions in East Jerusalem. The Fund has covered around three to four projects per year (MFA 2013a).

Statebuilding in the context of the Palestinian Territories has focused almost exclusively on strengthening and transforming institutions in order to establish the capacity of the PA to function as a state. This objective is aligned with the primary political goal of a just and lasting negotiated resolution to the Israeli–Palestinian conflict, based on a two-state solution. A goal stated by the EU is “The establishment of a sovereign, independent, democratic, contiguous and viable Palestinian state living in peace and security side by side with Israel” (European Union 2011, 2).

Finland is not alone in having a limited focus on civil society. Like most donors, civil society initiatives are reduced to limited funds for local NGOs operating in the fields of human rights, gender and peacebuilding. There is a growing recognition by some donors that more needs to be done to balance development at the centre with development of civil society as a means of building accountability and social cohesion.

5.4.5 Extent to which the results and achievements to date are likely to endure in the longer term

There is evidence that Finland assessed and integrated sustainability issues in the design and implementation stages of the land administration programme and water project.

The concept report on the land administration programme noted the challenges faced by the PLA in reducing financial dependency in the future and the link between sustainability and the project’s key aims. Sustainability of the PLA’s operations would depend almost entirely on the efficacy of the PLA in establishing a critical mass of properties in its land registry through systematic registration, and in keeping the registry updated. Since the project’s key aim was to establish a sustainable, efficient and transparent land registration system, in areas covered by the project, successful implementation of the project is fundamental to sustainability (ibid).

At the inception stage for the North-West Jerusalem water project, sustainability issues were identified as a key component of Finland’s TA support to the Project Management Unit. The international TA consultant would provide advice and lead on an institutional study aimed at analysing the financial and economic viability of the project, to include specifics on measures necessary for long-term sustainability. The sustainability of operational and management services was also integrated in the project’s results framework (PNA 2010c).

The North-West Jerusalem water project was finalised in the spring of 2013 and the network was inaugurated by the Minister for International Development of Finland in June. Residents have a constant and even supply of clean water. TA to the project continued until January 2014. The identification and planning phase for the Finnish support in the next phase (2014 onwards) was finalised, and a decision was made together with MoPAD and PWA to channel funds through a multi-donor trust fund managed by the World Bank. The North-West Jerusalem project must be finalised (early 2014). The financial self-sufficiency of the water department was identified as a priority, needing the support of all stakeholders. An *ex post* evaluation is planned for 2015 (MFA 2013c).

The impact of the conflict is a key factor in the achievement of sustainability of Finland’s development programme. Project design includes the identification of project related risks and potential mitigation measures. But Finland has not carried out a risk analysis if the two-state solution becomes no longer viable.

The conflict was identified as the main risk associated with the LAP II programme in the 2009 concept report on possible intervention areas and modalities. This report noted that the “conflict situation may cause delays in project implementation and unstable governance structures may fluctuate government policies and priorities in a manner affecting LAP II implementation”. While these risks are beyond the influence of the programme, and continue to be pertinent, given that LAP II has only one implementing agency this was cited as mitigating the risk of being caught between different and potentially changing priorities (MFA 2013b).

The World Bank’s project appraisal was more specific on the conflict related risks to LAP II. Among the critical risks to achieving project objectives were: exogenous political changes and unfavourable Israeli actions,

noted as high risk; and Israel's closure policy impeding the efficient deployment of survey teams and contractors, noted as presenting a substantial risk. Both of these issues lay beyond the scope of the project. Overall, the project risk was deemed as substantial (World Bank 2009).

The water project also faced significant risks due to the political and security situation. All water used in Palestine has to be negotiated and bought from the Israeli civil administration. Therefore, the project is dependent on the political situation in that the agreements on Israeli delivery of water to the project area are respected. The project also faces risks in implementation from curfews, closures and the need to obtain Israeli permission for a number of areas including construction permits and the movement of contractors and goods. The inception report for the project sets out series of measures aimed at managing or mitigating specific risks. While these risks form part of the logical framework for the project, mitigation measures are not included (World Bank 2009, 5: Annex 1).

Overall the sustainability of Finland's development results and achievements in the Palestinian Territories is problematic due to two key interrelated factors; (a) the impact of the Israeli occupation on the socioeconomic development, which severely hampers and curtails attempts to make aid more "effective" and sustain socioeconomic development; and (b) the absence of Palestinian statehood which is a fundamental block to development.

These factors make an assessment of the sustainability of Finland's development cooperation at the macro-level problematic. For example, as previously noted, Finland's direct budget support through the EU PEGASE mechanism has contributed to ensuring there is a functioning administration that ensures the delivery of essential public services. But long-term gains in institutional capacity and reform are dependent on a political settlement and without a settlement the future viability of the PA is dependent on maintaining levels of donor funding.

Whereas the design of Finland's individual initiatives includes the identification of risks and potential mitigation measures, as noted above, Finland has not carried out a risk analysis if the two-state solution becomes no longer viable. What would this mean for its overall approach in the Palestinian Territories, diplomatically and for its development programme?

5.5 Intervention logic revisited

In the desk phase of this study we developed an intervention logic (or theory of change) that captured the intentions and the underlying assumptions of Finnish development cooperation in the country. Finland's documents do not provide an explicit intervention logic; therefore in the case of the Palestinian Territories it has been inferred and constructed from the Palestinian–Finnish negotiations and background memos of 2008 and 2012 (Annex 5 of this document). We also found that the documentation did not contain a risk analysis that anticipated context-related setbacks or changes in the political landscape. Thus our intervention logic presented a "strategy as planned" rather than "strategy as realised". In light of the above analysis we return to that original intervention logic, asking to what extent it was (a) realistically assessed in terms of the underlying assumptions; (b) measurable, in terms of the kind of data analysis that was in place; and (c) realised in terms of what actually occurred within the lifetime of the programmes. However, this is more than just application of the DAC criteria on outcomes and impact. It asks not only "has X occurred" (because it may not yet have done so) but "are we confident that Finland's contribution has had a positive influence in moving towards the upper level goals of our theory of change".

The aim of Finland's development policy is to "support the development of the Palestinian Territories and thus create the conditions for an independent, viable Palestinian state". The assumption is that building strong, accountable institutions will pave the way for an independent state, by decreasing internal instability, reducing the risks of regional insecurity and thereby fostering conditions for a negotiated settlement with Israel.

Regional insecurity has increased, demonstrating that a political settlement of the Israel/Palestine conflict is not a singular contributing factor to peace and security in the region. Indeed, regional instability may have implications, positive or negative, on the Israel/Palestine peace process.

Funding via international mechanisms and bilateral support to PA institutions assumes that the PA remains an effective and credible partner. But this is based on the PA's relationship with external actors, i.e. the Israeli Government and the international community. It also assumes that aid can maintain the PA's position and secure long-term institutional capacity and reforms.

The original logic assumes success in reconciliation efforts between Fatah and Hamas, or at least a change in the status quo. The recent reconciliation is progress, but it is unclear how this will affect the Israel/Palestine peace process and statebuilding aims. It was assumed that capacity building efforts would support sustainable development of the Palestinian Territories and form a key factor in risk management in a volatile environment. Financial aid to the PA has helped stabilise the environment, but results on the ground have not improved and Palestinians are facing increasing economic hardship. This is largely a result of Israel's occupation.

The promotion of regional stability was also linked to a stronger, accountable PA. But events leading to insecurity in the region have not been as a result of nor affected by events in the Palestinian Territories. The question is: what impacts will regional instability have on Israel's position? Finland's development policy is a part of its foreign and security policy, and it complements Finland's and the EU's political support for the peace process. Thus, maintaining a credible PA actor is key to both Finland's development programme and to maintaining efforts at a peace process. The assumption here is that collective donor inputs alone can maintain the credibility of the PA. However, the analysis of the PA is skewed towards its relationship with the Israeli Government and the international community. The perceptions of the Palestinian people have not been taken into account. Statebuilding in the Palestinian Territories has largely overlooked social expectations of the PA, civil society's ability to articulate demands and where the current PA derives its source of legitimacy. There have been no elections since 2006, and while statebuilding has focused on building the institutions of the PA in the West Bank, there is no reference to Gaza and Jerusalem which account for roughly 50% of the population.

Finland's aims are clear. However, it has focused on implementation of its development programme, in particular the individual sector programmes and UNRWA, rather than analysing what it is doing and why. The MFA does not have any mechanisms in place to measure and assess progress towards its overall aims. Finland's geographical coverage has been limited to the West Bank. In line with the EU policy, Finland has no official contacts with the Hamas government in Gaza and therefore no institution building or long-term development cooperation. Hamas is also omitted from any official peace process and it is hard to see a political settlement as long as the Palestinian political and geographical split continues. Finland has not demonstrated the geographical implications of not working in Gaza as part of a statebuilding approach. New initiatives are driven in an ad hoc manner, rather than a consideration of the strategic options and the risks – positive and negative for activities.

To conclude, the underlying assumptions of Finnish development cooperation in the Palestinian Territories do not bear scrutiny. They are unrealistic in terms of what Finland's development programme can influence. Too much emphasis has been placed on the assumption that institutional development of the PA will pave the way for an independent state; essentially this is a political aim in that it is linked to the realisation of a two-state solution. Not enough emphasis was placed on the socioeconomic outcomes of institutional development of the PA and how Finland would measure progress on capacity building and reform. Development assistance is not a leading policy instrument in realising a political settlement to the Israel –Palestinian conflict. Therefore the contribution of Finland's development programme to the higher-level goals of creating the conditions for a future independent Palestinian state is tenuous. The biggest question for Finland to address is that if institutions are in place then what is the purpose of their funding and do they need other modalities? Furthermore, in the event of a weakening or collapse of the PA – there is no evidence as to what the MFA would do or how they would assess the impact on their bilateral programmes.

6 CONCLUSIONS

6.1 Relevance of support to the drivers of peace and development

The absence of strategic or country plan means that Finland lacks a coherent framework within which to detail the rationale behind their development cooperation. There are a number of implications for not having a country strategy, including no link between the context, Finland's development programme and overall aims; no results chain against which to measure progress and in a sensitive political environment there is no assessment of risks and opportunities. In particular, decision making on key issues such as Finland's approach to Area C, Gaza and East Jerusalem is inhibited.

There is a chronic lack of human resources in the regional desk in Helsinki and at country level. Complex and challenging environments require more "live" and dynamic forms of analysis. Finland's current capacity is totally focused on the demands of programme management. There is no capacity to conduct analysis. While external sources provide the MFA with an adequate overview of key political and development issues, this does not compensate for Finland's own analysis of specific issues in relation to its development programme.

Finland has pursued a sector-specific approach in the Palestinian Territories over many years. While this approach is very clear and very focused and arguably lends itself to highlighting and identifying Finland's areas of distinctive competence, there is a danger that sector-specific specialisation has introduced a level of "silo" thinking that inhibits a coherent country-wide strategy.

Statebuilding has been at the heart of Finnish development cooperation. The overall objective of Finland's assistance is to support the Middle East Peace Process, with the development cooperation programme in support of this objective. Finland's development cooperation seeks to enable the building of state institutions, an agenda that is therefore focused on statebuilding rather than tackling the root causes of conflict. This concentration at the macro-political level does not explicitly identify potential drivers of peace at the local level. While there is no explicit link to peacebuilding, Finland's direct support to building the Palestinian state can be seen as a contribution to the peace process in that a strong Palestinian Authority enhances the viability of a two-state solution to the Israeli–Palestinian conflict.

6.2 Policy coherence and resource allocation

Bilateral agreements are an important tool for documenting how Finland's global development policy priorities are addressed by the programme in the Palestinian Territories. This serves more as a record of tracking compliance than as a useful means of translating policy priorities into action. There is no means whereby the country programme can feed context specific experience and lessons back into policy development and guidance.

The security sector is a key sector for the PA and a critical issue for the Israel–Palestine peace process. There is no suggestion in any of MFA's key policy documents related to the Palestinian Territories that Finland should re-engage in the security sector. Finland does not have the resources – financial or human – nor a history in the sector locally in order to bring added value. It is therefore probably best that Finland does not plan to initiate new development cooperation initiatives in the security sector.

Economic development and employment issues are to a large extent a political issue, for as long as Israel maintains restrictions on access and movement, the majority of the West Bank remains mostly inaccessible for Palestinian economic investments. While the size of Finland's development cooperation has limited involvement in economic development, the land administration programme could have a significant impact in future. If the conditions for the security of property rights and an efficient land market are in place, not only will these provide tenure security and reliable land markets in areas currently accessible, but also investment and growth can take off once a final resolution is reached, the restrictions on movement are lifted and the land situation becomes more favourable. In addition, Finland's contribution could be increased if other donors become involved in this sector.

6.3 Cross-cutting objectives

Finland's approach to CCOs in the Palestinian Territories has been to emphasise the need to address CCOs in bilateral agreements with the PA and to incorporate CCOs in the design and monitoring of Finland's programme. The FLC has also been used to support projects that relate to the CCOs. While there is a satisfactory treatment of CCOs at the policy and programme design level, capturing the results and outcomes on individual CCOs is lacking. This means Finland's development cooperation in the Palestinian Territories has no means to translate evidence from the programme into any form of policy dialogue, be this with the PA, with other donors and to the MFA's global policy forums.

6.4 Aid effectiveness and development results

The impacts and effectiveness of Finland's development cooperation programme is severely limited by two major factors: (a) the absence of Palestinian statehood and (b) the ongoing Israeli occupation. Despite substantial aid flows over the last 20 years, the problem of the absence of statehood is a fundamental block to development in the Palestinian Territories. The Palestinian Territories are unique since they are not a state, therefore rendering the applicability of aid principles in the Paris Declaration somehow problematic. In the meantime, social and economic conditions have deteriorated. The most important factor for that deterioration is the ongoing Israeli occupation.

The consequences of the occupation are control over land, security, borders and other key elements of governance and sovereignty. Meanwhile, development assistance is caught in a form of permanent limbo. Aid lacks the political framework of a peace settlement and without aid the Palestinian economy is likely to collapse and with it possibly the Palestinian Authority. This severely hampers and curtails attempts to make aid more "effective", in the spirit of the aid effectiveness principles of the OECD.

Finland's most significant achievement to date is in the education sector. Development results in the water and land sectors are harder to assess; the water project is yet to be evaluated and the land administration programme at an early stage. What is clear is that water is an overcrowded sector, requiring significant financial resources and Finland has limited funds. Land, on the other hand, has had very limited attention from other donors and Finland has a long history and distinctive competence in this sector. This is a complex and extremely challenging sector, with a perceived weak local institution, a lack of "quick wins" and the need for a long-term involvement. Recent initiatives related to the Israel/Palestinian political negotiations have increased the priority of land as a sector, with high-level political impetus and more donors looking at ways of involvement. As the only bilateral donor involved in land Finland's profile has therefore significantly increased. Finland could have an important role to play in future.

Strengths and weaknesses of Finland's development cooperation in the Palestinian Territories

This section draws upon the findings and conclusions to highlight the strengths and weaknesses of Finland's development cooperation in the Palestinian Territories.

Finland's strengths include:

- Good alignment with national development plans and priorities;
- Good coordination and sharing of information with PA counterpart ministries;
- Good funding predictability over the evaluation period;
- Maintaining a consistent approach in pursuing a SWAp in education, demonstrating that it is possible to work on SWAps in a fragile context;
- Provision of effective technical expertise in education, land and water sectors;
- Effective coordination and representation with partner agencies at EU forums, UNRWA meetings, and meetings with other donors;
- Long-term engagement, building on experience and lessons from individual sectors;
- Systematic monitoring, reporting and evaluation of sector programme;
- Commitment to working in local partnership.

Finland's weaknesses include:

- Inadequate/ insufficient reporting on the development programme, in particular no overall performance and risk assessment;
- Lack of focus and process for generating lessons and learning from across activities to feed into policy and strategy development;
- A lack of human resources to be in a position to comprehensively manage, report, analyse and give strategic and policy direction to the programme;
- Lack of focus and process for systematically incorporating, monitoring and reporting on CCOs, especially in gender where Finland does not have a profile;
- No strategic plan;
- Maintaining a project-based approach which inhibits measuring overall performance against strategic objectives;
- No policy or plan to respond to priority areas and issues, i.e. Area C, the Gaza Strip and East Jerusalem.

7 RECOMMENDATIONS

Recommendations in relation to Palestine

- 1 Finland should consider taking on the role of co-chair of the education Joint Financing Partnership to lead and push forward results-based management approaches.
- 2 A country strategy should specify CCOs and include clear targets.
- 3 Greater attention should be paid to monitoring and reporting on CCOs in programme implementation. Rather than trying to cover all three CCOs in Finland's 2012 development policy, it is probably more effective to focus efforts on issues that Finland is likely to be able to successfully address, for example gender and land rights. This would enable a focus on policy dialogue with the PA and other donors and provide practical experience and lessons.
- 4 The MFA should consider recruiting more local staff in-country for programme management.
- 5 In order to strengthen the links between civil society initiatives and statebuilding objectives, the FLC needs to be linked to the overall strategy. Consider pooled funding arrangements with like-minded donors.

Recommendations for the MFA at a policy level

- 1 The planned strategic plan for autumn 2014 should serve as the basis for a country strategy. Key strategic issues that should be addressed include an analysis of likely scenarios and policy for Finland's involvement in Area C, Gaza and East Jerusalem.
- 2 The strategic plan should follow the MFA fragile state guidelines by incorporating a conflict analysis. This analysis should lead to a conflict sensitive approach, including a "do no harm" assessment, of the sector programmes. It should include a theory of change and a political economy analysis. These should aim to provide clarity as to the logic underpinning Finland's development programme and how this supports Finland's political objectives.
- 3 In line with the MFA fragile state guidelines, there needs to be a risk assessment of Finland's development programme.
- 4 Finland should consider a thematic approach to its overall development programme. This could focus on the three priorities from Finland's own fragile states guidelines, i.e. conflict prevention; development of a democratic and accountable society and the rule of law; and the participation of women at all levels. The aim should be to deliver results on the ground.
- 5 Finland should consider limiting its bilateral programme to two sectors; education and land.

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1 BACKGROUND TO THE EVALUATION

The evaluation at hand is the first evaluation of the Finnish development cooperation focusing on the peace, security and development nexus. Finnish development cooperation has been evaluated in several partner countries considered as fragile states; however, a large thematic evaluation combining analysis from different countries has not yet been conducted.

This evaluation will assess peace, security and development in the Finnish development cooperation through country and regional case studies. Some Finnish country programmes and aid portfolios in fragile states are addressing directly conflict prevention or crisis management with specific targeted activities. However, majority of the cooperation in these countries is addressing a wide range of development challenges supporting conflict prevention and mitigation in a comprehensive manner and often indirectly. Usually, development cooperation is implemented in parallel with other activities through diplomacy, crisis management and humanitarian assistance.

The evaluation will include two components. First component contains evaluation of the Finnish development cooperation in the Western Balkans which showcases a region that has come out of war and is now in different stages of EU integration. The second component, in turn, includes three other case study countries and areas each experiencing a different situation of fragility. The evaluation of the two components is organised in such way that the cross-fertilisation between them can take place. The findings of the both components are going to be merged into synthesis evaluation report and as such the two components are closely interlinked. This will guide the organisation of the evaluation process and the work of the evaluation team.

2 CONTEXT

Peace, security and development as well as the particular needs of fragile states have gained increasing attention in the international development discourse during the past decade. United Nations Millennium Declaration placed peace and security in the core of development together with poverty reduction, protection of the environment as well as human rights, democracy and good governance. The EU, in turn, in its key development policy document “The European Consensus on Development” of 2006 considered the needs of the fragile states as one of the five common principles defining EU’s response to development. The importance of fragile states was reaffirmed in the EU Council Conclusions “Increasing the Impact of EU Development Policy: an Agenda for Change” of May 2012. In addition, OECD agreed on the Principles for Good International Engagement in Fragile States and Situations in 2007. They contain commitments to maximise the contribution of development partners in fragile states and their implementation was monitored also in connection to the Paris declaration monitoring process.

A new approach to the development of fragile states called “New Deal” was agreed at the Fourth High Level Forum on Aid Effectiveness which was held in Busan in 2011. New Deal commits fragile states and their development partners to “do things differently” by designing and implementing interventions with an even greater consideration for the specific characteristics of fragile states; and to focus on “different things” by structuring development interventions around peacebuilding and statebuilding goals.

There are nearly 50 states in the world that are classified as fragile states. More than 1,5 billion people live in countries that suffer from violent conflicts or constant political and criminal violence. At the same time development is curtailed. Very often violence erodes the base underpinning peace processes that have brought an end to political violence. Weak institutions suffering from a lack of legitimacy are unable to generate security, justice or economic development that supports employment. This can lead to crises also in countries that appear to be stable.

The nature of conflicts and fragile situations has changed during the last decades. Conflict and fragility does not necessarily result from one-off episode of war but from a repeated cycle of violence, weak governance,

instability, poverty and competition over environmental resources as well as environmental hazards. While the repetitive nature of conflicts increases in some countries and regions, their possibilities to achieve sustainable development are diminished. Some of the fragile states are on track in achieving part of the Millennium Development Goals (MDGs); however, achieving the targets is particularly challenged in low-income fragile states. According to the OECD, ODA is the biggest financial inflow in fragile states.

2.1 Peace and development in Finnish development policy

The role of development policy as part of conflict prevention and peace mediation is included in the Programme of the Finnish Government (2011). The Programme states that Finnish development cooperation funds can be increased towards supporting comprehensive security. This is also stated in the Government Report of 2012 on Finnish Security and Defence Policy. Also the previous government programme of 2007 emphasised the role of crisis prevention and support to peace processes in the Finnish development policy. In addition, both Government Programmes have emphasised women's role in crises and conflict prevention. Finland has a national action plan on the implementation of the UN Security Council Resolution 1325 on Women Peace and Security for the period of 2012–16.

Peace, security and development nexus has been one of the key elements of Finnish development policy during the past two decades. It is also a central element in the Finnish Development Policy Programmes of 2007 and 2012 which emphasise the interconnectedness between security and development. Key concept in Finnish development policies has been “comprehensive security” that encompasses human rights, development and security. In overall, comprehensive security can be supported through complementarity of different means: development cooperation, humanitarian assistance, diplomacy as well as military and civilian crisis management. Finland perceives development cooperation to have a particular role in conflict prevention and crisis recovery. In addition, Finnish development policies have emphasised the continuum between humanitarian aid and development cooperation in responding to the reconstruction and development needs of countries recovering from crises.

Finnish Development Policy Programme of 2012 emphasises long-term vision and commitment in supporting fragile states. These countries' ability to fulfil their basic functions and create economic growth is the key prerequisite for poverty reduction. Basic functions include security and justice as well as the ability to collect tax and customs revenues, which in turn can secure basic services and promote employment. Security and justice encompass human rights, democratic governance and a functioning civil society. Legitimacy and authority of the state are built through transparency and efficiency of governance as well as state's accountability to its citizens.

In 2009 the Ministry for Foreign Affairs published a document “Development and Security in Finland's Development Policy: Guidelines on Cooperation”. Being based on the development policy programme of 2007, the document outlines priorities for Finland's work in the peace, security and development in activities financed through development cooperation. The document takes as a starting point the multiplicity of factors affecting fragility and places the concept of comprehensive security into the core of development policy response. Guidelines showcase policy work and operational activities Finland is promoting globally as well as in different regions. It also stipulates the geographic and thematic priorities of Finnish development cooperation. While geographic focus is on selected fragile states and areas, the thematic focuses, in turn, are stipulated as: (a) ensuring security and justice; (b) creating enabling environment for economic development and employment; and (c) strengthening the legitimacy of the state by supporting transparency, efficiency and accountability of the state and its governance structures towards citizens. The document also lists the methods and channels of development cooperation.

3 SCOPE

The evaluation focuses on Finland's country programmes and development cooperation portfolios, related policy dialogues and partnerships in selected fragile states and areas. While the focus of the evaluation is on country programmes and aid portfolios, the evaluation also looks into how development cooperation pro-

grammes interact with other Finnish ODA-financed activities supporting peace and development at the country level.

The evaluation concentrates particularly on the aspects of peace and development in the peace, security and development nexus. Security is only addressed when it is part of the country programme and development cooperation portfolio. Crisis management operations are not included in the evaluation.

The evaluation consists of two components:

Component 1 includes the evaluation of the Finnish development cooperation in the Western Balkans encompassing Albania, Bosnia and Herzegovina, Kosovo, Croatia, Macedonia, Montenegro and Serbia. While assessing the entirety of the Finnish development interventions in the region, the particular scope of Component 1 is the implementation of Finland's Development Policy Framework Programme in the Western Balkans for the years 2009–13. Component 1 also contains the final evaluation of two regional projects, namely (a) Education for Sustainable Development in the Western Balkans (ESD); and (b) Consolidation of the Human Capacities in the Forest Policy and Economics Education and Research in the South-East Europe Region (FOPER I and II). The evaluation of the two projects will contribute also to the evaluation of the entirety of the Finnish development interventions in the region.

Component 2 consists of case studies on Finnish development cooperation in Afghanistan, Palestinian Territories and Ethiopia. All of them are identified by the OECD/DAC as countries or areas in fragile situations.

When analysing the country programmes and development cooperation portfolios in the case study countries, the evaluation is not intended to examine each individual intervention meticulously but rather focus on how the entire country programme or cooperation portfolio and the related policy dialogue and partnerships support the drivers of peace and development in that particular context.

The evaluation covers bilateral instruments and bilateral contributions through multilateral channels (so-called multi-bi cooperation). In addition to sector support, programmes and projects, the bilateral cooperation instruments include FLC administered by the Finnish embassies and projects under the Institutional Cooperation Instrument (ICI). Activities of the Finnish civil society organisations in the case study countries are looked at as an entirety and as part of the overall Finnish contribution in a country. Similarly, while humanitarian aid and civilian crisis management operations are not included in the scope of this task, the evaluation looks at the interface between development cooperation and other ODA-financed activities at the country level in enhancing comprehensive approach to peace, security and development.

The scope of information sources include the development strategies of the case study governments, Finland's Development Policy Programmes, thematic and geographic guidance documents, previously conducted country programme or thematic evaluations, country analyses, reviews and reports, country-specific development cooperation plans, agreed minutes of the bilateral or other consultations, programme and project documents and similar documents. The evaluation team is also encouraged to use different local sources of information when available.

The temporal scope of the evaluation is 2007–12 covering the two Development Policy Programmes of 2007 and 2012. As an exception, the evaluation of Western Balkans (Component 1) covers the entire span of Finland's development interventions in the region.

4 PURPOSE OF THE EVALUATION

The purpose of the evaluation is to draw lessons on how Finnish development cooperation supports peace and development in fragile states. In addition, the purpose of Component 1 is to provide an assessment on the overall results and lessons learned of the Finnish development interventions in the Western Balkans region.

It is expected that the evaluation will bring forward issues, lessons learned and recommendations on Finland's contributions to peace and development in fragile states to support decision-makers at different departments

of the ministry. The purpose of the evaluation is to benefit the overall development policy-making of the Ministry for Foreign Affairs and, in addition, to support the Guidelines on Fragile States which the Ministry for Foreign Affairs is in the process of drafting.

Evaluation serves as a tool for accountability and its purpose is to inform also the general public, parliamentarians, academia and the wider community of development professionals on the use and achievements of the development cooperation which is financed by public funds.

5 OBJECTIVE OF THE EVALUATION

The objective is to provide a comprehensive overall independent view on the achievements, contributions and weaknesses of Finnish development cooperation in supporting peace and development in fragile states. Evaluation will provide lessons learned from the past cooperation focusing on the priorities of the Finnish development policies. Finally, the evaluation will give recommendations on how to enhance the implementation of policy priorities in supporting peace and development through development cooperation.

The specific objective of the evaluation is to seek answers to the following main evaluation questions:

- 1 Has Finnish development cooperation provided relevant support to the drivers of peace and development in fragile states including poverty reduction? Have the choice and mix of sectors and instruments contributed to these targets?
- 2 What have been the mechanisms to integrate the Finnish development policy priorities also stipulated in the 2009 guidelines “Development and security in Finland’s development policy” in the country-level interventions? Are development interventions on the ground complying with the priorities and thematic focuses of the development policies and the 2009 guidelines?
- 3 How have the cross-cutting objectives been integrated in Finland’s development interventions in fragile states? How has their integration/non-integration affected identified and achieved results? What are the lessons learned and best practises in implementing cross-cutting objectives?
- 4 How have the aid effectiveness commitments been integrated in the Finnish development interventions? How has their application supported development results and the overall objective of peace and development? What have been the lessons learned and best practises?

The main evaluation questions will be studied through total of four case studies covering countries and areas in different situations of fragility.

6 ISSUES BY EVALUATION CRITERIA

The following **issues by evaluation criteria** will guide the evaluation in all of the case studies. Priority issues for each criterion are indicated below. The listed priority issues have also benefitted from the DAC guidelines on Evaluating Peacebuilding Activities in Settings of Conflict and Fragility (2012). It is expected that the evaluation team will develop more detailed evaluation questions based on the priorities set below and expand the set of questions where it deems this necessary.

Relevance

- Assesses the choice of development interventions and their stated objectives in the context of partner country’s policies and development objectives as well as the particular situation of conflict and fragility of the country under examination.
- Analyses the extent to which the objectives of Finland’s country programmes or cooperation portfolios are consistent with the objectives of the Finland’s development policies also stipulated in the 2009 guidelines “Development and security in Finland’s development policy”.
- Includes assessment of relevance through the perceptions of different beneficiary groups at different levels of interventions (national, regional, local) with the particular focus on the final users and groups, including those addressed through cross-cutting objectives.
- *For Component 1 only:* Analyses the extent to which the objectives of Finland’s development cooperation in the Western Balkans are consistent with the objectives of Finland’s Development Policy Framework Programme 2009–13 for the Western Balkans.

Effectiveness

- Considers how Finland has contributed to countries' capacities to produce basic services and reduce poverty taking into account the context of fragility. Assessment includes an analysis on how the trends of fragility have affected the achieved objectives, how risks have been managed and how the implementation of aid effectiveness commitments has contributed to the achieved results.
- *For Component 1 only:* Assesses to what extent Finnish development cooperation has achieved its objectives in the Western Balkans as stated in the consecutive regional strategies and Development Policy Framework Programme.

Impact

- Refers to the wider achievements of Finnish development cooperation in the country under examination in terms of contributions to security and justice, economic development and employment as well as strengthened the authority and legitimacy of the state.
- Focuses on how the impact is perceived by the different beneficiary groups with the particular focus on the final users and groups, including those addressed through cross-cutting objectives.
- *For Component 1 only:* Refers to the wider impact of Finnish development cooperation to Western Balkan's development towards multiethnic societies, rule of law and European democracy.

Sustainability

- In the context of fragile states, sustainability refers particularly to how different interventions support the sustainability of resilience towards trends of fragility and conflict. The analysis includes assessment if Finnish development cooperation has contributed to the long-term drivers of peace as a key element for sustainability.
- Assessment focuses on how leadership, ownership and capacity have been supported to strengthen sustainability of interventions. Analysis also considers how participation of men and women as well as different beneficiary groups have been organised.
- *For Component 1 only:* assesses if the exit from the overall regional framework programme has been managed in a way to support sustainability.

Coordination

- Looks into the costs and benefits of investing in division of labour and other coordination activities. The analysis examines if Finnish development cooperation activities are coordinated with other development partners and if this coordination has improved the relevance, effectiveness and impact of Finnish development cooperation.

Coherence

- Assesses the internal coherence of Finnish policies, policy dialogue and development cooperation including an assessment on how development cooperation has interacted with other Finnish ODA-financed activities at the country level.
- Assesses the coherence of Finnish policies and development cooperation with wider donor communities' policies and interventions.

Efficiency

- Focuses on the working modalities related to aid delivery and management. The assessment considers particularly if the chosen working modalities as well as the number and size of interventions have supported efficient aid delivery and reaching of the intended beneficiaries.

For the **final evaluation of the two regional projects (ESD and FOPER I & II) included in the Component 1**, the priority issues for each criterion are indicated below. It is expected that the evaluation team will develop more detailed evaluation questions based on the priorities set below and expand the set of questions where it deems this necessary

Relevance

- Focuses on the objectives and achievements of the project and their consistency with the policies of the partner countries and with the needs and priorities of the different stakeholders, including all final beneficiaries.

Effectiveness

- Focuses on the achievement of project's immediate objectives.
- Assesses to what extent the achievements of the project have supported human rights and cross-cutting objectives of gender equality, reduction of inequalities and promotion of climate sustainability.

Impact

- Assesses the progress towards achieving the overall objectives of the project taking also into account the aspects of strengthening regional integration.
- Analyses the overall impact of the project, intended and unintended, positive and negative.
- Focuses on how the impact is perceived by the different beneficiary groups with the particular focus on the final users and groups.

Sustainability

- Assesses if the benefits produced by the project will be maintained, including the achievements in human rights, gender equality, reduction of inequalities and promotion of climate sustainability.
- Examines if the phasing out/exit from the project has supported the sustainability of the benefits produced.

Efficiency

- Focuses on the project's working modalities. The assessment considers particularly if the chosen working modalities and the size of the project have supported efficient aid delivery and reaching of the intended beneficiaries.

7 STRUCTURE OF THE EVALUATION: COMPONENTS 1 AND 2

The evaluation consists of two components. It is organised in such a way that the two components can learn from each other. While their findings are presented separate reports, they are also merged into one synthesis report.

7.1 Component 1: Evaluation of the Finnish development cooperation in the Western Balkans

Component 1 of the evaluation contains the evaluation of Finnish development cooperation in the Western Balkans and the final evaluation of two regional projects (a) Education for Sustainable Development in the Western Balkans (ESD) and (b) Consolidation of the Human Capacities in the Forest Policy and Economics Education and Research in the South-East Europe Region (FOPER I & II). Out of the Western Balkan countries Kosovo and Bosnia-Herzegovina are considered as fragile states and they are also included into the geographic priorities of the 2009 guidelines.

Finnish development cooperation in the Western Balkans started in 1996. Cooperation has been guided by strategy papers of 1999, 2003 and 2009. The 1999 strategy paper identified livelihoods and support to civil society as priority areas for bilateral development cooperation. In the 2003 strategy, in turn, supporting human resources development, administrative capacities and civil society were identified as priority areas. Both strategies contained the use of different financing instruments (for example bilateral development cooperation, humanitarian aid and civil crisis management) in supporting stabilisation of the Western Balkans.

In 2009 the Ministry for Foreign Affairs published a Development Policy Framework Programme of the Western Balkans for the years 2009–13. The Policy Framework Programme has been implemented under Government Development Policy Programmes of 2007 and 2012. The thematic priorities of the Finnish development cooperation were identified as stability and security, aid for trade, environment and social sustainability. In addition to country-specific programmes, the framework programme identified regional programmes particularly in the environment sector. The strategy emphasises complementarity and coordination of Finnish development cooperation with other donors, placing particular attention to the complementarity of the Finnish cooperation to the Instrument for Pre-accession Agreement (IPA) and other programmes of the European Com-

mission. While the evaluation will assess the entirety of the Finnish development interventions, the particular focus will be on the implementation of the Policy Framework Programme of 2009–13.

The current Framework Policy Programme is ending in 2013. There is no new Framework Policy Programme or regional development cooperation strategy expected after this. In practise this means that Finnish development cooperation is scaled down. The scaling down has already started during the implementation of the current Framework Policy Programme.

Comprehensive evaluations on the Finnish development cooperation in the Western Balkans have been conducted on Bosnia and Herzegovina in 2004 and on Kosovo in 2008. In Bosnia-Herzegovina Finnish development cooperation was considered generally relevant including the post-conflict perspective and that the set goals were reached. Development cooperation instruments were assessed to be well chosen and the management of projects effective and inclusive. According to the evaluation the main challenge was sustainability. The evaluation on Finland's development cooperation in Kosovo, in turn, found out that the cooperation had been innovative in terms of solutions and instruments. In addition, Finnish contributions were able to make a difference due to thematic concentration and the country programme had not suffered from deficient donor coordination. While Finnish support was found out to be successfully switched from emergency phase to development cooperation, the evaluation considered the planned cooperation in Kosovo too detached from the general goal of EU integration.

During the years Finland has supported the Western Balkans' regional stability and security and EU integration comprehensively by means of foreign and security policy measures, including military and civilian crisis management, economic and commercial activities, and development cooperation. In 2011, the Finnish ODA to the Western Balkan countries was €9,8 million.

7.2 Component 2: Other case studies on peace and development in Finnish development cooperation

Component 2 consists of further case studies on how Finland has contributed to the peace and development in fragile states. The selected case study countries and areas represent different situations of fragility. In addition, the content and the programming process of Finnish development cooperation vary among the case study countries.

Afghanistan

Finland's Development Policy Programmes of 2007 and 2012 as well as the 2009 guidelines refer to Afghanistan as fragile country where Finland is committed to long-term development cooperation. Large part of the Finnish development cooperation in Afghanistan is channelled through multilateral trust funds such as the Afghan Reconstruction Trust Fund (ARTF) by the World Bank and Law and Order Trust Fund for Afghanistan (LOTFA) by the UNDP. Aid is also channelled, for example, through civil society organisations. Humanitarian aid and civilian crisis management constitute of a considerable share of the ODA in Afghanistan. In year 2011, the Finnish ODA to Afghanistan was €22,3million.

Finnish development cooperation in Afghanistan was evaluated in 2007. According to the evaluation Finnish aid in Afghanistan has been coherent and relevant to the priorities of Afghanistan and many programmes have had a positive impact with high impact potential. The evaluation recommended more considerations on possible negative consequences as part of the aid may have adverse effects.

Palestinian Territories

Finland's Development Policy Programmes of 2007 and 2012 as well as the 2009 guidelines refer to Palestinian Territories as a fragile area where Finland is carrying out development cooperation. Finland's development cooperation portfolio can be described as a statebuilding programme with an aim to support the peace process and the capacities of the Palestinian institutions to take care of state functions. Finnish development cooperation concentrates on education, land registration and water sectors. In addition to the bilateral programme, support has been channelled through multilateral organisations and the EU. Finland is also providing humanitarian aid in the Palestinian Territories and participates in the civilian crisis management operation in the country. In 2011, the Finnish ODA to the Palestinian Territories was €11,6 million.

Ethiopia

Ethiopia is one of Finland's long-term partner countries and Finland has a comprehensive country programme to support drivers for peace and development. The guidelines of 2009 note that support to Ethiopia is justified from the perspective of fragility in addition to the overall development needs. In addition, Ethiopia is an important regional player and a centre of stability in the conflict prone and volatile Horn of Africa. The country programme concentrates on education, water and rural economic development. In addition to development cooperation through various instruments, humanitarian aid can constitute a large part of the ODA in Ethiopia. In 2011, the Finnish ODA to Ethiopia was €17,0 million.

Finnish country programme in Ethiopia has been evaluated in 2010. The evaluation found Finnish development cooperation tightly focused, relatively coherent and highly relevant. Development cooperation was also found reasonably effective and efficient. Its impact particularly on the water sector was considered significant. The overall sustainability and impact was found satisfactory. In addition to the country programme evaluation, Finnish cooperation in the Ethiopian water sector was evaluated part of a large thematic evaluation in 2010 (evaluation report 2010:3). This evaluation will also benefit from the results of the ongoing evaluation of the complementarity in the Finnish development policy and cooperation. The evaluation will assess the activities of the Finnish NGOs in Ethiopia among other countries. The results of the complementary evaluation will be available during second half of 2013.

Other evaluations

In addition to the case studies listed above, the evaluation will benefit from the findings on the evaluation that assessed Finnish support to the peace process in Nepal which is one of Finland's long-term partner countries and considered as a fragile state by the OECD/DAC. The evaluation was done as part of a joint evaluation led by Denmark including also Switzerland and Finland (report "Evaluation of the international support to the peace process in Nepal 2006–12" is expected to be available during first half of 2013). Finland's contribution in the evaluation focused on the different peace building activities at the level of individual people, in particular women and ethnic minorities in rural areas. The report of the Finnish sub-evaluation was published in 2012 ("Finland's contribution to Building Inclusive Peace and Nepal". Evaluation report 2012:7). The findings of the evaluation can be used also in the context of Nepal's country programme evaluation report published in 2012.

8 GENERAL APPROACH AND METHODOLOGY

As mentioned earlier, the evaluation looks at the country programmes or development cooperation portfolios as a whole. In addition, evaluation looks into the related policy dialogue and established development partnerships in the partner countries. Finland's contributions are analysed in the light of partner countries' policies and actions as well as part of the wider donor community operating in the country.

The evaluation takes as its starting point context analysis of the situation of fragility done during the desk study phase in each case study country or area and assesses Finland's development cooperation within this context.

The evaluation will involve stakeholders in the Ministry and Finnish embassies as well as relevant institutions and stakeholder groups in the partner countries. Principles of participatory evaluation are applied and during the field work particular attention will be paid to ensure that women, marginalised and vulnerable groups are included.

Interview groups for the desk study and field visit phases are to be identified by the evaluation team in advance. EVA-11 will inform those concerned within the Ministry and in the case study countries the evaluation team is introduced to the main governmental and administrative authorities by the Finnish Embassy. The actual logistics and arrangement of interviews is the task of the evaluation team. EVA-11 will provide also team with an introductory letter with the help of which the team can approach different stakeholders for interviews and document retrieval.

The field visits will be divided in a following way between the two phases:

Component 1: Western Balkans focusing on Kosovo and Bosnia-Herzegovina. During the Policy Framework Programme of 2009–13 bilateral programmes have focused on Kosovo while Bosnia-Herzegovina was former focus country in the region. In current Policy Framework Programme Bosnia-Herzegovina is a partner in the regional programmes and projects. Other shorter field visit countries in the region are Serbia, Montenegro and Croatia including also visits to the two regional projects.

Component 2: Afghanistan, Palestinian Territories and Ethiopia.

Particular attention is paid to the adequate length of the field visits to enable sufficient collection of data also from sources outside of the institutional stakeholders. Some of the case study countries pose particular practical issues related to the security of the evaluation team members. These issues are discussed more in detail in the beginning of the evaluation process and the evaluation team will conduct the field work taking the security instructions into account. The timing and organisation of the field visit to Afghanistan will be planned in close collaboration with the Finnish Embassy in Kabul and it will be conducted according to the security procedures of the Embassy.

The team is expected to use methods suitable to fragile contexts and take advantage of local sources of information including information collected from the final beneficiaries when possible. Evaluation team is expected to propose a detailed methodology in the evaluation matrix which will be presented in the inception report covering both Components 1 and 2. The methods used will be mixed multiple methods which enable triangulation in the drawing of results. Validation of results must be done through multiple sources. No single statements should be taken as a general outcome.

During the process particular attention is paid to a strong inter-team coordination and information sharing between the two components. In addition, the evaluation team is expected to show sensitivity to gender roles, ethnicity, beliefs, manners and customs of all stakeholders. The evaluators shall respect the rights and desire of the interviewees and stakeholders to provide information in confidence. Direct quotes from interviewees and stakeholders are not used in the reports.

The evaluation team is expected to raise issues which it deems important to the evaluation but are not mentioned in these Terms of Reference. Similarly, the team is expected to take up issues included in the Terms of Reference which it does not deem feasible.

9 EVALUATION PROCESS, TIMELINES AND DELIVERABLES

The evaluation consists of the following phases and will produce the respective deliverables. The process will move forward according to the phases described below and new phase is initiated when all the deliverables of the previous phase are approved by EVA-11.

I Start-up meeting

Deliverable: Start-up note and start-up meeting

The purpose of the start-up meeting is to discuss the entire evaluation process including practical issues related to the field visits, reporting and administrative matters. Start-up meeting can be organised also as a video conference or a webinar. The start-up meeting is expected to be organised during the month of July 2013.

In the start-up note the evaluation team presents how it intends to approach the entire evaluation task. The start-up note will look more in detail to the issues related to the both components as described in these Terms of Reference. The start-up note is presented four (4) weeks after the signing of the contract.

II Inception

Deliverable: Inception report

This phase includes the preparation of the inception report for both components and organisation of the inception meeting in Helsinki.

Production of the work plan and the evaluation matrix of the main evaluation questions presented in these Terms of Reference constitute the inception report. Evaluation questions are presented through more specific research questions, respective indicators and judgement criteria. Sources of verification are also indicated. Separate evaluation matrix is prepared for the two regional projects to be evaluated in the Western Balkans.

The methodology will be explained, including the methods and tools of analyses. The inception report will make special attention to the methodological needs of evaluating development cooperation in the context of fragility. It will also elaborate specific issues related to the fragility trends in the cases of Component 1 and 2 and how they affect the approach and methods.

The inception report will show the fine-tuning of the tasks between the team members involved in both components, present a list of stakeholder groups to be included into the interviews as well as an outline of the interview questions to be used for the interviews in Finland. The inception report will also suggest an outline of the final reports. The structure of reports will follow the established overall structure of the evaluation reports of the Ministry.

The inception report should be kept concise and should not exceed 20–25 pages, annexes included. The inception report will be submitted in September 2013.

III Desk study

Deliverable: Desk study report

Desk study phase consists of analysis of the written material. Desk study report will provide a concise analysis of the policies, guidelines, and other documents related to the evaluation subject. It will also present a plan for the field visits including the identification of local interviewee groups (government authorities, academia, research groups/institutes, civil society representatives, other donors etc.) and sources of information (studies, publications etc.) and an outline of the interview questions according to the interviewee groups in each of the field visit countries.

Draft desk study report will be submitted to EVA-11 prior to the interviews in Finland and is subject to approval by EVA-11 prior to the field visit. The report should be kept concise and clear. It should be submitted latest six (6) weeks after the inception meeting.

Interviews in Finland will be conducted based on the analysis of the written material. This will enable informed discussions with the interviewees. Interviews with the high policy level interviewees of the Ministry will be organised as joint sessions including both components and all case studies of the evaluation.

IV Field visits to Western Balkans (Component 1) and to other case study countries (Component 2)

Deliverable: Presentation supported by power point on the preliminary results.

The field visits of Components 1 and 2 are organised in such a way that the field visit to the Western Balkans is initiated first and is expected in January 2014. The field visit is going to focus on Kosovo and Bosnia-Herzegovina, however; it will also contain shorter visits to Croatia, Serbia and Montenegro including also visits related to the final evaluation of the two regional projects ESD and FOPER I & II.

Field visit to the three (3) other case study countries is expected to be conducted in January – February 2014.

The purpose of the field visits is to reflect and validate the results of the desk study phase and assess the situation on the ground in the light of policy and programming analysis. The purpose of the field visit is to make further assessments and fill any gaps in the information. The field visit will contain the collection of local sources of information as a key element of the evaluation.

The preliminary results of field visits will be presented, supported by a power point, to EVA-11 after the return from the field. Results are presented in a form of a webinar. The team is also expected to provide an oral presentation on the preliminary results at the end of the each field visit to the staff of the respective Finnish Embassy or representative office. Webinars can also be used in the case of possible shared sessions between the embassies.

After the field visit further interviews and document study in Finland may still be needed to complement the information collected during the desk study phase and the field visits.

V Final reporting

Deliverable: Final reports (including semi-final draft reports, final draft reports and final reports) and public presentation supported by power point.

The final reporting contains the following deliverables:

Evaluation report on Finnish development cooperation in the Western Balkans including the findings of the final evaluation of the projects (a) Education for Sustainable Development in Western Balkans (ESD); and (b) Forest Policy and Economics Education and Research (FOPER I & II) as annexes.

Synthesis report on peace and development in Finnish development cooperation. In addition to the synthesis, the results of each three cases of Component 2 will be presented and reported either as part of the synthesis report or separately.

The timetable of the delivery of semi-final draft reports, final draft reports and final reports is as follows:

The semi-final draft reports are available six (6) weeks after the end of the field visits. The semi-final draft reports will be commented by EVA-11. It is possible that semi-final draft reports will be also shared with some key informants.

Final draft reports will be available within three (3) weeks after the comments to the semi-final draft reports.

Final draft reports will be subjected to a round of comments by the parties concerned. It should be noted that the comments are meant only to correct any misunderstandings or factual mistakes instead of rewriting the report.

The reports will be finalised based on the comments received and will be ready within three weeks after receipts of the comments. The final reports are expected no later than in June 2014.

A special effort should be made by the evaluation team to produce concise the informative reports. Detailed instructions on writing the report are given in Section 8.1.

Presentation of the findings of the evaluation will be held in Helsinki no later than June 2014.

In addition to the presentations in Finland, a presentation of the findings of the evaluation will be organised through also through a webinar. Special attention is going to be made to include representatives of the partner countries in the webinar.

9.1 Writing of the reports

The evaluation team will ensure that the evaluation reports are concise and informative and can be easily understood also by those who are not specialists in development cooperation.

Final reports must follow the Instructions to Evaluation Report Authors which will be provided to the evaluation team in the beginning of the assignment. The team should agree on common formats (type of bullet points, format of tables etc.) and to ensure that all team members are following the overall instructions to the authors. The final reports shall be subjected to a language check and a thorough check of details before reports are submitted to EVA-11. The editorial and linguistic quality of the final report must be ready-to-print. The Ministry will be responsible for the translation of the abstract and the summary into Finnish and Swedish.

In addition to the assessments of the quality assurance experts, evaluation reports will be subjected to a peer review of international experts. The views of the peer reviewers shall be available on the basis of anonymity to the evaluation team.

In overall, the evaluation teams should observe in its work the OECD/DAC and EU aid evaluation quality standards of the evaluation process and reports. A matrix combining the OECD/DAC and EU quality standards for evaluations is made available to the team in the beginning of the assignment.

Should it happen that the final evaluation reports do not comply with the requirements spelled herein, the instructions to authors and the quality standards of the OECD/DAC and EU, there will be penalties to the service provide as specified in the contract.

Finally, each deliverable is subjected to EVA-11's approval. The evaluation team is able to move to the next phase only after receiving a written statement of acceptance by EVA-11.

10 EXPERTISE REQUIRED

In overall, successful conduct of the evaluation requires a deep understanding of peace, security and development nexus. It also requires experience in and knowledge of the case study countries as an operating environment for development cooperation. Finally, the successful conduct of the evaluation requires experience on fragile states as a subject and environment for evaluations.

The evaluation team will include a mix of senior male and female experts. The team also includes experts from both developed and developing countries.

All experts shall have a minimum of MSc/MA university education and be fluent in oral and written English (level 6). One of the senior experts shall be a native speaker of Finnish language. Knowledge of local administrative languages of the case study countries among the experts will be an asset.

One of the senior experts of the team will be identified as the team leader. The team leader will lead the work of both components and will be ultimately responsible for the deliverables. The evaluation team will work under the leadership of the team leader who carries the final responsibility of completing the evaluation. The identified team leader will lead the work of both Component 1 and 2 of the evaluation to ensure the continuity of the process and feeding of the findings between the two components.

Detailed team requirements are included in the Instructions to the Tenderers (Annex A to the Invitation to the Tenderers).

10.1 Document retrieval and other assistance to the evaluation team

It is necessary that the evaluation team consists of one junior expert to support the team in document retrieval as well as logistical arrangements.

Part of the documentation, particularly concerning the Western Balkans, is already collected and is available to the team. However, document retrieval is still needed and should be initiated in the beginning of the evaluation process. Document retrieval should be done by the junior member of the team under a supervision of a senior team member. EVA-11 will provide support in the document retrieval to the extent possible. However, it is the responsibility of the evaluation team to ensure that all documentation necessary to a successful conduct of the evaluation has been collected.

The junior expert will be a native speaker of Finnish language. She/he will serve in the document retrieval, practical organisation, logistics, and similar tasks in Finland. She/he may be required to review and summarise some documentation that exists only in Finnish language. His/her residential location should enable him/her to be available on a short notice.

The junior expert is required to have a minimum academic qualification of MSc or MA, and a minimum of two years of working experience after the graduation. The junior expert will be fluent in oral and written English (level 6).

There is no opportunity to claim per diems, rental or residential expenses, or other travel than local public transport fees to the junior expert from the evaluation budget.

10.2 Quality assurance

Two quality assurance experts will be required. These two experts need to be highly experienced, their expertise and experience corresponding the level and qualifications of team leader position. They have provided quality assurance services at least for three (3) processes, and are familiar with the international frameworks of the OECD/DAC and the EU regarding the aid evaluation quality standards and of the evaluation reports.

The quality assurance experts will review all the deliverables and offer advice at each juncture of the evaluation process that includes submission of a deliverables. The reports of the quality assurance experts will also be submitted to EVA-11. At the end of the evaluation process the quality assurance experts will fill in the EU's quality grid for evaluation reports.

11 BUDGET

The total budget of the evaluation including both Component 1 and Component 2 is €600 000 (VAT excluded).

12 MANDATE

The evaluation team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organisations. However, it is not authorised to make any commitments on behalf of the Government of Finland. The evaluation team does not represent the Ministry for Foreign Affairs of Finland in any capacity.

The evaluation team has no immaterial rights to any of the material collected in the course of the evaluation or to any draft or final reports produced as a result of this assignment.

Helsinki, 2 April 2013

Aira Päivöke
Director
Development Evaluation

ANNEX 2 PEOPLE INTERVIEWED

| Name | Organisation | Position |
|------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Ms Helena Tuuri | MFA Finland | Head of the Unit for Middle East and North Africa (2009–13) |
| Ms Marja Rosvall | MFA Finland | Team Leader for the Middle East Peace Process team (as of August 2013) |
| Ms Riikka Eela | MFA Finland | Team Leader for the Middle East Peace Process team (2009–13) |
| Ms Jenny Sjöberg | MFA Finland | Desk Officer for Palestine Development Cooperation (as of August 2013) |
| Ms Anna Savolainen | MFA Finland | Desk Officer for Palestine Development Cooperation (2008–10) |
| Ms Anu Saxen | MFA Finland | Land Advisor |
| Ms Anna Merrifield | MFA Finland | Desk officer, humanitarian aid, UNRWA (current) |
| Dr Martti Eirola | MFA Finland | Head of Mission, Representative office in Ramallah |
| Ms Marianne Mäkinen | MFA Finland | Deputy Head of Mission, Representative office in Ramallah |
| Ms Minna Härkönen | MFA Finland | Counsellor, Development Cooperation, Representative office in Ramallah |
| Mr Jani Raappana | MFA Finland | Deputy Head of Mission, Embassy of Finland, Tel Aviv |
| Ms Dana Erekat | Ministry of Planning and Administration Development | PA Special Advisor to the Minister, Head of Aid Management and Coordination Directorate |
| Estephan Salameh | Independent Consultant | Former Head of Aid Management and Coordination Directorate, Ministry of Planning and Administration Development (2009–13) |
| Mr Jihad Draidi | PA, Ministry of Education | Director General for International and Public Relations |
| Ms Sahar Eljallad | PA | Project Director, PLA |
| Mr Motaz Abadi | PA | Advisor to the Minister PWA |
| Mr David Sharp | NIRAS | LAP II TA Team Leader |
| Mr Timothy Heath | DFID | Governance Advisor |
| Mr Sergio Piccolo | EU Representative Office | Head of Cooperation |
| Mr Emile Makhoul | Ireland | Programme Advisor |
| Mr Stein Torgersbraten | Norway | Head of Development |
| Ms Rima Tadros | Norway | Programme Officer |
| Mr Johan Berggren | IPE | Office of the Quartet Representative |
| Mr Johan Schaar | Sweden | Head of Development Cooperation |
| Mr Björn Philipp | World Bank | Senior Urban Development Specialist |
| Ms Lina Abdallah | World Bank | Programme Manager |
| Dr Rami Nasrallah | IPCC | Chairman International Peace and Cooperation Centre |
| May Jayyusi | Muwatin | Executive Director |

ANNEX 3 DOCUMENTS CONSULTED

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ANNEX 4 EVENTS TIMELINE ANALYSIS

We present here a selective listing of three concurrent elements in the recent history of Palestinian Territories: major political/military events (which are presented in the first column), events common to all donors (which are presented in the second column), and a selection of project interventions or initiatives undertaken by Finland (which are presented in the third column).

| Major political/ military events | Events common to all donors | Selection of Finnish initiatives |
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| 2006 | | |
| <p>Jan – Palestinian Legislative Elections. Hamas won. Ismail Haniyeh Prime Minister (PM). Conflict between Fatah and Hamas – mainly in Gaza. Hamas do not recognise Abbas as President. Consider Aziz Dureik as acting President.</p> | <p>The EU's police mission for the Palestinian Territories (EUPOL-COPPS), which was launched in 2005, began its operational phase with an initial duration of three years. It is a civilian mission, aims to contribute to the implementation of a Police Development Programme for the PCP. The mission comprised 40 local and 70 international experts.</p> <p>30 Jan – Middle East Quartet statement called on the new Palestinian Government to commit to the principles of non-violence, recognition of Israel and acceptance of previous agreements and obligations, including the "Road Map". Future assistance would be reviewed by donors against the Government's commitment to the principles.</p> <p>30 March – Quartet statement noted that the new Government had not committed to the principles spelled out on 30 January. The Quartet concurred that there would inevitably be an effect on direct assistance to the Government and its ministries</p> <p>7 April Aid suspended.</p> <p>The Quartet froze contacts, donors withheld contributions, pending a commitment by the Hamas Government to renounce violence, recognise Israel and accept agreements already signed between Israel and the Palestinians.</p> <p>June – EU Member States and EC established the Temporary International Mechanism (TIM) to provide direct assistance to the Palestinian people. It was set up to avoid dealing with the Hamas-led Government. The TIM aimed to provide basic needs to Palestinian people while bypassing the Hamas Government.</p> | <p>Finnish EU Presidency June – end December 2006</p> <p>In relations between Israel and the Palestinians, the Presidency endeavoured to exert direct influence on the parties to the conflict for the creation of conditions that would enable them to resume the political process. The Presidency also underlined the responsibility and role of other actors in the area in calming the situation. Immediately following Hamas victory, while the US and other EU members suspended all relations with PA Ministries, Finland's mission in Ramallah followed a pragmatic approach. It continued working where there was no direct funding to ministries, e.g. Ministry of Education and in the land and water sector projects, which came under the President's office. In April Finland deployed five experts to the EUPOL-COPPS mission.</p> |

| 2007 | | |
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| <p>8 Feb – Saudi-brokered Mecca Agreement between Fatah and Hamas. The accord contained four clauses:</p> <p>(a) a ban on the shedding of Palestinian blood and use of dialogue as the basis for solving political disagreements in the Palestinian arena;</p> <p>(b) reaching a final agreement on the formation of a Palestinian National Unity Government;</p> <p>(c) accelerated progress in activating and reforming the Palestine Liberation Organization (PLO);</p> <p>(d) reinforcing “the principle of political partnership” within the PA.</p> <p>17 March – PM Haniyeh resigned. Unity Government formed: Fatah, Hamas, other parties and independents.</p> <p>May – Unity Government collapsed.</p> <p>June – Hamas took over Gaza. PA Chairman and President Mahmoud Abbas dismissed Hamas-led Government. Salam Fayyad appointed Prime Minister.</p> <p>President Abbas and Israeli Prime Minister Olmert had six meetings since June 2007 to try to agree on some basic issues ahead of Annapolis peace summit.</p> <p>November – Annapolis Conference.</p> <p>Aimed to revive the peace process and gather broad international support. The objective was to restart negotiations on a final status agreement that addressed all core issues, and the establishment of a Palestinian state.</p> | <p>April – Following formation of Unity Government, EU renewed contacts, cooperation and assistance to the PA. The TIM was gradually adapted to work more closely with the Palestinian administration. It attracted contributions from 19 international donors, of which 15 were EU Member States, for a total of approximately €200 million.</p> <p>16 June 2007 the Middle East Quartet expressed understanding and support for President Abbas’ decisions to dissolve the cabinet and declare an emergency, given the grave circumstances. The Quartet recognised the necessity and legitimacy of these decisions, taken under Palestinian law, and welcomed President Abbas’ stated intention to consult the Palestinian people at the appropriate time. The Quartet noted its continuing support for other legitimate Palestinian institutions.</p> <p>17 December, Paris. France co-hosted a major conference for international donors. Over US\$7,7 billion assistance pledged. The EU alone pledged US\$3,4 billion to be committed over next three years (2008–10). Prime Minister Salam Fayyad presented <i>PRDP 2008-10</i>. Set out the PA medium-term agenda for Palestinian reform and development. Intended to improve transparency, accountability, coordination and communication. Set out vision for independent Palestinian state. Primarily focused on approaches to socio-economic and institutional development within the constraints imposed by the occupation. This approach was based on the assumption that those constraints would be progressively lifted during the three-year time frame of the PRDP, creating space for sustainable freedom of movement, security and economic growth.</p> | <p>Finland – Supported the 9.) Palestiinalaisedustuston tukeminen HelsingissäTIM with €1 million. Since the victory of Hamas in the 2006 elections, the international community ceased direct support to Palestinian Territories. As a reaction to the weakening humanitarian and economic situation an International Special Mechanism was established. Finnish contribution focused on the third element of the mechanism which consisted of social security costs.</p> |
| 2008 | | |
| <p>Hamas claimed the government headed by Ismail Haniyeh remained the legitimate one, insofar as it reflected electoral and parliamentary realities.</p> | <p>1 Feb EU launched the PEGASE mechanism to replace the TIM. The programs financed through PEGASE were designed to support the PRDP.</p> <p>September – WB report to the AHLC</p> | |

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| <p>Fatah and President Abbas argued that the Gaza authorities were born of an illegal coup, and legitimacy resided in the interim government headed by Salam Fayyad.</p> <p>19 June Egypt-brokered ceasefire between Israel and Hamas. No formal, written document. Provisions included immediate cessation of hostile activities; a limited increase in the amount and types of goods entering Gaza, negotiations for a prisoner exchange and the opening of the Rafah crossing.</p> <p>19 Dec – ceasefire broke down. Open violent conflict between Israel and Hamas in Gaza. In response to rocket fire into Israel, Operation Cast Lead was launched. The military aggression, including a land offensive in the Gaza Strip, lasted three weeks.</p> | <p>indicated little improvement in the economic and social situation in the West Bank, while highlighting a progressive worsening in the living condition of the Gaza population. The ground invasion of the Gaza Strip delivered an additional blow to the already devastated economy and, since the end of December 2008, more people had been forced to rely purely on humanitarian assistance and foreign aid.</p> | |
| 2009 | | |
| <p>Operation Cast Lead continued until 18 January. After 22 days of fighting, Israel and Hamas each declared separate unilateral ceasefires. Casualties were disputed. According to Hamas, they included as many as 1 417 Palestinians and as many as 926 civilians. According to the Israeli Defence Force 1 166 Palestinians were killed, and 295 were non-combatants.</p> | <p>August – Program of 13th Government of PNA heralded a new era in the PNA’s approach to institution building, reform and development. First and foremost, the Government Program introduced the concept of organising development and institution-building activities to expedite ending the occupation despite the constraints it imposed. Approach differed somewhat from that taken in formulating aims: strengthening PNA’s institutions as a basis for challenging the occupation; committing to building strong sustainable competent and effective democratic institutions.</p> <p>Pledged elections in January 2010.</p> <p>2 March 2009 Sharm El Sheikh International Conference in Support of the Palestinian Economy for the Reconstruction of Gaza, co-sponsored by Norway. PA produced a damage assessment report, The Palestinian National Early Recovery and Reconstruction Plan for Gaza, 2009–10, to guide deliberations of the International Conference in Support of the Palestinian Economy for the Reconstruction of Gaza in Sharm El Sheikh</p> | <p>Finland funded EU PEGASE €3 million. Support essentially a political decision. Aim was to ensure previous statebuilding gains would not be lost as a result of a Hamas-led Government; lack of donor financial support would mean no key worker salaries paid and these workers would not turn up. It was important politically for the EU that the PA did not collapse.</p> |

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| | <p>Despite the absence of a formal pledging session, many of the 90 participating countries made pledges for both the recovery of Gaza and the support of the entire Palestinian economy. Participants pledged an approximate total of US\$4,5 billion covering the next two years. Donors' intentions and efforts subsequently thwarted by the Israeli blockade of Gaza, that did not allow the entry of such basic materials as cement, steel, equipment and spare parts.</p> | |
| 2010 | | |
| <p>24 January – Scheduled Presidential and legislative elections not held due to ongoing Hamas-Fatah split. 2 and 14 September – US launched direct negotiations between Israel and the PA in Washington DC – A second round of Middle East peace talks between Israel and the PA concluded in Sharm el Sheikh. Talks broke down when President Mahmoud Abbas walked from negotiating table, wanting a freeze on settlements.</p> | <p>January – PNA launched plan “Palestine: Moving Forward. Priority Interventions for 2010”. Set out high-priority interventions that needed to be initiated or continued in 2010 to support the realisation of an independent, viable and sovereign State of Palestine over the next two years. These included finalizing the building of central and local government institutions essential to the establishment of a modern and sovereign State of Palestine on the June 1967 borders.</p> | <p>Finland granted €1.5 million in financial support to the Gaza Summer Games, a children's event organised by the UN Agency for Palestinian Refugees (UNRWA). The purpose of the games was to offer children a break from the conflict and the poverty that surrounded them by organising summer holiday activities that enhanced and contributed to tolerance. The project was designed to support the local community more generally. Finland was the single biggest sponsor of the project.</p> |
| 2011 | | |
| <p>7 February – Hamas–Fatah Doha agreement; attempt at reconciliation between the parties. The EU supported the Palestinian reconciliation and elections as important steps towards an eventual Israeli–Palestinian peace deal; however Israeli prime minister Benjamin Netanyahu condemned the agreement. April – Hamas and Fatah signed “unity” agreement in Cairo. The accord paved the way for the formation of a new transitional Unity Government formed of independents, to prepare for legislative elections scheduled to be held before the end of May 2012. After the failure of the “peace talks” in 2010, the Palestinian National Authority announced it would unilaterally declare the State of Palestine within the</p> | <p>April – PNA. 2011-13 National Development Plan “Establishing the Statebuilding our Future”. Envisaged the completion of statebuilding institutions by August. Emphasised the need for social justice and equality and greater role of women and young people in statebuilding programme. 7 April – WB report <i>Building the Palestinian State: Sustaining Growth, Institutions and Service Delivery</i>, assessment that “if the PA maintains its performance in institution building and delivery of public services, it is well-positioned for the establishment of a state at any point in the near future”. But the WB's assessment of the sustainability of economic growth in the West Bank and Gaza remained bleak. The report emphasised that the estimate of 9,3% for 2010 “reflects recovery from the very low</p> | <p>Finland – In the UNGA in New York, President Tarja Halonen joined with the countries that advocated a unilateral declaration of a Palestinian state. Finland was the only Nordic EU Member State to vote for the PA to be admitted as a full member of UNESCO, although not member of the UNGA. The EU's official line was to avert membership.</p> |

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| <p>1967 borders and seek UN and international recognition at the UNGA in late 2011 23 Sept President Abbas application to UNSC.</p> | <p>base reached during the second intifada, is still mainly confined to the non-tradable sector and is primarily donor-driven”. It noted that aid was what kept many Palestinians above the poverty line, particularly in Gaza. EU launched local strategy on Development Cooperation.</p> | |
| 2012 | | |
| <p> Hamas considered declaration of independence of Gaza; supported by Egypt. November – Israel-Hamas ceasefire. September – President Abbas sought full Member State status at the UN based on pre-1967 frontiers. Security Council members said they had been unable to “make a unanimous recommendation”. Mr Abbas then submitted a downgraded request to the General Assembly for admission to the UN as a non-member observer state – the same position that the Vatican held. Previously, the Palestine Liberation Organisation only had “permanent observer” status. November – UNGA Res 67/19 changed Palestinian status to non-member observer state. US and UK voted against. September – protests in West Bank about cost of living and price rises, especially of fuel. Calls for resignation of PM Salam Fayyad. Key event as it was a social movement inspired by economics, rather than politics.</p> | <p>21 September – the UN Human Rights Council concluded that 75% of civilian homes destroyed in Operation Lead Cast in 2009 had not been rebuilt.</p> | <p>Finland – Nordic Foreign Ministers’ meeting in Helsinki. Expressed concerns over Israeli settlement expansion in violation of internal law and also constituted the greatest obstacle to a two-state solution. Welcomed the progress under President Abbas and Prime Minister Fayyad towards the establishment of a viable state within a negotiated two-state solution. With a view to strengthening contact with the PA, the Nordic countries agreed on the upgrading of Palestinian representation in the Nordic capitals. Finland voted in favour of the UNGA resolution admitting Palestine as a non-member observer state to the UN. Sweden voted in favour, while the UK abstained.</p> |

2013

April – PM Salam Fayyad re-signed.

July – US announced final status talks over nine months. The two sides met with US mediators 29–30 July in Washington to officially launch the peace talks.

14 Feb 14 – Tokyo Conference. 1st meeting of Conference on Cooperation among East Asian Countries for Palestinian development. Participants affirmed resolution of the Arab-Israel conflict as important for regional stability. Necessary for international community to build up support for Palestinian statebuilding efforts as a major step to achieving peace through a two-state solution. WB reported Palestinian unemployment had risen to almost 25% and real GDP growth was set to fall from an average of 11% in 2010–11 to just 5% in 2013.

June. Minister for International Cooperation visited Gaza and called for pressure on Israel to lift its blockade of the Gaza Strip (in place since 2006) as it hampered reconstruction and development in Gaza.

September – Upgraded the status of the Palestinian diplomatic mission in Helsinki. Foreign Minister Erkki Tuomioja and the Palestine ambassador to Helsinki, Nabil DM Alwazir, signed an agreement (yet to be ratified by the Finnish Parliament) which granted the Palestinian mission and its staff the privileges and immunities laid down in the Vienna Convention regulating diplomatic relations. The upgrading of the Palestinian mission was based on an agreement made by the Nordic countries that the status of Palestinian missions in all of the Nordic countries would be as uniform as possible.

ANNEX 5 INTERVENTION LOGIC MFA FINLAND, PALESTINIAN TERRITORIES

