



# EVALUATION

Finland's Development Cooperation Country  
Strategies and Country Strategy Modality



Evaluation on Finland's Development Policy and Cooperation

**2016/3d**



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# EVALUATION

## EVALUATION OF FINLAND'S DEVELOPMENT COOPERATION COUNTRY STRATEGIES AND COUNTRY STRATEGY MODALITY

### Zambia Country Report

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**2016/3d**

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# ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
AfT	Aid for Trade
AMSCOR	African Management Service Company
CCO	Cross-Cutting Objective
CEP	Country Engagement Plan
COMESA	Common Market for Eastern and Southern Africa
CP	Cooperating Partner
CS	Country Strategy
CSEF	Civil Society Environment Fund
CSG	Commodity study group
CSM	Country Strategy Modality
CSO	Civil Society Organisation
CSP	Core Support Programme
CTA	Chief Technical Advisor
Danida	Danish international cooperation agency
DFID	(UK) Department for International Development
DFONRMP	Decentralized Forestry and Other Natural Resource Management Programme
DPP	Development Policy Programme
EC	European Commission
ENRMMP	Environment and Natural Resource Management and Mainstreaming Programme
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization
FISP	Farmer Input Support Programme
FLC	Fund for Local Cooperation
FNDP	Fifth National Development Plan
FRA	Food Reserve Agency
FSDP	Financial Sector Development Plan
GBS	General Budget Support
GDP	Gross Domestic Product
GoZ	Government of Zambia
HDI	Human Development Index
HRBA	Human Rights-Based Approach
ICI	Institutional Cooperation Instrument/Instituutioiden välisen kehitysyhteistyön instrumentti

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ICT	Information Communication Technology
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
ILO	International Labour Organization
ILUA	Integrated Land Use Assessment
INGO	International Non-Governmental Organisation
IR	Inception Report
JASZ	Joint Assistance Strategy for Zambia
KfW	German development bank
LDC	Least Developed Country
M&E	Monitoring and Evaluation
MAL	Ministry of Agriculture and Livestock
MDG	Millennium Development Goal
MFA	Ministry for Foreign Affairs (Finland)
MIC	Middle Income Country
MLNREP	Ministry of Lands Natural Resources and Environmental Protection
MPSA	Ministries Provinces and Government Spending Agencies
MTE	Mid-Term Evaluation
MTEF	Medium-Term Expenditure Framework
MTENR	Ministry of Tourism, Environment and Natural Resources
MTR	Mid-Term Review
MTT	Finnish agrifood research institute
MSME	Micro, Small and Medium Enterprises
NDP	National Development Plan
NFMA	National Forest Monitoring and Assessment
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	OECD Development Assistance Committee
PAF	Performance Assessment Framework
PEMFA	Public Expenditure Management and Accountability Programme
PF	Patriotic Front
PFM	Public Financial Management
PFMRP	Public Financial Management Reform Programme
PLARD	Programme for Luapula Agriculture and Rural Development
PMU	Project Management Unit
PPP	Public-Private Partnership
PRBS	Poverty Reduction Budget Support
PSD	Private Sector Development
PSDRP	Private Sector Development Reform Programme
RBM	Results Based Management
R-SNDP	Revised Sixth National Development Plan

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SADC	Southern African Development Community
SAG	Sector Advisory Group
SAPP	Smallholder Agribusiness Promotion Programme
SC	Steering Committee
SCT	Social Cash Transfers
SIP	Small Scale Irrigation Project
SNDP	Sixth National Development Plan
S3P	Small Holder Production Promotion
TOC	Theory of Change
TOR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USA	United States of America
USD	United States dollar
VFMC	Village Fishing Management Committee
VTT	Technical Research Centre in Finland
WB	World Bank
WBG	World Bank Group
WILDAF	Women in Law and Development in Africa
ZAFOD	Zambia Federation of Disability Organisations
ZAPCD	Zambia Association of Parents with Children with Disabilities
ZARI	Zambia Agriculture Research Institute
ZMW	Zambian kwacha
ZNFU	Zambia National Farmers Union
ZPPA	Zambia Public Procurement Agency
ZSPEP	Zambia Social Protection Expansion Programme

# ABSTRACT

This evaluation of Finland's Country Strategy (CS) for Zambia, 2013-2015 is part of an overall evaluation of Finland's Country Strategy Modality. The evaluation finds that the CS was relevant to the national context and priorities, to Finnish development policy priorities, and to the priorities of Zambian people. The CS process resulted in a more focused Finnish development cooperation portfolio. However, much of the CS was built around and concerned with scaling back the portfolio, leaving little room for strategic new choices. The effectiveness of the CS has been mixed, with stronger results in private sector and governance (including social protection) than in agriculture and environment. Impact is hard to assess in the absence of evaluations in key areas, with the exception of social protection where impact is evident. There have been challenges to efficiency across the portfolio reflecting ambitious designs, poor choice of modalities/partners, and inadequate attention to risk management. The CS did not bring about more aid effective country programming as there was already a strong aid effectiveness agenda. It did, however, highlight opportunities for influencing which Finland has used effectively in policy dialogue. Sustainability is limited due to challenges in ownership although the ownership of some individual interventions is strong. Complementarity of the CS with other Finnish channels and mechanisms was inadequate. Coherence of the CS and its programme remains partial. The next CS should be framed by a 10-year vision, encompass all areas of Finnish engagement in Zambia, further streamline the portfolio to two sectors, and include a focus on poverty and transitioning. The CS formulation should be informed by an evaluation of the private sector development programmes and a study of transition experience.

*Keywords: Zambia, Development, Aid, Evaluation, Effectiveness*

**The CS process resulted in a more focused Finnish development cooperation portfolio.**

# SUMMARY

## Background

The Ministry for Foreign Affairs of Finland (MFA) introduced the country strategy modality (CSM) - a results-oriented country strategy (CS) planning and management framework - in 2012 within the context of the 2012 Development Policy Programme (DPP). From 2013 onwards the CSM has been implemented in the seven long-term partner countries of Finland, including Zambia.

The Zambia country evaluation is part of an overall evaluation by the MFA of the CSM which includes country-level evaluations in six of Finland's key bilateral cooperation partners. Before 2013 (in 2008-2012) country programmes were set out as Country Engagement Plans (CEPs). This evaluation covers the period 2008-2015, with a focus on the CS period from 2013 onwards.

## Purpose of the evaluation

The purpose of the evaluation is to provide evidence-based information and practical guidance for the next update of the CSM on how to improve the results-based management (RBM) approach in country programming and to improve the quality of implementation of Finnish development policy at the partner country level. Its objective is to provide evidence on the successes and challenges of the CS.

The evaluation covers the following processes and structures:

- 1) the country-specific context from 2008 to 2015, consisting of an analysis of the overall country development context, the Finnish bilateral assistance and its contribution to Zambia's development strategies and plans, Finland's development funding portfolio as a whole in Zambia, and Finland's role as part of the donor community;
- 2) the CS 2013-2016; achievement of objectives to date taking into account the historical context of the strategies and changes in the objectives from 2013 onwards; and
- 3) the CSM, as applied in Zambia, answering the question what changes resulted from the introduction of the CS compared the "without-CS" baseline from before its introduction.

Importantly, this evaluation focuses on the overall CS. It assesses the performance of individual interventions anchored by the CS objectives and results areas. This is not an evaluation of the individual projects and aid instruments that fall under the country strategy.

## Approach and methodology

The evaluation uses a Theory of Change (TOC) approach to assess the contribution of CS programmes to country observed results, CS to CS programmes, CSM to CSs, and CSM to MFA RBM overall. The critical assumptions underlying

ing the TOC are tested as part of this process. The study answers a series of evaluation questions on the CS and the CSM that were agreed with the MFA during an inception phase, including Zambia-specific questions.

The evaluation drew on various sources of information and evaluation tools to triangulate the evaluation findings including: document review, analysis of financial and other statistics, semi-structured interviews based on the evaluation questions, and site visits to observe results on the ground and elicit beneficiary and local stakeholder feedback. The evaluation took place from September 2015 to June 2016, with a visit to Zambia in February 2016 that was preceded by interviews in Helsinki. The preliminary findings of the Zambia country study were presented to stakeholders as part of the Zambia field visit in February and to the MFA in Helsinki in March 2016.

### **Findings, conclusions and recommendations**

**Relevance.** The Finnish CS for Zambia is clearly relevant to the Zambian and Finnish priorities, and to the priorities of Zambian people. It combines a focus on poverty with a focus on economic growth, which mirrors the priorities in Zambia's National Development Plan (NDP). The choice to include social protection was particularly relevant as it enhanced the focus on addressing issues around equity and scores high on key cross-cutting objectives (CCOs) (gender and human rights). It is also highly relevant to the continued poverty challenges in the country. Challenges with implementation have reduced the relevance in practice of some of the interventions. The relevance of the CS is constrained by having an incomplete coverage of MFA aid instruments, and not addressing explicitly transition issues which arise from Zambia's lower middle income status.

**Effectiveness.** In agriculture the effectiveness has fallen short of expectations, with a number of initiatives underperforming and/or being terminated. The support to the Zambia National Farmers Union (ZNFU) was by far the most effective. Through the Programme for Luapula Agriculture and Rural Development (PLARD) there were some gains in access to resources by smallholder farmers, which has contributed to improved productivity for beneficiaries. Little progress towards objectives was made in the high-budget Small Scale Irrigation Project which became one of the most expensive interventions if calculated by average cost/ha. Private Sector Development was a new area of the portfolio under the CS. Overall, the various interventions in this area have made good progress towards achieving their purpose through the creation of green jobs and improved access to e-services for businesses. However, less progress has been made in increasing the competitiveness of micro, small and medium enterprises (MSMEs). In environment most of the expected outcomes have not (yet) been achieved. There has been progress towards building a national data base on forestry and other natural resources. However, access to the database, and usability of the data are still challenging. There has been an increase in civil society organisation (CSO) involvement in environmental initiatives through direct funding. There are no results yet for decentralized forestry and other natural resources projects. In the area of good governance and accountability there has been mixed progress across the range of different projects. The social protection programme has been effective; it has been scaled up with

an increased number of beneficiaries and is now 80 percent government funded. Through other initiatives there is evidence of increased revenue collection, and improvement in public procurement. General budget support (GBS), while effective in increasing government funding to social sectors, performed poorly toward the end. There is some evidence that the CS strengthened the focus on policy influencing by Finland in the key sectors that it has supported but not on aid effectiveness which was already an ingrained way of working for donors in Zambia. Examples of influencing include high level government decisions related to farm subsidies, and increased funding for the social cash transfers (SCT). The policy influencing is attributed to the longstanding role that Finland has played in key sectors and to characteristics of Finnish development aid, including neutrality and being a fair player.

**Efficiency.** Disbursement rates under the CS have improved over time from 23 percent in 2012 to 82 percent in 2015. Efficiency gains have been made through the reduction in the size of the portfolio, increased emphasis on RBM, good complementary use of newer Funds for Local Cooperation (FLC), and the leveraging of additional support of Finnish partnerships. The decision to scale back the number of projects predated the introduction of the CS and can therefore not be attributed to the CSM. The real efficiency gains will likely take place into the future, given the reduced portfolio. The gains are offset by considerable challenges, including: insufficient focus on risk identification as part of the CS design and at the level of individual projects; over-optimistic design and underestimation of technical complexity across various projects; issues related to modalities and implementation partners; limited ownership, financial commitment and slow approval processes by the government; geographical spread vis-à-vis project resources; time and resources needed for scaling down the inherited portfolio; insufficient support from the MFA in Helsinki on the CS design and implementation; and a significant turn-over of staff.

**Sustainability.** Overall sustainability is not guaranteed. Sustainability is variable across the different interventions in the portfolio. Commitment, ownership and resources are key constraints. There is a strong sense of ownership for some of the governance projects - social protection, procurement reforms - and selected activities in agriculture (ZNFU). In environment, ownership and commitment at national level continue to fall short, although there is evidence that extensive consultation around the Decentralized Forestry and Other Natural Resource Management Programme (DFONRMP) has created a stronger ownership at decentralized levels.

**Impact.** In the absence of systematic mid-term and final reporting as well as (impact) evaluations it is difficult to ascertain what the contribution of individual projects is to the higher level development goals, and to establish the impact of the Zambia CS interventions. The exception to this is the social protection programme which in its design included a gold standard impact evaluation, the findings of which presented a convincing case to the Government of Zambia (GoZ) to scale up its funding and as a result of which the social protection expansion programme is now part of the GoZ Medium-Term Expenditure Framework (MTEF). The impact evaluation findings have also been used effectively as part of efforts by Finland and other cooperating partners (CPs) to influence GoZ farm subsidy policies. Other areas where there is some evidence

of impact (although not with the same standard) are agriculture, private sector development (PSD), and governance.

**Complementarity, coherence and coordination.** The introduction of the CS has not had visible impacts on improving complementarity, coherence and coordination of Finnish development cooperation. Alignment with country systems and coordination predates the introduction of the CS and reflects values to which Finland subscribes. There is no evidence that the CSM contributed to more aid-effective country programming. Complementarity with other Finnish aid instruments has not been strong, although there have been a few exceptions. Coherence in design within different results areas has been good, with some exceptions which reflect the retro-fitting of projects under the CS. In practice coherence has not always been possible because of delays in implementation. Coherence between results areas is less evident. Shrinking budgets raise questions about how the three remaining results areas can be maintained in a coherent manner.

**Cross-Cutting Objectives.** The introduction of the CS resulted in a stronger focus on CCOs for a number of projects, e.g. social protection. At the CS level there are no specific targets set for addressing the human rights-based approach (HRBA), gender or climate change. There has been attention to gender in most of the interventions, although not consistently reported. Disability has been targeted through the social protection programme. HRBA has been inconsistently included across the portfolio. Environment has been mainstreamed to some degree (agriculture and PSD) and addressed through the environmental results area.

**Country Strategy Modality.** The evaluation finds that the CSM has been a relevant tool for planning, monitoring and reporting. It has been used as a tool for discussion and accountability with the individual projects. However, both its relevance and its effectiveness are diminished because the CS is not owned by all stakeholders. The relevance is also reduced because it is limited to bilateral cooperation only. Efficiency of the CSM has been reduced because of insufficient support to the implementation of the modality, a lack of focus on reporting and evaluations, and a lack of attention to risk management. The CSM has, however, improved the communication and dialogue with headquarters around results. The CSM in its present form is not in itself sustainable.

## Recommendations concerning the Zambia country strategy

- 1) Like the current one, the design of the next CS should include careful consideration of relevance to country, beneficiary and Finnish priorities. Continued levels of poverty in Zambia suggest that the next CS should have a strong focus on prioritizing poverty alleviation and inclusion. This is in line with the Finnish DPP which has the overall goal of 'reducing poverty and inequality'.
- 2) The new CS should cover the full range of Finnish instruments. It should clearly highlight how the different instruments will contribute to the goals that Finland has for its engagement in Zambia. This should allow for business expertise and soft power (e.g. education expertise, technical assistance, scholarships) to be part of its menu of options for engagement under the CS.

- 3) The next CS should more explicitly recognize the transition context in Zambia and the multiple roles of the Embassy as a facilitator in a longer-term transition from official development assistance to facilitating business partnership and trade opportunities. It should therefore be formulated with a longer 10-year vision in mind which clearly outlines Finland's overall role and interests in Zambia. The vision should guide the choices for the next period.
- 4) The new CS should present a detailed analysis of risks and assumptions and how these will be addressed. This should move beyond the somewhat mechanistic way in which this has been presented (when done) in the project designs so far.
- 5) The next CS should build more strongly on ownership and commitment, and be developed in a more consultative and inclusive manner.
- 6) The next CS should be more streamlined and focus on a maximum of two results areas with a manageable number of projects (we suggest a maximum of 4-5 projects).
- 7) The next CS should build on the areas where Finland has achieved results and that are in line with the evolving (transition) context. This should include a continued focus on policy influencing. There is a strong justification for continuing support to social protection given the results achieved and the strong poverty focus. There is also a clear justification for continuing to engage in those areas of PSD that have been particularly successful.
- 8) To guide the further engagement in the private sector, the MFA should commission an evaluation of the engagement in PSD which should inform the support to the longer-term transition from Official Development Assistance (ODA) to facilitating business partnerships and trade opportunities.
- 9) The CS logic model for the next phase of programming should be revised, as should the results monitoring framework, to bring the different levels closer to the actual interventions by Finland, thus reducing the contribution gap.
- 10) There should be strong support for the Embassy in programme management and budgeting. The support should be demand-driven to be most effective. There should also be more attention to the role of desk officers as a conduit for requests from the Embassy to ensure that the facilitating support that is needed is provided.
- 11) The next phase of support should include specific targets for cross-cutting objectives. It should explore whether there are opportunities for more explicit prioritizing of environmental concerns as part of the social protection focus. This could cover training of social protection staff on mainstreaming of environment and resilience, sensitization of the village committees and recipients of grants, and the inclusion of environmentally specific targets and indicators in project planning.

- 12) The new Finnish strategy for engagement with Zambia should explicitly maintain a strong level of engagement with the Government of Zambia. The CS period included a significant and successful investment of time in policy dialogue across a range of Finnish priority areas. The human resource allocation for the Embassy should include resources for this type of engagement which have been shown to have an impact beyond the direct areas of intervention of Finnish projects.

## Abbreviated summary of principal findings, conclusions and recommendations

Findings	Conclusions	Recommendations
The objectives of the Finnish CS are directly relevant to national development policies, priorities and programmes and combine a focus on poverty and economic growth which mirrors priorities of Zambia's NDP. Some projects are more directly relevant to poor and marginalized populations.	The CS and its component interventions are relevant to the context in that country and to the rights and priorities of partner country stakeholders.	1. Like the current one, the design of the next CS should include careful consideration of relevance to country, beneficiary and Finnish priorities. Continued levels of poverty in Zambia suggest that the next CS should have a strong focus on prioritizing poverty alleviation and inclusion. This is in line with the Finnish DPP which has the overall goal of 'reducing poverty and inequality'.
The CS did not provide a comprehensive framework for the full range of instruments that Finland has at its disposal. It focused on the bilateral instruments.	The use of and synergies with other instruments have been limited as these were not explicitly included in the CS. The relevance of the CS was constrained by having incomplete coverage of the MFA aid interventions and not explicitly addressing transition issues. Lack of inclusion of non-CS instruments meant that CS instruments were not fully tailored to suit the environment.	2. The new CS should cover the full range of Finnish instruments. It should clearly highlight how the different instruments will contribute to the goals that Finland has for its engagement in Zambia. This should allow for business expertise and soft power (e.g. education expertise, technical assistance, scholarships) to be part of its menu of options for engagement under the CS.
The environment in Zambia has seen considerable changes. Zambia has moved to lower middle income country (MIC) status. Economic growth has been sustained, although there are continued challenges with population pressure, environmental concerns, energy challenges and governance issues. The overall aid environment has changed with a reduction in harmonisation and alignment, and a reduction in the volume of ODA and the number of donors.	The CS provided a framework for taking into account key characteristics of the context. It could not anticipate many of the changes that took place. It did not specifically plan for or consider the transitional context.	3. The next CS should more explicitly recognize the transition context in Zambia and the multiple role of the Embassy as a facilitator in a longer-term transition from official development assistance to facilitating business partnership and trade opportunities. It should therefore be formulated with a longer 10-year vision in mind which clearly outlines Finland's overall role and interests in Zambia. The vision should guide the choices for the next period.

Findings	Conclusions	Recommendations
The risks related to the overall policy, institutional, economic and political environment in Zambia were poorly identified and addressed at the level of specific projects.	The CS did not provide a strong enough framework or sufficient guidance on risk identification and mitigation.	4. The new CS should present a detailed analysis of risks and assumptions and how these will be addressed. This should move beyond the somewhat mechanistic way in which this has been presented (when done) in the project designs so far.
The CS was drafted as an internal document for Finland. It is owned by Finland but not as a strategy by the Zambians.	Ownership of the CS is strong on the Finnish side, in particular of the revised version (2014–2017), but weak on the Zambia side. Sustainability of the Zambia CS is weak.	5. The next CS should build more strongly on ownership and commitment, and be developed in a more consultative and inclusive manner.
The CSM provided an opportunity to address fragmentation and to improve focus, thus addressing a major shortcoming from the CEP period. The CS brought together existing projects with a focus on reducing the size of the portfolio. There was limited room for strategic changes. Much time and energy during the CS period was spent closing down projects and streamlining the portfolio. The budget for bilateral cooperation has been much reduced and will be even less under the next CS.	The CSM provided the framework for focusing after a period of fragmentation. It did not offer the possibility to radically change the CS programme because of the time it took to close down existing projects and for much of the period the number of project continued to be high. Efficiency gains from the reduced portfolio are likely to become more obvious under the next CS which now offers a real opportunity for redesign. Shrinking budgets raise questions about how the three remaining results areas can be maintained.	6. The next CS should be more streamlined and focus on a maximum of two results areas with a manageable number of projects (we suggest a maximum of 4–5 projects).

Findings	Conclusions	Recommendations
<p>Effectiveness of the CS has been highest in selected areas of Governance and PSD. There are strong examples of policy influencing by Finland in the key sectors that it has supported. Through various other governance initiatives there is evidence of increased revenue collection and improvement in public procurement. The social protection programme has contributed to increasing resilience and reducing poverty and is now 80% government funded. In PSD, there has been good progress towards creation of green jobs, in key areas of doing business, i.e. the law and business regulatory reform and one-stop shops (automation and e-government), and financial inclusion. In general targets were not met for agriculture. In environment, many of the results have not yet been achieved in spite of long-term engagement, and national level government commitment has been lacking. Environment continues, however, to be a major concern for Zambia.</p>	<p>Effectiveness across the portfolio has been mixed. PSD and governance have shown good performance overall, although with variations between projects which suggests further analysis is needed to identify the most appropriate areas of focus and entry points, also in light of areas where Finland can specifically add value. The social protection programme has been particularly effective. The evolving context, the findings from this evaluation, and the guidance from the new Finnish DPP with respect to Zambia suggest that PSD should be a second area of focus.</p>	<p>7. The next CS should build on the areas where Finland has achieved results and that are in line with the evolving (transition) context. This should include a continued focus on policy influencing. There is a strong justification for continuing support to social protection given the results achieved and the strong poverty focus. There is also a clear justification for continuing to engage in those areas of PSD that have been particularly successful.</p> <p>8. To guide the further engagement in the private sector, the MFA should commission an evaluation of the engagement in PSD which should inform the support to the longer-term transition from ODA to facilitating business partnerships and trade opportunities.</p>
<p>The CS logic model has a substantial contribution gap. The extent to which the CS interventions contribute to the Country Development Goals is partial and cannot be demonstrated empirically. There is insufficient evidence to be able to make statements about impact, with the exception of the social protection programme.</p>	<p>The contribution gap in the CS logic model means that the CSM does not provide a convincingly integrated structure to link the performance of individual interventions with the status of the sectors to which they seek to contribute.</p>	<p>9. The CS logic model for the next phase of programming should be revised, as should the results monitoring framework, to bring the different levels closer to the actual interventions by Finland, thus reducing the contribution gap.</p>

Findings	Conclusions	Recommendations
<p>Efficiency gains were made through the reduction in the size of the portfolio, increased emphasis on RBM and good complementary use of the newer Funds for Local Cooperation. There has been progress in improved disbursement rates. Challenges have included insufficient focus on risk identification, over-optimistic design of projects, poor choice of modalities and implementation patterns, limited ownership, insufficient support from the MFA on the CS design and implementation, and significant turn-over of staff.</p>	<p>There have been efficiency gains as well as challenges over the period. Some of the efficiency challenges relate to an inherited portfolio that predated the CS period. There has been insufficient attention to programme management and related skills.</p>	<p>10. There should be strong support for the Embassy in programme management and budgeting. The support should be demand-driven to be most effective. There should also be more attention to the role of desk officers as a conduit for requests from the Embassy to ensure that the facilitating support that is needed is provided.</p>
<p>HRBA and gender were explicitly integrated in the Zambia CS. However, there were no specific targets for addressing the cross-cutting objectives. Environment was not addressed as part of the social protection programme.</p>	<p>The introduction of the CS resulted in a stronger focus on cross-cutting objectives for a number of projects, but there is room for improving the extent to which this is done across the portfolio and to ensure that specific targets are included.</p>	<p>11. The next phase of support should include specific targets for cross-cutting objectives. It should explore whether there are opportunities for more explicit prioritizing of environmental concerns as part of the social protection focus. This could cover training of social protection staff on mainstreaming of environment and resilience, sensitization of the village committees and recipients of grants, and the inclusion of environmentally specific targets and indicators in project planning.</p>
<p>Policy influencing has been part of the CS, including in high level government decisions related to farm subsidies, social cash transfers, and influence on regulations and laws in agriculture and environment.</p>	<p>There is evidence that the CS strengthened the focus on policy influencing in and across selected sectors. The current CS has allowed the Embassy to be more strategic in its engagement and to influence policies.</p>	<p>12. The new Finnish strategy for engagement with Zambia should explicitly maintain a strong level of engagement with the Government of Zambia. The CS period included a significant and successful investment of time in policy dialogue across a range of Finnish priority areas. The human resource allocation for the Embassy should include resources for this type of engagement which have shown to have an impact beyond the direct areas of intervention of Finnish projects.</p>

# 1 INTRODUCTION

## 1.1 Origin and context of the evaluation

The Ministry for Foreign Affairs of Finland (MFA) introduced the country strategy modality (CSM), a country strategy planning and management framework, in 2012 within the context of the 2012 Development Policy Programme (DPP), and also driven by the 2011 results-based management (RBM) evaluation of Finnish development cooperation. From 2013 onwards the CSM has been implemented in the seven long-term partner countries of Finland, namely Ethiopia, Kenya, Mozambique, Nepal, Tanzania, Vietnam and Zambia.

The CSM is a key instrument to introduce RBM in country programming and to enhance Finnish aid effectiveness and accountability. Before 2013 (in 2008-2012) country programmes were set out as Country Engagement Plans (CEPs), which were not results-based. From 2013 the country strategies (CSs) that resulted from the CSM were required to set out goals and objectives with appropriate measures to track achievements against these.

In mid-2015 the MFA contracted Mokoro Limited and Indufor Oy to undertake an evaluation of the CSM and CSs (Ethiopia, Mozambique, Nepal, Tanzania, Vietnam and Zambia). The results from the evaluation will inform adjustments to the CSM and the new CSs as well as contribute to improve upwards results reporting within the MFA and beyond. The full terms of reference (TOR) for the evaluation are at Annex 1. These TOR apply also to the Zambia country evaluation.

## 1.2 Purpose and objectives of the country evaluation

This country evaluation has a double purpose:

- to evaluate, for both accountability and learning purposes, Finland's bilateral cooperation with Zambia since 2008, with a specific focus on 2013 to 2015. As such, this is a free-standing report, to be published separately, and it will elicit a separate management response from the country team;<sup>1</sup>
- to contribute towards the evaluation of the CSM, as part of a multi-country study (Ethiopia, Mozambique, Nepal, Tanzania, Vietnam and Zambia).

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<sup>1</sup> TOR: "The country reports will be discussed with partner countries and the management response drawn up on this basis. The follow up and implementation of the response will be integrated in the planning process of the next phase of the country strategy."

The **objective** of the country evaluation is

- to provide evidence on the successes and challenges of the country strategy portfolio of interventions<sup>2</sup> by assessing the relevance of the Finland's interventions and of the strategic choices made in the CS, as well as the performance of the CS portfolio against these choices;
- to provide evidence on the feasibility of the Country Strategy Modality for the purposes of the results-based management of the MFA.

The principal features of the evaluation are set out below.

- The **temporal scope** of the evaluation is the period 2008 to 2015. Although there is particular interest in the country strategy modality which was introduced only in 2012, it is necessary to consider a longer period (a) because many of the interventions taking place during the post-2012 period were designed and commenced earlier, and (b) as stated in the TOR, "in order to understand the strategies as they are now and to evaluate the change and possible results of current country strategies, it is essential to capture the previous period as a historical context".
- The **content scope** of the evaluation considers Finnish bilateral funding to Zambia in the context of Finland's development funding portfolio as a whole and Finland's role as part of the donor community. However, it focuses directly only on the instruments that come within the scope of the Country Strategy as set out in Chapter 4 below. The evaluation however is not an evaluation of individual components separately, but of the programme as a whole.
- **Summative and formative dimensions.** The evaluation aims to explain the strengths and weaknesses of past performance and to make forward-looking recommendations at country level, as well as providing inputs to formative CSM recommendations.
- **Users.** The MFA country team and desk officers will be primary users of the country evaluation findings, conclusions and recommendations. Country teams comprise responsible persons both in the regional department unit in Helsinki and in the Embassies. The main audience for - in other words, the direct users of - the evaluation are the MFA Department for Development Policy, the regional departments and their units (for the Americas and Asia, and for Africa and the Middle East) overseeing the CSs in the long-term partner countries, and Finland's embassies in long-term partner countries.

The evaluation therefore looks separately at: (i) whether the CS portfolio is performing given the target country strategy objectives and development results; and (ii) the contribution that the CS/CSM made to this performance. The second

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<sup>2</sup> The term **country strategy portfolio of interventions** (or more concisely "CS portfolio") is used as shorthand for the actually implemented / ongoing set of interventions and activities as framed by the CS, notwithstanding the instrument through which they are funded or whether they originated from the CEP. Evaluating the country strategy means in significant part evaluating this CS portfolio against the evaluation criteria, to test the validity of the CS logical model and assumptions, and by extension the bulk effects of Finland's CS-directed interventions in Zambia.

focus on the country strategy modality is in turn at two levels: the difference the introduction of the CS (country strategy) approach made to the content and implementation of the Zambia programme; and the relevance, effectiveness, efficiency and sustainability of the CSM as a RBM methodology to manage the Zambia CS portfolio.

The evaluation findings on the CS portfolio follow this approach by first assessing the CS portfolio as such, and then considering the difference that the country strategy approach has made.

## 1.3 Approach and Methodology

The Zambia country strategy evaluation approach and methodology follow the overall approach and the evaluation plan and criteria set out in the TOR and the Inception Report (November 2015). The Inception Report (IR) methodology elaborated the key country evaluation instruments, data collection and validation methods, and processes. We discuss evaluation instruments and data collection and validation methods used for the Zambia report in summary below. Annex 2 provides more detail.

### 1.3.1 Evaluation instruments

The country evaluation uses a set of inter-related evaluation instruments. These are:

#### The CS level theory of change (TOC)

The Zambia TOC is elaborated in Section 4.3. The TOC sets out the intervention logic of the CS portfolio, as framed by the CS, as a result chain with explicit (in the CS) and implicit assumptions, which operates within the Zambia context. The evaluation team drew on the assumptions in the logic frameworks, interviews with the country team, and a review of the context to adapt the generic assumptions for the country TOCs provided in the Inception Report, for Zambia.

The TOC allowed the country evaluation team to track whether the theory of how Finland will affect country development results, as expressed in the CS logic model, was valid given the degree to which it was realised in practice, given the CS portfolio. This chain is expressed as the main TOC at the CS level. Assessing CS portfolios against the TOC involved five dimensions:

- i. Assessing whether the CS objectives and the interventions to implement them in the CS portfolio represent the right choices, and were relevant given Zambia's context and Finland's development policy objectives. This is assessed in the relevance section (5.1).
- ii. Assessing whether the CS interventions took place (inputs and outputs materialised), and whether they delivered their planned results (the intermediate outcomes of the TOC). This is assessed in the effectiveness section (5.2).

- iii. Assessing whether these results can be argued to have contributed to Finland's specific objectives (the TOC outcomes). The evaluation examined Zambia-specific pathways for the contribution, which included both what the interventions were and how they were implemented; as well as how they were leveraged through policy dialogue and uptake of models. The findings against this dimension are also presented in the effectiveness section (5.2).
- iv. Assessing whether there is evidence to support the CS logic framework hypothesis that the specific objectives as realised through the interventions, would contribute to the CS objectives (the second TOC outcome result) and target development results (the TOC Impact result). This is assessed in the impact section (5.3).
- v. Assessing how well the CS portfolio achieved the results:
  - was it efficient in translating Finnish resources to results (assessed in 5.4)?
  - is it sustainable (5.5)?
  - is effectiveness and impact supported through complementarity with other Finnish aid instruments, internal and external coherence, and coordination with partners at country level (5.6)?
  - how well did it achieve Finnish cross-cutting development policy objectives (5.7)?

The country TOC furthermore made a distinction between the performance of the CS portfolio (expressed by the CS level TOC in Figure 3) and the performance of the CSM as a RBM methodology influencing that programme. This performance is assessed in Chapter 6.

### **Evaluation and judgement criteria**

The Zambia evaluation uses the same criteria as the other five country strategy evaluations to make findings. These operate at two levels. Firstly, as set out above against the TOC result chain, the evaluation uses an adjusted set of Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) evaluation criteria to systematise the dimensions in which the performance of the CS portfolio is evaluated. These criteria and their definitions are provided in Annex 2. Secondly, within each dimension the methodology set out judgement criteria, which guided the teams in collecting and analysing evidence against the evaluation criteria. These are set out as part of the evaluation matrix, also provided in Annex 2.

### **The evaluation matrix and evaluation questions**

The evaluation was framed by the evaluation questions provided in the evaluation matrix. The evaluation matrix acknowledged the inter-related nature of the CS portfolio evaluation and the CSM evaluation, and thus made explicit in an integrated matrix which questions were to be examined to assess the performance of the CS portfolio against the evaluation criteria, and which related to the performance of the CSM. The judgement criteria provided guidance on how

to interpret the questions, and what would count as evidence. Zambia specific evaluation questions are also presented in the Annex, and were incorporated in the country evaluation matrix.

It should be noted that the evaluation matrix frames the assessment of CSM influencing performance on the CS portfolio, against whether it was a relevant methodology; whether it contributed to CS portfolio performance against the evaluation criteria (CSM effectiveness); whether it is efficient; and whether it is sustainable.

### **Analytical devices**

Finally, the evaluation utilised contribution analysis, process analysis, logical reasoning, and causal mechanism validation by expert and stakeholder feedback, as analytical methods to assess both the performance of the CS portfolios against the TOC and evaluation questions, and the CSM. Contribution analysis was applied where the distance between CS portfolio results and the CS objective analysed allowed it to occur. Where the team identified a contribution gap, it used logical reasoning to identify plausible causal mechanisms, which were validated by expert and stakeholder feedback.

For the evaluation, a contribution gap refers to the recurring circumstance in all the CSs when the size of the Finnish intervention; the results chain length to the target development result; data availability; and/or the time needed for the result to occur following an intervention, would affect whether the results from comprehensive contribution analysis would yield useful and valid information for the MFA. The use of different analytical instruments to evaluate the chain was aimed at usefully evaluating the performance of the CS portfolio interventions to the level of their direct outcomes. Higher up the results chain, the task was to check that the Finnish interventions are sensibly aligned with Finnish and country general objectives, and that the assumptions about their contribution to country-level results remain valid.

The team used process analysis and causal mechanism validation through the stakeholders involved to assess the influence of the CSM on the content and delivery of the CS portfolio.

### **1.3.2 Data collection and validation**

The Zambia country evaluation team was able to use mixed information sources to generate and triangulate the evaluation findings. These are referenced throughout the report. These included:

- **Document sources:** country CSM documentation and reports; existing intervention reviews and evaluations; and relevant secondary literature from non-MFA sources including government documents and evaluations or reviews undertaken by other partners. The exact document sources are referenced throughout the report.
- **Statistical information sources:** the report uses analysis of financial and other statistics collected from the MFA and other sources. References are provided throughout the report.

- **Semi-structured interviews based on the evaluation questions:** this included individual interviews, group interviews and focus group discussions. In view of the confidentiality assurances provided to respondents, respondents are not identified linked to each reported observation. Annex 3 provides a full list of people interviewed.
- **Site visits** to observe results on the ground and elicit beneficiary and local stakeholder feedback, in alignment with the TOR requirement for participatory evaluation.

Triangulation was done between sources, where possible, but also within a source-type. The data and findings were validated through a country-based and Helsinki-based country evaluation validation workshop. For Zambia this workshop was attended by government representatives from all of the main areas of the Finnish portfolio, donor partners, civil society representatives, project and programme staff, and Finnish Embassy staff. A total of 23 persons participated in the half-day workshop.

## 1.4 Evaluation process

The evaluation took place in September 2015–June 2016. The team comprised Muriel Visser (Team Leader), Ann Bartholomew and Pirkko Poutiainen (team members).

The first desk study phase was undertaken after the kick-off meeting on September 10th, 2015. The context analysis, TOC and emerging hypotheses as well as the detailed work plan for the evaluation were presented in the Inception Report submitted to MFA in November 2015.

The country mission took place from 8 to 19 February 2016. It covered all the key Finnish-supported bilateral projects and the aid instruments under the CS. The Fund for Local Cooperation (FLC), civil society organisation (CSO) and Institutional Cooperation Instrument (ICI) projects were analysed based on selective sampling of ongoing projects.

The mission included field visits to Gwembe, Monze district, to discuss with implementers and beneficiaries of the social protection programme, and in Lusaka for the Green Jobs Project which is implemented by the International Labour Organization (ILO). At the end of the field mission an internal debriefing of Embassy of Finland staff was undertaken, on February 18<sup>th</sup> 2016, and a validation workshop was organised for external stakeholders in Lusaka on February 19<sup>th</sup> 2016. After the country mission there were selective follow-up interviews. The findings of the evaluation were presented to the MFA at a workshop in Helsinki on 15<sup>th</sup> March 2016.

The evaluation process was participatory and consultative to ensure that key Finnish and Zambian stakeholders at various levels could contribute to the evaluation process, including providing information for the evaluation and commenting on the various outputs including the draft Inception Report, interview plan, mission findings, and draft final evaluation report.

The team interviewed 51 people in Zambia representing government staff in relevant partner ministries, Steering Committee (SC) members of key projects,

Non-Governmental Organisations (NGOs), project staff, associations, and other. In addition, seven key MFA staff involved both with the CEP and with the current CS were interviewed, including people who were directly associated with the transitioning from CEP to CS and drafting the CS in 2013.

## 1.5 Limitations to the country evaluation

The evaluation faced a number of challenges, both in evaluating the CS portfolio against CS objectives, and evaluating the CSM influencing of the portfolio and the CSM process. Several challenges were common to all the country evaluations; others were more specific to Zambia. Table 1 summarises the main challenges and how the evaluation team sought to mitigate them.

**Table 1: Evaluation challenges and their mitigation**

Challenge	Mitigation
<b>CS PORTFOLIO EVALUATION CHALLENGES</b>	
<p><b>The contribution gap:</b> Assessing the effectiveness and impact of a small donor’s CS portfolio, against high level country strategy development result targets presented challenges. This was highlighted in the inception report. Comprehensive contribution is not useful in these circumstances, given a ‘missing middle’.</p> <p><b>Portfolio assessment challenge:</b> Throughout the evaluation the team was challenged by summing the performance of individual interventions, towards an assessment of the CS portfolio result chain.</p> <p>This was also difficult to assess because of the small relative contribution of Finland to ODA in Zambia.</p>	<p>The ‘contribution gap’ in the Tanzania country strategy occurs for some interventions between the immediate intervention results and the specific objectives, and for others from the specific objectives or objectives to the target development result.</p> <p>To deal with the contribution gap and portfolio assessment challenges, the team:</p> <ul style="list-style-type: none"> <li>– investigated how policy dialogue and the provision of successful models for replication by counterparts were able to leverage specific interventions by influencing other partners, including government, to direct their resources to similar objectives.</li> <li>– used logical reasoning to identify the plausible mechanism for contribution, and then validated these through expert and stakeholder feedback, to check on the feasibility of the result chain.</li> <li>– used available evaluations and reviews of individual interventions, but focused on the extent to which performance was achieved across the portfolio. This was facilitated by the methodology which assessed the CS portfolio against the CS objectives, as well as the application of the complementarity, coherence and coordination criteria.</li> </ul>

Challenge	Mitigation
<b>CS PORTFOLIO EVALUATION CHALLENGES</b>	
<p><b>Availability of validated information and statistical data related to interventions:</b> The inception report envisaged that the CS portfolio evaluation would be able to draw on existing documentation and the CSM reports. This however was not always the case. In particular a final evaluation for General Budget Support (GBS), and of the support to the Financial Sector Development Plan (FSDP) and the Private Sector Development Reform Programme (PSDRP) were absent.</p> <p>As a result, there was not always sufficient information available to make assessments of all the programmes.</p> <p>The CS annual reports were only of limited value, given issues with whether the result matrix adequately measures performance and the stability of the indicators. For example, policy dialogue measures and outcomes are not adequately reported. In Zambia result information on other Finnish instruments listed in the CS was not available.</p> <p>Annual results reporting provided information on results but the information was not always valid because of inadequate quality of the selected indicator, or challenges in obtaining reliable data for the concerned indicator.</p> <p>In addition, there was little data available to assess value for money of the programme, as this was not adequately addressed in most evaluation reports.</p>	<p>The fieldwork aimed to address these challenges, as much as on reviewing the findings of existing reviews and evaluations. Selection of site visits, selection of respondents and interview content therefore paid attention to filling these gaps.</p> <p>In Zambia, the team did a sampling of non-bilateral instrument projects to get a base understanding of how effective these are in producing their planned results.</p> <p>The team used the deskwork and fieldwork phase to supplement CSM report data as much as possible from other sources to form views on results at the outcome and impact level. Where gaps still remain is reflected against the specific criteria in Chapter 5 below.</p>
<p><b>Inheritance of the CS portfolio and short time lapse since the introduction of the CS (for the CS portfolio evaluation).</b> The degree to which the CS portfolio can be assessed against CS objectives can be challenged, given that there has been little time for the country teams to adjust CS portfolios towards higher CS result performance.</p>	<p>The evaluation treated this challenge as a CSM assessment rather than a CS portfolio evaluation challenge. It assumed that even if the CS portfolio was put together without the CS objectives, there would still be value for the country teams to receive findings, conclusions and recommendations on the contribution of the CS portfolio interventions as they stand, to the CS objectives, particularly if such an evaluation signals the need to make significant changes in the CS portfolio.</p> <p>In undertaking this evaluation, the time frame from 2008 onwards makes it more possible to chart changes in the country portfolio and to assess effectiveness of the portfolio and its components. Secondly, the theory of change approach facilitates assessment of the relevance of selected objectives and measures in the CS, and of the plausibility that Finnish-supported activities will lead to long term impact against these.</p>

Challenge	Mitigation
<b>CSM EVALUATION CHALLENGES</b>	
<p><b>Short time lapse since the introduction of the CS, and the inheritance of the CS portfolios from the CEP period (for the CSM evaluation).</b> Given that the CS inherited the Zambia CS portfolio to a significant degree, and that intervention commitments made prior to the CS determined the interventions undertaken during the CS period, there was limited data for the team to assess whether the CSM has been able to influence the CS portfolio for better performance.</p>	<p>The team applied process analysis to track when changes were introduced in the CS portfolio, however small, and consistently enquired why these changes were made, and whether they could be attributed to the CSM. This allowed it to discern first signals of CSM effectiveness, or lack of them.</p> <p>The team did not look only at whether the content of the CS portfolio changed, but also looked at how better management of existing interventions might have improved their performance and contribution.</p> <p>This analysis was supplemented by discussing respondents' views on the likely impact of the CSM on future intervention design, given how CSM processes have been experienced so far.</p>

### 1.5.1 Risks to the country evaluation

The evaluation faced a number of risks, as discussed below:

**Factual and analytical gaps, misinterpretation and weaknesses in evaluation outputs due to the scope of the evaluation.** The evaluation process included two Zambia validation workshops to correct factual errors and address misinterpretation. A full set of comments from MFA stakeholders on the draft report has also been taken into account. In addition, an internal quality and an external peer review took place, and have been taken into account in this final report.

**Inconsistency across country studies.** This risk is mostly at the synthesis level. In the Zambia evaluation the risk was addressed by using the country evaluation guidance, common templates for collecting data, common approaches to analysis, common criteria and common reporting templates. The Zambia team leader also attended two team workshops, and made adjustments to the methodology and assessment based on common understandings reached at the workshops.

After several years of strong economic performance, Zambia now confronts several challenges.

## 2 COUNTRY CONTEXT

### 2.1 Overview of the country and development performance

**Economic situation.** Zambia became a lower middle-income country in 2011, with a Gross Domestic Product (GDP) per capita of USD 1,721 in 2014. The Vision 2030 outlines the development objectives of the country to become a prosperous middle-income country (MIC) by 2030. The Revised Sixth National Development Plan (SNDP) (2013) aims at sustained economic growth and poverty reduction through accelerated infrastructure development, economic growth and diversification, and promotes rural investment and accelerated poverty reduction, job creation and enhanced human development.

During the past decade Zambia's economy has shown impressive growth, averaging above 7 percent per annum. Growth was driven by investments in the mining sector with spill-over effects into construction, transport, communications, wholesale and retail. Growth was further facilitated by favourable copper prices, underpinned by demand from China, and increasing trade with neighbouring countries. Economic turmoil in the global economy has had limited effects on the Zambian economy (AfDB 2014).

A strong economic performance was expected to boost the vision towards MIC status. However, after several years of strong economic performance, Zambia now confronts several challenges. Lower copper prices caused by lower demand for copper in China have caused some of the mines to close temporarily. This has led to reduced export earnings and government revenues and also to thousands of people having been laid off. In addition, it resulted in rapid currency depreciation, increases in inflation and interest rates which have constrained access to credit, and downgrading of the credit rating which in turn lowered foreign direct investments and business confidence. Low rainfall has also negatively affected the harvest and caused a lack of electricity because of Zambia's dependence on hydropower. Inconsistent policies, policy reversals and poor predictability have impacted the investment climate, and Zambia's ranking in the World Bank's Doing Business Index (World Bank 2016) went down from 91 in 2015 to 97 in 2016 even before the impacts of the electricity crisis had been fully felt in the country.

**Political situation.** It is estimated that governance and democratic processes continue to strengthen with the presidential by-elections in late 2014 reinforcing Zambia's status as a peaceful and stable country, while accountability is improving (AfDB 2015). Election-related uncertainties due to Presidential elections in August 2016, persistent power shortages, low copper prices, the El Niño weather phenomenon, and the government's strained fiscal position might weigh on real GDP growth in 2016. There is an expectation that it will recover thereafter as political stability improves and copper outputs recover (WBG 2015).

**Poverty and social development.** Extreme poverty has been decreasing but at a very slow pace. Extreme poverty was above 42 percent in 2010, and it is highly unlikely that the 2015 target of 29 percent was reached. While Zambia has been lifted to lower middle income status category by the World Bank, it still remains one of the poorest countries in the world and it is unlikely that it would meet the other criteria besides GDP/capita needed to graduate from the least developed country (LDC) status in the next review by the General Assembly of the United Nations. Poverty rates are still at astoundingly high levels at 56 percent according to the latest national data, with over two thirds of the population (70 percent) of its people living under the USD 1.25 poverty line. It is informative to make the comparison with other focus countries of Finland where development cooperation is growing, such as Myanmar, but where poverty rates are fraction of this (25 percent) as are the absolute numbers of people affected by poverty. Zambia continues to be one of the most unequal societies in the world, with big differences between the rural and urban populations. The quality of education remains a concern, as well as the rights of women and the girl child, with a high prevalence of early pregnancies and marriages, school dropouts and gender-based violence. On the environmental side deforestation is picking up with the electricity crises. Zambia's adjusted Human Development Index (HDI) score was 0.365 in 2013 and the HDI score of 0.586 for 2014 places Zambia as number 139 in the index (UNDP 2015).

**Private sector environment.** The Zambian business environment is relatively conducive to investment compared to neighbouring countries. Zambia improved on the 2014 Index of Economic Freedom, scoring 60.4 points, 1.7 points higher than in 2013, but in 2015 it went down again to 58.7 which equals the 2013 figure. This score puts Zambia into the category of moderately free countries. Within sub-Saharan Africa, Zambia ranks in 12th position in 2015 (The Heritage Foundation 2015).

Despite improvements in business and investment freedom, Zambia has continued to lag in other aspects of the business environment. Performance in labour market indicators was low, exemplified by the high cost of redundancy, low worker productivity in relation to pay, and government interference. This is despite an employment law that provides a relatively high degree of flexibility to hire and fire. A challenge to address is the adjustment of termination benefits which are among the highest in Africa (AfDB 2015).

**Trade.** With duty-free access to regional and some global markets, Zambia has been able to expand its trade significantly over the past decade. Despite this, Zambian imports and exports continue to be constrained by non-tariff barriers, including key issues such as high regulatory costs associated with obtaining trade permits, phyto-sanitary and other certification requirements, unpredictable trade policies, and the existence of subsidies that create incentives for smallholders but hurt competitiveness by diverting public resources away from long-term improvements (WBG 2015). It is unlikely that the decline in the trade balance will be reversed in the short term following the weakening in the performance of the mining sector which earns more than 70 percent of formal export income (AfDB 2014).

**Poverty rates are still at astoundingly high levels at 56 percent according to the latest national data.**

Zambia participates in both the Southern Africa Development Community (SADC) Free Trade Area and the Common Market of Eastern and Southern Africa (COMESA) Free Trade Area with beneficial access to regional trade markets. The Industrial Development Policy Framework under SADC was signed by Zambia; this acknowledges the importance of economic diversification in establishing regional value chains while increasing intra-regional trade and expanding markets, and strengthening regional research and development, and technology and innovation capabilities (WBG 2015).

The World Bank report on Doing Business 2015 indicates that the cost of trading across borders is significant. There has been a large increase in export transactions, in the number of exporting companies and in products exported to neighbouring countries over the last decade (World Bank 2014). Transactions are small in value, and therefore border costs are a big share of exported value and decrease competitiveness. There is also sizeable informal trade mostly involving small traders, including women (World Bank 2014).

## 2.2 Main development challenges

Poverty in Zambia remains high among the rural population, especially those in the most remote and underserved districts. The persistence of poverty both drives and is driven by poor nutrition, low standards of housing and the lack of access to safe water, quality health services, and quality primary education. Poverty continues to undermine future prospects for the country's development. The persistence of inequality and discrimination facing Zambian women continues to create significant barriers to social and economic development. Zambia has also been hard hit by a generalized HIV epidemic. Despite progress in controlling new infections and increasing access to treatment, the scale and impact of the epidemic remain as major concerns and put pressure on spending, on the economy and on the development of the country.

Diversifying the economy away from dependence on copper and the creation of decent jobs remain overarching policy challenges for the government. Improving accountability and strengthening the fight against corruption also remain firmly on the government's agenda. Productivity in the private sector needs to increase in order to improve competitiveness, given the pressure for higher wages. The government has indicated that it will do more to expand skills and education while also accelerating interventions in health, water and sanitation (AfDB 2015).

A challenge in agriculture-related trade is unpredictable trade policy and Food Reserve Agency (FRA) interventions in the maize market which create disincentives for farmers to produce for export and make on-farm investments and for agribusiness companies to invest in input supply and marketing mechanisms. High input subsidies create incentives for smallholders to expand the area under maize but hurt competitiveness by diverting public resources away from long-term investments (WBG 2014). It is notable, that although the budget came under severe pressure in 2014, the FRA doubled its maize purchases, and the Farmer Input Support Programme (FISP) spent almost three times the amount originally budgeted, reflecting strong political priorities (WBG 2015).

Access to finance remains low with limited access to financial services, particularly in the rural areas. This is partly due to the high costs of funds and an underdeveloped money and capital market. In urban areas, the banking network and branches are expanding. This, together with very high interest rates, makes it very difficult for start-ups and Micro, Small and Medium Enterprises (MSMEs) to get loans, and they often resort to friends and family or retained earnings to finance their investment. For first-time borrowers, interest rates often exceed 25 percent. With such high interest rates, long-term Kwacha finance for development is virtually impossible (AfDB 2015).

Zambia has one of the highest forestry covers in Southern Africa (66 percent). The past decade has seen insufficient replanting and/or expansion - timber is increasingly needed for the mining industry, and forest plantations can reduce the pressure on indigenous forests. With economic development, and the recent energy challenges, increasing pressure is being placed on the existing forests. The low productivity of small-scale agriculture and degraded agricultural soils create pressure to expand land use for agriculture in forested areas. Growing population pressure - Zambia's population is expected to double by 2030 from 2015 - further exacerbates the pressure on these resources. While the importance of forests and woodlands to the development of the country is acknowledged, there have been challenges in putting this priority high on the Government of Zambia's (GoZ) agenda and in managing the various conflicting agendas.

## 2.3 National development strategies, plans and programmes

The Vision 2030 outlines the development objectives of Zambia (GoZ 2006). The aim is to achieve a prosperous middle-income country by 2030 in which there are opportunities to improve the well-being of all, embodying values of socio-economic justice, underpinned by the principles of: (i) gender responsive sustainable development; (ii) democracy; (iii) respect for human rights; (iv) good traditional and family values; (v) positive attitude towards work; (vi) peaceful coexistence; and (vii) private-public partnerships. The Revised Sixth National Development Plan (R-SNDP) 2013-2016 (GoZ 2013) aims at achieving sustained economic growth and poverty reduction through accelerated infrastructure development, economic growth and diversification, promoting rural investment and accelerated poverty reduction and enhanced human development. The government has pledged to increase equality, create jobs and make progress in the fight against corruption.

The following key sectoral or thematic strategies and policies are relevant to the priority areas of the CS.

### General

- The local Government Act (1995), the Decentralization Policy (2013) followed by a new implementation plan.

### **Agriculture, environment and natural resources**

- National Agricultural Policy (2004-2015) which aims at supporting the development of a sustainable and competitive agricultural sector, and includes the promotion of conservation agriculture and agroforestry.
- Zambia National Agriculture Investment Plan (NAIP) 2014-2018 under the Comprehensive Africa Agriculture Development Programme (CAADP).
- The Land Policy (2006) and the Lands Act (1995) which recognise the two-tier tenure system in Zambia (customary and leasehold tenure).
- The Forest Act (1973) and the National Forestry Policy (1998); the latter emphasizes joint forestry management principles, with active participation of local communities.
- The Energy Policy (2009) which identifies energy as a cross-cutting issue of crucial importance to the well-being of people, including a focus on community involvement and on efficient production and use of wood fuel and renewable sources of energy.

### **Private sector**

- The 2008 Micro, Medium and Small Enterprise Policy.
- The 2015 Revised National Youth Policy and Action Plan for Youth Empowerment and Employment.
- The 2015 National Assembly President's address on transiting towards a green economy.
- The Financial Sector Development Plan (2010-2015).
- The Strategy Paper on Industrialization and Job Creation (MoCTI 2013) which identifies priority sectors for investment and aims at creating one million new formal jobs in the identified priority sectors; agriculture, tourism, construction and manufacturing.

### **Governance and social sector**

- The Public Financial Management (PFM) Reform Strategy 2013-2015.
- The National Social Protection Policy (approved by Cabinet in 2014) and the dedicated chapter on Social Protection and Disability in the R-SNDP.

### **Others**

- The National Youth Policy and Action Plan (2015).

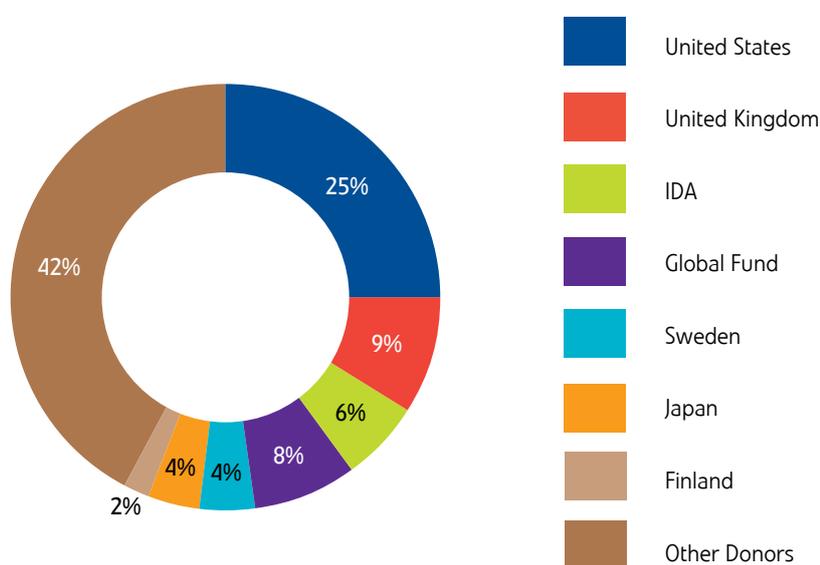
## **2.4 Donor policies and community in Zambia**

**Decreasing ODA with Lower Middle Income Status.** Zambia has become less aid-dependent with ODA decreasing. Foreign aid grants comprised 2.6 percent of the budget in 2014 compared to 25 percent in the early 2000s (Embassy of Finland 2014b). Many donors have phased out or are phasing out bilateral aid or are in a process of transitioning from it. The latest value for net official development assistance received (current USD) in Zambia was USD 1 142 million as of 2013 compared to USD 2 031 million in 1995.

Sectors receiving most ODA support are health and other social sectors, totalling approximately 78 percent of total ODA. For 2013, the share of total foreign aid support allocated to the health sector was 42 percent. Another 13 percent was allocated to governance and security while 13 percent of the total aid funds were allocated to humanitarian assistance. In 2013, 9 percent of overall ODA flows were allocated to agriculture and food security.

The largest cooperating partners in 2011 in Zambia were the United States of America (USA) (providing USD 251 million on average over 2010/2011), the European Union (EU) (USD 100 million), the United Kingdom (USD 86 million), the Global Fund (USD 72 million), and Norway (USD 67 million). Finland was a comparatively small donor, with a programme of USD 20 million on average over 2010/2011 (OECD-DAC 2013). Figure 1 shows the proportion of ODA flows from each source from 2008 to 2014.

**Figure 1: ODA flows to Zambia 2008–2014**



The Nordic countries have been active in the environment sector, and the EU, the USA, Sweden and the Development Banks in the agriculture sector. The private sector development has been supported by the Netherlands and the United Kingdom (UK), together with the World Bank Group (WBG). International Fund for Agricultural Development (IFAD), Food and Agriculture Organisation (FAO), the ILO and the United Nations Children’s Fund (UNICEF), have been active United Nations (UN) organisations in agriculture, private sector development and social protection. The EU has not had a particularly high profile in Zambia, or in political dialogue. Non-traditional partners - such as South Africa, Brazil, Russia, India, and China, as well as Saudi Arabia, Turkey and Egypt - play an increasingly important role in Zambia, focusing on infrastructure projects and programmes in the areas of energy and transport.

**Donors phasing out/transitioning.** Zambia’s becoming a lower middle-income country in 2011 influenced donor operations - this in spite of the fact that Zam-

**Zambia’s becoming a lower middle-income country in 2011 influenced donor operations – this in spite of the fact that Zambia continues to have very high levels of absolute and relative levels of poverty.**

**Finland has played an active role in donor management and coordination.**

Zambia continues to have very high levels of absolute and relative levels of poverty and barely makes the Lower MIC status of the World Bank. This has resulted in donors phasing out bilateral aid and placing more focus on economic cooperation and trade. As highlighted in the interviews with the Embassy in Zambia, Finland also plans to move in the direction of a stronger focus on trade under the next CS<sup>3</sup>. The Netherlands and the Danish international development cooperation agency (Danida) have already phased out bilateral country programmes and Norway is pulling out in 2016. Major donors such as Japan, the World Bank (WB), and the African Development Bank (AfDB) as well as the EU will stay in Zambia, and the interviews did not indicate that any other donor plans to reduce their development cooperation.

In addition to multilateral and bilateral organisations, international non-governmental organisations (INGOs) have some presence in Zambia and there is a large number of Zambian Non-Governmental Organizations (NGO). There are also about 25 trade unions in Zambia. The enforcement from 2009 of the NGO Act, which requires NGOs to register with the Ministry of Community Development, regardless of their legal standing, and also creates an NGO Board whose membership is dominated by government appointees has limited the operating environment of NGOs. The board has the authority to deny registration to organisations not complying with provisions of the law. In its 2011 national election campaign the Patriotic Front (PF) promised not to implement the law until the issues raised by civil society had been addressed. Since coming to power, however, the PF-led government has moved forward with enforcement.

**Policy level dialogue and donor coordination decreasing.** Zambia had made important strides in development partners' alignment and coordination already prior to 2012. It was considered as an example of coordination with its advanced structure of having a Joint Assistance Strategy for Zambia (JASZ I and JASZ II), including a Performance Assessment Framework (PAF) and annual monitoring against indicators, etc. The existence of these overarching frameworks has been acknowledged by Finland through cooperation and dialogue modalities that focus on taking into account national government priorities and plans in the country strategy and programming. Finland has played an active role in donor management and coordination. Finland was the lead donor in the Agriculture Cooperating Partners group and the environment sector, and a co-leader, with the United Kingdom (UK) Department for International Development (DFID), in the Private Sector Development Cooperating Partners Group. Finland also coordinated the dialogue on trade development, and was active in promoting procurement reform as part of its public administration reform work, in conjunction with the World Bank. However, with the ending of General Budget Support in 2014 the importance of these mechanisms has decreased. Zambia is one of the pilot countries for One-UN reform. Finland has been a supporter of this process in Zambia, particularly through the joint UN-Zambia Green Jobs Programme.

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<sup>3</sup> This is also the focus of the new Finnish Development Policy and is highlighted in the evaluation TOR.

# 3 EVOLUTION OF FINLAND'S DEVELOPMENT COOPERATION IN ZAMBIA

A comprehensive timeline of the MFA engagements in Zambia during the evaluation period and also beyond, summarising also relevant key national events can be found in Annex 4. The main features of the evolution of Finnish development cooperation in Zambia, with a focus on 2008–2015, are summarised below.

## 3.1 Historical overview of Finnish development cooperation in Zambia

Zambia has been a long-term partner for Finland. Finnish Development Cooperation started in 1972 and Finland has been a consistent partner in a number of key sectors. Finland has provided support to agriculture for over 30 years, although this will shortly come to an end as the programme switches emphasis to assist Zambia in its transition to MIC status. Similarly, the environment is another sector where there has been support for many years. The private sector has been a key Finnish intervention since 2006 and will continue to be so. GBS was a major component of the programme from 2006, although there was a gradual move away from the GBS instrument. It was first capped at 25 percent of the programme budget and averaged EUR 5 million per annum and ended in 2014 when all donors stopped funding and the modality was terminated.

Another key feature of the programme has been a move towards more joint programming and co-funding between the GoZ and other donors. Finland provided GBS and co-financing in the areas of governance, private sector development, agriculture and the environment. Finland and other cooperation partners have however recently moved away from using country systems and programme-based approaches because of challenges in public financial management and problems with slow implementation. Nonetheless, there continues to be strong donor coordination and donor-government coordination, in which Finland participates.

Over the period covered by this evaluation (2008 to 2015), the initial period - under the CEP - saw the country programme expanding rapidly. By 2012 there were 16 programmes as well as support under the FLC, institutional cooperation (ICI) and support to NGOs. This led to fragmentation of the programme and a lack of coherence. The CS explicitly sought to address this and has seen a reduction in the number of programmes from 2012–2016.

In terms of disbursements, from 2008 disbursements had increased from EUR 10.8 million to EUR 30 million in 2013, but then decreased to EUR 19.2 million in 2014, indicating a significant decrease in funding during the CS as compared to the CEP period (Mokoro 2015). With the budget cuts in 2015 which

affected all of Finnish development aid, funding to the CS has fallen further and is expected to be around EUR 7 million by 2019, according to figures shared with this evaluation by the Embassy of Finland in Lusaka.

Cooperation has been framed by bilateral consultations every three years; the last of these took place in 2013. The next bilateral consultation will likely take place after the general elections later in 2016. The R-SNDP has provided priorities for the country programme, while the first Joint Assistance Strategy (JAZ I) (2007) and JASZ II (2011–2015) guided a division of labour among donors. The reduction in the number of donors has meant that in a number of sectors Finland has been left with sole responsibility. This is particularly the case for environment where the other key donors (Denmark and Norway) have exited over the CS period.

### 3.2 Country Engagement Plan (CEP) 2008–2012

The CEP led to Finland ending its support to education, a sector in which it had been participating in joint funding since 2006. The CEP also saw environment and natural resources becoming the largest sector for Finnish aid. The other key areas for Finnish support were agriculture and rural development, trade and the private sector and budget support. The latter was aimed at supporting the GoZ public administration capacity and good governance. Civil society was supported through FLC and NGO support, while ICIs assisted in strengthening business capacity. The cross-cutting themes promoted by Finland were gender equality, human rights and HIV/AIDS. The initial budget for the CEP is shown in Table 2 below.

Finland's support under the CEP was aligned with the GoZ Fifth National Development Plan 2006–2010 (FNDP) and the first JASZ which outlined a division of labour between sectors for donors and was a means to coordinate support to the FNDP. The objective was also to use joint financing mechanisms with other donors and the GoZ by co-financing and funding through multilateral institutions in order to improve the policy coherence, complementarity and effectiveness of the Finnish programme.

**Table 2: Initial CEP budget 2007–2011 (EUR m)**

	2007	2008	2009	2010	2011
Budget Support	5	5	5	5	5
Environment and natural resources	0.7	3.5	4.5	5	6
Agriculture	1.6	3.7	5	6	6
Private Sector	0.4	3	2.9	3.2	3.5
Education Sector*	5.2	0	0	0	0
Public Administration Reform	0	1.7	0.7	1	1
PFM	0.6	1.1	1.1	1.1	1.1
Programme Design	0.01	0.2	0.3	0.5	0.5
New Initiatives				3	3
<b>Total</b>	<b>13.5</b>	<b>18.2</b>	<b>19.5</b>	<b>24.8</b>	<b>26.1</b>

\* The education sector was withdrawn from in 2008, with the last payment made in 2007.

### 3.3 Transition from the CEP to the Country Strategy (CS) 2013–2016

The CS did not represent a significant shift in emphasis from the CEP as all the main programmes continued and were reorganised to fit the CS format. This led to four sectors being targeted under the CS, namely agriculture, environment, private sector and good governance. Initially these areas included the same programmes as under the CEP, although there was a greater emphasis on good governance which became a sector in its own right. New specific interventions in private sector development, PFM and social protection were also added. This led to GBS, PFM and social protection becoming part of the good governance sector. The Green Jobs programme also started in 2013, and was included in the private sector development interventions, while GBS ceased in 2014.

The three cross-cutting themes of the 2012 Finnish Development Policy were gender, climate sustainability and reduction of inequality, as well as the human rights-based approach (HRBA). Non-bilateral support instruments included public-private partnerships in agriculture, civil society funds in the environment sector and the FLC, and private sector support through Finnpartnership and Finnfund. They also included twinning arrangements between Zambian and Finnish organisations and NGO collaboration.

The 2012 Finnish development policy recommended that the size of programmes and projects should be increased, and the number decreased. There was also to be a limit to a maximum of three sectors of intervention. This proved difficult to adhere to in Zambia and while the existing programmes were subsumed into the three sectors, a fourth sector (good governance) was created. Fragmentation was acknowledged as a specific challenge in the CS which included a strong focus on actions to reduce the number of interventions over the CS period from around 20 projects in 2012 to 9 by 2015 and 6 in 2016. The CS also expressed a continued desire to move towards a gradual transition from development cooperation into regular economic and trade relations between Finland and Zambia. This was first agreed upon as a principle in the 2010 bilateral consultations between Finland and Zambia.

### 3.4 Summary of key earlier evaluation findings for 2008–2012

The main evaluations undertaken have focused on the sector activities of the Zambia programme with evaluations in agriculture, private sector development, the environment and GBS. Some multi-country evaluations have included Zambia and have assessed aid for trade activities, complementarity and forestry. The main findings are summarised below.

**Agriculture in Finnish Development Cooperation 1995–2008, MFA, 2010.** Finland's contribution showed mixed results (dairy interventions had proved sustainable and added value, but cooperative support was not always successful). The report noted that monitoring and evaluation (M&E) systems were inadequate, with weak quantitative data. Capacity building efforts were highlighted as being insufficient and in need of a stronger focus. There was limited

**The CS did not represent a significant shift in emphasis from the CEP as all the main programmes continued and were reorganised to fit the CS format.**

evidence of poverty reduction and it was not easy to see where Finland had clear expertise in agriculture – this was in contrast to other areas such as forestry and education where Finland had a clear comparative advantage.

**Mid-Term Evaluation of Programme for Luapula Agricultural and Rural Development Phase II (PLARD II) 2013.** The report noted that the start of PLARD II was slow, which limited implementation. The change in the strategy and programme design proved to be very difficult to implement and none of the implementation was successfully outsourced. However, the programme was very relevant to GoZ priorities, particularly in terms of decentralisation and empowering districts, but there was limited data available to monitor effectiveness. It was noted that the programme had the potential to become sustainable only if it addressed the business side of production in order to raise income levels and food security.

**Evaluation of Finnish Aid for Trade (AFT) 2011:4 – Zambia Annex.** Zambia is regarded as one of Finland’s most successful AfT country-level portfolios, but Finland was not found to be a particularly visible donor in AfT-related ODA in Zambia. A high proportion of the portfolio related to Private Sector Development (PSD) and agriculture. However, programmes delivered through the national and regional portfolio were not well coordinated and there was a disconnect between projects and programmes, including with Finnpartnership.

**Evaluation of Finnish Support to Forestry and Biological Resources 2010 and country report (4. Zambia).** Overall, the evaluation reported disappointing findings in terms of outcomes and impacts of forestry contributing to poverty reduction, although good progress occurred with strengthening the social pillar and on the environmental side, but tangible economic benefits were clearly noted to have been limited. On the other hand, all MFA funded interventions addressed key objectives and priorities of the GoZ and Finland was very positively perceived by key donors as the lead coordinating donor in the environment and natural resource management sector since 2006.

**Poverty Reduction Budget Support: Appraisal of the Environment Sector 2010.** The proposed allocation levels for the environment in the Fifth National Development Plan were found not to have been reached. The report noted that this illustrated that having a PAF indicator did not necessarily imply an increase in resources. The accounting procedures, budgeting and financial reporting of the Ministry of Tourism, Environment and Natural Resources were found to be weak and systemic changes needed to be made. The capacity of the Sector Advisory Group (SAG) to promote multi-sectoral policy dialogue (particularly between the environment and finance ministries) was also found to be weak.

**Environment and Natural Resources Management and Mainstreaming Programme (ENRMMP), Mid-term Review 2011 (Aide Memoire).** The project had a difficult start, with limited progress in the first two and a half years of implementation. These challenges were noted to have influenced the trust between the various partners, and to have created scepticism regarding the ownership of the programme. The report concluded that the ENRMMP was not likely to achieve its development objective within the first phase of support. The capacity building component was in line with demand but not based on a thorough

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analysis. Legislation development was slow and a policy gap analysis was not followed up, while the mainstreaming component made slow progress.

**Complementarity in Finland's Development Policy and Cooperation – A Case Study on Complementarity in Finland's Country Programme in Zambia 2013.**

Finland's programme was broadly complementary externally with GoZ's main national plans/policies. However, the report noted that Finland's programme also pursued goals not identified as key development objectives for the GoZ. Collaboration with other donors was good but did not comply with the initiative aimed at a division of labour between donors such as EU guidelines to focus support on three sectors and GBS. Internal complementarity between instruments was mixed. Some projects were not well aligned with the country programme objectives, but FLC was found to be more complementary.

## 4 COUNTRY STRATEGY FOR DEVELOPMENT COOPERATION WITH ZAMBIA

### 4.1 Overview of the Zambia Country Strategy

There are two versions of the CS, one from 2013-2016 and a second with a changed timeframe from 2014-2017, reflecting the rolling nature of the CS (Embassy of Finland, 2013 and 2014). The second CS included some modifications, in particular with respect to the focus on Poverty Reduction Budget Support (PRBS). In the 2013 CS version continuing support to PRBS is envisaged but in the February 2014 version the formulation changed to *“Finland shall also continue to provide general budget support until the end of 2014, when the instrument ceases to exist”* (Embassy of Finland 2014a, p.4).

Finland’s CS is designed to support Zambia’s development goals. The overall country development goal is “sustained economic growth and poverty reduction”, with country development results areas covering: a) agriculture; b) private sector development; c) environment and natural resources; and d) good governance and accountability (Embassy of Finland 2014a, p.4). These sectors were chosen based on a country-level division of labour outlined in the JASZ II (2011-2015), and both Finland’s and Zambia’s development policies, while also taking into account Finland’s strengths and added value. There are four objectives related to each of these areas and 13 specific objectives beneath these four objectives as outlined in Table 3.

**Table 3: Zambia CS objectives**

Country Development Results	Finland's objective	Specific Finnish objectives	Instruments, inputs and resources
<p><b>Agriculture</b></p> <p>“To increase and diversify agriculture production and productivity so as to raise the share of its contribution to 20 percent of GDP.”</p> <p>(Agriculture, Livestock and Fisheries, SNDP)</p>	<p>Increased agricultural production and productivity among smallholders contributing to improved household income.</p>	<ul style="list-style-type: none"> <li>Improved access to resources and use of improved and sustainable agricultural technologies by smallholder farmers in areas supported by Finland.</li> <li>Sustainable, efficient and professionally managed small-scale irrigation schemes for smallholder farmers developed in areas supported by Finland.</li> </ul>	<ul style="list-style-type: none"> <li>Programme for Luapula Agriculture and Rural Development (PLARD II).</li> <li>Smallholder Production Promotion Programme (S3P).</li> <li>Core support to ZNFU (Zambia National Farmers' Union) phase I and II.</li> <li>Small Scale Irrigation project (SIP) phase I and II.</li> <li>ICI between the Finnish Agrifood Research Institute (MTT) and Zambia Agriculture Research Institute (ZARI) – Developing agricultural production through disease-free planting material.</li> <li>Strengthening of the public and private sector lead agricultural extension services and funding for institutional and capacity development.</li> <li>Inputs through policy dialogue as a lead donor.</li> </ul>
<p><b>Private Sector Development</b></p> <p>“To accelerate job creation, increase productivity and competitiveness through continued business environment reforms”</p> <p>(R-SNDP, Industrialisation and Job Creation strategy, MSME Development Policy)</p>	<p>Increasing inclusiveness of the economy by promoting the growth and competitiveness of MSMEs.</p>	<ul style="list-style-type: none"> <li>Decent green jobs created in competitive enterprises.</li> <li>Improved access of MSMEs to e-services, business development and financial services through continued support to business environment reforms.</li> <li>Increased growth and competitiveness of MSMEs through participation in research, development and inclusive innovation process.</li> </ul>	<ul style="list-style-type: none"> <li>Private Sector Development Reform Programme Second Phase (PSDRPII).</li> <li>Financial Sector Development Plan Second Phase (FSDPII).</li> <li>Enhancing Competitiveness and Sustainable Business among MSMEs in the Building Construction Industry in Zambia (Green Jobs Programme) (joint UN programme led by ILO).</li> <li>New project to be planned during the fourth quarter of 2014.</li> <li>FLC support to business associations and MSMEs for organisational capacity building and product development.</li> <li>Sector dialogue as a lead PSD cooperating partner (CP).</li> <li>Support to the participation of Zambians in regional programmes (SAIS, BioFisa, EEP).</li> <li>Support to Finnpartnership implementation and Team Finland efforts in Zambia.</li> </ul>

Country Development Results	Finland's objective	Specific Finnish objectives	Instruments, inputs and resources
<p><b>Environment and Natural Resources</b></p> <p>"Improved environmental management for reduced rate of deforestation, wildlife depletion and degradation of heritage sites, land and wetlands" (amended from SNDP)</p>	<p>Improved capacity of environmental and forestry administrations, CSOs and communities for sustainable management of natural resources and pollution control</p>	<ul style="list-style-type: none"> <li>Improved integrated sustainable forest and other natural resources management and livelihoods at district and community levels.</li> <li>Strengthened monitoring and reporting systems for environmental protection.</li> <li>Enhanced role of civil society organisations to implement sound environmental management projects and promote sustainable development.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated Land-Use Assessment (ILUA) II.</li> <li>Capacity building of non-state actors in the environment sector (CSO-environment fund project I and II).</li> <li>Decentralised forest and other natural resources management programme (DFONRMP).</li> <li>Inputs in the policy dialogue through lead role in the environment sector.</li> </ul>
<p><b>Good Governance &amp; Accountability</b></p> <p>"Ensure efficient, effective and accountable use of public resources as a basis for economic development and poverty eradication through improved service delivery" (Public Financial Management Strategy 2013)</p>	<p>Efficient revenue collection, good and transparent governance of public procurement and efficient mechanisms of participation.</p>	<ul style="list-style-type: none"> <li>Integrated Financial Management System developed into an efficient and transparent mechanism.</li> <li>Zambia Public Procurement Agency (ZPPA) oversight and regulatory role and the capacity of procurement entities strengthened.</li> <li>Increased effectiveness of revenue administration.</li> <li>Social protection mechanisms strengthened for vulnerable groups.</li> <li>Strengthened civil society capacity to protect the rights of vulnerable groups, influence policies and promote transparency, accountability and public participation.</li> </ul>	<ul style="list-style-type: none"> <li>PRBS funding and PRBS dialogue.</li> <li>Support to PFM.</li> <li>Joint expanded social protection programme, building GoZ capacity for the delivery of equitable social protection to the poorest.</li> <li>Pro-poor and other relevant targeting in all Finland's sector programmes.</li> <li>Targeted sector programme components (e.g. securing livelihoods of vulnerable households in environment and NR sector, inclusiveness of economy promoted in PSD, small-scale farmers supported in agricultural interventions);</li> <li>Complemented by FLC support to NGOs advocating transparency and accountability.</li> </ul>

Source: Country Strategy 2014-2016

## 4.2 Description of the main interventions under the CS

The number of programme interventions decreased significantly over the period of the CS in line with the priorities identified in the CS document, which were to reduce fragmentation and bring in a more strategic focus. At the beginning of 2013 there were around 15 interventions funded by the programme; this had decreased to seven active projects by the beginning of 2016, a level that was targeted in the original 2013–2016 Country Strategy (Embassy of Finland 2015).

As noted above, the four component areas targeted in the CS (agriculture, environment, private sector, and good governance) were the same as in the CEP, but with some shifts: the Green Jobs programme started in 2013, governance was also added with a stronger focus in 2013, and a change to enhanced support to PFM reforms in place of direct PRSB was introduced. New specific interventions in private sector development and social protection are also part of the CS.

Specific interventions under each of the four areas are as follows:

### Agriculture

There have been four main programmes under this component.

- *The Programme for Luapula Agricultural and Rural Development* (PLARD, EUR 11.3 million) which ended in 2015. Finland had provided support to the development of the agricultural sector in Luapula since the early 1980s. PLARD started in 2006 with a first phase until the end of 2010. The overall objective of PLARD was to contribute to the development of the efficient, competitive and sustainable agricultural and rural sector, contributing to increased income and food security for the people of Luapula province. The programme encompassed four components: agriculture, agribusiness, fisheries and enhancement of a supportive policy, regulatory and institutional environment.
- *The Development of Small-scale Irrigation Systems* (SIP/AfDB, EUR 10 million). The SIP aimed at increasing income levels and food and nutrition security for 48,000 smallholder households in the target areas. The planning of a successor programme to the SIP was to commence in 2014, to consolidate irrigation scheme management systems, enhance sustainability and scale up the SIP model with an estimated annual budget of EUR 3 million, but it never materialised (CS 2014–2017).
- *The Small Holder Production Promotion Programme* (S3P/IFAD), EUR 5.5 million). The project objectives were to increase food production and farm income of the target group in the project area by promoting irrigation development, rural saving and credit, and strengthening capacity.
- *Financial support to the Zambia National Farmers' Union (ZNFU) core support programme (CSP) phase I and II* (EUR 10.3 million). The support has been provided through a joint financing arrangement between Finland, Sweden, Netherlands and We Effect (former Swedish Cooperative Centre) and ZNFU. The overall objective of the CSP is to contribute towards improved food security, farm incomes, employment opportunities, and

**The number of programme interventions decreased significantly over the period of the CS.**

reduce poverty levels. CSP supports implementation of ZNFU's own strategic work, aimed at enhancing ZNFU research capacity and its lobbying and advocacy function; diversified and improved member services; ZNFU sustainability; and Mainstreaming of Gender, HIV and AIDS and the Environment.

In addition, a complementary contribution of the Finland Embassy to IFAD's Smallholder Agribusiness Promotion Programme (SAPP) for capacity building in the Ministry of Agriculture in results-based monitoring and evaluation was foreseen (EUR 0.7 million) (CS 2013-2016).

### Private Sector Development

There have been three main programmes under the private sector development programme, two of which began prior to the 2014-2017 CSP, with only one still on-going by 2016:

- *Private Sector Development Reform Programme, PSRDP II (2009–2015)*. This was co-financed by Finland, The Netherlands and DFID, through a basket fund, although DFID later withdrew. The programme was designed to focus on the business environment by improving access to financial services, infrastructure, regional and international markets, transparent regulatory frameworks, MSMEs for skills training and business development and an enhanced forum for public-private dialogue. Finland ceased funding the PSDRP II in 2015, because of budget cuts.
- *Financial Sector Develop Programme Phase II, 2010–2015 (FSDP)*. This was co-financed by Finland and designed to 'improve the business environment for private sector growth in the country by reducing the impediment of limited and costly access to finance', through addressing market infrastructure, enhancing or increasing competition and aligning with the real economy (Bank of Zambia 2009, p.4). Finland ceased funding the FSDP in 2015 because of budget cuts.
- *Zambia Green Jobs Programme (2014–2017)*. This funded by Finland and is being implemented by the GoZ and national partners with technical assistance from five UN agencies through the one-UN plan. The objective of the programme is to enhance competitiveness and sustainable business among MSMEs in Zambia's building construction sector. The immediate objective is to create at least 5000 decent green jobs, particularly for young people, and improve the quality of at least 2000 jobs in MSMEs which in turn will improve the livelihoods of at least 8000 households that depend on the building construction sector (ILO 2015).

### Environment

In the environment sector there have been three initiatives:

- *The Integrated Land-Use Assessment (ILUA) II*. This second phase of the project (EUR 4.5 million) built on earlier support by Finland to the Forestry Department of the then Ministry of Tourism, Environment and Natural Resources (MTENR) in 2005-2008. The MTENR was dissolved in 2011,

and ILUA II is implemented by the Ministry of Lands, Natural Resources and Environmental Protection (MLNREP). ILUA II runs until the end of 2016 (after an extension of one year). It involves technical and financial assistance by FAO. The main purpose of ILUA was to build up forest-related land-use resource inventories, support national planning capacity and contribute to formulating development policies. It is based on FAO National Forest Assessment and Monitoring System (NFMA) methodology, but it also focuses on in-depth analysis and policy dialogue between stakeholders across inter-sectoral variables that cover resource data on forestry, agriculture and livestock and their use.

- ***Decentralised Forest and Other Natural Resources Management Programme (DFONRMP)***. Formulated as an introduction phase, this three-year EUR 4.5 million project focuses on reducing poverty and inequality and improving the environment. The introductory phase will set up an enabling framework for integrated sustainable forestry and other natural resources management at decentralized levels. Preparations for the project started in 2012, with the project document approved by the quality review board in 2012, and the project was launched three years later in March 2015. The project involves coordination across three ministries (for Lands, Natural Resources and Environmental Protection; Local Government and Housing; and Chiefs and Traditional Affairs).
- ***Civil Society Environment Fund (CSEF) II***. The first phase of this project ended in January 2014 (having started in 2011) and a second phase had just started when this evaluation took place. The second phase will “*enhance the role of CSOs to implement sound environmental management projects and promote sustainable and equitable development in Zambia*”. It will focus on implementing funding mechanisms and on enhancing capacity development, advocacy and dialogue processes to enable CSOs to work for environmentally sustainable development.

## **Good Governance and Accountability**

There have been three main programmes in this sector during the CS period, with only one still on-going by 2016.

- ***Public Financial Management Reform Programme, 2014–2017 (PFMRP)***. This programme was the successor to the Public Expenditure Management and Accountability Programme (PEMFA), which ran from 2005–2012. The programme was being managed by the World Bank and co-funded through basket funding by Finland, KfW and DFID. The overall objective was to ‘*support selected areas of the government PFM Reform Strategy to contribute to efficient, effective and accountable use of public resources through improved fiscal discipline, improved accountability and greater transparency in service delivery*’ (World Bank 2013 p. 6). The last disbursement by Finland took place in 2014 because of dissatisfaction with its performance, although it has still been active in sector dialogue.

- *ZPPA-HAUS Twinning Arrangement (2013–18)*. This was designed as a complement to the PRSDP II, with Finland providing training and change management support through a twinning arrangement with HAUS from Finland and the Zambia Public Procurement Agency (ZPPA). This is now in its second phase (ZPPA and HAUS 2015).
- *Poverty Reduction Budget Support, 2006–2014, (PRBS)*. The PRSB was supported by six bilateral donors (Finland, Germany, the Netherlands, Norway, Sweden and the UK) and the European Commission (EC), the AfDB and the World Bank. PRBS was provided on the precondition of GoZ's commitment to 'fight poverty, including through a pattern of public expenditure consistent with poverty reduction priorities as identified in the National Development Plan' (de Kemp, A., et al. 2011). Finland's and other donors' support stopped in 2014 because the larger donors pulled out, reflecting dissatisfaction over macroeconomic policy, human rights and the achievement of results.
- *Support to the Zambia Social Protection Expansion Programme (ZSPEP) with EUR 1.6 million (2014–2015)*. Support to social protection by donors in Zambia started in earnest in 2010, with funding from DFID and Irish Aid and technical work by UNICEF. Finland expressed interest in joining in 2011 and did so formally under the CS in 2013. The overall objective of the Finnish support is to fund a technical assistance plan to support the government-funded scale-up of social cash transfers (SCT) in Zambia by ensuring the effective and quality scale-up of SCT and ensuring a coordinated implementation of the National Social Protection Policy and the progressive establishment of an integrated social protection system in Zambia. Under its support Finland has focused on policy, disability, and support for reforming public welfare assistance schemes, i.e. to have a broader focus than just cash transfers. A new phase starting in 2016 involves various UN agencies, being led by UNICEF for a period from 2016 to 2018, and funded by Finland, Ireland and Sweden.

In addition to the above, non-bilateral support instruments include public-private partnerships in agriculture, civil society funds in the environment sector and the FLC, and private sector support through Finnpartnership and Finnfund. They also include twinning arrangements between Zambian and Finnish organisations and NGO collaboration in all four sectors.

Figure 2 below provides an overview of the main projects under each of the sectors, and an indication of how the portfolio has evolved. The initial budget for the CS is provided in Annex 5.

**Figure 2: Timeline of Finland’s bilateral interventions 2008–2017**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>AGRICULTURE SECTOR</b>										
Programme for Luapula Agriculture and Rural Development (PLARD) I										
PLARD II										
Small holder Production Promotion Programme										
Small-scale Irrigation Project (SIP) II										
Irrigation Programme										
Zambia National Farmers Union - Core Support Programme (CSP) I										
Zambia National Farmers Union - Core Support Programme (CSP) II										
<b>PRIVATE SECTOR DEVELOPMENT</b>										
Private Sector Development Programme (PSD) I (from 2007)										
Private Sector Development Reform Programme (PSDRP) II										
Financial Sector Development Programme (FSDP) I (from 2004)										
Financial Sector Development Programme (FSDP) II										
Enhancing Competitiveness and Sustainable Business among MSMEs in the Building Construction Industry										
<b>ENVIRONMENT AND NATURAL RESOURCES SECTOR</b>										
Environment and Natural Resources Management and Mainstreaming Programme										
Civil Society Organisations in Environment and Natural Resource Management (CSEF) I										
Civil Society Organisations in Environment and Natural Resource Management (CSEF) II										
Integrated Land Use Assessment (ILUA) II										
Decentralised Forest and other Natural Resources Management Programme										
<b>GOOD GOVERNANCE AND HUMAN RIGHTS</b>										
Poverty reduction Budget Support, Budget support and support to PRBS Secretariat										
Public Financial Management Reform Programme										
Social Protection Expansion Programme										
<b>OTHER</b>										
General budget support (from 2004)										
<b>Fund for Local Cooperation (FLC)</b>										
NGOCC – NGO Coordinating Council										
TIZ – Transparency International Zambia										
CDFA – Chipata District Farmers’ Association										
MHUNZA – Mental Health Users Network Zambia										
WiLDAF – Women in Law and Development Africa Zambia Chapter										
ZAFOD – Zambia Federation of Disability Organisations										

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
ZAPCD Zambia Association of Parents for Children with Disabilities										
RFDP – Rising Fountains Development Programme										
<b>Institutional Cooperation Instrument (ICI)</b>										
Institutional cooperation between environmental authorities										
Developing agricultural production through disease free planting material										

### 4.3 CS theory of change

A draft TOC was produced for the Inception Report, and revised subsequently prior to the field work based on further reading and analysis. The revision resulted in some alteration to the order and nature of the assumptions to better fit with the findings from the additional documentation that had meanwhile been received and analysed. The final pre-field work TOC is presented in Figure 3 below and represents the CS programme logic. In the case of the Zambia CS, interventions are assumed to contribute to more than one objective and results area.

The CS and its logic model have identified explicit assumptions to reach the objectives. They are summarised below:

1. Stable budget paired with reduced fragmentation will allow MFA to focus on fewer projects with larger budgets.
2. Complementarity is assured with other partners, including Finnish businesses who are interested in investing in Zambia.
3. GBS promotes more efficient systems for allocations of funding and constitutes a strong platform for engagement.
4. Engagement/leadership in sectors provides extra leverage in policy and dialogue structures between government and donors and will remain strong.
5. Policy dialogue leads to policy decisions and the implementation of policy reforms.
6. GoZ will continue to increase funding of social sectors.
7. CSO partners are necessary to complement capacity constraints and for advocacy.
8. Sufficient GoZ capacity will be in place.
9. Results at strategic choice level 2 will lead to higher level results at strategic level 1. Results at strategic choice levels 1 and 2 will make a meaningful contribution to impact in Zambia.

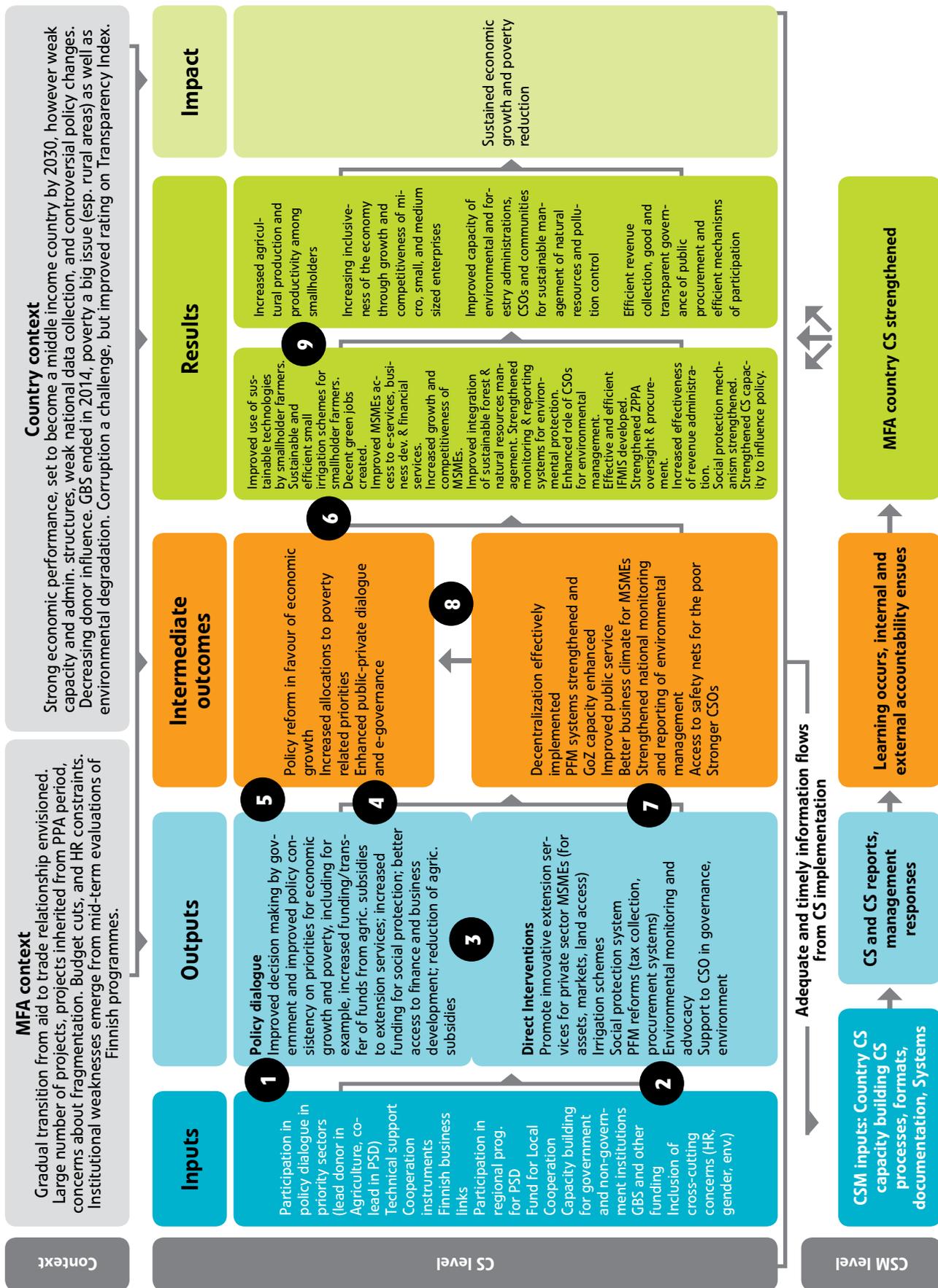
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The review of the TOC suggests that there are a number of crucial implicit assumptions underlying the logic model; they are needed for successful contribution to the development results areas and objectives:

1. The intervention portfolio is strategically and logically formulated; there are logical and feasible links between projects and instruments, and the CS objectives and development results areas, i.e. a feasible impact pathway implying also a good match between the scale of inputs and the level of ambition set by the objectives.
2. The various projects and instruments complement each other, building on their respective synergies and comparative advantages, and the portfolio and other interventions are coherent and make an effective contribution to the objectives.
3. There will be adequate resources, and a good portfolio and instrument mix, to support the transition process.
4. The Embassy has adequate resources to participate effectively in policy dialogue in existing effective fora, and sectoral cooperation and policy dialogue complement each other.

The validity of the TOC and its assumptions has been assessed as part of this evaluation. Related findings and conclusions are presented in section 5.8 of this report.

Figure 3: Zambia: Theory of Change



# 5 COUNTRY STRATEGY EVALUATION FINDINGS

This chapter will successively cover (in sections 5.1 through 5.7) the evaluation findings across the main evaluation criteria namely: relevance; effectiveness; impact efficiency; complementarity coordination and coherence; the HRBA and Cross-Cutting Objectives (CCO). This chapter focuses on the Country Strategy, while chapter 6 will discuss the CSM from the perspective of these different evaluation criteria.

The chapter also assesses the validity of the TOC based on the evaluation findings (section 5.8). A final section (5.9) discusses the responses to country-specific issues that were included in the TOR.

## 5.1 Relevance

This section of the evaluation report discusses the findings with respect to the relevance of the CS. It first discusses the findings on the overall CS relevance, and this is followed by a brief discussion on the specific relevance of each of the CS portfolio interventions. The relevance question considers the fit between the CS and the Government of Zambia's priorities, the priorities of the Finnish development policy, and the specific needs of the Zambian population.

### 5.1.1 Overall CS relevance

The review of the **CS shows that it is well aligned with the overarching national policies of Zambia, namely broader Vision 2030 as well as the R-SNDP**. Both the vision 2030 and the R-SNDP emphasize overall economic and social development of the country and the desire to see Zambia become a prosperous middle-income country by 2030. Priorities are broadly formulated in these documents and encompass economic growth and poverty reduction through infrastructure development, economic diversification, rural investment, accelerated poverty reduction, enhanced human development, increased equality, job creation and fighting against corruption. The Finnish CS with its focus on supporting agriculture, environment, private sector development and governance closely followed these priority areas.

**The CS is also clearly relevant to the Zambian context and development challenges.** With a population that is expected to double by the year 2030, the country will need not only to address the needs of the poor but also to expand opportunities and access to resources for a growing young population. Addressing the challenges of climate change, and prioritizing gender equality and equality more generally are important areas which are highlighted in the CS.

Interview data support the finding that there is a **close fit between the national priorities and those of the CS**. It was noted that this close linkage is common to the programmes of most external partners given the strong focus that Zam-

**The inclusion of the Social Protection Expansion Programme (ZSPEP) in the CS provided an opportunity to strengthen the focus on those most in need.**

Zambia has had on harmonization and alignment, which - at least during the CS design period and in the first part of the CS period - provide a further framework for deciding on priorities. At that time the focus was strongly on joint programming to support the government priorities through the JASZ (I and II), and Finland's priority areas were all the more relevant for seeking to support national priority programmes in collaboration with other development partners, which was a characteristic of the Finnish support across the four sectors of the portfolio.

The fit of the CS with the direct priorities of the poorest population in Zambia is present, but not always consistently evident across the portfolio. While linkages can be made, and are made in the country strategy, between the needs of the Zambian population (of whom the majority still remain poor), the direct relevance to the immediate needs of the poorest population are not always immediately evident. This is the case, for example, of the support through ILUA to the forestry and national resource management system, as well as the support to strengthening the overall climate for private sector investment through the Private Sector Development Reform Programme (PSDRP II).

**The inclusion of the Social Protection Expansion Programme (ZSPEP) in the CS provided an opportunity to strengthen the focus on those most in need.** The ZSPEP was a new project and provided an opportunity to strengthen focus on marginalized people by directly targeting the poorest quintile through the provision of cash transfers. It also provided an important entry point to addressing human rights and gender, given the focus on the poor, on women and on people with disabilities (through the targeting criteria).

**The country strategy is well aligned with Finnish Development Policies of 2007 and 2012<sup>4</sup> in terms of strategic priorities and principles, although these are not always reflected in targets.** These policies highlight a democratic and accountable society that promotes human rights, inclusive green economy, sustainable development and sustainable management of natural resources, and human development. Both the 2007 and 2012 Finnish development policies put a strong emphasis on cross-cutting themes. The CS acknowledged these issues and provided an opportunity for explicitly including attention to them. Climate change is addressed through the focus on environment as one of the key sectors, and by including this in the work through civil society organisations. The HRBA and gender are also explicitly integrated in the Zambia CS. References in the CS are made, for example, to the needs assessments of women and easily marginalized groups, to the provision of matching grants, promotion of labour-saving technologies, Information and Communication Technology (ICT) extension and access to land, markets and credit. However, while the HRBA and gender are both mentioned, the relevance to the Finnish policy framework would have been stronger if specific targets had been mentioned in the CS, and if these had been systematically included in the country programming and reporting. In practice this did not happen, apart from general statistics on the number of women versus men when data is available.

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4 Finland's Development Policy Programme (2012).

**The CS continues to be aligned with the recently approved 2016 Finnish Development Policy.**<sup>5</sup> The new development policy has a broad focus, combining attention to poverty and inequality with a private sector focus. Importantly, the new policy specifically states that *“Zambia is about to reach middle-income level, enabling Finland to move on to more diversified forms of cooperation with it.”* This constitutes a recognition of the changing context in Zambia and of the need to engage with the country in a manner that recognizes that the relationship will evolve. In this way the policy provides an opening for addressing one of the key concerns that arose from the interviews, namely that **the relevance of the CS for the Embassy in its engagement with Zambia was to some extent reduced by the fact that it has not been flexible enough to act as a framework for more explicitly acknowledging that the context in Zambia is evolving** and that this implies a changing relationship with development cooperation.<sup>6</sup>

### 5.1.2 Relevance of CS portfolio Interventions

This section examines the relevance of the specific interventions supported by the Finnish Embassy.

**Finland’s agriculture sector support in the Zambian country context is fully consistent with the Zambian policy frameworks and with those of other partners.** Agriculture is the backbone of the economy and a key sector in the Vision 2030, the SNDP and in the revised plan of the same (R-SNDP).<sup>7</sup>

**Finland’s selection of support in agriculture sector support is based on the Joint Assistance Strategy Phase II (JASZ II) for Zambia, the broader harmonization and alignment agenda** and its donor division of labour and is relevant for other donors. This was confirmed in discussions with the donors and national stakeholders interviewed. The interviewees stressed the high relevance of Finland’s support in these sectors, and valued especially Finland’s long-term commitment and strong sector leadership when leading the CP coordination groups.

**The agriculture sector interventions have a poverty focus and were designed to focus on the smallholder farmers with “farming as a business” approach and agricultural diversification** which is in line with both the CS objectives and the national frameworks, and links to the needs of the beneficiaries. The evidence reviewed indicates that the interventions strongly target and prioritize poor farmers. Thus the ZNFU CSP I final progress report (January 2013) indicated that the CSP was highly relevant and consistent with the needs and priorities of the intended final beneficiaries, the small scale farmers in Zambia. The Mid-Term Review (MTR) verified that the support was reaching the small-scale farmers in the field, and that the services were highly appreciated.

5 One World, One Future: Toward sustainable development (2016).

6 It is worthwhile noting that this mirrors the findings of the evaluation of Finnish Development Support to Vietnam (see separate report).

7 The CS objective regarding agriculture is “supporting the sustainable, diversified and competitive agriculture through increased agricultural production and productivity among smallholders contributing to improved household income and sustainable, efficient and professionally managed small-scale irrigation schemes for small-holder farmers”. This is fully aligned with the R-SNDP aiming at “facilitating and supporting the development of a sustainable, diversified and a competitive agricultural sector that assures food security and national and household levels and maximizes the sector’s contribution to GDP”.

**The review of agriculture sector interventions indicates that there is also good consistency with the Finnish DPP priorities.** The interventions, the CS and the DPPs reflect the increased focus on private sector development also in agriculture by emphasizing the “farming as a business” approach.

**Despite high relevance to overall policy priorities, interviews and document reviews also highlighted key issues in implementation which have reduced this relevance,** in particular with respect to two of the programmes. Thus the justification for the S3P was based on the need to accelerate growth in smallholder agriculture to reduce poverty through both marketing and productivity. It was clearly aligned with the GoZ policy framework, targeted productive small-scale/ smallholder rural farmers (with an area under crops of up to 5 ha) who were to be organized into groups and/or cooperatives, or were willing to join such groups, and also had a “farming as a business” approach as in many other Finnish-supported projects. However, while the rationale for the S3P was relevant the poor performance of the project meant that in practice its direct relevance was reduced, and many of the intended beneficiaries were not reached. The same was the case for the SIP.

**The PSD and the governance programmes are also highly relevant to Zambian priorities,** being as strongly aligned with the overarching priorities of Zambia in the SNDP and Vision 2030, the relevant sector policies and country stakeholders and donors. This is evidenced by evaluations and reviews for the programmes that found that they are highly relevant instruments and fitted with the policies and priorities of Zambia. The PFMRP supports the implementation of the GoZ PFM Reform Strategy 2013-2015 (World Bank 2015b), while the 2015 evaluation of the Zambia Green Jobs Programme found that the design *‘has remained relevant considering the country priorities on creating decent jobs particularly for young people and creating wealth to ensure a greater provision of social safety nets’* (ILO 2015, p. ix). The PSDRP II is aligned with the 2013 R-SNDP, 2014 Industrialisation and Job Creation Strategy, 2008 Micro, Medium and Small Enterprise Policy, the 2015 Revised National Youth Policy and Action Plan for Youth Empowerment and Employment (Republic of Zambia 2009). The 2011 Evaluation of Budget Support in Zambia found that *‘budget support has developed into a highly visible and relevant instrument for development cooperation’* (De Kemp, Faust and Leiderer 2011). It also supported the harmonisation and alignment agenda under the 2005 Paris Declaration and the in-country initiatives by donors to further this agenda through the 2007 and the 2013 *Joint Assistance Strategy for Zambia* (JASZ) I and II.

**The governance and PSD programmes are also all relevant to and aligned with Finnish Development Policy 2012 and key principles, more specifically to two of the four priority areas of Finnish development policy:** i) a democratic and accountable society that promotes human rights (through GBS, PFMRP, PSRDP and FSDP); and ii) an inclusive green economy that promotes employment (through the Green Jobs programme). The programmes also fit with the emphasis of Finnish development policy on private sector development and the human rights-based approach and the working methods of Finland’s development policy and development cooperation. These include the openness and transparency of development policy and cooperation and the emphasis on ownership and accountability of developing countries (see EQ 4, in Table 5, Annex

2). The Green Jobs, GBS, PSDRP II and FSDP programmes incorporate the cross-cutting objectives of promotion of gender equality and reduction of inequality in their objectives and activities, with Green Jobs also including climate sustainability (ILO 2015, Republic of Zambia 2009 and Bank of Zambia 2009).

The Zambia Social Protection Expansion Programme provides an opportunity for Finland to enhance its focus on the poorest, and to explicitly address cross-cutting objectives related to the HRBA and gender. **The interviewed national stakeholders stressed and confirmed the high relevance of Finnish cooperation in the area of social protection.** The relevance of Finland's support to social protection according to interviewees from government and CPs lies in its complementarity and 'gap filling' focus which ensured that areas that were not getting adequate attention were addressed, in particular by introducing an additional emphasis on the Social Protection Policy, disability, support for reforming the public assistance scheme (introducing a focus that was wider than just cash transfers), and targeted support for the district level.

**The PSD and governance programmes are also relevant to the priorities of Zambian stakeholders,** as the objective of GBS was to reduce poverty, of the PSD to improve the business environment which is relevant to the business community and for economic growth, including the informal sector, and of the FSDP to increase financial inclusion, which includes marginalised groups/people in the informal sector that do not have access to financial services (De Kemp, A., Faust, J. and Leiderer, S. 2011, Bank of Zambia 2015 and Republic of Zambia 2009). The green jobs programme is relevant to beneficiaries as there is a shortage of housing, with demand expected to rise, and high rates of youth unemployment (ILO 2015).

As all the programmes are undertaken jointly with other donors they were also relevant to the priorities of donor partners, which was confirmed in stakeholder interviews. The social protection programme provides, as noted above, an opportunity to address the needs of the poorest quintile in the country, and in so doing to integrate key cross-cutting objectives, in particular relating to the HRBA and gender. This was done in the design, the support to policy and in the implementation (through the inclusion of these issues in the targeting criteria).

**Similarly, the environmental sector is highly relevant to the Zambian national priorities as well as to the priorities of beneficiaries.** The R-SNDP highlights the importance of improved environmental management to address critical issues in the Zambian context related to the rates of deforestation, wildlife depletion, and degradation of heritage sites, land and wetlands. At a general level, and given the considerable challenges that Zambia faces in terms of environmental issues and management, stakeholders confirmed the relevance of the Finnish support to this sector, in particular by **seeking to be complementary** to other environmental initiatives at the time (the ENMMRP which was also supported by Finland under the CEP but which has since been discontinued) through a focus on the decentralized levels which is a policy priority of the government and enhances involvement of local stakeholders and final beneficiaries, and by ensuring engagement and support to civil society organisations. It should be noted that stakeholders considered Finland's support all the more important as

other key donors are no longer providing support in these areas. The relevance to beneficiaries is also clear, given the high dependence of rural households on forests and other natural resources, and the alarming rate at which these are disappearing.

However, **the specific relevance of the interventions under environment was not- ed in interviews and through the documentation reviews to have been reduced by a combination of design- and implementation-related factors including:** a) delays in getting initiatives off the ground (DFNORMP); b) the broad-brush approach (taking on too many issues); c) the highly technical nature of some of the tools and systems being put in place (ILUA) which pose considerable challenges to getting them up and running and to sustainability and also reduce the direct relevance and usability to poorer and disadvantaged beneficiaries; and d) the reduction in the aid portfolio and the changing priorities of the Finnish programme which have meant that projects that were conceived for long-term support (DNFORMP) may not go to go to scale in a context where the focus of the development cooperation will be reviewed and funding is restricted.

Finally, a sample of FLC projects was reviewed in the context of this evaluation. Overall the projects focus on priorities that are relevant to the development policies of Finland and Zambia, and on priorities of the beneficiaries. The objective of the FLC have been to support democratic and responsible society which respects human rights, participatory green growth that promotes job creation and human development and culture. The FLC have supported promotion of democracy and human rights (transparency and accountability through public participation; access to justice and safeguarding human rights, especially of women and persons with disabilities) and have increasingly been used for private sector support, both at the policy advocacy level and for direct support for local businesses to develop their products/services, access to markets and trade possibilities.

### 5.1.3 Influence of the CSM on the CS portfolio relevance

**For the MFA staff the drafting of the country strategy was important in formally establishing the overall framework for the country work which until then had been lacking**, and to establish how the different initiatives and projects fit within this. As was the case in other countries, the CEP had not provided such a framework, nor had it been used as the basis for planning and reporting. However, the CS process itself supported decisions that predated its drafting to reduce the number of interventions in Zambia. During the CEP period the portfolio had grown and become cumbersome in terms of the number of interventions. There was a clear need at the time to ensure that the portfolio became better streamlined, more focused and easier to manage. **The CS thus provided an opportunity to establish more clearly on paper what the articulated links between projects/programmes were and to identify where Finland could focus on adding value** through its policy, implementation and influencing work. It also provided an opportunity for **stronger mainstreaming** of the human rights-based approach and other cross-cutting issues (gender and climate change) which broadly are well reflected in the CS paper.

**The programmes themselves were all already relevant given that they were already based on country need and were aligned with the Vision 2030 and the SNDP. The CSM did not have any impact on this.** However, the relevance of the CS in practice was limited by the fact that decisions had already been taken on which specific areas and projects to support, which **left very little room for making changes during the CS period.** In practice, as was evident from the documentation reviewed and from the interview evidence, the focus during the CS period was on implementing an existing portfolio and focusing on reducing it as much as possible. The social protection expansion programme and the support to the Green Jobs programme were two exceptions to this. However, even in these cases, while they were initiated under the CS, their conception/design had already taken place prior to the CS design period and they thus constituted prior commitments.

**In planning the CS it was thus used essentially to justify/explain the portfolio. In practice it was not able to offer a framework for strategic decisions, even during implementation.** A case in point is the support to the DFONRMP which had a very long design phase and which only started at the end of the CS period (in March 2015) at a time when the continued support the environment sector was coming under question because of various new factors. Its ‘fit’ in the current context of reducing funding and the move towards PSD is questionable. The opportunity that the CS process could have offered to make strategic and early decisions was not taken up.

## 5.2 Effectiveness

The evaluation assessed effectiveness at two levels. Firstly, it assessed whether the interventions making up the CS portfolio achieved their planned purposes. At the second level, it assessed whether these intervention results could be argued to contribute to the CS objectives.

### 5.2.1 Effectiveness of the CS portfolio interventions

#### Agriculture

**CS Objective: Increased agricultural production and productivity among small-holders contributing to improved household income in areas supported by Finland.**

In general targets were not met for this results area, with exception of core support to ZNFU as a private sector actor. Relatively poor performance in the agriculture sector overall led to ending of Finland’s support to SIP, S3P and PLARD in 2015, and to a decision to integrate agriculture as a sector into the planned private sector support for the next period. Performance against Finland’s objectives and specific objectives is reviewed below.

**ZNFU CSP II** contributed to making financial services accessible to smallholder farmers (through the Lima credit scheme), easy access to payments by using e-paying services (for visa card applications), inputs by the e-voucher system, and advice through e-advisory services. ZNFU CSP I & II has had positive results, but at the time of the evaluation an audit is ongoing which might affect

**In planning the CS it was used essentially to justify/explain the portfolio. In practice it was not able to offer a framework for strategic decisions, even during implementation.**

future support by Finland, at least related to the support modality. The ZNFU mid-term review undertaken in 2012, including a separate review of the Lima Credit scheme, revealed that CSP performance was satisfactory with positive increases in agricultural productivity and incomes among smallholder farmers. The review also notably indicated an over 90 percent increase in membership and high levels of satisfaction among smallholder farmers with the services provided and with member representation.

According to the ZNFU CSP II 2014 annual results assessment the number of smallholder farmers accessing financial services through the Lima credit scheme increased from 16,780 (Males 11,576, Females 5,204) to 18,465 (Males 14,043, Females 4,422). No specific numeric targets for participation in the scheme were set as participation in the scheme is demand-based. However, changes in access are annually monitored with the aim of increasing participation. Participation has gradually increased from 230 in 2008/09 with a loan portfolio of ZMW 600,000 when the scheme was introduced to the 2014/15 participation figures and loan portfolio of ZMW 87,885,693. In 2015, the number of farmers reduced compared to 2014, largely due to high interest rates. Loan recovery figures have been high and varied between 90-100 percent. Significant progress was made in diversifying the financial services and service provision: 1) about 10,700 ZNFU members accessed agricultural inputs using the ZNFU visa card under the Lima credit scheme; 2) 241,000 smallholder farmers used the ZNFU visa cards to access agricultural inputs under the government input subsidy programme FISP, 88 smallholder farmers accessed financing for various agricultural equipment under the Bunjimi asset plus loan scheme; 3) farmers with tractors provided various mechanization services benefiting 1193 farmers of whom 278 were females; 4) 185 small-holder farmers (81 males and 54 females) accessed financing for 554 cows under the loan-a-cow scheme. 63.4 percent of households were reported to be using improved agricultural technologies. No results were achieved for the number of smallholder farmer accessing titled land in 2014 but interviews indicate a slight increase in 2015.

The target of the ZNFU CSP II income objective for 2014 was not met as the incomes declined by 19 percent due to shortfall in the annual harvest and the rising inflation level and their implications on the reduced maize, soybean and livestock sales of households in the ZNFU working areas. While crops remained the highest contributor to household farm income, the productivity increases under the ZNFU CSP II were moderate due to poor rains. There was an increase from 27.6 percent to 40 percent of households having three meals a day.

**PLARD.** In spite of positive results at the end of Phase II, more value for investments could be expected after several years of **PLARD I & II** implementation. The PLARD II Mid Term Evaluation (MTE) revealed limited results and impact in all components as a result of challenges in management; design; implementation strategies with regards the outsourcing of the agribusiness component; and incorporating cross-cutting objectives. This is further discussed in section 5.4 of this report. Review of documentation showed benefits in small-scale and local markets.

PLARD II contributed to an increase from 48 percent to 73 percent of households having 2-3 meals a day and a general increase in household assets. The

commodity study group (CSG) approach was tested and capacity was built on farming as a business and scaled up to fisheries and aquaculture, resulting in evidence of the adoption of different husbandry practices (20 percent of the CSGs adopted fish-crop-livestock husbandry practices; 40 percent of the CSGs adopted crop-livestock husbandry practices). Outsourcing the CCO part of the PLARD II to a local NGO is assessed as an odd aspect of design, and did not provide intended results.

The PLARD II completion report indicates that it exceeded its 4-year target by 14 percent due to increased agricultural diversification and value addition by farmers. Incomes of the sampled households increased by 34 percent against the programme four-year target of 20 percent. There was a general increase in household asset ownership, particularly for household items, agricultural equipment, animal draft power and transport under PLARD II.

**S3P.** Even after being put in the fast track after three years of delays, the S3P could not improve implementation. No results were achieved related to this CS objective. Some of the components had not even started, like strengthening farmer organisations and their federations. The MTR indicated that they were unlikely to achieve the targets set within the existing timeframe and a decision was made by Finland to end support. Due to these delays in the S3P, it could not plan jointly with PLARD to enhance PLARD's sustainability by taking over part of the PLARD activities as originally planned. Effective implementation of the S3P did not start until mid-2013 because of difficulties in establishing the Project Management Unit (PMU). S3P did not address its core objective of raising productivity and production through improving access of smallholders to available technology and enhancing their capacity to produce for the market. It focused on research and development including adaptive research, variety trials, and developing seed systems at the start-up, but this would take several years to materialize. In this regard, some results were achieved: establishment of 651 Farmer Field Schools with a total of 16,291 farmers (27 percent of target) of whom 7,700 (47 percent) are females; variety identification survey carried out; trials established and 36 trials included for improved cassava, 17 trials for improved beans and 12 trials for improved varieties of cassava, beans, groundnuts and rice, all in Northern Province; breeder and foundation seeds are being produced and have included 3.125ha breeder seed, and 6ha of foundation seed for cassava; 6.0ha breeder seed, and a 13.499ha of foundation seed of beans, and 0.001ha breeder and 2.10 ha foundation seed of rice; manuals for seed production have been produced and 70 (10 women) trainers trained, and 1,341 farmers (462 females) trained to undertake the multiplication.

With respect to the **SIP**, the target was not met. Results have been seriously disappointing and represent very poor value for money, mainly because of delays in payments and in approval of a no-cost extension (about EUR 2 million remained undisbursed after ending the support in September 2015). The SIP became one of the most expensive interventions if calculated by average cost/ha. According to the 2015 evaluation, out of the overall budget of EUR 17.8 million, EUR 11.8 million has gone into construction, giving an average construction cost of EUR 14,100 per hectare brought under irrigation, considerably higher than comparable schemes. This translates into a cost of around EUR 23,700 per beneficiary household. The area under irrigation remained unchanged and fell short of the

four-year target in the three target schemes due to delays in land preparation, accessing finance for crop establishment and land issues among beneficiaries. Instead of 794 ha by end of 2015, 210 ha of sugarcane were planted and land preparation for 385 ha was pending. Some employment opportunities have been created for women and youth who earn 30 kwacha per day from sugarcane fields. At best the SIP has established an example of the Public Private Partnership (PPP) model and thereby of commercialization of agriculture. More efficient and professional management was achieved only by involving AMSCO (African Management Service Company) through FLC support by the Embassy to provide support to farmer irrigation companies. This has resulted in more functioning company boards and recruitment of professional staff to one of the farmer companies, Nzega Irrigation Company.

### **Private Sector Development**

**The CS objective: Increasing inclusiveness of the economy by promoting the growth and competitiveness of micro, small and medium-sized enterprises.**

Overall, the various interventions in this area have made good progress towards achieving their purpose.

In the **Green Jobs programme** progress to date has also been good with 2,660 new decent and green jobs created in target enterprises in the construction sector by end of 2015, against the end-of-project target of 5,000 jobs. The project has benefitted 6,667 enterprises, workers and their representatives, and 2,544 households reported a higher income. However, some components are not on course to achieve objectives (access to finance, market access and linkages and gender mainstreaming) (ILO 2015).

Progress in the **PSDRP II** has been mixed. The final programme evaluation has not yet been undertaken. Interviews suggest that progress has been made in some aspects of doing business, i.e. the law and business regulatory reform and one-stop shops (automation and e-government), as the access of MSMEs to e-services has improved (i.e. paying taxes, one-stop shops).

Progress has been good in the **FSDP II** with the final project assessment indicating that 88 percent of the set targets were achieved during phase II and 12 percent were not achieved as actions are still pending such as laws needing to be passed (Bank of Zambia 2015). The benefits include the development of a micro-finance insurance strategy in 2012, harmonizing laws in the financial sector, developing a curriculum for training of actuaries, and development of a National Strategy on Financial Education in Zambia. There are also various laws and regulations awaiting Cabinet approval.

### **Environment**

**CS Objective: Improved environmental management for reduced rate of deforestation, wildlife depletion, and degradation of heritage sites, land and wetlands.**

**ILUA I and II.** The support has resulted in the establishment of a national data collection system for biophysical and forestry/environmental data which in principle allows for data sharing to stakeholders across all sectors of society (government, academics, private sector, civil society, communities). After con-

siderable delays, and additional funding, ILUA is now starting to yield useful and important data. Among other things these data show that forestry cover has declined by 17 percent since the baseline. Challenges include technical demands of the system and whether the databases will be maintained and sufficient funding and resources will be made available by the GoZ to this effect. Effectiveness will improve if accessibility is increased, which includes ensuring that the provincial centres are linked to the central service for which there is currently no funding. The anticipated synergies with other environmental initiatives have so far not emerged, because of delays in the DFONRMP implementation but also because to date the system cannot be used for providing inputs at decentralized levels which would have allowed for data to enhance planning and inform priority setting at this level. So while ILUA established a monitoring and reporting system, the system is not yet fully functional and accessible. Some capacity has been built but there are challenges to the sustainability of the system. Government funding to ILUA is negligible and there is not yet a clear solution to how the operation of this expensive and technically complex system will be continued beyond the end of the project in December 2016.

**The DFONRMP.** This programme has taken a very long time to evolve from planning to implementation (finally moving to implementation three years after the first design steps were taken). The long preparation period is seen by most as having contributed to a strong design. It has also built ownership and understanding by different partners at local level and has reportedly facilitated a rapid start of the project. The limited commitment by government to the environmental sector is a challenge for this programme - and in 2016 the government only budgeted the equivalent of EUR 10,000 for the project, which corresponds to 0.6 percent of the total budget, although at the local level (districts) the project has documented considerable in-kind contributions (in terms of staff time and other resources) which reflect the level of priority accorded at decentralized levels. The approval of this new programme late in the CS, when the CS portfolio was being reduced and is likely to be further reduced in the future, and while there are continued concerns about national level government commitment to environment, calls into question the effectiveness of the CSM in making decisions around priorities. This is discussed in chapter 6. An MTR was being planned when this evaluation took place. In the absence of results and outcome data, it is too early to make an assessment of the effectiveness of the programme in improving the capacity of different actors at central and decentralized levels.

**The CSEF I and II.** Phase I of the CSEF which terminated during the CS period (April 2014) recorded positive results in terms of the number of grants accorded to CSOs. There is also some - limited - evidence of coordination and joint lobbying, for example with CSOs lobbying to reverse a government decision to allow mining in a national park. Monitoring and evaluation was a weak area in CSEF I. CSEF II was designed with a stronger focus on sustainability beyond funding by the Embassy but there have been delays in starting which have resulted in a loss of momentum. Results for CSEF II which started in 2015 have not yet emerged, as there have been delays in the process of contracting CSOs. The project design has been weak and amongst other issues did not identify that the contracting was not in line with MFA regulations. Challenges to the project include the increasingly difficult funding context for CSOs which is a threat to the sustainability of the organisations and their activities.

## Good Governance and Accountability

**CS Objective: Efficient revenue collection, good and transparent governance of public procurement, and efficient mechanisms for public participation.**

The PRBS evaluation found that budget support '*provided Zambia with a substantial fiscal space and increased expenditures on poverty-related sectors*', while some policy decisions were aligned with the goal of reducing poverty and increasing service delivery through budget increases in health and education, infrastructure and essential drugs (De Kemp, Faust and Leiderer, 2011). Over time, the results from PRBS declined with a 60 and 70 percent achievement of targets between 2006–2010, which dropped to slightly above 50 percent in 2011–2012, then fell drastically to around 30 percent in 2013. A key area where PRBS was effective, however, was the platform for high-level dialogue, which was part of the PRBS process. However, this is no longer functioning and the Finnish Embassy commented that this was a loss to the programme as this type of dialogue is not generated through their sector programmes.

The PFMRP II has progressed very slowly and has not achieved the objectives expected. Although progress has been rated as satisfactory by the World Bank, this was disputed by donor partners in interviews (World Bank 2015a). The 2015 Finnish Embassy Annual Review notes that '*revenue and procurement are components that are working well, but the Integrated Financial Management Information System (IFMIS) less so*'. The Zambia Revenue Authority has met revenue collection targets and there is a strong tax base. The roll-out of IFMIS has been slow to Ministries, Provinces and Government Spending Agencies (MPSAs), due to management issues and the fact that the intention was to mainstream IFMIS implementation into the structures of the Ministry of Finance. However, there have been delays in this process and it has not been clear who is in charge of the implementation, and there are differing visions on the implementation within the Ministry of Finance. Similarly, there has been little progress on the integrated planning and budgeting and revision of PFM Legal Framework component, due to uncertainty over the enactment of the new Planning and Budgeting legislation.

The twinning support between the ZPPA and HAUS to complement the PFMRP II was highlighted by interviewees as being useful and has helped restructure the ZPPA and provide capacity building support. Another major achievement is ZPPA's success in taking forward the design of e-procurement system forward in a timely manner

**Social protection.** There has been good progress against targets in rolling out and scaling up the social protection programme. This is evidenced by a commitment by government to scaling up the initiative - there will be 240,000 beneficiaries in 2016, with 0.6 percent of national budget dedicated to SCT and 80 percent government funding (against 20 percent at the start).<sup>8</sup> Interviews highlighted that Finland - while coming to social protection as one of the last donors

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<sup>8</sup> As a result of lobbying by CPs the GoZ has increased the budgetary allocation for the SCT programme in coming years (2016–2018). The budget for the SCT programme for 2016 increased from ZMW 150 million to ZMW 302 million in 2016, along with projections of continued increases of ZMW 50 million each for 2017 and 2018, respectively (UNICEF, 2015).

- came in to be complementary and to fill gaps. The Finnish support added a focus on policy, disability, and support for reforming public welfare assistance scheme i.e. to have a broader focus than just cash transfers. A National Disability Survey was conducted during the CS period with funding from Finland. This was the first of its kind and has played a role in the decision to include disability as one of the criteria for eligibility. The Finnish added value has also been in providing a flexible source of funding in being willing to fund the Ministry of Community Development directly. This filled a gap because it allowed time for other partners to gain confidence in the Ministry, and it gave the Ministry resources which it would otherwise not have had, according to informants directly contributing to enhanced capacity and professionalism of the Ministry. In 2014 when the government announced a scale up of the programme the Finnish funding was also critical in providing the resources to expand the technical and monitoring capacity. A further important role of Finland has been in the policy dialogue where Finland effectively used its diplomatic and development cooperation resources to present a convincing case to government on the need for a scale up of government resources. This included high level meetings and the Finnish Ambassador taking the Minister for Community Development to Finland as part of these efforts.

### **Other interventions and instruments**

The **FLC** have been used in some cases as a flexible means to support the implementation of projects in PSD. FLC have also quite effectively focused on gender. In agriculture the FLC support has been used to address management challenges of a non-performing project.

The FLC has provided a reasonably flexible instrument to address private sector development (green growth that promotes job creation and human development), both policy and implementation, within the financial resources available. Based on the discussions with the embassy, the FLC portfolio will be scaled down and funding decreased but increasingly channelled to supporting business partnership between Finnish and Zambian companies. Interviews reveal that effectiveness has been affected by weak financial capacity of some of the FLC recipients and the Embassy is planning to issue audit framework contracts with audit companies, which would also include financial management training for recipients. Constant changes of staff responsible for FLC have also made it difficult to establish long-term relationships with the FLC recipients.

The main focus of the FLC PSD support has been on supporting business and trade associations (e.g. Zambia Chamber of Small and Business Associations; Zambia Association of Manufacturers; Zambia Association of Sawmillers; Zambia Honey Council; Cross-Border Trade Association, etc.), but their weak organisational capacity has decreased the relevance and efficiency of support. Some of the FLC for private sector development have covered implementation and also support to innovative companies such as Rent to Own which is a social enterprise financing productive assets.

Good examples of FLC support to promotion of gender equality include support to Women in Law and Development in Africa (WILDAF) aiming at increasing women's electoral participation and in dealing with GBV, and support to Zam-

bia National Women’s Lobby (ZNWL) which cooperates with Demo Finland (funded by MFA NGO Unit). Strong focus of the FLC has been also on rights of the people with disabilities and support to organisations such as Zambia Federation of Disability Organizations (ZAFOD) and Zambia Association of Parents of Children with Disabilities (ZAPCD).

## 5.2.2 Contribution of the CS portfolio to the CS objectives

This section examines the contribution of the CS interventions to the CS specific objectives.

The evaluation’s overall assessment of progress towards development results- based on the findings of this evaluation - is presented qualitatively in Table 4 for each of the four sectors.

**Table 4: Progress towards country development results**

Strategic Results Area/ Objectives	Progress
<p>1. To facilitate and support the development of a sustainable, diversified and competitive agricultural sector that assures food security at national and household levels and maximizes the sector’s contribution to GDP by 25 percent in 2016.</p> <p>A) Increased agricultural production and productivity among smallholders contributing to improved household income.</p> <ul style="list-style-type: none"> <li>• Improved access to resources and use of improved and sustainable agricultural technologies by smallholder farmers in areas supported by Finland.</li> <li>• Sustainable, efficient and professionally managed small-scale irrigation schemes for smallholder farmers developed in areas supported by Finland.</li> </ul>	<p><b>Agriculture: the contribution of interventions in this area to the specific objectives has varied but overall has fallen short of expectations.</b></p> <p>Performance has varied significantly depending on the modality used. Contribution to the objectives has been impacted by considerable delays in implementation in some cases. The majority of targets were not met, with the exception of support to the farmers’ union. The strategy of creating new projects to facilitate the non-performing projects (e.g. S3P to support PLARD, and M&amp;E to the Ministry of Agriculture and Livestock (MAL) to strengthen PLARD II) was not effective. Some limited successes include that:</p> <ul style="list-style-type: none"> <li>• The SIP has been mostly ineffective, and did not produce any of the anticipated results towards the second specific objective. Finland’s contribution to this objective was therefore nil. It did, however, establish an example of a PPP model and thereby of <b>commercialization of agriculture</b>.</li> <li>• PLARD I &amp; II has been moderately effective. It contributed to applying affordable agricultural technologies which have a modest impact on <b>increased agricultural diversification and productivity</b>. PLARD also resulted in an increase in the participation of women. The value chain approach adopted showed benefits at a small scale and in local markets. However, the anticipated increase in incomes did not take place because of poor harvests and low rainfall.</li> <li>• ZNFU has contributed to improved access to resources and improved and sustainable agricultural technologies by smallholder farmers in areas supported by Finland by increased the number of farmers accessing services and created <b>innovative ways of accessing financial services</b> for small holder farmers (Lima credit scheme), easy access to payments by using e-paying services (visa), and inputs by e-voucher system, and advice through e-advisory services.</li> </ul>

Strategic Results Area/ Objectives	Progress
<p>2. To accelerate job creation, increase productivity and competitiveness through continued business environment reforms.</p> <p>A) Increasing inclusiveness of the economy by promoting the growth and competitiveness of MSMEs.</p> <ul style="list-style-type: none"> <li>• Decent green jobs created in competitive enterprises.</li> <li>• Improved access of MSMEs to e-services, business development and financial services through continued support to business environment reforms.</li> <li>• Increased growth and competitiveness of MSMEs through participation in research, development and inclusive innovation process.</li> </ul>	<p><b>Private sector: the effectiveness of interventions has been reasonably good.</b></p> <p>Overall the various interventions in this area have made progress towards achieving their purpose through the creation of green jobs, strengthening the business environment through the introduction of e-services and the development of relevant laws and regulations and increasing financial inclusions. There is less evidence of an overall increase in competitiveness of MSME's through participation in research, development and inclusive innovation processes.</p> <p><b>Selected areas of good progress towards contribution include:</b></p> <ul style="list-style-type: none"> <li>• As reported in the Embassy 2015 annual report, the FinScope 2015 study shows that access to formal and informal services in Zambia has increased, resulting in the GoZ national target of 50 percent of financial inclusion having been exceeded – in 2009 37 percent of adults were financially included, and in 2015 this had increased to 59 percent.</li> </ul> <p>The strengthening of the financial sector regulatory framework under the FSDP, i.e. the development of micro-insurance strategy and harmonisation of laws and regulations arguably has contributed to improved financial inclusion observed by improving the overall framework for access.</p> <ul style="list-style-type: none"> <li>• The Government has continued with some activities in the area of PSD previously under the FSDP and PSDRP II and given it high priority; it continues to be funded by Government although with a lower budget, which leverages the Finnish intervention results through continued and expanding coverage.</li> <li>• The Green Jobs programme has resulted in the creation of 2660 new decent and green jobs in target enterprises in the construction sector thereby directly contributing to the first specific objective. The PSDRP II has experienced mixed progress, but has made some contribution to streamlining/modernising investment and business procedures. The access of MSMEs to e-services has improved through one-stop shops and electronic payment of taxation, although issues remain in the implementation of e-customs systems. High level cross-sector dialogue facilitated by the PRDRP II was successful in easing key constraints for the private sector by streamlining business procedures, such as the need for yellow fever certificates which was a barrier for tourism and progress has been made towards establishing an e-visa system, thereby contributing to the second objective. E-services development carried out under the PSDRPI has also made paying taxes easier.</li> <li>• There was little progress under the third objective to increase growth and competitiveness of MSMEs. It was planned to be met mainly through the implementation of the new Embassy's new PSD support programme (as well as the regional SAIS programme framework), but the postponement in the planning process due to budget cuts has caused the progress to be unsatisfactory.</li> </ul>

Strategic Results Area/ Objectives	Progress
<p>3. Improved environmental management for reduced rate of deforestation, wildlife depletion, and degradation of heritage sites, lands and wetlands.</p> <p>A) Improved capacity of environmental and forestry administrations, CSOs and communities for sustainable management of natural resources and pollution control</p> <ul style="list-style-type: none"> <li>• Improved integrated sustainable forest and other natural resources management and livelihoods at district and community levels.</li> <li>• Strengthened monitoring and reporting systems for environmental protection.</li> <li>• Enhanced role of civil society organisations to implement sound environmental management projects and promote sustainable development.</li> </ul>	<p><b>Environment: progress has been limited and overall not satisfactory against indicators.</b> There has been progress towards strengthened monitoring and reporting systems for environmental protection through building a national data base on forestry and other natural resources, and some capacity has been built at central and decentralized levels, including among CSOs. There has been an increase in CSO involvement in environmental initiatives through direct funding. There are no results yet for decentralized forestry and other natural resources focus. One of the limiting factors for Finnish contribution is that national level government commitment to environment has been and remains weak, in spite of indications that the overall environmental challenges remain serious.</p> <p><b>However, some successes:</b></p> <ul style="list-style-type: none"> <li>• ILUA has resulted in the establishment of a forestry and natural resources data base which is now starting to yield data e.g. on forestry cover, and coping mechanisms, access to resources. However, the contribution to strengthening of monitoring systems is reduced because of challenges in access to data that will need to be addressed, and concerns about government taking over the programme after 2016.</li> <li>• The CSEF has been relatively successful in promoting CSO engagement in environmental issues, for example in lobbying for protected areas. It has contributed to strengthening the capacity of individual CSOs but has been less successful in promoting coordination, in part because of the competitive funding environment. Delays in Phase II implementation have produced a gap which will likely impact on the contribution of the project.</li> <li>• DFONRMP has seen a long period of design, which has made for careful preparation and resulted in ownership and engagement at local level and within forestry department, but less within government. It is too early to record results or to make an assessment of contribution.</li> <li>• There are some documented broader areas of influence from long engagement in the sector, in terms of recently passed laws which interviewees credit as the result of Finland’s engagement in policy dialogue. This includes the Forestry Policy (2014) and revised Forestry Act (August 2015) both of which – after considerable delays – have meant there is now a good normative framework to act within. However limited government commitment to environment has not been affected significantly by policy influencing efforts.</li> </ul>

Strategic Results Area/ Objectives	Progress
<p>4. Ensure efficient, effective and accountable use of public resources as a basis of economic development and poverty eradication through improved service delivery</p> <p>A) Efficient revenue collection, good and transparent governance of public procurement and efficient mechanisms of participation.</p> <ul style="list-style-type: none"> <li>• Integrated Financial Management System developed into an efficient and transparent mechanism.</li> <li>• Zambia Public Procurement Agency (ZPPA) oversight and regulatory role and the capacity of procurement entities strengthened.</li> <li>• Increased effectiveness of revenue administration.</li> <li>• Social protection mechanisms strengthened for vulnerable groups.</li> <li>• Strengthened civil society capacity to protect the rights of vulnerable groups, influence policies and promote transparency, accountability and public participation.</li> </ul>	<p><b>Good Governance: mixed progress across the good governance and accountability area which has included a range of different projects.</b> The social protection programme is strengthened with an increased number of beneficiaries and is now 80 percent government funded (against 20 percent at the start). There is evidence of increased revenue collection and improvement in public procurement, and demand for greater accountability.</p> <ul style="list-style-type: none"> <li>• The Social Protection Expansion Programme has been effective. There has been progress against targets, evidenced by a commitment by government to scaling up the initiative. Finland contributed by providing funding directly to the responsible ministry which allowed it to substantially enhance its capacity for implementation and has facilitated the overall scaling up of the programme. Finland also played a lead role in high level dialogue that ultimately convinced the government to scale up funding and include this in the MTEF.</li> <li>• PFMRP – the interventions in revenue administration have been effective in terms of increased revenue collected thereby contributing directly to the objective. Contribution through the PFMRP to specific objective of an improved IFMS appears to be limited because progress has been slow.</li> <li>• An unintended benefit is that in the PEMFA phase there was work undertaken with the National Assembly, Public Accounts Committee and the media which raised interest, provoked debate in the press and public, and has brought about a pressure for good audit reports and accounts, contributing to strengthened capacity for accountability.</li> <li>• GBS performance declined over the evaluation period. The lower performance was seen particularly on indicators related to budget execution and PFM – directly related to the specific objectives – but with good performance in health and education (social sectors). The ending of GBS has reduced the mechanisms for policy dialogue and influence, and interviews indicate that it is not possible to get this kind of dialogue through sector means.</li> </ul>

This assessment highlights that some important intermediate outcomes and results have been delivered under the CS as a result of the interventions under specific projects. There has been variable performance across the portfolio, with overall stronger performance in the areas of private sector development and governance, and weaker performance in agriculture and environment. The strong areas of performance (e.g. in social protection) have given the CS credibility.

**The CS programme has brought about a stronger focus on policy influence by highlighting opportunities which the Embassy was able to use strategically.**

### 5.2.3 Assessing the impact of policy influencing

This section of the report looks at the impact of the CS programme on influencing policy. It assesses the aid effectiveness of the CS portfolio of interventions.

The evaluation found evidence of policy influencing across different results areas. The policy influencing is attributed to the longstanding role that Finland has played in key sectors and to characteristics of the Finnish development aid, including neutrality and being a fair player. The CS programme has brought about a stronger focus on policy influence by highlighting opportunities which the Embassy was able to use strategically. The following are examples which were cited to the evaluation team by interviewees and which were consistently triangulated through additional interviews, as well as in many cases through documentary evidence.

**Reforms of agricultural subsidies.** Finland and other CPs specifically called for changes in the agriculture subsidy programme (FISP) by introducing the e-voucher system. This was based on the evidence that FISP benefited the relatively well-off households with little impact on yields and poverty reduction.<sup>9</sup> Interviews confirm that Finland as a long-standing supporter of agriculture and as an efficient CP agriculture lead, had good cooperation with other partners in the sector, including policy dialogue and influence with the government, and managed to negotiate the starting up of the FISP e-voucher system. It enables input procurement to evolve by allowing the private sector to play the leading role in delivering inputs to farmers and allowing more freedom of choice of inputs to diversify production and free up the FISP resources to invest in the agricultural drivers of growth such as livestock, extension and irrigation.

**Introduction of an e-voucher system.** In 2015, Finland supported a successful pilot of the ZNFU visa cards under the ZNFU CSP II to influence government to pilot the e-voucher system under FISP. To ensure implementation, the agriculture cooperating partners provided a total of USD 1,468,101 to support the process with Finland contributing USD 264,318 through the ZNFU CSP II for the printing of the visa cards. The e-voucher system was launched in October 2015 and 241,000 small-scale farmers are expected to benefit in 13 selected districts. Government intends to increase the number of farmers to 480,000 in 2016. At the moment the e-voucher is the only significant reform in the sector which could show results in the short term. Already in the early stages of implementation there were indications that the number of FISP beneficiaries was reducing in some areas. The e-voucher brought in more in-depth registration and validation of eligible beneficiaries and a significant number of so called ghost farmers were extracted from the beneficiaries in only 13 districts.

**Advocacy for removing constraints to business and tourism.** Finland has had an entry point in terms of high level inter-ministerial dialogue to resolve issues through its engagement in PSD. For example, Finland is credited with having played a role in eliminating the requirement for yellow fever certificates when it became clear this was a constraint on tourism. The Office of the Vice-Pres-

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<sup>9</sup> Subsidies have stifled agricultural diversification, crowded out the private sector and left few resources to invest in proven engines of agricultural growth such as irrigation and extension.

ident, where the PSD programme is based, brought together the Ministry of Health and the Ministry of Tourism and took this decision.

**Inclusion of the SCT in the MTEF.** Finland is credited with having played a lead role in lobbying government for a substantial increase in funding for social cash transfers. A change in minister in 2014 put the government contribution in danger. Finland very effectively led the dialogue at senior governmental level, supported by other donors, and used findings from the social protection impact evaluation to demonstrate that SCT had a much higher rate of return than the farm subsidies on which the government spends considerably more. The result has been that the SCT are now part of the MTEF. Government spending on SCT has increased to cover 80 percent of the costs (compared to 20 percent a few years earlier).

**Approval of a social protection policy.** Finland enhanced the support that other CPs were giving to cash transfers by emphasizing the need for the approval of a social protection policy. The policy established a new mechanism, namely the National Coordination Unit which is in the Cabinet's office and has given social protection the visibility and support it needs.

There is also no evidence that the policy influencing can be specifically attributed to the aid effectiveness dialogue/framework. In fact, joint dialogue was in place long before the introduction of the CS. The JASZ I and II had already put in place a mechanism for consultation and dialogue among donors and with government, as well as a framework for assessing progress. This had worked well in its time and guided priority setting as well as joint dialogue between cooperating partners and with the government. However, this framework for aid effectiveness was severely challenged over the evaluation period. Following various financial scandals, as well as changing priorities and policies on the home front, donors progressively left the GBS dialogue, and the mechanism collapsed in 2014. Donors also progressively left support in a number of sectors and a number either terminated development aid to Zambia or transited to a different type of relationship. This had consequences for the implementation of the CS as some of the assumptions of joint programming and support to specific sectors were not borne out. This was the case in the environment sector where after the departure of Denmark and Norway, Finland was left as the sole donor. In other areas, this has not been the case. The successful social protection programme has seen an increase in the number of donors.

Finland continued to participate in sector level dialogue, however, and is credited by interviewees with having played an important role in dialogue across the four results areas and with having made constructive contributions to alignment through its own example. In agriculture, Finland has been the lead donor for many years and is credited with very consistent support; it used its position effectively in dialogue with the GoZ as is illustrated by the examples above. Even after the phasing out of this sector as a specific results area, Finland continued to be part of the dialogue mechanisms. Finland has been an active donor in environment and in private sector development. It has also been an active member of the Social Protection Advisory Group, and is set to take over the chair. In environment the ownership of the government at national level, beyond the direct partners involved through the Forestry Department, contin-

ues to be a major constraint. At local level, however, the long consultation process on which the design of the DFONRMP was based has generated a strong sense of ownership, including in particular by the Local Chiefs.

#### **5.2.4 Contribution of the CSM to the effectiveness of the CS portfolio**

As noted in the limitations to the evaluation, the opportunity for the CSM to contribute to improved effectiveness of the CS portfolio was limited by the fact that much of the portfolio was inherited from the CEP period. Specifically,

- Poor project design, also inherited, had implications for effectiveness.
- The portfolio was more an accumulation of projects brought together under the strategy than a strategy that guided the design of projects towards a common objective.

However, the introduction of the CS took place hand in hand with a stronger focus on RBM. This meant a strong focus on results frameworks. Overall, informants felt that the focus on RBM had enhanced the quality of project monitoring. It was also clear that the quality of project reporting as well as of CS reporting improved as a result. There is a stronger focus on the presentation of performance data against targets, as reflected in annual CS reporting as well as individual project reporting. Again, however, within the first CS period this improved focus could not make much of a contribution. Two reasons stand out:

- One of the main reasons that the focus on RBM appears not yet to have made a substantive difference in terms of project delivery is that much of the period under evaluation has focused on closing down projects. The RBM focus came too late to be useful in a major way to making decisions on which projects to close down. It is likely therefore that any effectiveness gains will be evident in the future, under the next CS, when the backlog of closing projects has been cleared and there is more room for project design.
- The logic model does not facilitate a clear demonstration of how effectiveness at the CS level contributes at the higher levels of the results framework. From the perspective of Finland, the annually updated results monitoring framework on CS performance against the logic model has been used to measure the overall effectiveness of the CS. The indicators in some cases directly represent the performance of projects. In other cases, the indicators are used as a proxy for the status of broad sectors to which Finnish funding has contributed. Because the impact pathways between projects and country development results are very long this means that making an assessment of contribution to development results is challenging. This is reflected in the challenges in reporting in the annual reports on high-level objectives and results areas. It is also reflected in the fact that while the performance of individual projects may be positive, the performance against development indicators frequently falls short.

While there has been improved monitoring and reporting, it is difficult to draw conclusions about the impact of RBM on the performance of individual projects, and even harder to do so with respect to the CS as a whole.

**However, in some cases the CS has proved relevant/effective in guiding Finland in not committing funds during implementation to non-performing projects** (e.g. agriculture projects SIP and S3P). However, this was not applied in the case of the DNFORMP project. There is also some evidence that projects were initiated in the CEP/CS because there was the financial room to do so.

## 5.3 Impact

The only area of the CS for which an impact evaluation is available is social protection. The remaining assessment of impact for the portfolio is based on a qualitative judgement and a review of documentation (MTRs, reports, selected evaluations, some of which speculate on impact) as there have been no other rigorous evaluation designs comparing base-line and end-line findings that meet the standards of an impact assessment. The lack of focus on final reporting and evaluations is a limitation in making an assessment of impact.

### Agriculture

Overall, the evaluations of the **interventions in the agriculture sector did not meet the standards of an impact assessment**, but provide a partial evidence of increased agricultural diversification, productivity gains, access to financing and financial services, technology and value addition to farmers who benefited from the activities. However, projects were designed to focus on agricultural production and were not linked directly with markets, which is a limitation in terms of the impact along the supply chains.

### Private sector development

**In the support to the private sector, it is judged too early to make a judgement on impact**, although there are indications of potential impact from an increase in financial inclusion and the ease of doing business that are addressed by the FSDP and the PSDRP II. The FinScope 2015 survey showed that 59.3 percent of adults were financially included, meeting the FSDP target of 50 percent, which was a large increase from 37.3 percent in 2009 (Bank of Zambia 2015). The PSDRP II has resulted in streamlining of some procedures and regulations and business systems such as the introduction of e-government systems for paying taxes, which is likely to have an impact on the private sector (Embassy of Finland 2015). For example, the Doing Business 2016 survey evidenced the increased ease of paying taxes as a result of e-services development carried out under PSDRP II.

### Environment

**There is no documentary evidence from which to draw conclusions about the impact of Finnish support in the area of the environment.** For some interventions it is too early (e.g. the DFONRMP). For other interventions there has been no attempt to independently establish the impact of Finnish support. The

**Key findings from the social protection impact assessment are important and far reaching.**

decision not to conduct an MTR for ILUA is disappointing in this context as it would have provided an opportunity to more systematically document progress. The qualitative evidence collected through interviews indicates that there has been little substantive progress in gaining traction from government for the environmental agenda. There are also concerns about the sustainability of the interventions that have been funded by Finland so far. While there have been policy declarations committing to addressing environmental issues, this commitment is not reflected in the allocation of resources. The interventions have contributed to capacity building but at a technical level rather than at the higher political and policy level.

### **Good governance and service delivery**

**The impact study findings for social protection are important.** They represent a gold standard in terms of evaluation design.<sup>10</sup> They have also shown their value in providing strong arguments for convincing government to scale up its own funding to SCT (see section 5.2.3). Key findings from the social protection impact assessment are important and far reaching. The social cash transfers do not create dependency. Instead households benefiting from SCT are more resilient, and a 10 percent reduction in extreme poverty is recorded. The impact evaluation notes that: SCT *“stimulate economic and productive activity. The programme was found to play a vital role in reducing debt and allowing households to make critical investments, making resilience a key impact. In particular, during the harvest season, with more food available, families used the cash transfers to invest in chickens, mosquito nets (to protect against malaria) and farm tools. Recipient households also invested in improved housing conditions, building latrines and cement floors, which all have positive health implications”*. Beneficiaries were also found to be more likely to send their children to school. The impact evaluation found that the cash transfers helped families overcome financial barriers to schooling, resulting in **an increase in school enrolment of eight percentage points among children and 18 percentage points among adolescent girls** in Serenje and Luwingu Districts.

**There appears to be little impact from GBS as poverty has remained** high and has been falling relatively slowly. The 2010 household survey showed that the poverty (headcount) rate had fallen to 60.4 percent compared to 64 percent in 2006, based on the national poverty line. There has not been another household survey since 2010, but the 2013-2014 demographic and health survey showed some indications of improved health conditions in recent years, especially for infant and child mortality, and maternal mortality, although the latest budget resulted in falls in budget allocations to the social sectors, so these gains may not be sustainable (Embassy of Norway in Lusaka 2016). During the GBS period there was an increase in allocation to the social sectors which would arguably have had some impact on the livelihoods of Zambian people, providing them with access to service and care which might otherwise not have been available.

<sup>10</sup> The findings are based on a randomized control trial which evaluates the effectiveness of the cash transfer programme since 2010, and has been measuring the impact among families two and three years after they enrolled into the programme. The research was commissioned by the MCDMCH in partnership with CPs and implemented by the Washington DC-based American Institutes for Research (AIR) and the University of North Carolina at Chapel Hill (USA). The reports are available at: [www.mcdmch.gov.zm](http://www.mcdmch.gov.zm).

### 5.3.1 Contribution of the CSM to the impact of the CS portfolio

The CSM has as yet made very little contribution to formulating or monitoring pathways to impact.

The challenges of demonstrating an impact at the level of development results are illustrated by the poor performance of the CS against the indicators that are in the logframes. For example, in spite of the overall positive qualitative assessment given above, the PSD programme indicators for country development result 2 were all missed as follows:

- The Zambia Doing Business ranking target was significantly missed as the 2012 baseline was 94, with a target of 50 by 2015, but Zambia was ranked 97 in 2015 (World Bank 2016).
- Zambia's Global Competitiveness Index Ranking was missed as the baseline was 102 in 2012, the 2015 target was 70 and in 2015 Zambia's ranking was 96, the same as in 2014 (WEF 2015).
- Formal Employment as a percentage of the labour force, disaggregated by gender: the target for this was 15 percent by 2015. This was not achieved as it was 10 percent overall (15 percent male and 5 percent female).
- Technologies developed and commercialized in commercial areas: the baseline was 7, with only 5 achieved in 2013, with 4 achieved from a baseline of 8 in 2015 (Embassy of Norway in Lusaka 2016).

The same applies to the country development results 1, 3 and 4 where the objective measurement against the indicators shows poor performance or is hampered by the lack of data (e.g. on the indicator related to the level of poaching).

Furthermore, as for effectiveness, that the CS is still a bundling of pre-existing projects under relevant overarching objectives means that contribution pathways to impact were not part of designing the logic framework. Future CSs may have a larger impact, provided that the long-term vision of Finland's intent in Zambia remains stable, so that deliberate pathway thinking can influence project choices.

## 5.4 Efficiency

### 5.4.1 Efficiency of the CS portfolio

The CS period has seen considerable challenges to efficiency, which are reflected in delays in implementation, project extensions, and projects being closed due to lack of performance. These problems have been in evidence during the CS implementation. ILUA, SIP, S3P, and to some extent PLARD, are examples of interventions that have been very ambitious, resulting either in substantial delays, or in projects being closed for lack of performance. At the same time there have also been efficiency gains. This has included an improvement in disbursement levels as discussed below. The main issues as well as the achievements are reviewed below.

**Efficiency challenges.** The main challenges to efficiency include:

**Insufficient risk identification.** The risks related to the overall policy, institutional, economic and political environment in Zambia were poorly identified and addressed at the level of specific projects. This is apparent in the discussion below of several factors that affected the efficiency of interventions: some of these could have been foreseen better with appropriate mitigation strategies put in place.

**Choices of implementation partners/issues related to modalities.** Evidence from the agriculture results area, as well as environment and PSD, shows that there have been challenges to the implementation of some of the multi-bi projects. In agriculture the multi-bi projects have performed the least well and can be characterized by long delays in starting (with delays of up to 2-3 years) and by being an expensive implementation modality which has affected cost-effectiveness. This was the case for the S3P and for SIP in agriculture and for ILUA in the case of environment which also experienced considerable delays. For the SIP, delays in procurement processes resulted in very low disbursement rates (13 percent for S3P after three years) and Finland ending its support as reviews/evaluations implied that expected results would not be reached. In the end EUR 2 million of S3P funding was not disbursed. In some cases, implementation challenges resulted in the creation of other projects to facilitate implementation of non-performing ones (S3P to support ending of PLARD; M&E support to the Ministry of Agriculture and Livestock (MAL) to strengthen alignment of PLARD II to government systems) rather than fixing the actual reason for non-performance or earlier decisions to stop funding which would have been difficult due to existing contracts. As noted, the SIP became one of the most expensive interventions if calculated by average cost per beneficiary household.

There has clearly been some **over-optimism about the capacity of partner agencies to manage programmes:** a risk that could have been foreseen. This was the case for the PFM RP, which was managed by the World Bank, but there was a lack of staffing in the project management unit and insufficient programme management to implement the programme effectively (Embassy of Finland 2015). The Green Jobs programme managed by the ILO and implemented by various UN agencies was slow to begin and undertook very few activities in the 18 months of implementation (ILO 2015), although it picked up after that. The FAO-managed ILUA project experienced considerable delays and did not have a Chief Technical Advisor (CTA) for a long period, and this affected the results and also contributed to the need for an extension of the project as well as additional funding.

The evidence indicates that there were also some inefficiencies in projects that used government systems as the challenges and potential risks of using country systems was not properly assessed. This led to slow progress in GoZ implementation in the PFM RP, FSDP and PSDRP II, with GoZ procurement procedures being a major problem that significantly delayed implementation, according to interviewees. For example, in the FSDP it was reported that procurement for technical assistance could take up to 12 months.

Transaction costs for FLC have in some cases been high, but sometimes have paid off in terms of small amounts of money bringing a significant change, with examples including AMSCO management support for a multi-million euro

small-scale irrigation project (SIP); innovative business models such as Rent-to-Own; or support to NGOs with impact at the policy level dialogue such as WILDAF.

**Time and resources needed for scaling down the inherited portfolio.** The CS put a strong focus on the scaling down of the project portfolio. The amount of time and resources that would go into the closing of projects was significant, was not explicitly planned for/taken into account and drew away resources from the project portfolio.

**Delays in project design.** In particular in the case of the DFONRMP but also the second CSEF there were significant delays in bringing projects to the implementation stage. The design of DFONRMP took almost three years and required a substantial investment of time by the Embassy in terms of supporting the design process. The exact cost of this has not been calculated, but the delays in design - while reportedly having benefits in terms of a high degree of ownership from the decentralized levels - have not addressed the fundamental issues of ownership by the government. And, as noted earlier, by the time the project was launched, and in the views of a number of stakeholders, the project was now no longer in synchrony with the way the overall CS portfolio is likely to evolve in the next period.

**Over-optimistic design and underestimation of technical complexity.** There is evidence across different areas of the portfolio of insufficient attention to the quality of the design process and underestimation of the difficulties. The Green Jobs programme and the PSDRP II both experienced problems with access to credit which affected results; this was not identified as a constraint in the project design. As the financial sector is risk-averse, MSMEs can only borrow at high rates of interest and the informal sector tend not to be able to access credit at all. In the Green Jobs programmes contractors needed to be able to finance their work and purchasers to obtain mortgages to buy houses, but this proved to be difficult (ILO 2015). The PSDRP II programme also found that one of the main constraints to PSD was access to credit, which was not within the capacity of the project to resolve (Embassy of Finland 2014b) and had not been identified as a constraint. Similarly, the design of ILUA failed to take into account the challenges of introducing a highly complex technical mapping system, and how this would be managed at a decentralized level. There is some evidence that the high levels of funding in the lead up to the CS and in the initial CS period created pressure to design projects as there was a spending pressure.

**Limited ownership, financial commitment and slow approval processes by the government.** Slow government (and implementing agency) approval contributed further to significant delays (2-3 years) in the start-ups of multi-bi agriculture projects (SIP II, S3P) in the agriculture area. The limited commitment has also affected the environmental initiatives as is highlighted in the discussion in section 5.2.1.

**Geographic spread vis-à-vis- programme resources.** Other issues related to programme efficiency are that in the MTR of the Green Jobs programme concerns were highlighted about the geographic spread vis-à-vis- programme resources that may be spread too thinly, although the MTR did conclude that resources have in general been used efficiently (ILO 2015 p.23). Geographical spread is

**There has been progress in disbursements over the CS period.**

also a concern for the DFORNMP which focuses on locations that are geographically dispersed, requiring additional time to provide technical support and spreading available resources thinly.

**Insufficient support from the MFA in Helsinki on intervention design and implementation** was a consistent issue in particular with respect to the guidance on development of indicators and monitoring, including a lack of capacity within the Zambia desk and insufficient advisory support for various areas of the programme (e.g. PSD). The annual revision of targets has on the one hand improved clarity but has also contributed on the other to a contribution gap because of inconsistent reporting.

**Turnover of staff.** The CS period has seen considerable turnover of at the Embassy. There have also been issues in the continuity of project level technical assistance positions, with some position remaining unfilled for long periods of time (for example in ILUA). Continuity in local staff positions within the Embassy has been critical in addressing what would otherwise have been a loss in institutional memory.

**Efficiency gains.** There have also been important efficiency gains over the period. These include:

**Good complementary use of newer FLC.** The evaluation period has seen a move towards better targeting of the FLC support to complement the interventions in the portfolio. There has also been an increase in the size of the projects which has contributed to reducing some of the management burden, although the FLC portfolio continues to be labour-intensive.

**Overall reduction in the size of the portfolio.** The number of projects had reduced from 16 to 7 at the time of this evaluation. As noted above this has involved a considerable investment in terms of staff time and resources and has taken away energy and attention from other areas. At the same time interviews underscore that the reduced portfolio is now making planning for next CS easier and will thus have efficiency gains into the future.

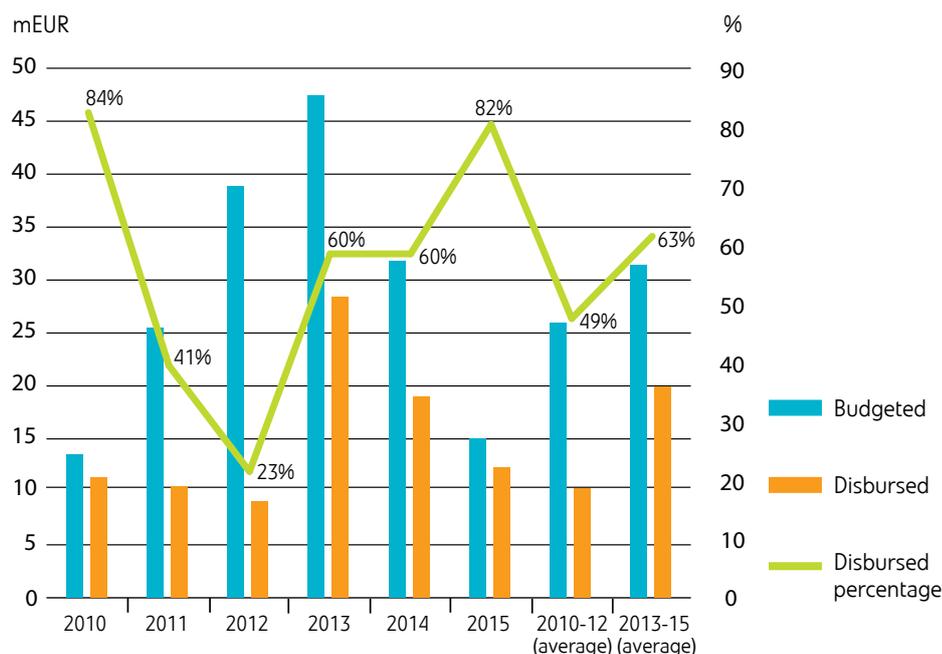
**Unexpected unplanned gains in certain areas.** Across different areas of the portfolio there have been areas where achievements have taken place that were not planned. For example, social protection has leveraged more than was planned. Not only has the programme expanded beyond what was originally anticipated with the expansion programme but also the findings from the impact evaluation have been used to support arguments for reforms in the farm subsidies.

**Efficient use of resources through the leveraging of additional support of Finnish partnerships,** Examples of this have been through VTT (technical research centre in Finland) in the Green Jobs programme and HAUS in the PFMRP II to boost capacity of partners. In the Green Jobs programme VTT developed curricula to incorporate green building and construction into the Copperbelt University, National School for Construction, and Thornpark Construction Training School, and HAUS have supported the restructuring process and capacity building in the ZPPA (ILO 2015 and ZPPA and HAUS 2015).

**Improvement in disbursement levels.** There has been progress in disbursements over the CS period, compared to the CEP period as can be seen from Figure 4

below. Performance on disbursements has improved from a low of 23 percent in 2012 to a high of 83 percent in 2015. With an overall disbursement rate of 63 percent over the CS period, Zambia is number four of the seven countries in terms of disbursements (the highest disbursement rate is 72 percent for Mozambique and the lowest is 43 percent for Vietnam) among the average of the Finnish supported countries, although this camouflages the tremendous progress made.

**Figure 4: Budgeted and disbursed expenditure by year 2010–2015**



Source: MFA, 2016. Note: Pre-2010 data are not available in the same format.

#### 5.4.2 Contribution of the CSM to the efficiency of the CS portfolio

Despite the improvements in disbursements noted over the CS period - which the team found could not be related directly to the CSM itself but more to overall pressure in the MFA to improve disbursement on country programmable bilateral projects and programmes - the CSM only partially helped to address risks and efficiency issues in the CS portfolio.

While the introduction of the CS did not significantly increase the level or quality of risk identification, which is only given a cursory discussion in the CS itself, the more systematic monitoring against objectively verifiable indicators through the RBM nature of the CSM has increased managers' and counterparts' awareness of the quality of performance. This has facilitated decision-making within projects on specific priorities and strategies. However, it has not substantially influenced the choice of projects to close down as this was largely done prior to the CS, although it was implemented during the CS period.

**The more systematic monitoring against objectively verifiable indicators through the RBM nature of the CSM has increased managers' and counterparts' awareness of the quality of performance.**

## 5.5 Sustainability

### 5.5.1 Sustainability of the CS portfolio of interventions

In terms of each of the areas of the portfolio the assessment by the evaluation is as follows:

#### Agriculture

- Sustainability of multi-bi projects (SIP II, S3P) depends on whether the multilateral organisation (AfDB/IFAD) itself or with the support of another donor continues the operations. In case of SIP, it seems that additional feasibility studies will be funded (AfDB - Africa Water Fund) using the modality developed within the SIP. However, in the case of the two currently operating PPPs, the AfDB in an interview estimated that another five years of support in the management would have been required to ensure sustainable functioning of the companies. Funding for this is not available. S3P is at the stage where it is assessing the impact of the funding gap created by ending of Finland's support. According to their current estimates the project is likely to continue on a meagre, more limited scale until the project ending date. Neither of these projects had/has an exit plan to guarantee sustainability.
- In the case of the bilateral PLARD, the S3P was to function as a support project in the same geographical area; however, delays in S3P implementation created a situation where PLARD and S3P did not operate in parallel and therefore could not have a proper planning phase to look at how the S3P could actually support the post-PLARD activities. Following the 2013 MTE, the ZNFU was contracted as an external financial service provider to make loans available to farmers and others. It was selected on account of its strong past performance in providing similar financial and other services in other provinces, as well as being already supported by Finland and other donors. ZNFU is continuing its work in Luapula after PLARD completion but is still relatively new and weak in the area.
- ZNFU is a member-based organisation and will continue operations and is expected to be sustainable as long as it has the support of its members. Initiatives that focus on crop diversification, agricultural processing, and sub-sector value chain development experience significant competition from GoZ's support to the agricultural sector (focusing on subsidizing production of maize, particularly targeting smaller and poorer producers). The e-voucher support by Finland is an attempt to break with this reality, but it has not yet reached significant scale. More lobbying and advocacy is needed to allow alternative approaches in the agricultural sector.
- The Ministry of Agriculture budget and its current allocation for maize subsidies will not enable continuation of funding for activities previously funded by Finland, such as PLARD. Interviews indicate that at the operational district level the commitment is high, but the lack of adequate budgets and non-functioning government systems do not support implementation at decentralized levels.

- Many agriculture sector projects supported by Finland have focused on production and have not included a market perspective. This has led to insufficient results and limited progress on market access.

## **Private sector development**

Efforts were made to design the programmes to ensure sustainability, although there is little evidence that this will occur in practice in the case of programmes that were implemented by the GoZ. Local partners and stakeholders reported that they had been consulted on the design and focus of interventions, although donors tended to make the final decisions on components included. The key stakeholders have also participated in implementation, with the FSDP being implemented by the Bank of Zambia, the PFMRP by the Ministry of Finance and the PSDRP first by the Ministry of Trade and Commerce and then by the Office of the President.

However, the integration of these initiatives does not seem to translate into high levels of ownership and although the units set up to coordinate activities for the programmes were still in operation in the cases of the FSDP and the PRSDP II most activities have ceased. For example, even though the high level dialogue under the PRSDP II was reported to have been very useful, this is no longer undertaken even though it would not rely on project funding still being available. In addition, even though the PFMRP was implemented by the Ministry of Finance this did not mean that the project had sufficient influence over all departments within the Ministry to ensure that activities were implemented.

It is too early to judge the sustainability of the Green Jobs programme, but given that Finland provides over 90 percent of project funding this is likely to be an issue, while another threat to the sustainability of the programme is the limited availability of timber supplies. The sustainability of green building practices, technologies and materials will also depend on the costs and affordability of green construction (ILO 2015).

## **Environment and natural resources**

Support to CSOs has been important to ensure a voice for them in environment. However, the sustainability of the support is judged as weak. Interviews underscored the level of dependence that CSOs have on external funding. The advantage of the Finnish funding has been that it has allowed CSOs to work on specific issues over a longer period of time. In the context of reducing donor funding, the challenges for CSOs have increased. Tapping into alternative sources of funding is one of the key objectives of CSEF II. The likelihood of this being achieved was seen as poor, because of the lack of other actors in the overall environment who would be willing to provide similar levels of funding. To some extent the issues of sustainability are illustrated by the fact that on-going activities have ground to a halt as a result of the delays in contracting the CSOs.

Sustainability of the government projects (ILUA and DFONRMP) faces challenges in terms of financial commitment, which are compounded for ILUA by technical complexity. The DFONRMP has been designed as an introduction project, with the assumption of longer-term financial commitment by Finland in a

second phase. Sustainability is only marginally addressed in the project document. Given the lack of donors in the sector, and the reducing interest of donors in Zambia in general, the prospects of sustainability are not strong under the present configuration.

### **Governance**

In terms of GBS the funding levels to social sectors were not maintained once the instrument ceased to exist. As the GBS mechanism has ceased to exist, so has the high level dialogue that maintained a focus on ensuring acceptable levels of funding to the sectors. PFMRP sustainability is unlikely in some areas given the level of GoZ's political will. Sustainability of the social protection programme is judged to be good but will need continued support for some time to come. The government is funding a big proportion of SCT and some staff, but donor funding is critical in terms of the quality assurance, monitoring, additional studies to strengthen approaches and impact, etc.

### **5.5.2 Contribution of the CSM to the sustainability of the CS portfolio**

There is no evidence that the CSM contributes to more sustainable Finnish development cooperation in Zambia. Sustainability, if achieved, remains the responsibility of individual projects.

Overall, across the different interventions, national stakeholders have been involved and consulted during the preparation of interventions and projects have been fully or partly aligned with government systems, which in principle bodes well for sustainability. However, for the results at the objective level of the CS as a whole, limited ownership is felt. Interviewees consistently attributed this to the limited consultation with the government during the CS preparation which reduced the level of buy-in by key stakeholders to what the projects were trying to achieve at the objective level.

A CS that covered the entire operation by Finland might have brought about a stronger focus on sustainability of results. However, this would require a change in focus of the CS beyond bilateral cooperation, as well as integrating into the projects and the CS monitoring indicators that measure progress towards sustainability. This in turn would require a stronger focus on intermediate and final reporting and evaluations than has been the case to date.

## **5.6 Complementarity, Coordination and Coherence**

### **5.6.1 Alignment with country systems**

Zambia had already made important strides in alignment and coordination prior to 2012. Zambia was considered as an **example of coordination** with its advanced structure of having a JASZ I and JASZ II, including annual monitoring against indicators, etc. The existence of these overarching frameworks has been acknowledged by Finland through the modalities which focus on buying in to government priorities and plans, and they were therefore taken into account in the choices that were made.

Alignment with government systems is quite good, but has come at a cost of decreased efficiency, impact and effectiveness in some cases. For example, in the agriculture sector support to ZNFU as core support to a private sector actor has been provided together with Sida and WeEffect. The agriculture sector projects (SIP II and S3P) have been multi-bi projects with AfDB and IFAD, and partly aligned with government systems with established PMUs. A shift from PLARD I to II also included alignment with the government systems. The PSD and governance programmes were aligned with GoZ systems through basket funding or/and harmonized and coordinated with other donors.

Interventions were also very well aligned with GoZ systems, as apart from the Green Jobs programme, all programmes in the PSD and governance sectors use country systems. The FSPD, PFMRP and PSDRP II used basket funding, including reporting, procurement and auditing. GBS disbursed funds direct to the GoZ and fully used government systems. In environment on the other hand, the programmes have been implemented through parallel arrangements, in the case of ILUA with FAO, and in the case of the DFONRMP and CSEF through a management agent

The plans did not sufficiently take into consideration the challenges posed by alignment, e.g. slow approval processes, non-functioning financial transfer mechanisms to the districts, and non-functioning M&E systems. There has been also duplication of support as S3P's approach duplicated the operations of ZARI. S3P focused heavily on research and trials of long-term commodities, rather than productivity and production, for which substantial resources have been made available by the World Bank and also supported through ICI instruments by Finland (with LUKE in Finland).

### 5.6.2 Coordination

Interviews confirm that Finland's support across different sectors has been well coordinated with other development partners. This is reflected in the number of projects that are joint initiatives. The FSDP was undertaken with DFID although they later pulled out of the programme. The PRSDP II was funded with the Netherlands and DFID and the PFMRP II was funded with DFID and the German Development Bank (KfW). The Green jobs programme is led by the ILO and implemented in partnership with UNEP, ITC, UNCTAD and FAO. PRBS was undertaken with a donor group of seven partners and the overall programme was aligned with the JASZ (see EQ 1.1). The social protection support is also a joint arrangement with different donors. In addition, Finland has provided funding directly to the Ministry of Community Affairs using government systems. In some sectors the level of coordination has dropped off because of donors exiting the sector, leaving Finland alone (e.g. in environment) where previously there were other donors also contributing.

Coordination is also in evidence through Finland's engagement in working groups (to the extent that these continue to function) and as an effective sector lead in agriculture, environment and social protection with direct influence at the policy level. Finland has provided long-term support in agriculture and environment which has contributed to its role.

**Finland's support across different sectors has been well coordinated with other development partners.**

### 5.6.3 Complementarity

In addition to the activities that are part of the CS, Finland uses a number of other channels and instruments. Overall complementarity with these other instruments has not been strong, although some opportunities have been grasped.

Under the Green Jobs programme there was collaboration with the VTT in Finland to design a green curriculum and provide support to architects on 'greening' of construction. However, in this programme Finland missed the opportunity to partner with Finnish companies as this was not suggested by the Embassy. Instead the French company Lafarge was used. There was, however, little coherence within the governance sector as the social protection programme was not an obvious fit with PRBS and PFMRP II. The PSD programme was not complementary to regional PSD programmes.

FLC has complemented and filled gaps of non-performing agriculture sector projects. For example, to mitigate the SIP project shortcomings, the Embassy commissioned AMSCO through FLC support to strengthen the PPP small-scale irrigation farmer companies which resulted in functioning company boards and recruitment of professional staff for the irrigation company. AMSCO support through FLC to the multi-bi project SIP is a positive example of one modality supporting and reinforcing the other. Similarly, another positive example is the intervention on capacity development of results-based M&E of MAL to support alignment of PLARD II with government systems. However, at the same time both examples were support projects to non-performing projects, and thereby decreased effectiveness and efficiency.

### 5.6.4 Coherence

In the agriculture area there has been some duplication of support as the S3P approach duplicated operations of ZARI. S3P focused heavily on research and trials of long-term commodities, rather than productivity and production, for which substantial resources have been made available by the World Bank and also supported through ICI-instrument by Finland (with LUKE in Finland). FLC has complemented and filled gaps of non-performing agriculture sector projects. For example, to mitigate the SIP project shortcomings, the Embassy commissioned AMSCO through the FLC support to strengthen the PPP small-scale irrigation farmer companies which resulted in functioning company boards and recruitment of professional staff for the irrigation company. AMSCO support through FLC to multi-bi project SIP is a positive example of one modality supporting and reinforcing the other. Similarly, a positive example is the intervention on capacity development of result-based M&E of MAL to support alignment of PLARD II with government systems. However, at the same time both examples were support projects to non-performing projects, and thereby decreased effectiveness and efficiency (discussed in section 5.3 and 5.4).

Internally, the PSD support was very coherent as the PSDRP II tackled business regulations and systems, while the FSDP addressed financial inclusion and access to credit, which is a major constraint for MSMEs. This supports activities under the Green Jobs programme.

In the environment results area the three main interventions are also coherent. The focus on CSOs addresses a gap in terms of advocacy and ILUA is complemented by the DFONRMP in design in that it focuses on stimulating the capacity and demand for forestry and natural resource data and using this in priority setting and in advocacy. In practice the coherence has been less strong than planned because of delays in the launching of the DFONRMP.

In the good governance results area, there were promising signs of coherence. The PFM RP II was designed to address weaknesses in PFM systems and fiduciary risk, which underpins the rest of the Finnish programme, which uses GoZ systems. PRBS provided a mechanism for high-level dialogue which was used to engage the GoZ on reforms and issues which would have a positive impact on the rest of the CS. It provided, for example, a mechanism for dialogue around social protection even before Finland engaged directly in this area. PRBS also provided funding to support GoZ sector expenditure that strengthened Finnish interventions in each area. A twinning arrangement was undertaken through HAUS to the Zambia Procurement Authority. This complemented support through the PFM RP II to the ZPPA.

The evaluation team examined external coherence from the perspective of Finland's trade engagement with Zambia, Finland's multilateral engagement, and Finland's diplomatic engagement and its linkages with the CS. The evaluation also examined coherence from the perspective of learning from other Finnish supported development programmes.

**Overall the evaluation finds that there has been only limited complementarity with the other trade instruments.**<sup>11</sup> Interview evidence highlights the difficulties in using these instruments<sup>12</sup> in a complementary manner to facilitate transitioning from traditional development cooperation. Aid channels and modalities are managed by different departments in the MFA (regional desk, external economic relations, development finance institutions, CSOs) as well as by the Embassy which clearly makes coordination challenging. The scope of the CS which was deliberately limited to development cooperation has been a determining factor according to interview sources from MFA and the Embassy. Other explanatory factors include the lack of flexibility of instruments, the limited resources that can be mobilized for some of these, but also in the case of the Private Sector Engagement instruments - Finnpartnership and also Finnfund - that these are coordinated outside the structure of MFA and the Embassy. This makes it very difficult for the Embassy, and MFA, to engage with these instruments in a manner that allows for them to be a useful part of the CS.

The priority which is likely to be given to private sector development in the next CS means that the Embassy is much more actively seeking to identify ways in which these instruments can be used. This could mean in practice that these instruments will be brought together more prominently in the next CS. This finding is corroborated by interview evidence from this evaluation. There

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<sup>11</sup> In making this assessment the evaluation team was able to draw on the interview work by the Aid for Trade Evaluation for which the report is forthcoming and one of the team members of which participated in the Zambia CS evaluation.

<sup>12</sup> Which include ICI, Finnpartnership, Finnfund, CSO support, and the new instrument BEAM.

The evaluation found very limited evidence of external coherence with other Finnish supported development programmes in other countries.

is certainly an important opportunity for the Team Finland work. Various key interview sources expressed the view that the role of the Embassy as a facilitator in transitioning from ODA to facilitating business partnerships and trade opportunities will need to be more fully recognized and be given sufficient human and financial resources are provided to enable a successful transitioning process.

**Multilateral projects and partner relations are the least articulated in the CS and have poor external coherence.** This is a reflection of the fact that many of these interventions follow global priorities. The management of these partner relations is done by the External Economic Relations department. The degree of steering is very limited because multilateral relations are steered through policy dialogue and yearly influencing plans in which the Embassy has no specific involvement.<sup>13</sup> This means that multilateral projects are more difficult to align with the rest of the portfolio.

**There has been a consistent, albeit not very explicit, link between the diplomatic work of the Embassy and a selection of high level priorities in the CS.** The Ambassador has been actively engaged in the high level bilateral cooperation dialogue, in the on-going dialogue with other donors, and in the policy influencing work of the Embassy. Examples of this include the high level dialogue around the social protection programme, as well as the high level discussions around GBS before the support through this instrument came to an end in 2014. According to external sources (in particular government officials), the involvement at diplomatic level has been useful in ensuring high level attention from senior government officials.

**The evaluation found very limited evidence of external coherence with other Finnish supported development programmes in other countries.** The most immediately obvious example is that there has been no formal learning or dialogue by the Zambia Embassy with the Embassy in Vietnam, which is in a more advanced transition stage. While there are clear parallels in terms of the challenges and the potential areas of learning, the evaluation found that there has been little contact between the two countries, either directly or mediated through the MFA structures themselves.

### 5.6.5 Contribution of CSM to coordination, coherence and complementarity of the CS portfolio

**Coordination.** Coordination of interventions with other CPs was central to the aid effectiveness principles to which Finland and other donors subscribed and committed when the CS was launched. While the overall aid effectiveness climate gradually collapsed, interviews with CPs and the government indicate that Finland is perceived as a good development partner and one that has sought to coordinate its interventions. However, coordination was, as noted, a product of the overall aid environment, and there is no evidence that this can be attributed specifically to the introduction of the CSM.

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<sup>13</sup> This contrast to some other development cooperation programmes (e.g. the Irish) where in some cases specific individuals within the Embassy who are involved in the dialogue and management of multilateral engagements.

The focus of the CSM was on using the country context and priorities as a basis for identifying priorities that fit well with the Zambian context where there had been considerable efforts to do joint programming and to harmonize and align with government systems. **However, the CSM did not contribute to alignment and harmonization, as there were already on-going in-country initiatives** which guided the Finnish choice of aid modalities and programmes, including the use of basket funds, GBS and harmonization with other donors and alignment with GoZ systems. Most of the programmes use basket funding and are implemented by the GoZ to promote GoZ ownership and system strengthening i.e. GBS, PSDRP, PFMRP, and FSDP. Programming is also in line with in-country initiatives to align with OECD-DAC best practices such as the JASZ II which outlines a division of labour for donors and limits the number of sectors which they can engage in.

Furthermore, the CS itself was not well coordinated with other CPs, many of whom were not aware of its existence. This reflects the fact that the CS development was mostly an internal exercise.

**Complementarity.** Low identification and use of opportunities for complementarity is a reflection of the CS focus on bilateral instruments only, which missed the opportunity for more explicit planning around how different instruments could come together.

**Coherence.** Despite the fact that the CS encompassed existing projects and left little room for a specific design, the findings of the evaluation suggest that there was a good level of coherence in design between the CS interventions within the different results areas, although the extent to which this worked out in practice has been variable. The CSM monitoring processes did not noticeably contribute to coherence by identifying new opportunities or synergies, given the focus on closing projects, and a generally shrinking budget for the implementation of the CS. However, it did ensure that through the Embassy reporting, MFA particularly and the Embassy were able to identify the weak points including non-performing projects and started to close these (for example in the agriculture sector).

## 5.7 HRBA and cross-cutting objectives (CCOs) across evaluation criteria

### 5.7.1 HRBA and CCOs in the CS portfolio

With the introduction of Finland's 2012 DPP, a strong emphasis on HRBA<sup>14</sup> was introduced. Attention to gender, climate change and equality continued as cross-cutting objectives under the DPP and became compulsory.

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<sup>14</sup> In the evaluation HRBA was assessed against the three dimensions identified in the 2015 guidance on HRBA (MFA 2015), namely: whether they advance the realization of human rights as a development result; whether they advance inclusive, participatory and non-discriminatory development processes, which are transparent and enhance accountability; whether they enhance the capacities of rights holders and duty bearers and other responsible actors to realize rights.

In Zambia, at the project level some quotas have been set for women's participation and have been reported on, but target setting does not often go beyond that. There is evidence of addressing cross-cutting themes across different sector projects, in particular through attention to gender (quotas and FLC targeted projects) and some FLC focus on disability. Climate change and environment have seen less emphasis specifically although it is the focus of one of the results areas. The following summarizes the findings for each of the results areas.

### **Agriculture sector support**

- **SIP.** According to the 2015 evaluation attention for gender and social equality in SIP has been weak and there has been no gender mainstreaming or social inclusion strategy that would have guided SIP's work with beneficiaries. There have only been a limited number of women as beneficiaries (10-30 percent) and not at the decision-making level. Neither gender nor poverty criteria were used in the selection of beneficiaries. Climate change was not incorporated in the design, but environmental aspects were included, as minor risks were identified such as water pollution from run-off of herbicides and fertilizer, reduction in soil quality and increase in soil erosion, vegetation / ecosystem losses due to bush clearing and land levelling, clogging of canals by weeds and stagnant water.
- **S3P.** Design included disaggregated data collection but no specific targets set (by gender and poverty quintile, voice, percentage of women in leadership positions in farmer groups and CACs), and development of gender strategy. Aide memoires do not significantly reflect addressing CCOs. Only the debriefing report (22 March - 2 April 2015) reports in a gender-disaggregated form the number of trainers trained for seed production and beneficiaries trained for multiplication.
- **PLARD I & II.** In the first two years of PLARD II, programme implementation was particularly slow due to the changes in the programme structure from PLARD I to PLARD II in general. The slow start and the problems in initial programme design also affected the implementation of CCOs in the programme (only 5 percent of funds of the annual budget were used before the MTE). In PLARD II the process of mainstreaming CCOs has included:
  - Inclusivity (gender, age, social status) of the main beneficiary groups - CSGs and Village Fishing Management Committees (VFMCs) - and ensuring that all implemented activities are, at the very least, socially inclusive and do not discriminate against any socially defined groups. This, despite delays in implementation, yielded positive results and changes in the social dynamics, not only regarding the targeted groups, but also in the wider communities.
  - Quotas: CSGs were required to consist of at least 40 percent women (post MTE logframe), and the leadership positions of women in the CSGs were encouraged. The VFMCs were to consist of at the very least 30 percent women, their roles in leadership positions was also encouraged. Children and youth were considered specifically vulnerable groups but PLARD II did not directly attempt to reach children as direct beneficiaries as it targeted households as units.

- Implementing targeted activities for specific thematic areas and groups based on needs identified in the communities, for example HIV and AIDS information sharing through the extension messages with particular efforts targeted at the fishing communities in the swamps and islands. This has had good effects on how HIV and the people living with it are considered in the communities and their stigmatization has reduced.
- Climate change adaptation and the inbuilt strategies of conservation agriculture, diversification of livelihoods and integrated farming in PLARD II have been used and welcomed in the communities. The adoption levels of the strategies vary between communities and districts, but when strengthening the practical farming demonstrations with accurate knowledge on the connection to building community resilience towards the effects of climate change and climatic variation, the demonstrations are more clearly contextualised and make sense to the beneficiary communities.
- **ZNFU CSP I & II.** The ZNFU strategy is focused on membership and not on poverty and inequality, with anyone allowed to become a member. The membership fee is quite high, and this might prevent the poorest of the poor from becoming direct members, apart from being beneficiaries.
  - The ZNFU CSP II work plan and budget (2014-2017) included a specific CCO programme for addressing gender and environment issues. It includes effective gender targeting and gender responsive resource allocation (e.g. village savings schemes to address lack of affordability). The CSP II target is to gradually move towards a 50/50 leadership representation between male and female farmers starting from Implementation Committees, District Farmer Associations, Commodity Associations and ZNFU council and board levels.
  - Environmentally smart interventions related to conservation farming/agro-forestry; commercial farm forestry as climate smart agricultural practices; safe use of agrochemicals and farm risk mitigation tools are included in the design.
  - Baseline Survey for the ZNFU Gender Mainstreaming Intervention was carried out in 2013. It found out that women are not participating in the activities as much as they could, that there generally is limited knowledge and skills in gender analysis and mainstreaming at all levels and across ZNFU, and that only a few of the field facilitators are female. It recommended a specific strategy to target women which the CSP II has responded to.

**FLCs** have focused on HRBA and CCOs through direct support to organisations which fight against corruption; promoting good governance, accountability and public participation; gender equality; rights with people with disabilities and vulnerable groups (e.g. prisoners). In addition, PSD support includes a focus on women, e.g. FREE trains vulnerable young women in jewellery making and assists in marketing. Other private sector support through FLC is more direct through membership in associations and female beneficiaries of companies such as Rent-to-Own. Climate change has not been a focus area of the FLC support.

## Private Sector Development

All the PSD interventions paid attention to gender, with Green Jobs also addressing climate stability. The PSDRP was designed to enhance the business enabling environment to benefit both male and female entrepreneurs and the FSDP had objectives related to increasing financial inclusion for both men and women, which was achieved by the programme (Bank of Zambia 2015). The Green Jobs programme recognised gender as important in 'design, implementation and monitoring', with key performance indicators gender-disaggregated and the programme supporting organisations such as Zambia Women in Construction to ensure women benefited from skills transfer and job creation. The programme also promoted the use of Green Technology and sustainable construction techniques (ILO 2015).

## Environment

The ILUA project document mentions mainstreaming of gender and HIV/AIDS, However this is not made explicit in terms of targets or specific strategies. None of the CCOs have been specifically addressed in reporting.

The CSEF has had women as primary beneficiaries. As noted in the CSEF baseline report this does not provide evidence of mainstreaming specifically but rather that the focus has been on vulnerable populations of whom the majority are women. Capacity building support for cross-cutting issues was provided to 8 (40 percent) of the organisations. For each of the organisations, they were provided with capacity support in HIV mainstreaming, disability, gender and human rights approaches. Reporting has included attention to the number of female beneficiaries under CSEF I. Certain grant-supported initiatives had a clear gender focus, such as the inclusion and targeting of girls in conservation education initiatives, or the inclusion of a deliberate focus on women in alternative livelihood initiatives such as the establishment of apiaries and fisheries. However, overall the theme was addressed in an ad hoc manner by most Grant Partners, many of which have not captured data disaggregated by gender on a regular basis, and there was an overall impression that where this data was captured, it was largely for the purposes of monitoring and reporting to donors rather than reflecting a priority of the organisation. HIV and AIDS showed the least evidence of having been mainstreamed.

DFONRMP has targeted forest-dependent individuals and households including women, vulnerable groups and households living in extreme poverty. The HRBA and CCOs regarding gender, reduction of inequality and climate change are integrated into the project design, in its strategies and in indicators by focusing on democratic and inclusive decision-making, and including measures to diminish and mitigate climate vulnerability and enhance adaptation capacity. Gender indicators, however, are not made explicit in the project logical framework approach.

**In governance and accountability**, PRBS also had objectives relating to and reducing inequality and achieved results relating to these, such as supporting an increase in enrolments for girls in education. The exception was the PRMFP which did not incorporate any elements of the Finnish HRBA or CCOs.

The inclusion of social protection in the CS provided an opportunity to address all three of the CCOs. In the design of the Finnish support there was a strong push from the MFA Quality Assurance Board to focus on the human rights-based dimensions of social protection, i.e. SCT as a right for the poorest and most vulnerable. The project by nature has a strong focus on women as poverty levels in Zambia tend to be higher among female-headed households than male-headed households. Disability has been included as a key targeting criterion. While there is no doubt that the SCT have human rights based dimension, there has been little explicit focus on this in the reporting and the GoZ is clear in indicating that the country does not have the fiscal space to go for a human rights-based approach. Gender has not been specifically included in the reporting which somewhat strangely does not include gender disaggregated data on beneficiaries, nor does it include specific reporting against the CCOs. There is no mention of environmental approaches or targets in the reporting.

### **5.7.2 Contribution of the CSM to HRBA and CCOs in the CS portfolio**

The CS broadly committed to addressing these priorities and to inclusive approaches. In the CS references are made to needs assessments of women and easily marginalized groups; provision of matching grants; promotion of labour-saving technologies and ICT extension; and access to land, markets and credit.

A general CS chapter on HRBA and CCOs in the CS states that the EU Human Rights Strategy, EU Gender Equality and Women Empowerment Action Plan form the basis for addressing these issues, and at the sectoral level an HRBA review will be undertaken as part of the project cycle. At the project level a three-pronged approach of mainstreaming, targeted actions and policy dialogue was expected.

However, the contribution of the CSM is marginal as HRBA and CCOs have not been addressed explicitly with specific targets in the CS, and also not as regards interventions. Furthermore, in annual CSM processes data on cross-cutting issues (even while gender-disaggregated data collection is common) are rarely analysed and used for future development and innovations.

### **5.8 Assessment of the validity of the TOC based on the evaluation findings**

Section 4.3 set out the TOC for Zambia, highlighting the assumptions on which it was based. This section considers the validity of these assumptions on the basis of the evaluation findings.

Overall, the assessment shows that a number of the underlying assumptions have not been met. Key assumptions relating to the overall context and the role of aid effectiveness have not held up. Assumptions about budgetary commitments and stable support have fallen short on either side. Assumptions related to policy influencing have partially been confirmed, although not through the mechanisms that were anticipated to be the most effective. As Finland in many results areas did not achieve results at the intervention level - see effectiveness section of this report - the remainder of the TOC result chain could not be activated.

## Findings on validity of the TOC assumptions:

Assumption	Finding
<b>1. Stable budget paired with reduced fragmentation will allow MFA to focus on fewer projects with larger budgets.</b>	This assumption proved not to be fully valid. Budgets were not stable, and in fact declined very significantly over the evaluation period (see Figure 4 above). In addition, while significant efforts were made during the evaluation period to reduce fragmentation, the benefits of this will only start becoming evident in the coming period as much effort and time was expended on winding up and closing projects.
<b>2. Complementarity is assured with other partners, including Finnish businesses that are interested in investing in Zambia.</b>	There has been relatively little focus so far on investments by businesses and there is limited complementarity with non-bilateral aid instruments.
<b>3. GBS promotes more efficient systems for allocations of funding and constitutes a strong platform for engagement.</b>	While the assumption made sense at the start of the evaluation period, there were considerable contextual changes that worked against the assumption. In the end the assumption has not been valid given the decline in engagement by CPs and the disintegration of the GBS dialogue which led to the end of GBS in 2014.
<b>4. Engagement/leadership in sectors provides extra leverage in policy and dialogue structures between government and donors and will remain strong.</b>	While the end of the GBS has reduced the dialogue structures, the assumption has still partially held true as is illustrated by various areas in which Finland has been able to have influence.
<b>5. Policy dialogue leads to policy decisions and the implementation of policy reforms.</b>	This assumption has only partially been supported by the evidence. In social protection the policy dialogue has been followed by concrete financial commitments; however, in environment and agriculture while policy decisions are taken the commitment to following up on them has been weak.
<b>6. GoZ will continue to increase funding of social sectors.</b>	This assumption held true while the instrument was in place, as illustrated in the discussion above. Funding has since, however, declined.
<b>7. CSO partners are necessary to complement capacity constraints and for advocacy.</b>	This assumption has been supported, although capacity constraints at the CSO level limit the extent to which this can fill a gap.
<b>8. Sufficient GoZ capacity will be in place.</b>	This assumption has been partially supported. Technical capacity is still a constraint to sustainability in a number of areas, including ILUA.
<b>9. Results at strategic choice level 2 will lead to higher level results at strategic level 1. Results at strategic choice levels 1 and 2 will make a meaningful contribution to impact in Zambia.</b>	As noted earlier, the linkages between the strategic results level are weak. This assumption is therefore only partially supported and is essentially impaired by the contribution gap. It is challenging to demonstrate how the broad and high level results at this level have been affected by the intermediate outcomes. The causal relationship between the indicators at different levels is hard to demonstrate.

## 5.9 Country-specific issues

The evaluation TOR for Zambia requested that the evaluation identify specifically what Finland's added value had been in sector coordination in agriculture, environment and in private sector development (Annex 1, p. 107).

The evaluation finds that across the different results areas Finland has played a key role as a reliable, long-term partner with good technical expertise. Finland has been consistent in its support, providing critical 'gap filling' funding in some areas. Even when funding joint initiatives Finland has added value

through choices around engagement and by contributing to dialogue. Specifics for each of the sectors are provided below.

**In environment:** Finland has been a long-standing partner in environment and is seen as a neutral but committed donor. Finland has provided important technical expertise. It is also seen as a reliable partner because it has chosen to stay where other donors have exited (Norway in 2016, and prior to this Denmark and Netherlands). Its added value comes from engaging across different partners (government, CSOs and private sector) and participating in dialogue constructively. Recent policy achievements, i.e. approval of the new National Forestry Policy (approved in 2014) and the Revised Forestry Act (2015), were associated across interviews with Finland's engagement in the policy dialogue, giving Finland credit for its contribution to these achievements.

**In social protection:** Finland had recently taken on the role of lead in the sector. However, even before this it has had an added value through its 'gap filling' and complementary approach to what others were doing. According to interviewees it has been Finland who has singled out and highlighted the importance of paying attention to social protection policy. Finland also provided key support to the scaling up of social protection, funding the responsible ministry directly and showing flexibility in allocating resources. Finland is therefore credited by interviewees in government, donors, and CSOs with having played a key role in the approval of the policy. Finland has been instrumental in discussions with government on funding to social protection - highlighting that it is a more efficient instrument than other alternatives such as farm subsidies (on which the government spends considerably more).

**In agriculture:** Finland has been a long-standing partner in this sector and a sector lead. It has been instrumental in the government's starting to reform FISP by piloting the e-voucher system in 13 districts in 2015. The system is evolving input procurement by allowing the private sector to play the leading role in delivering inputs to farmers and allowing more freedom of choice of inputs to diversify production. The fact that Finland continues to engage in the sector dialogue even though its direct interventions have ended is appreciated and allows it to bring lessons across from other results areas.

**In private sector/governance:** Finland has been active in the steering committees for each intervention (it co-chaired the PFMRP and remained active in the donor group despite having completed its funding, co-chaired FSDP and was active in the coordination of Green Jobs). Finland is valued for its technical expertise and was reported to have been helpful on advising on decentralisation for the PFMRP. Finland is also funding a twinning arrangement between HAUS and the ZPPA (Zambian procurement authority) to complement support under the PFMRP.

The TOR also asked that the evaluation consider specifically that Zambia "*is in the process of transitioning to the lower middle income level*", and make justified recommendations that reflect how broad-based partnerships and CS programming can be used to advance collaboration between Zambia and Finland. This has been taken up in the recommendations section of this report.

**The evaluation finds that across the different results areas Finland has played a key role as a reliable, long-term partner with good technical expertise. Finland has been consistent in its support, providing critical 'gap filling' funding in some areas.**

## 6 CSM EVALUATION FINDINGS

This section of the report considers the evaluation findings with respect to the Country Strategy Modality. It looks at the relevance, effectiveness, efficiency and sustainability of the CSM.

### 6.1 Relevance of the CSM

Without exception the interviews with the MFA, Embassy staff and ex-Embassy staff indicate the **usefulness of the CSM as a planning, monitoring and reporting tool**. The CS added the results-based thinking into the work. Prior to this there were no tools to assess the performance of development cooperation. The CS thus clarified what the common goals of the Embassy and the Development Cooperation Programme in Zambia were. The CS is perceived as having improved the quality of reporting and having brought about a better understanding of what is being achieved, although some indicators are far from being helpful in getting a sense of what projects are specifically contributing to.

**The relevance is affected negatively by the fact that the CS is primarily an MFA document and not known by the government or other donors.** This reflects the fact that there was limited consultation on the CS in the design phase, and that there was a specific MFA instruction that it should be considered an internal document. Decisions on sectors and projects had already been made when the CS process started. This is evidenced by the composition of the portfolio and was triangulated in the interviews with current and former Embassy and MFA staff. The projects were then made to fit the sectors; so, for example, social protection was placed within the governance sector and was not coherent with other projects such as the PFMRP.

### 6.2 Effectiveness

#### **Effectiveness of the CSM in influencing CS portfolio to perform better**

As is noted in the limitations and discussed extensively against each CS portfolio performance criterion above, the CSM as yet has not had much opportunity to influence the portfolio of interventions it relates to.

The next update of the CS will likely fulfil a more effective influencing role, as the portfolio has been greatly reduced with a number of projects that have closed and are closing (in particular the withdrawal from the agriculture sector). Also, the reduction in the budget is probably proving to be a more 'effective' instrument in that it is obliging the Embassy to make difficult choices (likely to reduce to two sectors under the next CS).

However, there is some evidence to suggest that the CSM has contributed to the establishment of a more effective portfolio. Particularly, the CSM provided a **tool in reducing fragmentation of the portfolio** given the strong guidance from

the Finnish Minister that by 2016 the number of projects needs to be cut in half which started the de-fragmentation process. Prior to this the idea was to have a holistic portfolio including many sectors. In 2010 the budget practically doubled and that motivated the starting up of new programmes/projects. As the big programmes were not progressing, support projects were designed and (surprisingly) the Quality Assurance Board also approved those easily. In Zambia the CSM was accompanied with the instruction (see above) that the portfolio needed to be reduced. There is evidence that the CSM processes contributed to identification of projects and programmes that should be closed down. This resulted in the ending of support to the agriculture sector as a separate results area. The CSM has thus contributed to reducing fragmentation and making decisions on closing the non-performing projects and even sectors (agriculture) and functioned as an important tool in this process.

### **Effectiveness of introducing the CSM.**

**However, the relevance and effectiveness of the CSM to the CS is affected by the fact that it only includes bilateral projects.** In a changing development cooperation situation (limited ODA and more focus on other instruments than bilateral cooperation) this has considerable limitations and the perception from interviewees is that it does not justify the person days put into its preparation. For example, the CS does not include regional programmes, the work of Team Finland or promotion of trade. Because of this the CS cannot respond to the need to shift towards other instruments than traditional bilateral cooperation and actually inhibits a broader and more strategic view. Fragmented management of all these different instruments reportedly also makes it difficult to develop a comprehensive plan for promoting business partnerships and trade relations.

### **Effectiveness of CSM processes and results targeting**

All interviews suggest that **CSM has contributed to better results-orientation.** Indicator development and monitoring of the process has improved but still requires development, and the quality of the indicators affects the extent to which the CSM can effectively facilitate learning and accountability, in particular in areas where the indicators are weak and where there are no data available.

The CS has been used as a **tool for discussion and accountability with the individual projects.** The CSM did not explicitly include a consultation process with the government. However, the focus on results has reportedly helped in dialogue and discussion with the projects and with the government. Emphasis has been on using government indicators, although this was also noted as having made the link to specific Finnish interventions more difficult to understand. The CS reporting process has affected positively the addressing of challenges and non-performance of projects (annual reports). For example, the SIP problems came up because of the reporting and resulted in dialogue between the MFA and the Embassy and the closing of the project.

In spite of requirements for monitoring against CS indicators, the **introduction of the modality has not brought about a stronger focus on evaluations and reviews of projects and programmes.** In fact, the evaluation found that in some sectors there have been only limited reporting, assessments and evaluations.

Various projects have ended without adequate final reporting/evaluation; e.g. FSDP did not have an MTR or a final evaluation; ILUA did not have an MTR and is now in its final stages; and PFMRP has relied on World Bank reporting which has not been adequate and they have not undertaken reports as agreed in terms of an MTR and a PEFA assessment which should have been undertaken in 2015. The absence of reports is a limitation to effective monitoring and lesson learning for the CS and for the CSM.

In general, the dialogue based on the annual reporting is reported to be **an excellent opportunity also for the MFA management to have a dialogue with the Embassy and provide feedback**. This process has facilitated streamlining in terms of new projects and projects to be closed. It has been a slow process in the midst of the cuts in development already taking place during the previous government and with even bigger cuts with the current government.

### 6.3 Efficiency of the CSM

**Initial guidance and support to the introduction of the modality was weak** and reportedly marred by contradictory instructions in particular on indicator development. This was reported to have been frustrating and to have made the initial processes labour-intensive. Embassy staff indicated that overall the guidance has improved since then. However, it came late to influence/support the CS drafting. Nonetheless guidance on indicators has continued to fall short of the needs.

In overall terms for the Zambia team, the feedback process on annual reports is acknowledged as being very helpful, in spite of the often critical nature of the comments/suggestions. However, the **varying capacity and time of the AI** to provide required support to the Embassy has been an issue. There is a lack of on-going/continuous support to CS processes by technical and thematic staff (Advisors) from the Ministry (e.g. it has been reportedly difficult to secure the support of the thematic experts at other moments in the planning and implementation process).

Embassy staff also report being constrained by a lack of project (in particular monitoring and evaluation) and budget management skills in order to manage projects effectively and by receiving insufficient support in this area in spite of the demands that the CSM puts on the Embassy in terms of these issues.

Staff turn-over has hampered efficiency and effectiveness. Together with the lack of focus on reporting and evaluations, this has meant that there has only been very limited lesson learning from projects that are currently being closed or that have been challenging in terms of implementation.

### 6.4 Sustainability of the CSM

The CSM processes themselves have begun to be part of the regular cycle of activities. As noted above, the value of the focus on results is uniformly acknowledged by Embassy staff, and it was also reported to have been useful for the staff of different projects that are supported by Finland. However, for these processes to become sustainable there needs to be a stronger sense of the added value they bring, which can be achieved if the CSM serves the broad purpose of engagement in the country (i.e. beyond bilateral cooperation); if a strategic setting of objectives influences the choices of interventions over time; and if these processes are adequately supported.

## 7 CONCLUSIONS

Chapters 5 and 6 present the main findings against the specific questions that are contained in the evaluation matrix for this assignment, and which cover both the CSM and the Zambia CS. The conclusions below provide a synthesis overview of the main conclusions of the evaluation against the evaluation questions.

1. **The Finnish CS for Zambia is clearly relevant to the Zambian and Finnish priorities, and to the priorities of the Zambian people.** It reflects attention to national policies and priorities and combines a focus on poverty with a focus on economic growth, which mirrors the priorities in Zambia's National Development Plan (NDP). The CS is broadly relevant to the priorities of the partner country stakeholders by integrating a focus on key concerns including agriculture as a source of income and of growth, governance, economic development, climate change and environmental concerns. The choice to include social protection was particularly relevant as it enhanced the focus on addressing issues around equity and scores high on key CCOs (gender and human rights). The direct relevance to the needs of poorest population is less evident for some interventions, e.g. PSD and ILUA. Challenges with implementation have reduced the relevance in practice of some of the interventions (e.g. the SIP and S3P projects). While the CS provided a framework for taking into account key characteristics of the context, it could not anticipate many of the changes that took place. It did not specifically plan for or consider the transitional context.
2. The overall effectiveness of the CS is difficult to assess because of the contribution gap in the logic model which makes it difficult to assess how the results from the various projects may be related (contributed/attributed) to the overall development goals of the CS. In **agriculture** the effectiveness has fallen short of expectations, with a number of initiatives underperforming and/or being terminated. The ZNFU support was by far the most effective. Through PLARD there were some gains in access to resources by smallholder farmers, which has contributed to improved productivity for beneficiaries. The multi-bi projects in this part of the portfolio performed poorly. There were no results for the small-scale irrigation schemes in spite of considerable investments per beneficiary household. **Private Sector Development** was a new area of the portfolio under the CS. Overall the various interventions in this area have made good progress towards achieving their purpose through the creation of green jobs, an increase in financial inclusion and improved access to e-services for businesses. However, less progress has been made increasing the competitiveness of MSMEs through participation in research, development and inclusive innovation processes. The variable performance reflects a need to work on further understanding of where Finland can add value in this sector. **In environment** most of the expected

outcomes have not (yet) been achieved. There has been progress towards building a national data base on forestry and other natural resources, and capacity building at central and decentralized levels, including among CSOs. However, access to the data base and the usability of the data are still challenging and there are concerns about maintaining the data base beyond the end of the project in 2016. There has been an increase in CSO involvement in environmental initiatives through direct funding. There are no results yet for decentralized forestry and other natural resources projects. National level government commitment to environment has been and remains weak, in spite of indications that the overall environmental challenges remain serious and that environmental degradation is progressing. **In the area of good governance and accountability** there has been mixed progress across the range of different projects that are part of this component. The social protection programme has been effective; it has been scaled up with an increased number of beneficiaries and is now 80 percent government-funded (against 20 percent at the start). Through other initiatives there is evidence of increased revenue collection, and improvement in public procurement. GBS, while effective in increasing government funding to social sectors, performed poorly toward the end. It lost its effectiveness during the CS period and was terminated in 2014. The FLCs have been used in some cases as a flexible means to support the implementation of projects in PSD. FLCs have also focused effectively on gender. In agriculture the FLC support has been used effectively to address the management challenges of a non-performing project.

3. **There are strong examples of policy influencing by Finland in the key sectors that it has supported.** This is reflected in high level government decisions related to farm subsidies and increased funding for the SCT, as well as in influence on policy and regulations in other areas (e.g. environment). The policy influencing is attributed to the longstanding role that Finland has played in key sectors and to characteristics of Finnish development aid, including neutrality and being a fair player. The CS has brought about a stronger focus on policy influence but not on aid effectiveness which was already an ingrained way of working for donors in Zambia. The termination of GBS removed a major opportunity for policy influence which has not been replaced.
4. The achievement of development results through the CS has been impacted by the focus on outputs. The CS focus on output reporting has made it more difficult to monitor and capture development results. **Mid-term and final reporting, as well as (impact) evaluations, have not been consistently conducted.** In their absence it is difficult to ascertain what the contribution of individual projects is to the higher level development goals, and to establish the impact of the Zambia CS interventions. The exception to this is the with the social protection programme which in its design included a gold standard impact evaluation. The findings of the impact evaluation have presented a convincing case to the GoZ to scale up its funding which is now part of the MTEF. The impact evaluation findings have also been used effectively as part of Finland's and other CPs' efforts to influence the GoZ farm subsidy policies.

5. **The CS period has seen considerable challenges to efficiency; however, there has been strong progress reflected in an improvement in disbursement rates** over time from 23 percent in 2012 to 82 percent in 2015. Efficiency gains have been made through the reduction in the size of the portfolio, increased emphasis on RBM, good complementary use of newer FLCs, and the leveraging of additional support of Finnish partnerships. The evaluation also **identified challenges** including: insufficient focus on risk identification in the CS design and in the design of specific projects and programmes; over-optimistic design and underestimation of technical complexity; issues related to modalities and implementation partners; limited ownership on the Government side, financial commitment and slow approval processes by the government; geographical spread vis-à-vis project resources; time and resources needed for scaling down the inherited portfolio; insufficient attention to programme management and related skills; insufficient support from the MFA in Helsinki on the CS design and implementation; and a significant turn-over of staff.
6. **The sustainability of the Zambia CS and the interventions that it contains is variable across the different interventions in the portfolio.** Commitment, ownership and resources are key constraints and represent a necessary condition for sustainability. There is a strong sense of ownership for some of the governance projects – social protection, procurement reforms and selected activities in agriculture (ZNFU). In environment, ownership and commitment at national level continue to fall short, although there is evidence that extensive consultation around the DFON-RMP has created ownership at decentralized levels.
7. **Alignment with country systems and coordination has been good.** This reflects values to which Finland subscribes as well as the strong focus that has been put on aid effectiveness in Zambia over the past decade and which predates the introduction of the CS. There is no evidence that the CSM contributed to more aid effective country programming. **Complementarity with other Finnish aid instruments has not been strong**, although there have been a few exceptions. **Coherence in design within different results areas has been good overall**, although with some exceptions which reflect the retro-fitting of projects under the CS. In practice coherence has not always been possible because of delays in implementation. Coherence between results areas is less evident. External coherence with the trade and multilateral programmes has been weak. There has been little engagement or learning between countries. Shrinking budgets raise questions about how the three remaining results areas can be maintained in a coherent manner.
8. **The introduction of the CS resulted in a stronger focus on cross-cutting objectives for a number of projects. At the CS level there are no specific targets set for addressing the HRBA, gender or climate change.** There has been attention to gender in most of the interventions, although not consistently reported and not consistently presented in terms of disaggregated data. Disability has been targeted through the social protection programme. The HRBA has been inconsistently included across the portfolio. Environment has been mainstreamed to some degree across the

The introduction of the CS resulted in a stronger focus on cross-cutting objectives for a number of projects.

portfolio (agriculture and PSD) and addressed through the environmental results area.

9. The evaluation has examined the validity of the assumptions behind the TOC and this shows that **a number of the underlying assumptions have not been met**. Key assumptions relating to the overall context and the role of aid effectiveness have not held up. Assumptions about budgetary commitments and stable support have fallen short on either side. Assumptions related to policy influencing have partially been confirmed, although not through the mechanisms that were anticipated to be the most effective.
10. **In terms of added value**, across the different results areas Finland has played a key role as a reliable, long-term partner with good technical expertise. Finland has been consistent in its support, providing critical 'gap filling' funding in some areas. Even when funding joint initiatives Finland has added value through choices around engagement and by contributing to dialogue.
11. The evaluation finds that **the CSM has been a relevant tool for planning, monitoring and reporting. It has been used as a tool for discussion and accountability** with the individual projects. It provided a framework for focusing after a period of fragmentation. It did not offer the possibility to radically change the CS programme because projects were inherited from the CEP period and because of the time it took to close down existing projects. However, both its relevance and effectiveness are diminished because the CS is not owned by all stakeholders. The relevance is also reduced because it is limited to bilateral cooperation. The efficiency of the CSM has been reduced because of insufficient support to the implementation of the modality, a lack of focus on reporting and evaluations, and a lack of attention to risk management. The contribution gap of in the CS logic model has meant that the CSM does not provide a convincingly integrated structure to link the performance of individual interventions with the status of sectors to which they seek to contribute. The CSM has, however, improved the communication and dialogue with HQ around results. The CSM in its present form is not in itself sustainable.

## 8 RECOMMENDATIONS

- 1) Like the current one, the design of the next CS should include careful consideration of relevance to country, beneficiary and Finnish priorities (ref. conclusion 1). Continued high levels of poverty in Zambia suggest that the next CS should have a strong focus on prioritizing poverty alleviation and inclusion. This is in line with the Finnish DPP which has the overall goal of ‘reducing poverty and inequality’.
- 2) The new CS should cover the full range of Finnish instruments (ref. conclusion 7). It should clearly highlight how the different instruments will contribute to the goals that Finland has for its engagement in Zambia. This should allow for business expertise and soft power (e.g. education expertise, technical assistance, scholarships) to be part of its menu of options for engagement under the CS.
- 3) The next CS should more explicitly recognize the transition context in Zambia (ref. conclusion 1) and the multiple role of the Embassy as a facilitator in a longer-term transition from official development assistance to facilitating business partnership and trade opportunities. It should therefore be formulated with a longer 10-year vision in mind which clearly outlines Finland’s overall role and interests in Zambia. The vision should guide the choices for the next period.
- 4) The new CS should present a detailed analysis of risks and assumptions and how these will be addressed (ref. conclusions 5 and 11). This should move beyond the somewhat mechanistic way in which this has been presented (when done) in the project designs so far.
- 5) The next CS should build more strongly on ownership and commitment, and be developed in a more consultative and inclusive manner (ref. conclusions 5 and 6).
- 6) The next CS should be more streamlined and focus on a maximum of two results areas with a manageable number of projects (we suggest a maximum of 4-5 projects) (ref. conclusion 2).
- 7) The next CS should build on the areas where Finland has achieved results (ref. conclusions 2, 3 and 10) and that are in line with the evolving (transition) context. This should include a continued focus on policy influencing. There is a strong justification for continuing support to social protection given the results achieved and the strong poverty focus. There is also a clear justification for continuing to engage in those areas of PSD that have been particularly successful.
- 8) To guide the further engagement in the private sector, the MFA should commission an evaluation of the engagement in PSD which should inform the support to the longer-term transition from ODA to facilitating business partnerships and trade opportunities (ref. conclusion 2).

- 9) The CS logic model for the next phase of programming should be revised, as should the results monitoring framework, to bring the different levels closer to the actual interventions by Finland, thus reducing the contribution gap (ref. conclusion 11).
- 10) There should be strong support for the Embassy in programme management and budgeting (ref. conclusion 5). The support should be demand-driven to be most effective. There should also be more attention to the role of desk officers as a conduit for requests from the Embassy to ensure that the facilitating support that is needed is provided.
- 11) The next phase of support should include specific targets for cross-cutting objectives (ref. conclusion 8). It should explore whether there are opportunities for more explicit prioritizing of environmental concerns as part of the social protection focus. This could cover training of social protection staff on mainstreaming of environment and resilience, sensitization of the village committees and recipients of grants, and the inclusion of environmentally specific targets and indicators in project planning.
- 12) The new Finnish strategy for engagement with Zambia should explicitly maintain a strong level of engagement with the Government of Zambia (conclusions 3 and 10). The CS period included a significant and successful investment of time in policy dialogue across a range of Finnish priority areas. The human resource allocation for the Embassy should include resources for this type of engagement which has shown to have an impact beyond the direct areas of intervention of Finnish projects.

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## THE EVALUATION TEAM

**Muriel Visser** (country team coordinator) has over 20 years' consultancy experience, with particular expertise in policy analysis, programme design and preparation, evaluation and aid management, as well as technical expertise in education, HIV/AIDS and health. Dr Visser is an experienced evaluator and has led large multi-donor country programme evaluations for various bilateral and multilateral agencies. In the area of policy, she has provided technical analysis and inputs into education and health, policies and strategies for international agencies/programmes as well as for recipient governments, and has worked extensively on the mainstreaming of cross-cutting issues such as gender and HIV/AIDS. She holds a PhD in Health Communication and a Master's in Education. She led this country evaluation and had the main responsibility for the context analysis, aid policy, and the analysis for the environmental sector and social protection.

**Ann Bartholomew** (evaluation team member) is an economist with expertise in public financial management, aid management and evaluation. She has over twenty years' experience undertaking consultancy and development work in Africa, the Pacific and Asia. She has wide-ranging consulting experience covering design missions, institutional reviews, programme appraisal, reviews and evaluations. In this evaluation she focused on the Private Sector and on Governance.

**Pirkko Poutiainen** (evaluation team member) is a social scientist and has over 25 years of experience in international development cooperation. Most of her experience is linked to the Ministry for Foreign Affairs of Finland and multilateral development agencies, from concrete implementation to aid agency level with policy and management issues and cross-cutting objectives (gender, human rights). This includes work at the World Bank HQ, in two UNDP country offices, 10 years of permanently living in Sub-Saharan Africa, 1.5 years in a post-conflict country and numerous consultancies in Sub-Saharan Africa, South East Asia, East Asia, Caribbean and East and Central Europe. It also includes implementation of a Finland-supported rural water supply and environment project in Ethiopia. In this evaluation she focused on the MFA development policy principles and guidelines, results-based management, cross-cutting objectives and the analysis of the agriculture sector and the Fund for Local Cooperation.

# ANNEX 1: TERMS OF REFERENCE

## Evaluation of Finland's development cooperation country strategies and country strategy modality

### 1 BACKGROUND TO THE EVALUATION

Over time, Finland has established long-term development cooperation partnerships with seven developing countries. These countries are Ethiopia, Kenya, Mozambique, Zambia, Tanzania, Nepal and Tanzania. Ministry for Foreign Affairs of Finland (MFA) has had a specific policy and implementation framework for planning and managing the development co-operation in these countries. These management frameworks have been called with different names over the times, but in practice, they have defined the Finnish country strategies in the long-term partner countries. **The Development Policy Programme 2007** introduced Country Engagement Plans (CEP) for each of the long term partner countries which were followed from 2008 until 2012. The current country strategy planning and management framework (hereafter Country Strategy Modality, CSM) was based on the **Development Policy Programme 2012** and implemented in partner countries from 2013 onwards. Currently, about half of the MFA's bilateral and regional development funding is channelled through the CSM. Now, the latest country strategies and the CSM will be evaluated in accordance with the annual development cooperation evaluation plan 2015, approved by the MFA.

Previously, the country strategies or programmes have been evaluated only on individual country basis. Countries evaluated within the last 5 years are Nicaragua, Nepal, Tanzania and Kenya. The other partner countries may have been evaluated earlier or covered only by policy evaluations or project evaluations.

All published evaluations: <http://formin.finland.fi/developmentpolicy/evaluations>

A synthesis of eight partner countries programmes was published in 2002. <http://formin.finland.fi/public/default.aspx?contentid=50666&nodeid=15454&contentlan=2&culture=en-US>

A separate evaluation study will be conducted as well as a country report drawn up from the following country strategies: Ethiopia, Mozambique, Zambia, Tanzania, Nepal and Tanzania. Kenya's country strategy was evaluated in 2014, and these evaluation results will be integrated into the context analysis and the synthesis of the evaluation. Similarly, the country strategy of Nicaragua that was terminated in 2012 during the evaluation period, can be taken into account in the context and the synthesis analyses based on the previous country and strategy evaluations.

### 2 CONTEXT

#### Country Strategy Modality

In 2011 the MFA commissioned an evaluation on results-based approach in Finnish development cooperation. The evaluation recommended, among the other recommendations, MFA to re-organize the system of country-level planning to identify more measurable objectives and indicators. As a result of the recommendation, and as a part of the Result Based Management development work (RBM) MFA decided to develop country strategy model that is more in line with the results base approach as well as the Development Policy Programme 2012. New guidelines for the country strategies were developed for the country teams in the second half of 2012. New country strategies were adopted country by country in 2013. New instructions for follow up and reporting were developed during the course, based on learning from experience. New versions and updates of the Country Strategies have been done annually.

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According to the MFA's first internal guideline on Country Strategies in 2012, the Country Strategy is a goal-oriented management tool for managing the Finnish development cooperation in a partner country. The strategy provides guidance for planning and implementing the cooperation as well as for reporting on the progress. The Country Strategies answers at least to the following questions:

- How the partner country is developing?
- Considering the situation in the country, Finland's development policy, resources available, the coordination and division of the work with other development partners as well as the best practices in development aid, what are the development results that Finland should focus in the partner country, and with which tools and aid modalities?
- What are the indicators that can be used to follow up the development of the partner country as well as the results of Finland's development cooperation?
- What are the indicators that can be used to follow up effectiveness and impact of Finland's development cooperation?
- How the progress should be reported?
- How the information from the reports will be utilized in the implementation of the strategy?

One of the goals of adopting the current Country Strategy Modality in 2012 was one of the steps to increase the effectiveness and impact of Finland's development policy and cooperation at the country level. Following the good practices of international development aid, Finland's strategy in a partner country supports the achievement of medium-range goals of the partner country government in three priority areas or sectors. Country strategy also takes into consideration as far as possible the work done jointly with other donors (for example, the EU country strategies and multi-donor development cooperation programmes carried out jointly with Finland). The country strategies are approved by the Minister for International Development of Finland. However, the content is consultatively discussed together with the partner country government and other major stakeholders.

The aim was to keep the country strategy process light and the process flow loose to acknowledge the different country contexts.

Separate instructions have been developed for Country Strategy planning, follow-up and reporting. Some of these instructions are in Finnish.

### **Country Strategies to be evaluated**

The country strategies were formulated in 2012 for each long term development partner country with the option for annual revisions in the case of changing environment. The country teams have reported the progress and results of the country strategies annually in the Annual Country results reports on Development Policy Cooperation by country development result and by Finland's objectives and specific objectives. The original country Strategies were updated in 2014,. These versions can be found from the MFA web site. The links are provided below. The updated versions may contain of some different information compared to the original ones, but provides sufficient information for tendering purposes. The original copies as well as other relevant internal documentation will be provided during the inception phase.

#### *Ethiopia:*

The updated Country Strategy for Development Cooperation with Ethiopia 2014-2017:

<http://formin.finland.fi/public/default.aspx?contentid=274547&nodeid=15452&contentlan=2&culture=en-US>

### *Zambia:*

The updated Country Strategy for Development Cooperation with Zambia 2014-2017:

<http://formin.finland.fi/public/default.aspx?contentid=274537&nodeid=15452&contentlan=2&culture=en-US>

### *Tanzania:*

The updated Country Strategy for Development Cooperation with Tanzania 2014-2017:

<http://formin.finland.fi/public/default.aspx?contentid=274539&nodeid=15452&contentlan=2&culture=en-US>

### *Mozambique*

The updated Country Strategy for Development Cooperation with Mozambique 2014-2017:

<http://formin.finland.fi/public/default.aspx?contentid=274551&nodeid=15452&contentlan=2&culture=en-US>

### *Nepal:*

The updated Country Strategy for Development Cooperation with Nepal 2013-2016:

<http://formin.finland.fi/public/default.aspx?contentid=274553&nodeid=15452&contentlan=2&culture=en-US>

### *Tanzania:*

The updated Country Strategy for Development Cooperation with Tanzania 2013-2016:

<http://formin.finland.fi/public/default.aspx?contentid=274544&nodeid=15452&contentlan=2&culture=en-US>

## 3 PURPOSE AND OBJECTIVE OF THE EVALUATION

**The purpose** of the evaluation is to provide evidence based information and practical guidance for the next update of the Country Strategy Modality on how to 1) improve the results based management approach in country programming for management, learning and accountability purposes and 2) how to improve the quality of implementation of Finnish development policy at the partner country level. From the point of view of the development of the country strategy modality the evaluation will promote joint learning of relevant stakeholders by providing lessons learned on good practices as well as needs for improvement.

**The objective** of the evaluation is to provide evidence on the successes and challenges of the Country Strategies 1) by assessing the feasibility of strategic choices made, progress made in strategic result areas, validating the reported results in the annual progress reports and identifying possible unexpected results of Finland's development cooperation in each of the long-term partner countries; and 2) by aggregating the validated results and good practices at the MFA level and 3) by assessing the feasibility of the Country Strategy Modality for the purposes of results based management of the MFA.

International comparisons can also be used when assessing the Country Strategy Modality. Comparison countries may be, for example, Ireland and Switzerland, whose systems have been benchmarked in the planning stage.

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## 4 SCOPE OF THE EVALUATION

### Temporal scope

The evaluation covers the period of 2008–2015. The results-based Country Strategy Modality with new directions and guidance was designed in 2012, and implemented from 2013 onwards in all the Finland's long-term partner countries. However, a longer period, covering the earlier modality is necessary to take in consideration, as most of the individual projects constituting the country strategies started already before 2013. Many of the projects and interventions were actually developed based on Country Engagement Plan modality that was the precursor of Country Strategy Modality and was adopted in 2008. In 2012, the interventions were only redirected and modified to fit better to the new structure of Country Strategy Modality and the new Development Policy programme. In order to understand the strategies as they are now and to evaluate the change and possible results of current country strategies, it is essential to capture the previous period as a historical context.

Similarly, when evaluating the feasibility of the Country Strategy Modality at process level, capturing a longer period is essential. Therefore, the period 2008–2012 will be analysed mainly on the basis of previous evaluations with a particular interest to give contextual and historical background for assessing the change that the new Country Strategy Modality introduced.

### Content scope

The evaluation covers the following processes and structures

1. The Country Strategy Modality, including the process transforming Country Engagement Plans into Country Strategies
2. In each of the countries, a country-specific context from 2008 to 2015, consisting of the Finnish bilateral assistance contributing to partner country's own development plan, Finland's development funding portfolio as a whole in the country and Finland's role as part of the donor community.
3. Current Country Strategies; achievement of objectives so far taking into account the historical context of the strategies and possible changes in the objectives 2013 onwards.

## 5 ISSUES BY EVALUATION CRITERIA

The following issues by evaluation criteria will guide the evaluation. Priority issues for each criterion are indicated below. In order to utilize the expertise of the evaluation team, the evaluation team will develop a limited number of detailed evaluation questions (EQs) during the evaluation Inception phase. The EQs should be based on the priorities set below and if needed the set of questions should be expanded. The EQs will be based on the OECD/DAC and EU criteria where applicable. The EQs will be finalized as part of the evaluation inception report and will be assessed and approved by the Development Evaluation Unit (EVA-11). The evaluation is also expected to apply a theory of change approach in order to assess the relevance of strategies as well as expected results and impact.

### **The Country Strategy Modality will be evaluated using the following criteria:**

#### Relevance of the Country Strategy Modality

- Synthesize and assess how the country strategy modality has ensured the relevance of Finland's strategic choices from the point of view of partner countries, including beneficiaries, Finland's development policy and donor community
- Assess the extent to which the country strategy modality is in line with agreed OECD DAC international best practices.

### Effectiveness of the Country Strategy Modality

- Synthesize and assess the results of the country strategy process at the corporate level/development policy level
- Assess the effects of country strategy process on accountability and managing for results: the reporting, communication and use and learning from results for decision making

### Efficiency of the Country Strategy Modality

- Assess the quality of the country strategy guidelines, including their application including the clarity and hierarchy of objective setting, measurability / monitorability of indicators, appropriateness of rating systems etc.
- Assess the process of developing the strategy guidelines especially from process inclusiveness and change management point of views
- Assess the leanness of the Country Strategy Modality, including the resource management (human and financial) securing the outputs at country level

### Complementarity and coherence of the Country Strategy Modality

- Synthesize and assess the extent to which the country strategy modality has been able to complement / take into consideration of other policies and Finnish funding in the partner countries and vice versa
- Synthesize and assess the best practices / challenges on complementarity in the current strategy modality.

## **Country strategies will be evaluated in accordance with the following criteria**

In individual country strategy evaluations, the strategic choices of Finland will be evaluated in accordance with the following OECD DAC criteria in order to get a standardized assessment of the country strategies that allows drawing up the synthesis. In addition, each criterion may also consist of issues / evaluation questions relevant only to specific countries. In each of the criteria human rights based approach and cross cutting objectives must be systematically integrated (see UNEG guidelines). The country specific issues/questions are presented separately in chapter 5.1.

### Relevance

- Assess the extent to which the Country Strategy has been in line with the Partner Country's development policies and priorities.
- Assess the extent to which the Country Strategy has responded the rights and priorities of the partner country stakeholders and beneficiaries, including men and women, boys and girls and especially the easily marginalized groups.
- Assess the extent to which the Country Strategy has been in line with the Finnish Development Policy priorities

### Impact

- Assesses and verify any evidence or, in the absence of strong evidence, “weak signals” of impact, positive or negative, intended or unintended, the Country Strategy has contributed.

### Effectiveness

- Assess and verify the reported outcomes (intended and un-intended)
- Assess the factors influencing the successes and challenges

## Efficiency

- Assess the costs and utilization of resources (financial & human) against the achieved outputs
- Assess the efficiency and leanness of the management of the strategy
- Assess the risk management

## Sustainability

- Assess the ownership and participation process within the country strategy, e.g. how participation of the partner government, as well as different beneficiary groups has been organized.
- Assess the ecological and financial sustainability of strategies

## Complementarity, Coordination and Coherence

- Assess the extent to which the Country Strategy is aligned with partner countries' systems, and whether this has played a role in Finland's choice of intervention modalities.
- Assess the extent to which Finland's Country Strategy in the country has been coordinated with development partners and other donors
- Assesses the complementarity between the Country Strategy and different modalities of Finnish development cooperation in the country including NGOs, regional and targeted multilateral assistance (multi-bi) to the extent possible
- Assess the coherence between the main policy sectors that the country units and embassies are responsible for executing in the country.

### 5.1. Special issues per country

The evaluation aims to facilitate inclusive evaluation practice and learning between the partners at the country level. Following issues have been identified in discussions with the country representatives and/or the country reference group of the evaluation. The country specific issues will be integrated with the overall evaluation matrix where feasible, and recommendations made where evidence and justification found.

#### Ethiopia

- Assess the strategic value of
  - the sector approach for Rural Economic Development and Water.
  - SNE programme and possible mainstreaming to GEQIP II.
- The evaluation should make justified recommendations on
  - how to extend strategic support to new sectors in the future, as needs of Ethiopia is changing following the economic growth and increasing domestic revenue?
  - how technical cooperation between institutions (for instance ICI) could be formalized as part of Country cooperation framework?
- The field phase in late January-February 2016

#### Zambia

- Zambia is in a process of transitioning to the lower middle income country level. Therefore the evaluation should make justified recommendations on

- how to advance broad based partnerships especially in trade and private sector development including interaction with civil society and public sectors in the future.
- how the Country Strategy programming could better utilize existing processes like country/ sector portfolio reviews for advancing the collaboration between Zambia and Finland
- What has been Finland's value added on the sector coordination in agriculture, environment and private sector development.
- The partner country has expressed an interest to participate to some of the evaluation activities during the field mission
- The field phase in January-February 2016

#### Tanzania

- Tanzania is in a process of transitioning to the lower middle income country level. Therefore the evaluation should make justified recommendations on:
  - how to advance broad based partnerships especially in trade and private sector development including interaction with civil society and public sectors in the future.
- The field phase in January-February 2016

#### Mozambique

- To what extent has the Country Strategy responded to the changing country context in Mozambique?
- Is the Country strategy balanced enough in terms of the chosen priority sectors?
- To what extent does the Country strategy complement the work of other donors and what is the strategy's value added?
- As the donor dependency of Mozambique is decreasing, the evaluation should give medium term strategic recommendations for Finland's cooperation in Mozambique.
- The field phase in January-February 2016

#### Nepal

- Nepal is a fragile state in many aspects. In this context the evaluation should give medium term strategic recommendations for Finland's cooperation in Nepal.
- Finland's Country Strategy and the programmes in Nepal were audited in 2015. The results of the audit can be utilized by the evaluation. The audit reports are in Finnish.
  - The field phase must be in December 2015

#### Vietnam

- Vietnam is a lower middle income country and the economic development has been quite rapid in last few years. Therefore the evaluation should analyse how the country strategy has been able to adapt to the rapid transition of the economy, and how agile the strategy has been in responding the needs of private sector and other relevant stakeholders in the country.
- Recommendations should be given on how to broaden the strategic portfolio to new, mutually beneficial areas such as education and research, university and industry cooperation as well as increased trade ties.

- Private sector instruments like Finnpartnership and Concessional loan has played a role in the Country Strategy. The strategic role of these instruments in transitioning economy should be assessed, and possible best practices reported.
- Finland's Country Strategy and the programmes in Vietnam were audited in 2015. The results of the audit can be utilized by the evaluation. The audit reports are in Finnish.
- The partner country has expressed an interest to participate to some of the evaluation activities during the field mission.
- The field phase must be in December 2015

## 6 GENERAL APPROACH AND METHODOLOGY

Evaluation is carried out and tendered as one large evaluation. The evaluation team leader is responsible for the synthesis and the evaluation methodology. Country evaluations will be carried out by country evaluation teams which are coordinated by a country coordinator together with the team leader. Coordination of the whole process and overall quality management of the evaluation will be the responsibility of the contracted evaluation consultancy company.

Evaluation will produce a synthesis report, as well as separate country reports on Ethiopia, Mozambique, Zambia, Tanzania, Nepal and Tanzania. These are also the reports that will be published.

Management response will be drawn up at two levels/processes: the synthesis report will be responded in accordance with the process of centralized evaluations and country reports in accordance with the process of decentralized evaluations as described in the evaluation norm of the MFA. The country reports will be discussed with partner countries and the management response drawn up on this basis. The follow up and implementation of the response will be integrated in the planning process of the next phase of the country strategy.

The approach and working modality of evaluation will be participatory. The evaluation will take into account the recommendations of the OECD/DAC on collaborative aspect of country evaluations where possible. Representatives of partner country governments will be invited in meetings and sessions when feasible. A possibility of integrating one evaluation expert representing partner country evaluation function will be made possible, where the partner country is willing and financially capable to provide such person. There is also a possibility that a representative of MFA and/or the partner country will participate in some parts of field missions with their own costs. The evaluation team shall contact the partner country representatives during the inception period for possible participation arrangements.

Mixed methods will be used (both qualitative and quantitative) to enable triangulation in the drawing of findings.

The country strategy result framework is based on logframe approach, but the evaluation team is expected to reconstruct a theory of change model of the framework describing the interaction between the elements in the logframe and dynamics of the intended result chains and prepare more elaborated evaluation questions as well as sub-questions based on the change theory approach. The Approach section of the Tender will present an initial plan for the evaluation including the methodology and the evaluation matrix for each of the countries as well as the Country Strategy Modality. The evaluation plan will be finalized during the inception period and presented in the Inception report.

During the field work particular attention will be paid to human right based approach, and to ensure that women, vulnerable and easily marginalized groups are also interviewed (See UNEG guidelines). Particular attention is also paid to the adequate length of the field visits to enable the real participation as well as sufficient collection of information also from sources outside of the institutional stakeholders (e.g. statistics and comparison material). The field work in each of the country will preferably last at

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least 2-3 weeks, and can be done parallel and take in account the availability of the stakeholders during the visit. Adequate amount of time should also be allocated for the interviews conducted with the stakeholders in Finland. Interview groups are to be identified by the evaluation team in advance. The MFA and embassies are not expected to organize interviews or meetings with the stakeholders in the country on behalf of the evaluation team, but assist in identification of people and organizations to be included in the evaluation.

**Validation of all findings** as well as results at the country level must be done through multiple processes and sources. The main document sources of information include strategy and project documents and reports, project/strategy evaluations, Finland's Development Policy Strategies, thematic guidance documents, previously conducted country strategy and thematic evaluations, development strategies of the case country governments, country analyses, and similar documents. The evaluation team is also encouraged to use statistics and different local sources of information to the largest possible extent, especially in the context analysis, but also in the contribution analysis. It should be noted that part of the material is in Finnish.

Debriefing/validation workshops will be organized at the country level in the end of each of the fieldtrip. Also a joint validation seminar will be organized with the MFA regional departments after the field trips. Embassies and the MFA will assist the evaluation team in organizing these seminars.

If sampling of documents is used, the sampling principles and their effect to reliability and validity of the evaluation must be elaborated separately.

During the process particular attention is paid to a strong inter-team coordination and information sharing within the team. The evaluation team is expected to show sensitivity to diverse communication needs, gender roles, ethnicity, beliefs, manners and customs with all stakeholders. The evaluators will respect the rights and desire of the interviewees and stakeholders to provide information in confidence. Direct quotes from interviewees and stakeholders may be used in the reports, but only anonymously and when the interviewee cannot be identified from the quote.

The evaluation team is encouraged to raise issues that it deems important to the evaluation which are not mentioned in these ToR. Should the team find any part of the ToR unfeasible, it should bring it to the attention of the Development Evaluation Unit (EVA-11) without delay.

## 7 EVALUATION PROCESS, TIMELINES AND DELIVERABLES

Evaluation of competitive bidding will be completed in July 2015, and the Kick-off meeting with the contracted team will be held in August.

It should be noted that internationally recognized experts may be contracted by the MFA as external peer reviewer(s) for the whole evaluation process or for some phases/deliverables of the evaluation process, e.g. final and draft reports (technical evaluation plan, evaluation plan, draft final and final reports). The views of the peer reviewers will be made available to the Consultant.

An **Inception phase** is September and October 2015 during which the evaluation team will produce a final evaluation plan with a context analysis. The context analysis includes a document analysis (desk study) on the country strategy modality as well as a context of each of the country strategy. The evaluation plan also consists of the reconstructed theory of change, evaluation questions, evaluation matrix, methodology (methods for data gathering and data analysis, as well as means of verification of different data), final work plan with a timetable as well as an outline of final reports. MFA will provide comments on the plan and it will be accepted in an inception meeting in November 2015.

The **Implementation phase** can be implemented in December 2015 - February 2016. Country- specific debriefing meetings will be organized at the end of each of the field visit. A joint debriefing and valida-

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tion meeting can be arranged in Helsinki in the end of February/ beginning of March 2016. The validation seminars work like learning seminars based on initial findings, but also for validating the findings. The outcomes and further findings drawn up from seminar discussions can be utilized when finalizing the country reports as well as the synthesis report.

The **Reporting and dissemination phase** will produce the Final reports and organize dissemination of the results. Final draft country reports will be completed by the end of April and the final draft synthesis report by the end of May, 2016. Country reports can be sequenced on the basis of the field phase. If the field phase is in December, the draft report shall be ready in February, and if in February, then the draft report shall be ready in April. Due to the scope of the evaluation reports, enough time must be left for feedback. The final reports shall be ready in mid-June. Due the Finnish holiday season in July, a public presentation of evaluation results, a public webinar and other discussion meetings will be held in August 2016.

The evaluation consists of the following meetings and deliverables in each of the phases. It is highlighted that a new phase can be initiated only when all the deliverables of the previous phase have been approved by EVA-11. The reports will be delivered in Word-format (Microsoft Word 2010) with all the tables and pictures also separately in their original formats. Time needed for the commenting of the draft report(s) is three weeks. The language of all reports and possible other documents is English. The consultant is responsible for the editing, proof-reading and quality control of the content and language.

## INCEPTION PHASE

### I. Kick off meeting

The purpose of the kick-off meeting is to discuss and agree the entire evaluation process including the content of the evaluation, practical issues related to the field visits, reporting and administrative matters. The kick-off meeting will be organized by the EVA-11 in Helsinki after the signing of the contract.

**Deliverable:** Agreed minutes prepared by the Consultant

**Participants:** EVA-11 (responsible for inviting and chairing the session); reference group and the **management team** of the Consultant **in person**. Other team members and embassies may participate via VC.

Venue: MFA.

### II. Inception meeting

A meeting to present the evaluation plan (incl. agreed minutes of the meeting), MFA and Peer Review comments/notes discussed and changes agreed.

**Participants:** EVA-11; reference group and the **management team** of the Consultant (responsible for chairing the session) **in person**. Other team members and embassies may participate via VC.

Venue: MFA

**Deliverable:** Inception report

Inception report **will constitute the final evaluation plan** that specifies the context of the evaluation, the approach and the methodology. It also includes the final evaluation questions and the final evaluation matrix. The sources of verification and methods for collecting and analysing data are explained in detail, including the methods and tools of analyses, scoring or rating systems and alike. The final work plan and division of tasks between the team members are presented in the evaluation plan. In addition, a list of stakeholder groups to be interviewed will be included in the evaluation plan. The evaluation will also suggest an outline of the final report(s).

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The inception report will provide a contextual analysis based mainly on written material. It is based on a complete desk analysis of all relevant written material including, but not limited to project/strategy related documents, previous evaluations, policy documents, guidelines, thematic/regional programming, and other relevant documents related to development and development cooperation in partner countries identified by the evaluation team during the inception phase. Tentative hypotheses as well as information gaps should be identified in the evaluation plan.

It will also present plans for the interviews, participative methods and field visits including the identification of local informants (beneficiaries, government authorities, academia, research groups/institutes, civil society representatives, other donors etc.) and other sources of information (studies, publications, statistical data etc.) as well as an outline of the interview questions and use of participative methods according to the interviewee groups in each of the field visit countries.

The Inception report will be submitted to the EVA-11 and is subject to the approval of the EVA-11 prior to field visits to case countries/regions and further interviews in Finland. The report should be kept analytic, concise and clear.

## IMPLEMENTATION PHASE

### IV. Field visits to partner countries

The purpose of the field visits is to reflect and validate the findings and assessments of the desk analysis. The field visits may partly be joint missions with MFA and /or partner country representative participation. The length of the field visit(s) should be adequate to ensure real participation of different stakeholders and beneficiaries. The evaluation team is expected to propose the suitable timing of the visits, preferably at least 2-3 weeks.

**Deliverables/meetings: Debriefing/ validation workshop** supported by a PowerPoint presentation on the preliminary findings. At least one workshop in each of the partner countries, and one in the MFA related to all countries.

The preliminary findings of the visits will be verified and discussed with relevant persons from the Ministry, embassies, partner country government and relevant stakeholders, also beneficiaries including marginalized groups. The validation workshops are mandatory component of the evaluation methodology. The workshops will be organized by the Consultant and they can be partly organized also through a video conference.

After the field visits and validation workshops, it is likely that further interviews and document study in Finland will still be needed to complement the information collected during the earlier phases.

#### **Participants:**

**Country workshops:** The whole country team of the Consultant (responsible for inviting and chairing the session) and the relevant stakeholders, including the Embassy of Finland and relevant representatives of the local Government **in person**.

**MFA workshop:** EVA-11; reference group and other relevant staff/stakeholders, and the **management team** of the Consultant (responsible for chairing the session) **in person**. Other team members and embassies may participate via VC.

## REPORTING AND DISSEMINATION PHASE

As part of reporting process, the Consultant will submit a methodological note explaining how the quality control was addressed during the evaluation and how the capitalization of lessons learned has also

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been addressed. The Consultant will also submit the EU Quality Assessment Grid as part of the final reporting.

## V. Final reporting

**Deliverables:** Final draft report and final reports on CSM Synthesis and six partner country strategies

The reports should be kept clear, concise and consistent. The report should contain inter alia the evaluation findings, conclusions and recommendations and the logic between those should be clear and based on evidence.

The final draft report will be subjected to an external peer review and a round of comments by the parties concerned. The purpose of the comments is only to correct any misunderstandings or factual errors instead of rewriting the findings or adding new content.

The consultant will attach Quality Assurance expert(s) comments/notes to the final report, including signed EU Quality Assessment Grid, as well as a table summarizing how the received comments/peer review have been taken into account.

The final reports will be made available by 15<sup>th</sup> June 2016. The final reports must include abstract and summary (including the table on main findings, conclusions and recommendations) in Finnish, Swedish and English. The reports, including the Finnish and Swedish translations have to be of high and publishable quality and it must be ensured that the translations use commonly used terms in development cooperation.

The MFA also requires access to the evaluation team's interim evidence documents, e.g. completed matrices, although it is not expected that these should be of publishable quality. The MFA treats these documents as confidential if needed.

## VI. Dissemination presentations

A MFA management meeting / a briefing session for the upper management on the final results will be organized tentatively in mid- June 2016 in Helsinki. It is expected that at least the Team leader and the Home officer are present in person, and the other team members via VC.

**A public presentation** will be organized in Helsinki tentatively in mid- August 2016.

It is expected that at least the Management team of the Consultant are present in person.

**A Webinar** will be organized by the EVA-11. Team leader and country leaders are expected to give short presentations in Webinar. Presentation can be delivered from distance. A sufficient Internet connection is required.

**Optional learning sessions** with the regional teams (Optional sessions funded separately. Requires a separate assignment by EVA-11.

## 8 COMPOSITION OF THE EVALUATION TEAM AND EXPERTISE REQUIRED

There will be one **Management team**, responsible for overall planning management and coordination of the evaluation from the Country Strategy Modality perspective, and six **country evaluation teams**. The evaluation team will include a mix of male and female experts. The team will also include senior experts from both developed and developing countries.

One of the senior experts of the team will be identified as the **Team leader**. The whole evaluation team will work under the leadership of the Team leader who carries the final responsibility of completing the evaluation. The Team leader will work mainly at global/CSM level but will be ultimately responsible for the quality of all the deliverables.

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One senior expert of each of the country teams will be identified as a **Country coordinator**. Country coordinator will be contributing the overall planning and implementation of the whole evaluation from a country perspective and also responsible for coordinating, managing and authoring the country specific evaluation work and reports.

**The Team leader, Country coordinators and the Home officer of the Consultant will form the Management group** of the evaluation Consultant, which will be representing the team in major coordination meetings and major events presenting the evaluation results.

Successful conduct of the evaluation requires a deep understanding and expertise on results-based management in the context of different aid modalities. It also requires understanding and expertise of overall state-of-the-art international development policy and cooperation issues including programming and aid management, development cooperation modalities and players in the global scene. It also requires experience and knowledge of HRBA and cross-cutting objectives, including UN resolution 1325, and related evaluation issues. Solid experience in large sectoral/thematic/policy or country strategy evaluations or large evaluations containing several countries is required. In addition, long-term hands-on experience at the development cooperation and development policy field is needed.

All team members shall have fluency in English. It is also a requirement to have one senior team member in each of the country team fluent in Finnish as a part of the documentation is available only in Finnish. Online translators cannot be used with MFA document material. One senior team member in each of the country teams shall be fluent in a major local language of the country. Knowledge of local administrative languages of the partner countries among the experts will be an asset.

The competencies of the team members will be complementary. Each country team will consist of 3 to 5 experts. One expert can be a member of multiple country teams, if his/her expertise as well as tasks and the time table of the evaluation make it feasible.

Detailed team requirements are included in the Instructions to the Tenderers (ITT).

## 9 BUDGET AND PAYMENT MODALITIES

The evaluation will not cost more than € 950 000 (VAT excluded). The payments will be done in all inclusive lump sums based on the progress of the evaluation.

## 10 MANAGEMENT OF THE EVALUATION AND THE REFERENCE GROUP

The EVA-11 will be responsible for overall management of the evaluation process. The EVA-11 will work closely with other units/departments of the Ministry and other stakeholders in Finland and abroad.

A reference group for the evaluation will be established and chaired by EVA-11. The mandate of the reference group is to provide advisory support and inputs to the evaluation, e.g. through participating in the planning of the evaluation and commenting deliverables of the consultant.

The members of the reference group may include:

- Representatives from relevant units/departments in the MFA forming a core group, that will be kept regularly informed of progress
- Representatives of relevant embassies
- Representatives of partner countries governments

The tasks of the reference group are to:

- Participate in the planning of the evaluation

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- Participate in the relevant meetings (e.g. kick-off meeting, meeting to discuss the evaluation plan, wrap-up meetings after the field visits)
  - Comment on the deliverables of the consultant (i.e. evaluation plan, draft final report, final report) with a view to ensure that the evaluation is based on factual knowledge about the subject of the evaluation
  - Support the implementation, dissemination and follow-up on the agreed evaluation recommendations.

## 11 MANDATE

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

All intellectual property rights to the result of the Service referred to in the Contract will be exclusive property of the Ministry, including the right to make modifications and hand over material to a third party. The Ministry may publish the end result under Creative Commons license in order to promote openness and public use of evaluation results.

## 12 AUTHORISATION HELSINKI, 6.5.2015

Jyrki Pulkkinen

Director

Development Evaluation Unit

Ministry for Foreign Affairs of Finland

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# ANNEX 2: ADDITIONAL METHODOLOGY DISCUSSION

## Overview and approach

The Inception Report described the methodology for the overall CSM evaluation, including the country evaluations. It included an annex on Zambia which gave a preliminary description of the Zambia context and of Finland's successive strategic documents (CEP and CS), and developed a preliminary theory of change for Zambia. It also presented an overview of documentary material available and additional material sought, and set out a detailed evaluation plan and timetable for the Zambia country study. This annex was reviewed by the Zambia country team and refined in light of their comments.

## Main evaluation questions

The Inception Report included a full evaluation matrix which was used and adapted for the country evaluations as well as the overall CSM evaluation. Table 5 below shows the main evaluation questions and sub-questions; these are sequenced according to the main evaluation criteria. Under each evaluation criterion questions address both the CS portfolio evaluation and the evaluation of the CSM's influence on the programme, but separate these out clearly. The evaluation matrix includes judgement criteria.

Table 5: Evaluation matrix

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
<p><b>EQ 1: How relevant are CSs and the CSM?</b></p>	<p><b>Evaluation criterion: Relevance</b></p>	
<p><b>CS evaluation sub-questions</b></p> <p><b>EQ1.1</b> How relevant are CSs to partner country contexts?</p> <ul style="list-style-type: none"> <li>To country development policies, priorities and programmes?</li> <li>To the rights (economic, social, political, civil) and priorities of partner country stakeholders and beneficiaries – especially the easily marginalized groups?</li> <li>To donor partners?</li> </ul> <p><b>EQ1.2</b> How relevant are the CSs to Finnish Development Policy priorities and principles?</p>	<p>The strategic choices made in the CSs in terms of interventions and how they are undertaken</p> <ul style="list-style-type: none"> <li>Tare aligned to country development policies, priorities and programmes</li> <li>Ttarget development objectives that are a priority / issues for country stakeholders and beneficiaries, especially easily marginalized groups</li> <li>Ttake into account what donor partners perceive as priority</li> <li>Ttake into account the development context of the country</li> <li>Tare aligned with aid effectiveness commitments / principles</li> <li>Tare aligned to the objectives and principles of the 2012 DPP and take appropriate account of sector / thematic guidance / papers and other Finnish guidance</li> </ul>	<p>Partner country development strategy and policy documentation, national sector/thematic, ODA policies/frameworks</p> <p>Finnish DPP, guidance documentation and sector/thematic guidelines</p> <p>CSM documentation (instructions, templates) CSs, engagement plans and related results reports</p> <p>CS planning/Updating process documentation</p> <p>Existing evaluations, reviews and reports on the country programme, and other Finnish evaluations, reviews and reports</p> <p>Country development statistics</p> <p>Secondary literature on country development status and priorities</p> <p>OECD/DAC guidance, studies and reviews</p> <p>Studies and reviews from other sources</p> <p>Documentation on country programming practices of selected bilateral donors</p> <p>Interviews</p> <ul style="list-style-type: none"> <li>with MFA actors and stakeholders in CSM design and implementation at MFA level</li> <li>with country teams, including desk officers and in-country officers (current and past members)</li> <li>with other relevant government officials</li> <li>with selected non-MFA sources with direct relevant knowledge on the CSM (e.g. relevant global implementation partners)</li> <li>with country implementing partners</li> <li>with country stakeholders/programme beneficiaries, incl. also private sector, civil society, academia &amp; the media as relevant</li> <li>with other in-country development partners</li> </ul>
<p><b>CSM evaluation sub-questions</b></p> <p><b>EQ1.3</b> How relevant is the CSM to MFA management and country programme managers' needs?</p> <p><b>EQ1.4</b> How has CSM ensured Finland's strategic choice relevance to key stakeholders and development country contexts?</p> <p><b>EQ1.5</b> Is the CSM aligned to OECD DAC/ international best practices?*</p>	<p>The CSM fulfils the needs of senior management in MFA and country teams related to country programming and management of country programmes</p> <p>The CSM – through its approach, rules, information requirements and processes – contributed to the relevance of CS strategic choices as measured (see all CS evaluation sub-questions)</p> <ul style="list-style-type: none"> <li>The CSM is flexible in responding to different country context, e.g. countries in transition/phase-out of bilateral aid vs fragile countries</li> </ul> <p>The CSM – through its approach, rules, information requirements and processes – facilitates the alignment of country programmes with aid effectiveness principles as measured</p> <p>The CSM is aligned to OECD/DAC country programming best practices</p>	

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
<p><b>EQ 2: Are Country Strategies and the CSM effective?</b></p>	<p><b>EQ 2: Are Country Strategies and the CSM effective?</b></p>	<p><b>Evaluation criterion: Effectiveness</b></p>
<p><b>CS evaluation sub-questions</b></p> <p><b>EQ2.1</b> What are the actual interventions undertaken by the Finland country programme as framed by the CS?</p> <p><b>EQ2.2</b> Did the CS interventions achieve their planned purposes?</p> <p><b>EQ2.3</b> What development results are observed relevant to CS interventions, intended and unintended?</p> <p><b>EQ2.4</b> What contribution have CS interventions made to the specific development objectives and development result areas?</p> <p><b>EQ2.5</b> How aid-effective is the country programme as framed by the CS?</p> <p><b>CSM evaluation sub-questions</b></p> <p><b>EQ2.6</b> How effective is the CSM/CSM processes?</p> <ul style="list-style-type: none"> <li>• Was the introduction of CSM managed inclusively (including key stakeholders), and well?</li> <li>• What are CSM programming, monitoring, reporting and accountability practices, in principle and in practice?</li> <li>• Do these present effective RBM: do they facilitate learning and accountability?</li> <li>• Does the CSM contribute to better targeting and measuring of results by MFA?</li> </ul> <p><b>EQ2.7</b> Has the CSM contributed to more effective (including aid effective) country programming?</p>	<p>Effectiveness assesses the contribution of the CS interventions to Finland's specific objectives</p> <p>Planned interventions took place and their purposes were/are being achieved as evidenced by existing reports, reviews and evaluations</p> <p>The Theory of Change causal chain implied by the Country Strategy from these target results to specific Finnish objectives, and the underlying assumptions is valid, taking into account social, political and institutional factors</p> <p>Contribution can be argued from the Finnish interventions (targeted at policy influence and direct interventions) to the specific objectives targeted, given other factors</p> <p>The Finnish country programme as framed by the CS is aid-effective: the programme facilitates the leveraging of project and programmatic intervention results towards development effectiveness against the specific objectives.</p> <p>Direct interventions and efforts to achieve policy influence are mutually reinforcing</p> <p>The management of the switch to CSM from CEPs at country level was inclusive and contributed to more effective CSs as measured. Change management was effective.</p> <p>The CSM contributes to effective results-based management in MFA</p> <p>Reporting and management responses against the CSs is regular, accurate and appropriate for learning &amp; accountability</p> <p>The CSM facilitated the selection of appropriate indicators, given targeted results in CSs</p> <p>At country &amp; MFA level the CSM facilitates learning &amp; accountability</p> <p>The CSM has facilitated more effective aid management at a corporate level and better upstream results reporting within MFA</p>	<p>CSs, engagement plans</p> <p>Annual and semi-annual (results) reports, synthesis reports</p> <p>Possible upstream results reporting</p> <p>Existing evaluations, reviews and reports on the country programme</p> <p>Project annual report/completion reports</p> <p>Other relevant Finnish global and regional evaluations, reviews and reports</p> <p>Country development statistics and secondary literature on country development status and priorities</p> <p>OECD/DAC guidance, studies and reviews</p> <p>Comparison of the quality of CSM and country engagement plan guidance and annual results reporting</p> <p>Studies and reviews from other sources</p> <p>Interviews</p> <ul style="list-style-type: none"> <li>• with MFA actors and stakeholders in CSM design and implementation at MFA level</li> <li>• with country teams, including desk officers and in-country officers (current and past members)</li> <li>• with relevant government officials</li> <li>• with selected non-MFA sources with direct relevant knowledge on the CSM (e.g. relevant global implementation partners)</li> <li>• with country stakeholders, incl. in civil society, academia &amp; the media as relevant</li> <li>• with programme beneficiaries</li> <li>• with country implementing partners</li> <li>• with other in-country development partners</li> </ul>

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
	<p>The approach, rules, information requirements and processes of the CSM has facilitated a feasible Theory of Change results chain / country programme logical model taking into account country social, political and institutional circumstances</p> <ul style="list-style-type: none"> <li>• The CSM has contributed to appropriate targeting of results and objectives given Finland's (small) relative financial contribution as a development partner</li> <li>• The CSM has contributed to better results-based thinking on on-going interventions at the time of the CS, and has resulted in appropriate (past, current, expected) changes to the country programme</li> <li>• The CSM has contributed to better incorporation of the findings of project/programme monitoring reports, reviews and evaluations in CS review, reporting</li> <li>• The CSM has contributed to appropriate implementation of aid-effectiveness commitments and principles</li> </ul>	
<b>EQ 3: What is the impact of the CSs and does the CSM contribute to this?</b>		
<b>CS evaluation sub-questions</b>		
<p><b>EQ 3.1</b> What are evidence or signals of impacts from CS interventions?</p> <p><b>EQ 3.2</b> To what extent does the CS TOC pathway support likely contribution to impacts?</p>	<p>Impact assesses the upper end of the result chain, from Finnish specific objectives to the development goal</p> <p>Impact is accurately reported</p> <p>In the absence of timely data against relevant impact measures, documentation and key respondents highlight signals of evidence of impact</p> <p>The implied pathway from specific objectives to the development goal in the Theory of Change and underlying country programme logic model is feasible.</p>	<p>Country social and economic statistics</p> <p>Independent secondary articles, reports, reviews and evaluations relevant to the Finnish country programme, as framed by the CS.</p> <p>Finnish country and relevant regional and global reports, reviews, evaluations</p> <p>Interviews</p> <p>CS documentation, including reports and management responses</p> <p>CSM guidance documentation</p> <p>Interview with</p> <ul style="list-style-type: none"> <li>• with MFA actors and stakeholders in CSM design and implementation at MFA level</li> <li>• with country teams, including desk officers and in-country officers (current and past members)</li> <li>• with relevant government officials</li> <li>• with selected non-MFA sources with direct relevant knowledge on the CSM</li> </ul>
<p><b>CSM evaluation sub-questions</b></p> <p><b>EQ3.3</b> Do existing CSM instructions and templates provide adequate guidance to build feasible CS impact pathways and to identify and report on appropriate impact indicators?</p>	<p>The CSM guidance and its implementation have contributed to better country team thinking on impact, and best pathways to impact.</p>	

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
		<ul style="list-style-type: none"> <li>with country stakeholders, incl. in civil society, academia &amp; the media as relevant</li> <li>with programme beneficiaries</li> <li>with country implementing partners</li> <li>with other in-country development partners</li> </ul>
<b>EQ 4: Are CSs complementary, coordinated and coherent and does the CSM contribute to this?</b>		
<p><b>CS evaluation sub-questions</b></p> <p><b>EQ4.1</b> Are CSs/CS interventions aligned to country systems?</p> <p><b>EQ4.2</b> How well coordinated are CSs/CS interventions with other development partners?</p> <p><b>EQ4.3</b> How complementary are CSs/CS interventions to non-CS Finnish development cooperation in long-term partner countries?</p> <p><b>EQ4.4</b> How internally coherent are CSs (inter- and intra-sector)?</p> <ul style="list-style-type: none"> <li>Are CS interventions mutually reinforcing so that the sum of CS intervention results is more than the parts?</li> </ul> <p><b>CSM evaluation sub-questions</b></p> <p><b>EQ4.5</b> Does the CSM contribute to better alignment with partner country systems and coordination with development partners?</p> <p><b>EQ4.6</b> Does the CSM contribute to complementarity between channels/instruments in Finnish development cooperation in country?</p> <p><b>EQ 4.7</b> Does the CSM result in a coherent (inter and intra sector) CS and a CS coherent with other relevant Finnish policies??</p>	<p>CS interventions are implemented using country systems to the maximum extent</p> <ul style="list-style-type: none"> <li>Including systems for planning, budgeting, disbursement, implementation, reporting, monitoring/reviewing and auditing</li> <li>If systems are not used directly, comprehensive and timely information on Finnish country programme is available to country partners</li> </ul> <p>Finland participates regularly and effectively (in terms of the resulting degree of coordination of the Finnish country programme) in donor coordination structures</p> <p>The CSs specific objectives and interventions are well coordinated with inputs from other development partners, in other words they represent an appropriate division of labour between the MFA and other development partners in country</p> <p>CSs and CS intervention take into account and complement other (non-CS) channels of Finnish development cooperation, and vice versa so that they contribute coherently to DPP objectives, including the CS development goal</p> <p>The CS leverages the results of specific interventions to contribute coherently to the specific objectives targeted</p> <p>The country programme as framed by the CS does not (overly) fragment Finnish development resources</p> <p>CSM guidance and actual CS design, monitoring and reporting processes and documentation appropriately emphasize complementarity with other Finnish aid channels, coordination with development partners, alignment with country systems and internal CS coherence.</p>	<p>CSs, engagement plans and all reports against strategies</p> <p>Existing evaluations, reviews and reports on the country programme</p> <p>Other relevant Finnish global and regional evaluations, reviews and reports</p> <p>Country development statistics and secondary literature on country development status and priorities</p> <p>OECD/DAC guidance, studies and reviews</p> <p>CSM guidance documentation</p> <p>Studies and reviews from other sources</p> <p>Interviews</p> <ul style="list-style-type: none"> <li>with MFA actors and stakeholders in CSM design and implementation at MFA level</li> <li>with country teams, including desk officers and in-country officers (current and past members)</li> <li>with relevant government officials</li> <li>with selected non-MFA sources with direct relevant knowledge on the CSM (e.g. relevant global implementation partners)</li> <li>with country stakeholders, incl. in civil society, academia &amp; the media as relevant</li> <li>with programme beneficiaries</li> <li>with country implementing partners</li> <li>with other in-country development partners</li> </ul>

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
<p><b>EQ 5: Do CSs and the CSM contribute to efficient Finnish Development Cooperation?</b></p> <p><b>CS evaluation sub-questions</b></p> <p><b>EQ5.1</b> How well are risks identified and managed?</p> <p><b>EQ5.2</b> How efficiently are resources (money, people, partnerships) deployed in the CS country programme to deliver results?</p> <p><b>CSM evaluation sub-questions</b></p> <p><b>EQ5.3</b> How efficient are CSM processes?</p> <ul style="list-style-type: none"> <li>• How clear are CSM frameworks &amp; guidance?</li> <li>• How costly are CSM processes to manage CSs given the observed results from CSM?</li> </ul> <p><b>EQ5.4</b> How has CSM contributed to Finnish development policy implementation efficiency and risk management?</p>	<p><b>Evaluation criterion: Efficiency</b></p> <p>The risks identified in the CS represent a thorough assessment of risks and the management of risks is appropriate given development goals and objectives</p> <p>Disbursements of Finnish resources have been predictable / timely</p> <p>The CS represents the most cost-effective choice of objectives and interventions, given Finnish resources (including financial, human and partnership resources)</p> <p>CSM processes use MFA resources (financial, human, time) efficiently to produce the RBM outcomes observed</p> <p>CSM guidance is clear, comprehensive and coherent, resulting in efficient and effective processes and documentation</p> <p>CSM prescribed processes are appropriate to be fit for purpose in different contexts</p> <p>The CSM has contributed to efficient implementation of Finnish development policy and sound risk management, i.e. balancing risks and benefits of intervention choices appropriately</p> <p>CSM has contributed to the selection of interventions with most value-for-money considering expected impacts.</p> <ul style="list-style-type: none"> <li>• CSM has contributed to resource-constrained planning and targeting of results</li> </ul>	<p>Country strategies, engagement plans and all reports against strategies</p> <p>Existing evaluations, reviews and reports on the country programme + other relevant Finnish global and regional evaluations, reviews and reports</p> <p>CSM guidance documentation</p> <p>Studies and reviews from other sources</p> <p>Interviews</p> <ul style="list-style-type: none"> <li>• with MFA actors and stakeholders in CSM design and implementation at MFA level</li> <li>• with country teams, including desk officers and in-country officers (current and past members)</li> <li>• with relevant government officials</li> <li>• with country stakeholders, incl. in civil society, academia &amp; the media as relevant</li> <li>• with country implementing partners</li> <li>• with other in-country development partners</li> </ul>

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
<p><b>EQ 6: Do CSs and the CSM contribute to sustainable results from Finnish Development Cooperation?</b></p> <p><b>CS evaluation sub-questions</b></p> <p><b>EQ6.1</b> To what extent do specifically local partners/stakeholders own the CS and participate in CS interventions?</p> <ul style="list-style-type: none"> <li>• How inclusive was the process to develop the CS?</li> <li>• Is there sufficient participation by local partners/stakeholders across programme/project cycles to support sustainability?</li> </ul> <p><b>EQ6.2</b> How sustainable are interventions and their results (ecologically, financially, politically, institutionally)?</p> <p><b>CSM evaluation sub-questions</b></p> <p><b>EQ6.3</b> Does the CSM contribute to more sustainable Finnish DC?</p> <p><b>EQ6.4</b> How sustainable are CSM processes?</p> <ul style="list-style-type: none"> <li>• Is CSM human resource capacity building and systems adequate?</li> <li>• Are there in-built mechanisms to enable learning on CSM?</li> </ul> <p><b>EQ6.5</b> Does the CSM ensure CS responsiveness to better ensure sustainability in changing contexts</p>	<p>The Human Rights-based approach is integrated into the CS</p> <ul style="list-style-type: none"> <li>• The process to develop the CS, as well as processes to report on and revise the CS are inclusive of local partners and stakeholders</li> <li>• Beneficiaries, particularly marginalized groups, participate in Finnish country programme processes across the project/programme cycle so that local ownership is built</li> <li>• The country programme as framed by the CS contributes to rights awareness and the ability of rights-holders to claim their rights, and country duty bearers to fulfil the rights</li> </ul> <p>The results targeted and achieved in the country programme as framed by the country strategy are sustainable, given institutional and financial factors.</p> <p>The Finnish country programme and its interventions as framed by the country strategy is ecologically sustainable and contribute to ecological sustainability</p> <p>CSM guidance and implementation prioritise sustainability (ecological, financial, institutional) of Finnish Development Cooperation results</p> <p>Capacity building at MFA and country level has been sufficient to sustain CSM processes</p> <p>Result information management systems are well developed, build on national development/result indicators to the extent possible, and will sustain CSM</p> <p>The CSM is flexible and has adapted to implementation experience, changing country contexts</p> <p>The CSM has contributed to better reporting on results from Finnish aid, which has supported the sustainability of Finnish DC</p>	<p><b>Evaluation criterion: Sustainability</b></p> <p>Country strategies, engagement plans and all reports against strategies</p> <p>Existing evaluations, reviews and reports on the country programme, and other Finnish evaluations, reviews and reports</p> <p>Studies and reviews from other sources on country programmes</p> <p>Interviews</p> <ul style="list-style-type: none"> <li>• with MFA actors and stakeholders in CSM design and implementation at MFA level</li> <li>• with country teams, including desk officers and in-country officers (current and past members)</li> <li>• with relevant government officials</li> <li>• with country stakeholders, incl. in civil society, academia &amp; the media as relevant</li> <li>• with programme beneficiaries</li> <li>• with country implementing partners</li> <li>• with other in-country development partners</li> </ul>

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
<p><b>EQ 7: What improvements to CSs and the CSM are necessary to improve Finnish DC?</b></p> <p><b>EQ7.1</b> What improvements are needed relative to country priorities and changing contexts, inter alia</p> <ul style="list-style-type: none"> <li>• on sector/programme choices and strategically extending development cooperation to new sectors or thematic areas?</li> <li>• in modes and mechanisms of cooperation?</li> <li>• In transitioning and phasing out/maintaining/scaling up bilateral aid?</li> <li>• to advance partnerships and cooperation in non-state sectors of the economy?*</li> </ul> <p><b>EQ7.2</b> What improvements in the CSM modality are necessary to ensure more relevant, effective, impactful, efficient, coherent complementary and sustainable CSs?*</p> <ul style="list-style-type: none"> <li>• What improvements are necessary?</li> <li>• Who should make these improvements?</li> <li>• When should improvements be made?</li> <li>• How should improvements be made?</li> </ul>	<p>Improvements that will make the CS and related country programme more relevant, effective, impactful, efficient, complementary, coordinated, coherent, sustainable.</p> <p>Improvements to the CSM that will ensure that it contributes better to country programmes and to RBM in MFA.</p> <p>Improvements in the CSM that will make it more relevant to MFA needs, more efficient and more sustainable.</p>	<p>Country CS evaluation data and analysis</p> <p>Country CSM evaluation data and analysis</p> <p>Validation with key country and CSM actors and stakeholders</p>

\* Questions do not need to be answered in the country evaluations

\*\*This question does not need to be answered by the synthesis report.

## Addressing Zambia-specific questions

**Table 6:** Country-specific evaluation questions

CS QUESTIONS	CSM QUESTIONS
<b>EQ 2: Are CS and the CSM effective?</b> Evaluation criterion: Effectiveness	
	<b>EQ 2.8</b> How and to what extent has CS programming been used for advancing the collaboration between Zambia and Finland?
<b>EQ 4: Are CSs complementary, coordinated and coherent and does the CSM contribute to this?</b> Evaluation criteria: Complementarity, coordination and coherence	
	<b>EQ 4.7</b> What has been Finland's value added on the sector coordination in agriculture, environment and private sector development
<b>EQ 7: What improvements to CSs and the CSM are necessary to improve Finnish DC?</b>	
<b>EQ 7.2</b> What opportunities for building partnerships exist (in trade and private sector development including interaction with civil society and public sectors) and to what extent have these been explored?	

## Evaluation criteria and other terminology

Table 7 shows the definitions used for the main evaluation criteria. Table 8 explains other key terms, namely aid effectiveness, results-based management (RBM) and the human rights based approach (HRBA).

**Table 7:** Evaluation criteria

Evaluation criterion	Definition
<b>Relevance</b>	The extent to which the CS objectives and its implementation are consistent with the priorities and rights of partner country stakeholders and beneficiaries; partner country development policies and priorities; and Finnish development policies.  The extent to which the CSM has been relevant to OECD / DAC best practices.
<b>Effectiveness</b>	The extent to which the CSM's and CSs' objectives were achieved, or are expected to be achieved, taking into account their relative importance, directly and indirectly.
<b>Efficiency</b>	A measure of how economically resources/inputs (funds, expertise, etc.) are converted to results.
<b>Sustainability</b>	The continuation of benefits from an intervention after major assistance has been completed. The probability of long-term benefits. The resilience to risk (ecological, financial and institutional) of the net benefit flows over time.
<b>Impact</b>	Positive and negative, primary and secondary long-term effects produced by the CS or likely to be produced, directly or indirectly, intended or unintended.
<b>Coherence</b>	The consistency of policy/programme elements of the CS with each other (do they complement each other in a positive, mutually reinforcing way?), as well as the consistency of the CS with non-development cooperation policies of Finland, such as trade, foreign and security and human rights policies, as appropriate.
<b>Coordination</b>	The complementarity, cooperation and division of labour of the CS in relation to other donors.
<b>Complementarity</b>	The degree to which the CS complements and/or takes into consideration other instruments of Finnish development cooperation that are not incorporated into the strategy.

**Table 8: Terms associated with approaches to development cooperation**

Term	Definition
<p><b>Aid effectiveness</b></p>	<p>Aid effectiveness is about delivering aid in a way that maximises its impact on development and achieves value for aid money.</p> <p>A narrow definition of aid effectiveness would refer simply to the relationship between aid and its outcomes, in other words aid effectiveness is an assessment of the effectiveness of development aid in achieving economic or human development. In common usage however, the term is strongly associated with the key principles in respect of how aid is delivered to achieve this outcome. These principles have been agreed between partner countries and development partners through a series of High Level Forums on Aid Effectiveness and include ownership, alignment, harmonisation, a focus on results, and mutual accountability. The evaluation will use the term to refer to the application of these principles towards effective use of development aid. This is in line with the MFA Evaluation Manual, according to which an assessment of aid effectiveness would focus on evaluating the implementation of Paris Declaration principles</p> <p><i>Source: Killian, B, 2011: How much does aid effectiveness improve development outcomes, Busan Background Papers, OECD DAC; MFA Evaluation Manual</i></p>
<p><b>Results based management</b></p>	<p>The MFA guideline on results-based management defines it as follows: Results based management therefore involves shifting management approach away from focusing on inputs, activities and processes to focusing more on the desired results. OECD DAC defines RBM as “<i>A management strategy focusing on performance and achievement of outputs, outcomes and impacts</i>”. In conclusion, results based management in development cooperation is simultaneously:</p> <ul style="list-style-type: none"> <li>• An organizational management approach, based on a set of principles;</li> <li>• An approach utilizing results based tools for planning, monitoring and evaluating the performance of development projects and programs.</li> </ul> <p><i>Source: MFA, 2015: Results-based management in Finland’s Development Cooperation, Concepts and Guiding Principles, MFA.</i></p>
<p><b>Human rights based approach</b></p>	<p>HRBA means that human rights are used as a basis for setting the objectives for development policy and cooperation. In addition, it means that the processes for development <i>cooperation</i> are guided by human rights principles.</p> <p>Finland’s human rights-based approach is in line with the UN Statement of Common Understanding on Human Rights-Based Approaches to Development Cooperation and Programming (the Common Understanding) adopted by the United Nations Development Group (UNDG) in 2003, which stipulates that:</p> <ul style="list-style-type: none"> <li>• All programmes of development cooperation, policies and technical assistance should further the realisation of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments;</li> <li>• Human rights standards contained in, and principles derived from, the Universal Declaration of Human Rights and other international human rights instruments guide all development cooperation and programming in all sectors and in all phases of the programming process;</li> <li>• Development cooperation contributes to the development of the capacities of ‘duty-bearers’ to meet their obligations and/or of ‘rights-holders’ to claim their rights.</li> </ul> <p><i>Source: MFA, 2015a: Human Rights Based Approach in Finland’s Development Cooperation. Guidance Note, 2015</i></p>

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# ANNEX 3: PEOPLE INTERVIEWED

## FINLAND

### Ministry for Foreign Affairs in Finland

#### *Department for Africa and Middle East*

Marja Ahonen, Zambia Team Member, Unit for Southern Africa

Jouko Alanen, Director, Department for Africa and Middle East

Pertti Anttinen, Senior Advisor, Department for Africa and Middle East (Ambassador in Zambia 2010-2014)

Paulina Hellman, Senior Advisor (Development Policy), Department for Africa and Middle East

Harri Sallinen, Zambia Team Leader, Unit for Southern Africa

Arto Valjas, Senior Advisor (Development Policy), Department for Africa and Middle East

#### *Department for Development Policy*

Sinikka Antila, Ambassador, Senior Advisor (Trade and Development), Department for Development Policy (Ambassador in Zambia till 2010)

### Finnish Environment Institute

Wilma Viljanmaa, Senior Coordinator (former Adviser at the Embassy of Finland in Zambia, 2005-2010)

### Others

Selma Honkanen, Retired, former Desk Officer for Zambia 2008-2011

Marja Ojanen, former Counsellor at the Embassy of Finland in Zambia 2009-2014

Timo Voipio, former Thematic Advisor for Social Protection

## ZAMBIA

### Embassy of Finland, Zambia

Anu Hassinen, Counsellor (Inclusive Growth, Private Sector Development)

Elisabeth Ndhlovu, Special Advisor (Development Cooperation)

Timo Olkkonen, Ambassador

Mauri Starckman, Head of Cooperation (Economic Development)

Suvi Valkonen, Coordinator (Human Rights and Democracy)

Matti Väänänen, Counsellor (Agriculture, Environment and Natural Resources)

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### **African Development Bank**

Lewis Bangwe, Agricultural Expert

### **Bank of Zambia**

Musapenda Phiri, Head of FSD Unit

### **CSEF**

Gregor MacKinnon, Project Director, PMTC

Barney Shiels, project manager CSEF 2

### **Embassy of Ireland**

Seamus O'Grady

Patrick Mc. Manus

Ann Mbewe-Anamela

### **ILO**

Alexio Musindo, Director, Country Office for Zambia, Malawi and Mozambique

Tapera J. Muzira, Chief Technical Advisor, Zambia Green Jobs Programme

Evans Lwanga, National Programme Coordinator, Zambia Green Jobs Programme

### **FAO**

Gregory Chanda Chilufya, FAO Assistant Representative

Misael Kokwe, Technical Coordinator, Climate Smart Agriculture

George Okech, FAO Representative

### **ILUA**

Jonathan Wesley Roberts, Chief Technical Advisor, Integrated Land Use Assessment (ILUA II) Project

### **DFONRMP**

Sibajene Ethel Mudenda, National Project Coordinator

### **IFAD**

Martin L. Liywalii, S3P Programme Manager

### **INDUFOR**

Alastair Anton, Chief Technical Advisor for DFONRMP

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### **Forestry department**

Ethel Mudenda

Kelvin Mushimbwa

Joseph Simfukwe

### **Zambia Chamber of Commerce**

Prisca M. Chikwashi, Chief Executive Officer, Zambia Chamber of Commerce and Industry

### **KfW Development Bank**

Stephan A. Neu, Director

### **ZPPA**

Gloria Ngoma, Director Compliance and Monitoring

Markku Siltanen, HAUS TA to ZPPA.

### **Ministry of Community Development**

Mr. Stanfield Michelo, Director of Social Welfare

Manzunzo Zulu, Senior Social Welfare Officer

Sishekanu Muyunda Lumwaya, District Social Welfare Officer, Gwembe District

Cinyama Chibamba, Assistant Programme Officer, Gwembe District

Gertrude Alishaka, Secretary, Community Welfare Assistance Committee

Fred Siankolonga, Vice Chairperson, Community Welfare Assistance Committee

Beneficiaries, Gwembe District

### **Ministry of Commerce and Trade**

Kayula Siame, PS Ministry of Commerce and Trade (former project manager PSDRP)

### **Ministry of Finance**

Mumba Chanda, Deputy Accountant General/Project Coordinator PFMRP

Alice N. Sieve, Chief Accountant projects

### **Ministry of Lands, Natural Resources and Environmental Protection**

Ignatius Mulumba, Director Forestry

Bwalya Chendauka, ILUA II National Coordinator

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**Office of the President Cabinet Office**

Mushuma Malenga

Nsanga Ngwira, Private Sector Development Specialist

Diana Dina Phiri, Communication Specialist, Private Sector Development, Industrialisation and Job Creation

**Transparency International**

Wesley Chibabma, Director of Programs

Goodwell Lungu, Executive Director

**UNDP**

Winnie Musonda, Assistant Resident Representative and Environment Advisor

**UNICEF**

Paul Quarles Van Ufford, Social Protection

**WILDAF**

Muzi Kamanga, Country Coordinator

**World Bank**

Sri Srinivas Gurazada, Senior Financial Management Specialist

**ZAFOD**

Patience Kanguma, Acting Federal Director

# ANNEX 4: CHRONOLOGY OF KEY EVENTS AND FINNISH DEVELOPMENT COOPERATION WITH ZAMBIA

Year	Month	MFA engagement	Other events
1964			Zambia becomes an independent one-party state under the Socialist United National Independence Party (UNIP) – in power until 1991.
1966			First Zambian National Development Plan 1966–71.
1968		Diplomatic relations with Zambia established.	
1991			The social-democratic Movement for Multi-Party Democracy (MMD) elected peacefully.
2000			
2004			Financial Sector Development Plan (FSDP) 2004–2009 launched as a vision statement and comprehensive strategy to address weakness in Zambia financial system.
2005		Finnish and development partners (DPs) move toward budget and sector support, with the culmination of the HIPC process in this year.	
2006			Fifth National Development Plan (FNDP) 2006–2010
2007		Finland, with other Cooperating Partners, developed the JASZ (Joint Assistance Strategy for Zambia) 2007–2010.  Finland stops support to the education sector and starts support to Private Sector Development (PSD) and budget support for poverty reduction.	
2008			First Universal Periodic Review (UPR) on human rights conducted.
2009		Sweden, the Government of Finland, the Kingdom of the Netherlands and Swedish Cooperative Centre (SCC) agree through a Joint Financing Arrangement (JFA) to provide core support to the implementation of the Zambia National Farmers Union (ZNFU). Strategic Plan for the five year period 2009 to 2013.	

Year	Month	MFA engagement	Other events
2010	March	Evaluation of JASZ found it had not been effective in enhancing GoZ ownership, with little evidence of improved development outcomes.	
	May	Zambia-Finland bilateral consultations held in Lusaka in preparation for the next Development Cooperation Plan.	
		Finland, GoZ and the African Development Bank (AfDB) implement the Small Scale Irrigation Project (SIP).  Private Sector Development Reform Programme Phase II (PSDRPII) launched, supported by Finland.  FSDP II began, which was also supported by Finland	National Climate Change Response Strategy (NCCRS) launched.
2011		Zambia is a case study in the Finnish Aid for Trade evaluation.	
	September		Michael Sata's Patriotic Front (PF) party peacefully elected, breaking the MMD's 20-year rule.
		Zambia Development Cooperation Plan 2011–2014 launched.  Programme for Luapula Agriculture and Rural Development II (PLARD) – transition from PLARD I successfully implemented.  Evaluation of Poverty Reduction Budget Support (PRBS) found poor performance in expected policy objectives and reforms.  JASZ II 2011–2015 launched, continued Finnish focus on agriculture, environment and private sector development and new areas of social protection and science and technology.	Sixth National Development Plan (SNDP) 2011–2015.
2013		With aim of implementing Busan aid principles, a Mutual Accountability framework signed between Zambia and the donor community.  At the beginning of the 2013, 15 interventions were on-going, the plan to reduce fragmentation aims for nine interventions by 2016.	

Year	Month	MFA engagement	Other events
2014		Finland's general budget support instrument discontinues at the end of 2014.	Revised Sixth National Development Plan (R-SNDP) 2013–2016 includes the priorities of the PF Government.  Social Protection Policy adopted with development support from Finland. Social cash transfers upscaled.
		Country Strategy for Development Cooperation with Zambia 2014–2016 published, reasserting Finland's commitment to four development sectors; agriculture, PSD, environment and natural resources and good governance and accountability.	
2015	January	10 active interventions at the start of the year.	Edgar Lungu elected President following the death of Michael Sata in October 2014.
		New PSD support programme developed to complement the UN Green Jobs programme.	Private Sector Development, Industrialisation and Job Creation (PSDIJC) came into effect.
2016			National elections planned for 2016.

# ANNEX 5: BUDGET AT THE BEGINNING OF THE CS: 2013–2016

Project name	2013	2014	2015	2016
<b>AGRICULTURE SECTOR</b>				
PLARD phase II: Programme for Luapula Agriculture and Rural Development	3.10	2.32	0.80	1.50
Small holder Production Promotion on Programme	1.18	1.04	1.04	1.04
Financial support to ZNFU	0.75	0.90	0.50	1.00
<b>Sector Total</b>	<b>5.03</b>	<b>4.26</b>	<b>2.34</b>	<b>3.54</b>
<b>PRIVATE SECTOR DEVELOPMENT</b>				
Support to private Sector Development Reform Programme II	1.00	1.15		
Support to Financial Sector Development Programme II	0.51			
Sustainable Livelihoods through Private Sector Development	1.54	1.54	1.87	1.87
<b>Sector Total</b>	<b>3.05</b>	<b>2.69</b>	<b>1.87</b>	<b>1.87</b>
<b>ENVIRONMENT &amp; NATURAL RESOURCES SECTOR</b>				
Environment and natural Resources Management and Mainstreaming Programme	2.12			
Support to Civil Society organisations in environmental issues (CSEF)	0.60	0.60	0.60	
Integrated Land Use Assessment phase II	0.70	1.00		
Decentralised Innovative programme on Forest and other Natural Resources Management	0.75	1.50	2.25	2.50
<b>Sector Total</b>	<b>4.17</b>	<b>3.10</b>	<b>2.85</b>	<b>2.50</b>
<b>GOOD GOVERNANCE AND HUMAN RIGHTS</b>				
Poverty Reduction Budget support, Budget support and support to PRBS secretariat	4.00	4.00	6.00	
Support for enhancing the basic security of the vulnerable persons		0.88	1.66	2.20
<b>Sector Total</b>	<b>4.00</b>	<b>4.88</b>	<b>7.66</b>	<b>2.20</b>
Funds under planning	0.50		0.53	3.64
<b>TOTAL BILATERAL BUDGET</b>	<b>16.76</b>	<b>14.94</b>	<b>15.26</b>	<b>13.76</b>



# EVALUATION

ZAMBIA COUNTRY REPORT  
2016



MINISTRY FOR FOREIGN  
AFFAIRS OF FINLAND