

Ministry for Foreign Affairs of Finland
 Department for Development Policy
 Unit for Evaluation and Internal Auditing

Evaluation of the Implementation of the Paris Declaration: Case Study of Finland

Executive Summary

The evaluation was carried out by a two-person team:

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Executive Summary

1. Evaluation of the Implementation of the Paris Declaration – Case Finland is the Finnish contribution to the first stage of the global joint evaluation of the Paris Declaration. The purpose of this evaluation was to: *“assess the extent to which the concepts of the Paris Declaration have been taken into account in the policies of the Finnish Government, in development aid policy, and at the level of organisational aid delivery, including guidelines and planning tools, reports and the overall accountability framework at the headquarters (HQ) in Helsinki, and to the extent necessary, also at the country level in the diplomatic missions of Finland”*. Furthermore, the purpose was to examine whether there is coherence in policies and actions between the various development policy implementers and aid delivery channels.
2. For Finland, the timing of the overall evaluation was challenging. Moreover, the evaluation was challenging because, during the evaluation of the Paris Declaration, the Finnish Government, elected in March 2007, was in the middle of revising the Government’s four-year development policy. Also, the first draft of the Organisation for Economic Cooperation and Development (OECD)/Development Assistance Committee’s (DAC) 2007 peer review on Finland’s development policy was issued during the course of this evaluation.
3. The evaluation was carried out over two months, from late August to late October 2007. Information for the evaluation was collected by means of:
 - Reviewing existing reports and information
 - Carrying out a broadly distributed email survey
 - Face-to-face interviews of key informants
 - Stakeholder workshop
4. The main *findings and recommendations* of the evaluation are presented in this report. First, some general findings are included, and thereafter an abridged version of the findings and recommendations relating to the four main evaluation themes: leadership, capacity, incentives and coherence; coherence being a special theme in Finland.

General

5. Finland is fully committed to the implementation of the Paris Declaration, both at the political and practical implementation levels. However, there are slightly differing views on the priorities regarding the Paris Declaration principles and indicators among two of the major Finnish stakeholders. For example, the Ministry for Foreign Affairs emphasises ownership, alignment and harmonisation whereas the Ministry of Finance underlines managing for results.
6. Finland has made only slight changes to its development policies over the past two decades. The Paris Declaration principles can be said to have featured in Finnish policy well before the Paris Declaration itself. However, the Paris Declaration has truly influenced Finnish aid administration and aid delivery; the Paris Declaration principles have been used increasingly in a very systematic manner in decision-making on Finnish aid. Finland is on the right track in terms of Paris Declaration implementation.
7. However, some contractors, Ministry for Foreign Affairs staff members and politicians/decision-makers see one major problem in the present Paris Declaration framework and in the direction in which the Paris Declaration implementation appears to be taking development cooperation, namely in that the Paris Declaration focuses purely on how public sector aid is channelled, but it remains silent on the founding questions of development, on the role of non-state stakeholders, and on the content or substance of aid. The latter has been left to the partner countries to be decided through their national political processes. The same stakeholders perceive the Paris Declaration as a way to improve and increase public sector aid flows, and thereby effectively limit, although perhaps unintentionally, broader debate on development. They seem to think that while Paris Declaration implementation may be on the right track, the track is leading us in the wrong direction.
8. The results of the 2006 Survey on Monitoring the Paris Declaration Implementation stirred up discussion and an assessment of the fact that Finland received a below average ratio for the predictability of aid. The results of the 2006 Survey should indeed be systematically analysed, e.g. in the Aid Effectiveness Working Group of the Ministry for Foreign Affairs. Subsequently, the necessary decisions should be taken to overcome the identified bottlenecks and to improve Finland's performance.

Leadership

9. **Conclusion:** Finland is committed to the principles of the Paris Declaration. The political support for respecting the ownership of partner countries as well as to act in a coherent manner at all times is strong. Ownership as

well as other Paris Declaration-related issues have been understood and debated in Finland for many years. The alignment of Finnish assistance is on-going but at the same time challenging. In the name of increased aid effectiveness and more harmonised cooperation, Finland is prepared, to a certain extent, to re-direct its assistance. The predictability of Finnish aid has been much debated after the 2006 Survey on Monitoring the Paris Declaration.

10. **Recommendation:** Well and carefully prepared high-level consultations between Finland and Development Partners should be continued as a forum, both for discussing all forms and modes of aid and for reaching agreement on them. In addition, the impacts gained by the assistance should be discussed with the respective partners. The planning and design of Finnish aid should continue to be realistic and take into consideration the situations in the partner countries in order to allocate aid timely.

Capacities

11. **Conclusion 1:** In-depth knowledge about the Paris Declaration in Finland is limited to the Ministry for Foreign Affairs staff who work directly on Paris Declaration-related issues. There are knowledge gaps at various levels in the Ministry for Foreign Affairs and especially outside the Ministry for Foreign Affairs among other Finnish stakeholders. There are formal training arrangements for Ministry for Foreign Affairs staff, but they are either insufficient or they are not reaching those who need the training. The lack of easily available statistical information on Paris Declaration implementation is also an impediment to increased knowledge. The statistical system of the Ministry on development cooperation does not include Paris Declaration-specific markers, nor is the use of a marker system obligatory in recording commitments and/or the use of funds.
12. **Recommendation 1:** Organise on a systematic basis departmental or regional training/events for exchanging experiences within the Ministry for Foreign Affairs on important policy and procedural topics with special reference to Paris Declaration implementation. Organise, for example, annual seminars around topical training packages for non-governmental organisations and consultants/contractors. The Ministry for Foreign Affairs should consider introducing obligatory markers in its statistical system with special reference to selected key Paris Declaration-specific markers.
13. **Conclusion 2:** The decentralisation of aid administration and management through the delegation of bilateral development cooperation administration to embassies has been piloted for two years. It is now time to learn the lessons and draw conclusions on a more permanent solution.

14. **Recommendation 2:** The Ministry for Foreign Affairs should consider the permanent delegation of bilateral development cooperation administration to embassies, based on the lessons learned from the pilot project, and to remove the remaining bottlenecks relating to limited decision-making powers. The respective instructions or guidelines should be prepared and issued.

Incentives

15. **Conclusion:** In Finnish public administration, especially within the Ministry for Foreign Affairs, there is tradition of acting on the basis of policies and formal decisions without the need for incentives as a means to encourage or secure the achievement of the expected results. Consequently, there has been no systematic thinking within the Ministry for Foreign Affairs about introducing incentive systems that would reward good performance by the partner countries. The Ministry for Foreign Affairs's new Results-based Management System is a good and positive development. Linking good performance in the Results-Based Management System with possible incentives merits careful thinking.
16. **Recommendation:** Innovative and unprejudiced internal discussion on the introduction of incentives and linking them with the Ministry for Foreign Affairs's Results-based Management System should take place within the Ministry for Foreign Affairs and between the Ministry for Foreign Affairs and the Ministry of Finance. Similarly, the possibility of introducing incentives in financing agreements with partner countries should be discussed.

Coherence

17. **Conclusion 1:** There are varying interpretations on coherence both among Ministry for Foreign Affairs staff and other stakeholders in Finland. Consistent development policies in Finland have helped to increase coherence in implementation, and coherence has been given high importance in Finland. In the multilateral framework, Finland aims to act in a coherent manner. Finland's goal is to get Paris Declaration issues taken fully on board by all multilateral institutions.
18. **Recommendation 1:** The different dimensions (internal, intra-governmental, and inter-governmental) of coherence should be borne in mind. Coherence should be understood as a tool, not as a means in itself, to implement effectiveness. Finland should continue to put emphasis on coherence within multilateral forums.
19. **Conclusion 2:** Coherence in development matters is primarily the responsibility of the Ministry for Foreign Affairs. It is a demanding task for the Finnish administration to act in a coherent manner at all times and occasions. To ensure coherence, there are a number of processes and manage-

ment mechanisms, and inter-ministerial as well as inter-departmental working groups. However, there is a lack of information/knowledge about the Paris Declaration and its contents in other ministries apart from the Ministry for Foreign Affairs.

20. **Recommendation 2:** New working groups, both within the Ministry for Foreign Affairs and inter-ministerial, are required to ensure coherence in issues such as climate change, the use of natural resources, and agriculture. The working groups should operate in general in a more formal and structured manner. There should be well-formulated instructions, guidelines and training to enhance common approaches to coherence.