PC-AAA-690

EFFECTS OR IMPACTS?

SYNTHESIS STUDY ON EVALUATIONS AND REVIEWS 1988 TO MID-1995

Report
1996:1

REPORT OF EVALUATION STUDY
Ministry for Foreign Affairs of Finland

PC-AAA-690

EFFECTS OR IMPACTS?

Synthesis study on evaluations and reviews commissioned by Finnida 1988 to mid-1995

UNIVERSITY OF HELSINKI
Institute of Development Studies
Juhani Koponen and
Päivi Mattila-Wiro

Ministry for Foreign Affairs
Department for International Development Cooperation
Katajanokanlaituri 3, FIN-00160 Helsinki, Finland
tel. + 358 0 134 161, fax + 358 0 622 2576
E-mail: kari.karanko@formin.mailnet.fi

ISBN 951-724-068-6
ISSN 1235-7618

NORDIC ENVIRONMENTAL LABEL
411 011
Recyclable product with low emissions during production
Hakapaino Oy, Helsinki 1996

CONTENTS

Executive Summary i
The study ii
Some conclusions iv
Recommendations xi

1. Purpose and Methods 1
Structure of the study: questions and issues 2
Conduct of the study: methods and sources 4

2. Finnish Aid and its Evaluation 10
Rise and fall of appropriations 10
Changes in development thinking and Finnida strategies 13
Changes in Finnida organization 15
Evaluation in Finnida 18

3. Logical Frameworks and Project Logic 33
Old frameworks 34
Finnida 1991 Guidelines 35
EU Project Cycle Management approach 38
Evolution of project logic 40

4. Rationale and Relevance 42
Rationale and relevance at policy level 42
Rationale and relevance of Finnish projects 47
Conclusion 86

5. Effectiveness: The Strong Side 88
Agriculture and livestock 89
Rural development 92
Forestry 97
Health 105
Water 111
Education and training 118
Infrastructure 123
Industry and engineering 128
Conclusion 133

6. Impact: The Missing Factor 135
Agriculture and livestock 136
Rural development 138
Forestry 142
Health 145
Water 146
Education training 148
Infrastructure 150
Industry and engineering 152
Conclusion 155

7. Efficiency: Relative Neglect 157
Agriculture and livestock 159
Rural development 162
Forestry 164
Health 167
Water 170
Education and training 173
Infrastructure 174
Industry and engineering 176
Conclusion 179

8. Sustainability: Improvement **181**
Environmental sustainability 182
Institutional, financial and social sustainability 192
Conclusions 217

9. WID and Gender: Attention, but... **219**
Women's projects - the case of the Women's Bureau in Sri Lanka 222
Agriculture and livestock 223
Rural development 225
Forestry 226
Health 229
Water 230
Education and training 232
Infrastructure 233
Industry and engineering 234
Conclusion 234

10. Critical Problems **237**
Internal Problems 237
External problems 248
Insufficient knowledge base 252
Conclusion 254

11. Finnish Projects in Comparative Context **256**
Summaries of other syntheses 256
Some comparisons 265

12. Technical Assistance Personnel **268**
Relevance 269
Effectiveness 271
Efficiency 275
Sustainability 278
WID and gender 281
Critical issues 281
Conclusion 283

13. NGOs - Better Samaritans **285**
Activities 286
Impact 289
Effectiveness 292
Efficiency 294
Sustainability 295
WID and gender 296
Conclusion 297

14. Aid and Export: A Controversy **299**
Activities 300
Relevance 304
Effectiveness 310
Impact 313
Efficiency 318
Sustainability 322
WID and gender 325
Conclusions 325

15. The Role of Evaluation in Finnish Aid **329**
A second look at evaluations 329
Factors affecting evaluations 330
The case studies: Nepal and Tanzania 337

Nepal 339
Tanzania 346
Conclusions 356

16. Conclusions **358**
Discussion on conclusions concerning activities 359
Discussion on evaluations 368
Recommendations 369

Appendix 1: Basic information on activities reviewed and evaluations used 373

Appendix 2: Terms of Reference (TOR) June 15, 1994 383

Appendix 3: References 387

List of References
Interviews

EXECUTIVE SUMMARY

This is a synthesis study of major evaluations and reviews carried out from 1988 to mid-1995 for the Department for International Development Cooperation of the Ministry for Foreign Affairs of Finland, formerly known as Finnida. The purpose of the study is to provide an overview of the contents of these evaluation and review reports, discuss their influence on Finnish development cooperation activities, and find out what further lessons can be learned from them.

The main conclusions concerning Finnish-supported development projects and other activities can be summed up as follows:

* Finnish development projects and programmes have been fairly effective in the narrow sense of reaching their stated short-term objectives, but very little is known of their actual longer-term impacts.

* Efficiency, in the economic sense of the term, and sustainability of the activities seem to have been improving, but there was room for further improvement. It is too early to say to what extent goals will eventually be reached in these respects.

* Women and gender issues have been given much more attention than before; whether this will lead to a sustained improvement in their position is less clear. Also environmental issues have been given increasing attention.

* There are some structural weaknesses in the logical frameworks on which Finnish development activities rely. These make it possible to create a gap between the activities with their short-term outputs on the one hand, and the long-term development objectives on the other.

Concerning the evaluation reports themselves, they were found to vary greatly in scope, approach, and quality. Also their influence was variable. Mostly they were concerned with what can be called the management function of evaluation, and they gave less attention to its accountability function. That is, they were undertaken more for the purposes of short-term design and management of the activities than for critical discussion and long-term guidance. In

general, it seemed to be possible for them to influence the aid activities, but only under certain conditions and within fairly close limits.

When interpreting these conclusions, it is necessary to stress the limitations imposed by the source material and the method of the study. The study is based on the reading of a sample of existing evaluation and review reports. Only to a limited extent was it possible to check the picture they gave. In any case, a synthesis like this inevitably lags behind what is presently happening in the field, because it cannot take into account the changes that have taken place in the activities and in their environment since the original evaluation reports were written.

Because of these factors, this study does not fully reflect the advancement which has occurred in recent years in the way Finnish projects and programmes are designed, conducted and evaluated. Yet the study argues that a general complacency about the quality of Finnish development cooperation is somewhat premature, and the record of the overall Finnish aid performance still has additional useful lessons to offer for the further improvement of aid practices.

The study

The period under discussion extends from 1988 to mid-1995. This was a period during which profound tranformations took place in the environment in which Finnish development projects and programmes operated. Globally, the Cold War was over. Developing countries faced increasing demands for structural adjustment and different pressures for political reform. In Finland, development cooperation funds experienced an unprecedented rise and fall. All these changes have in many ways affected the record of the projects under review here.

The study itself was carried out in July 1994 - September 1995 by a team from the Institute of Development Studies of the University of Helsinki. The principal researchers were Dr. Juhani Koponen and Ms. Päivi Mattila-Wiro, M.Sc., M.A.; Dr Koponen was the team leader and the editor of the report.

While some changes were made in the original set-up of the study, it remains essentially based on the existing evaluation and review reports. An acquaintance was first made with almost all

the more than 150 evaluation reports produced for Finnida from 1988 to mid-1995, and 62 of these were taken into detailed scrutiny. In addition, some limited fieldwork was undertaken in Tanzania and Nepal, and a number of project implementors and officials of the Department of International Cooperation were interviewed.

Although the sample of projects and other activities is not entirely representative, one can argue that it gives a fairly good cross-section of ongoing activities in Finnish development cooperation during the study period. It includes a considerable proportion of the major bilateral projects and activities in progress in all major recipient countries and in each of the sectors concerned.

The major limitations of the study lie not so much in the coverage of the activities as in the scope and quality of reports on which it is based. The reports varied greatly as to extent, structure, approach, and quality. Also their functions and purposes varied. The majority of the project-specific reports were mid-term reviews, or other interim evaluations, of ongoing projects and programmes, although there were also some post-evaluations undertaken after the completion of the project or a distinct phase of it. In addition, a number of broader thematic evaluations were included. Ex-post evaluations concentrating on long-term impacts were very few.

The overall quality of the evaluation and review reports varied, but could not be regarded as generally very high. Most project-specific reports concentrated on a few themes, with a concomitant neglect of other major issues, and presented their findings in an incoherent manner. Among wider thematic evaluations, the standard was consistently higher.

On the basis of such reports, it was found impossible to formally rate the projects according to their success. Although some projects were clearly progressing better than others, for the great majority it was impossible to say whether the performance could be termed satisfactory or not. A more descriptive methodology had to be adopted, which endeavours to convey an idea of what has or has not happened in the project and as a consequence of it.

Because of its methodology, the synthesis study cannot be taken as giving judgements of the actual performance of any project as a whole, or as presenting substantial comparisons between various projects and programmes. The aim is to give an idea of the overall picture which the evaluation and review reports convey regarding the contents and problems of Finnish

development cooperation. Project- and programme-specific descriptions are only meant to contribute to that overall task.

Some conclusions

Most of the conclusions which emerge from this synthesis study of evaluations and reviews carried out for Finnida from 1988 to mid-1995 relate to with Finnish development activities themselves and to those concerned with evaluations of these activities. In addition, there are some conclusions on evaluations and their effects.

Logical frameworks, rationale, and effectiveness

One factor whose crucial importance became manifest in this study is the logical framework within which the various objectives of a project are set and the relationships between objectives at different levels are perceived. How the rationale of a project is conceived and how its effectiveness is evaluated are crucially dependent on how the objectives are formulated and how their interrelationships are conceived.

The projects and programmes in our sample were not very uniform or systematic in this respect. The main problem was found to lie in the fact that the frameworks which had been used allowed the activities to be concentrated on the achievement of output targets. They did not elaborate on the linkages leading from the attainment of the physical or institutional targets to the wider development objectives.

At the most general level, the overall justification for Finnish-supported development activities and the relevance of the objectives of individual undertakings were commonly taken for granted by the evaluators. Very seldom were any doubts expressed in this respect. Moreover, the Finnish aims were never discussed; rather, the rationale was discussed in terms of whether or not the projects and programmes followed recipient governments' national policies and corresponded to their national priorities.

Effectiveness, defined as the degree to which the activities had reached or were reaching their short-term or immediate objective, was found to be the strong side of Finnish development

projects. In almost all sectors discussed, perhaps with the partial exception of industry and engineering, the overall effectiveness of the majority of Finnish projects was found by the evaluation and review reports to be reasonably or quite good: most projects had attained or were likely to attain most of their major immediate objectives.

However, effectiveness in reaching the stated objectives depends not only on the performance of the project but also on the way the objectives have been set. Although no firm conclusions were possible on the basis of our material, it appears likely that several projects were assessed as effective mainly due to the impressive number of outputs they produced in their own terms. Less attention was given to the question of how these outputs contributed to larger goals. That is, the assumed relationship between outputs and the objectives at different levels was left unanalyzed.

Impact

Impact was the major unknown factor. It was astonishing to find how little information on the impact of Finnish bilateral development projects was conveyed by the evaluation and review reports discussed in this study.

The assessment of impact is admittedly a difficult task. This is so even with planned development impacts. Views on development impact may change greatly as time goes by. The question of other, unintended and unforeseen consequences of development activities is still more difficult to tackle systematically. Very few reports paid even fleeting attention to them.

This was not only the fault of the evaluators. It appears that the projects themselves, in their planning and monitoring, had given relatively little weight to impact. In most of the projects, both baseline and up-to-date monitoring data were inadequate or missing.

Efficiency

Efficiency, measured as the economic relationship between the inputs and the outputs of the project, was given low priority both in projects (and other activities) and in their evaluations.

Yet it was evident from the reports that there was considerable room for improvement in this respect. Many Finnish projects, or their major phases reviewed here, had clearly been designed and implemented with other requirements than economic efficiency in mind. There were clear indications, however, that some improvement had more recently taken place.

High project costs were often due to the very 'Finnishness' of the activities. There were two major components raising the costs of an aid project: expatriate personnel and supplies from abroad, mainly from Finland. Both these have been cut during the last few years.

Sustainability

Sustainability, in its environmental, financial, institutional and social dimensions, has become a major issue during the time covered by this study. It is now given serious consideration in all the activities. Although all projects have not been able to keep up with the speed of the change, it appears clear that sustainability of Finnish projects has considerably improved during our study period. Still, it is too early to give an assessment of the long-term success of the new approach.

Gender issues

Also gender-sensitiveness, in the sense of 'attention being given' to women, has been greatly heightened in Finnish development projects during the time frame of our study. Some major gaps remain, however (infrastructure and industrial projects); and what attention to women entails in practice is by no means unambiguous.

As far as orientation of the projects towards women as preferred target groups is concerned, a number of Finnish bilateral projects score quite well, especially in agriculture, rural development, forestry, health, water and education. To what extent this targeting from above has become a reality from below, at the grassroots - and how women have actually benefited from the projects - is a much trickier question, however. There were few activities addressing the relationships that keep women disempowered.

Critical problems

A number of critical problems which had prevented the Finnish projects, or the phases of them discussed in this study, from attaining their maximum effectiveness and ultimate goals were identified in the study.

Among the major problems that stemmed from the design or organization of the project were: the ambiguity of objectives and a poorly defined logical connection between longer and shorter term objectives and outputs; over-optimistic time frames; a donor-driven mode of cooperation resulting in top-down planning and parallel implementation structures; reliance on inappropriate imported technologies; complicated and cumbersome administrative structures; and gaps and breakdowns in communication.

Problems related to the external environments in which the projects were working were often connected with macro policy environments, especially with unanticipated changes in them; while others were encountered in the more immediate micro environments in which the projects and programmes operated. The most visible of the latter sprang from an inability or unwillingness of local partners to carry out their part of the commitment. Yet, perhaps the most important - and most inadequately understood - factor was the social and cultural environment.

Underlying all these problems was a poor knowledge base:
insufficient, poor or missing data, especially a lack of socio-economic baseline and cultural background data, and poor monitoring systems; a lack of thorough understanding of social and cultural factors; and inadequate understanding of the implications of policies, as well as inflexibility in adapting to changes in them.

It is appreciated that lessons have been learned and major changes have happened in the approaches of Finnish development cooperation during our study period. Yet some major internal problems remain, and new ones may be appearing.

Comparative perspective

In order to put our results in a larger context, some comparative materials were presented from evaluations of earlier Finnish projects in the 1980s and a selection of projects of some other donors such as Norway, the European Union and the World Bank. Although direct comparison between them and our materials was possible only to a limited extent, a number of broad similarities and as well as some significant differences were found.

Compared with earlier Finnish projects in the 1980s, major changes had happened with respect to sustainability and what are called cross-cutting issues of gender and environment, which were now given more explicit attention than before. However, many problems seemed to persist. The factors decreasing effectiveness, efficiency and impact continued to be much the same, although they were formulated differently and the relative emphasis placed on them had changed.

Compared with international experiences, both similarities and differences emerged. The direction of changes in Finnish development cooperation was clearly following the lead of other donors and DAC, but it was lagging somewhat behind the front runners.

How the performance of Finnish projects in general compared with that of the other donors cannot be said on the basis of our study, but the impression gained was that the difference between Finnish projects and the others could not have been very great.

The Finnish projects had in common with the others a strong emphasis on and relative success in implementation, especially in that of projects of whose nature was predominantly technical. Problems apparently shared by all the donors reviewed here were related to project design and planning.

Technical assistance and NGOs

In addition to bilateral projects and programmes, also other modes of aid activities are discussed in this study. These include technical assistance personnel (TAP), i.e. expatriates coming from Finland to developing countries as experts or volunteers; and development work of various Finnish non-governmental organizations (NGOs).

Although the number of expatriates working in Finnish development cooperation as TAP has been greatly reduced during the years of falling appropriations, and their functions have been transformed, they still play a vital and visible role in several endeavours.

TAP were found to be problematic in many respects. The original rationale for their employment - filling the gaps in the personnel structure in developing countries - had lost its relevance, and their presence was often seen as militating against sustainability. They were also very expensive to employ and maintain. Yet, to some extent, TAP were found to be indispensable.

Concerning NGOs, the evaluations discussed in this study left the underlying big question about the assumed superior quality of the developmental work of NGOs largely unanswered. In general, the Finnish NGOs in development and the Finnish volunteers were found to share the same virtues and vices as most other NGOs. Their development impact was regarded as modest and their effectiveness as mixed. Nevertheless, in many cases they had been able to reach poor people whom the governments concerned were unable or unwilling to support. Their cost-effectiveness varied greatly, but was by and large better than that of official agencies.

A major problem affecting the development work and impact of NGOs was that they had been weak in systematizing and learning from their experience, although this at times had been quite innovative and worthy of wider application.

Aid and export

Also some controversial forms of cooperation, combining development aid with the promotion of Finnish exports and other economic interests, are discussed in the present synthesis. They had been assessed in a variety of ways by evaluators. Technically, they were found to have been smoothly executed; but the most thorough assessments doubted their value, both from developmental and export promotion points of view.

Among activities meant not only to further economic development and welfare in the recipient countries but also to promote Finnish economic interests abroad, the following three are

discussed: Finnfund, the Premixed Concessional Credit Scheme, and the Finnida Consultancy Trust Funds. They were assessed from both development and export promotion points of view.

From the developmental point of view, few of these activities were found to be very effective or to have much impact. Especially if seen against the present overall Finnida objectives such as alleviation of poverty, combating global environmental hazards and fostering equality, democracy and human rights, their role as instruments of development aid was found to be problematic.

Concerning the validity of these activities for the promotion of Finnish economic interests in developing countries, there was some disgreement among the evaluators. Although some Finnish evaluators argued that they had been successful in this respect, others were not convinced. Particularly concerning the premixed concessional credit scheme, the argument was put forward that it was an expensive instrument for export promotion, due to the large amount of interest subsidies needed and the relatively marginal impact.

An obvious impact of the schemes was a diversion of Finnish development aid funds from Africa to Asia, and from poorer countries to those that are called emerging economies.

Evaluation and review reports

The overall quality of the evaluation and review reports was found to vary greatly, but could not be regarded as generally high. None of them was assessed as excellent, a number were good, a much larger number satisfactory, and some were poor. In general, ex-post evaluations, thematic and other broader evaluations, conducted since 1991, were consistently found to be of higher quality: more methodical in their approach and better disciplined in their argumentation.

Whether or not the general quality of evaluations was improving could not be determined on the basis of our material, but it appeared possible that some improvement had happened.

Two major faults were identified in the project-specific evaluations. Firstly, the attention was overwhelmingly focused on the achievements, performance and outputs of the project or programme and the various problems encountered there. The second fault was the lack of

internal coherence in argumentation. The reports interlaced their more and less appreciative or critical points in a seemingly random way, which gave considerable leeway as to how to draw the conclusions and lessons to be learned.

Whereas issues such as sustainability and gender were increasingly included in the evaluations, the analysis of impact and economic efficiency remained weak.

Many factors of a technical or methodological nature were found to affect evaluation. The composition of the evaluation and review missions was often dominated by technological and administrative competence and economics, to the detriment of social sciences. There was much variation in the terms of reference (TORs) of the missions. The existing guidelines for evaluation date were outdated. The methods employed by the missions were of a fairly common-sense kind.

However, it was argued that evaluation had become such an integral part of the development cooperation process that it was bound to be affected by all the factors affecting development cooperation as a whole, such as deficient logical frameworks or poor knowledge bases.

Recommendations

A great number of recommendations were put forward in the evaluation and review reports examined in this study. The study itself rephrased and reformulated those which were found to be the most urgent, and added a few recommendations of its own.

Concerning the activities, it was considered that the most urgent tasks were those of focusing on the attainment of impact and reducing the costs, by the following means:

* The logical frameworks and their underlying assumptions have to be rethought; and the various guidelines, including the *Guidelines for Project Preparation and Design* from 1991, revised. However, the necessary flexibility must be maintained. A logical framework must not become a straightjacket.

* Knowledge bases and their use must be improved. This requires adequate monitoring and more research. Especially social and cultural factors need much more detailed attention. Before producing more data it must be made sure that the existing data are used.

* Participatory approaches and integration of Finnish-funded activities into recipient structures have to be continued and deepened.

* Requirements for sustainability need clarification. More financial responsibility should be given to the partners in developing countries. Economic efficiency has to be sought, even if it means less reliance on Finnish personnel and procurements.

Concerning evaluations, it is important to raise their quality by the following means, among others: more resources, new guidelines, increasing involvement of the partners from developing countries, more social and cultural expertise, and more broader thematic and other such evaluations as well as ex-post evaluations. The consultancy company mode of delivering assistance would warrant a major evaluation of its own. Evaluation results should be made more accessible in compact and timely publications, and through other more innovative and interactive forms of feedback.

1. PURPOSE AND METHODS

The present study is a synthesis of major evaluations and reviews carried out from 1988 to mid-1995 for the Department for International Development Cooperation of the Ministry for Foreign Affairs of Finland, or Finnida.[1] The purpose of the study is to provide an overview of these evaluation and review reports; and to see what lessons can be learned from them concerning Finnish development cooperation activities, and how these, and other evaluations can contribute to improving the performance and impact of Finnish aid.

At the outset, it has to be emphasized what the synthesis study is *not*. In particular, it is not a comprehensive and systematic account of Finnish development cooperation in 1988-1995, nor a master evaluation of it. The study is based on the existing evaluation and review reports. Such reports are limited in scope and purpose, and could not by themselves form a basis for an overall evaluation, even if they were all included and were all of uniformily high standard. This study is based on a sample of them, and the reports included varied greatly in quality.

Neither does this study claim to provide a re-evaluation of the individual projects, programmes and other activities discussed in it. A great deal of detailed information on many projects and activities is presented, but this is to illustrate the overall themes and not to provide judgements on the projects and activities concerned as a whole. Overall project evaluation was precluded already by the fact that many projects were represented in our sample only by one or two of their phases and we did not have materials on their complete conduct.

What the study does try to provide is a picture of major issues in Finnish development cooperation activities during the period from 1988 to mid-1995 as reflected in the available evaluation and review reports. It asks what these reports convey on themes like rationale and relevance of Finnish aid, its effectiveness and impact, its efficiency and sustainability, and the inclusion of gender and environmental issues in it. Further, the study also discusses the quality and coverage of the existing evaluation reports and the use that has been made of them.

[1] For the sake of clarity and brevity, we employ the abbreviation 'Finnida' throughout the study, although the use of this name has been officially restricted to bilateral project cooperation.

Such an account is inevitably incomplete, lagging behind what is presently happening in the field, and inaccurate in many details. Still it is hoped that it can provide some assistance towards orientation in a terrain whose topography is known to be extremely diverse, and for which few maps exist.

Structure of the study: questions and issues

The period under discussion extends from 1988 to mid-1995 (earlier evaluations are reviewed in *Review of Evaluation Reports on Finnish Development Projects in the 1980s*[2]). During this period, it will be recalled, profound transformations took place in the environment in which Finnish development projects and programmes operated. Globally, there was the collapse of the Berlin Wall and the social system of actually existing socialism symbolized by it. The triumph of market economy and parliamentary democracy reached developing countries in the form of structural adjustment and pressures for transition to multi-party rule. In Finland, development cooperation funds experienced an unprecedented rise and an equally unprecedented crash. It is understandable, and also evident from the reports, that these changes have in many ways affected the record of the projects under review here.

In this overall context, our study focuses on the performance of Finnish development cooperation efforts during this time and the evaluation of these efforts. The study is divided into three parts. It begins with (i) a brief background discussion, including a review of the focus and quality of the evaluation reports as to their contents and methods; it then proceeds to (ii) the assessment of the aid performance as reflected in these reports; and winds up with (iii) a more through discussion on the management and uses of evaluation, and some recommendations concerning them.

The bulk of the study is formed by part (ii), the assessment of the performance of Finnish aid on the basis of evaluation and review reports. The existing reports were examined to find out what they convey on the following aspects of Finnish development cooperation:

[2] Written by Paula Hirstiö-Snellman, Finnida, Helsinki 1991.

* The logic of project framework and its evolution, including the eventual effects of the adaptation of various trends in project planning and management.

* Rationale of the objectives and their relevance in relation to the goals and aims of Finnish development cooperation and the aims of the recipient, as well as the realizability of the objectives.

* Effectiveness, meaning the extent to which the immediate objectives of the project have been attained or are likely to be reached.

* Development impact and notions related to the possibilities of its assessment.

* Efficiency of aid operations.

* Sustainability of the benefits and the factors affecting it.

* Inclusion of cross-cutting issues of gender and environment.

In the original terms of reference of the study, also the issue of treatment of risk and uncertainty in project planning and implementation was included. As practically no direct information on this was found on reading the documents, it was dropped from the list of examined issues.

This part of the study is divided into two sections, the first of which looks at assistance organized in the form of projects and programmes, while the other part investigates non-project forms of aid.

The performance of bilateral Finnish projects was examined by grouping the projects sectorally into eight categories: (i) agriculture, (ii) rural development, (iii) forestry, (iv) health, (v) water, (vi) education and training, (vii) infrastructure, and (viii) industry and engineering.

After reviewing the performance of Finnish projects and programmes, a discussion of the critical factors affecting the success of the projects is offered, and some comparison is presented as to how the findings in the Finnida evaluations relate to those of other aid organizations.

Non-project modes of aid were included by examining the evaluations of activities such as the premixed concessional credit scheme and industrial cooperation through Finnfund. Further perspectives beyond individual projects and sectors were gained from evaluations of technical assistance personnel and the aid activities of non-governmental organizations (NGOs) as well as from the country evaluation of Finnish aid to Tanzania.

The last part of the study goes in a more detailed way into the management of evaluation of Finnish aid and the use made of evaluation results. Information obtained from the reports is complemented with field studies in Nepal and Tanzania in order to ask what kind of effects the evaluation results have had on decision-making concerning planning, implementation, monitoring and management of the aid, and what the role of the recipients has been in this process.

Conduct of the study: methods and sources

The study was carried out in July 1994 - September 1995 by a team from the Institute of Development Studies of the University of Helsinki. The principal researchers were Dr Juhani Koponen and Ms Päivi Mattila-Wiro M.Sc., M.A.; Dr Koponen was the team leader and the editor of the report.[3]

The terms of reference of the study emphasized that the results were to be fed back into Finnida organization already in the course of the work. A series of workshops for Finnida officials and for project implementors were arranged in December 1994, which greatly contributed to the further conduct of the study.

In the original terms of reference of the study (Appendix 2) it was expected that the source materials for the study would consist almost exclusively of the existing evaluation and review reports, and some primary data would be collected only for exploring the issue of the utilization of evaluation results. It was also suggested that the issues to be examined be divided into two:

---

[3] A great number of Finnida officials commented on various drafts of the report. Research and technical assistance was provided by Harri Englund, Lalli Metsola, Jussi Noponen, Anu Rakkola and Katja Uusihakala. Chris Mann corrected the English language. The authors wish to express their gratitude to all who helped them.

(a) aid performance and (b) aid management. The assessment of the focus and quality of the evaluation and review reports was subsumed under the management issue.

As the study got under way, it became evident that its success was crucially dependent on the focus and quality of the evaluation reports, but in most cases they were found wanting in these respects. This led to two decisions: (i) to make the assessment of the focus and quality of the evaluation and review reports into an independent research task, and (ii) to widen the source basis of the study with some additional documentation and interviewing of key officers and implementors.

Nevertheless, it has to emphasized that, these amendments notwithstanding, the study remains essentially based on the existing evaluation and review reports. Besides some limited fieldwork in Tanzania and Nepal to examine the utilization of evaluation results, the purpose of using non-evaluation documentation and interviews has been to get an idea of the quality of the evaluation or report concerned - not to produce an independent assessment of the project covered by the report.

This means that the quality of the synthesis is heavily constrained by the material it is based on. While our conclusions are not restricted to what the evaluators themselves concluded, the empirical basis for them lies in what was said in the evaluation and review reports, and in what was left out of them.

Also the selective nature of the source materials must be emphasized. Although almost all the more than 150 evaluation reports produced for Finnida from 1988 to mid-1995 were given a preliminary perusal, less than half of these, 62, were taken into detailed scrutiny.[4] The selection was not entirely representative. Besides the importance of the activity concerned, also the quality of the available documentation was used as a criteria. Some of the more hopeless reports were dropped at that stage.

Nevertheless, one can argue that our sample represents a fairly good cross-section of on-going activities in Finnish development cooperation from 1988 to mid-1995. It includes a considerable

[4] For the projects and evaluations included, with basic information on duration, implementor, and costs, see the list in Appendix 1.

proportion of the major bilateral projects and activities in progress in all major recipient countries and in each of the sectors concerned.

It was found that the major limitations of the study were not so much in coverage of the activities as in the scope and quality of reports on which it was based.

The most striking characteristic of the reports included in the study, at least for someone trying to synthetize them, was their great diversity. They varied enormously as to scope, depth, structure, approach, and quality.

In terms of size, the range extended from reports with one or two dozen pages to the five-volume account of the Finnish support programme for the development work of non-governmental organizations (NGOs), extending over more than 500 pages.

Also the functions and the purposes of the reports varied. The great majority of the 53 project- or programme-specific reports were mid-term reviews, or other interim evaluations, of on-going projects and programmes. In addition, there were some post-evaluations undertaken after the completion of the project, or a distinct phase of it. The proper ex-post evaluations, assessing the long-term impacts, numbered only two.[5]

The fact that the overwhelming majority of the reports used were mid-term reviews, or evaluations of phases of projects to be continued, introduces a major constraint: much of our material cannot be taken to represent the achievements, or otherwise, of completed projects. Rather, it mostly reflects the problems and prospects of recently initiated undertakings and on-going processes which are still seeking their forms.

Moreover, the overall quality of the evaluation and review reports varied greatly, but could not be regarded as generally high.

---

[5] One on the Pha Rung Repair Shipyard in Vietnam, and the other on the Practical Subjects Teaching in Zambian primary schools. There were also a few of what were called impact evaluations, undertaken in connection with other evaluations, such as the one on training and educational activities in the Kenya-Finland Primary Health Care Programme in June 1992.

We made an exercise of rating the reports for our purposes. The criteria we used included the degree of inclusion of central evaluation themes in the reports (relevance, effectiveness, efficiency, sustainability and cross-cutting issues), the general approach and the structure of the report. The result was mixed. None of the reports scored excellent, although a number were good. Among wider thematic evaluations, the standard was consistently higher than among project evaluations.

Perhaps most frustrating for us as synthetizers was that no common pattern could be found in the organization of the argument in the reports, nor in the conceptualizations they employed. This made it very difficult not only to make sense of the points the report was trying to make and compare them with the points made in other reports, but also to locate the points to be made sense of and compared. Almost every report seemed to have its own interpretation of how to handle the terms, themes and issues.

There was a degree of uniformity in the structure, to be sure. As an overall rule, the reports started with background information on the project. Especially in the less satisfactory reports, this was given in excessive amounts, filling up to one-third of the total length of the text space. Yet most of this information was commonly superficial, not seldom outdated, and lacked insightful discussion on some of the most relevant aspects of the macroenvironment such as the prevailing trends in donor and recipient policies.

Usually, the objectives of the report were also expressed at the beginning, and the terms of reference were annexed at the end. However, some reports did not even express the immediate objectives of the project explicitly. And what was in between varied greatly.

A fundamental flaw in the majority of the reports was the lack of internal coherence in argumentation. In their endeavour to be objective and impartial, the reports duly noted both positive and negative sides of the activities, though quantitatively they mostly concentrated on problems. In their presentation, they seldom indicated clear priorities but interlaced their more and less appreciative and critical points in a seemingly random way. This approach gave considerable leeway as to how to draw out the lessons to be learned. As a rule, even those reports which found a lot to complain about in the activities and results so far, recommended the continuation and even extension of the project.

Another basic weakness was that attention was overwhelmingly focused on the achievements, performance and outputs of the project or programme. At the beginning of our study period, physical achievements and outputs were given most attention, but gradually the emphasis increasingly shifted to institutional achievements. Whatever the case, the discussion was often kept at a fairly descriptive level and the reader was left to figure out wider implications and conclusions. The links between achievements and outputs on the one hand and the objectives of the project on the other were seldom elaborated. Socio-economic aspects were given scanty attention. Impact analysis was by and large lacking or at best very rudimentary, except in the ex-post evaluations.

Of the other issues examined, the analysis of economic efficiency was much the weakest. With some notable exceptions,[6] economic details were neglected and discussion on cost-effectiveness arguments was lacking.

The reports were systematically read; their contents were examined, and partly reconceptualized to fit our categories. In cases where the report did not provide enough basic information on the activity concerned, or there was reason to doubt the overall picture it gave, it was complemented with other documentation concerning the activity and with interviews with relevant Finnida officials and project implementors.

It was found impossible to pigeonhole the projects into 'goodies' and 'baddies' by quoting statements to this or that effect from the reports. But we found no alternative way to rate the projects and programmes themselves according to their degree of success, and we could not attempt any systematized rating. Although some projects clearly were 'satisfactory' and others 'non-satisfactory', for the great majority it was impossible to apply even such coarse categories. We were forced to adopt a more descriptive methodology. By relating basic data on the project or other activity and connecting it with evaluators' verbal comments, we try to convey a feeling of what has happened or not happened in it, or as its consequence.

This also means that, because of its methodology, this synthesis study cannot be taken to give judgements of the actual performance of any project as a whole, or to present substantial

[6] Above all, the ex-post evaluation of Pha Rung Repair Shipyard in 1992, in which the extent and level of financial and economic analysis far surpassed that in other project/programme-specific reports included in this study.

comparisons between various projects and programmes. If project *x* (or some of its phases) emerges in a more favourable light than project *y* (or some of its phases) it may or may not reflect better performance and results of the former. The case might as well be that the evaluators of the latter were more critically minded or simply did better work than those of the former.

Thus, we make no claim to provide an adequate picture of the present state of Finnish aid, but rather we try to give an idea of the picture which the evaluation and review reports convey regarding the contents of and problems in Finnish development cooperation as it was operating during the period covered by our source reports. Project- and programme-specific descriptions are only meant to contribute to that overall task.

2. FINNISH AID AND ITS EVALUATION

During the period covered by this synthesis study, from the late 1980s to the mid-1990s, Finnish development cooperation experienced its most dramatic transformations since its inception in the 1960s. These changes have not left the evaluation of Finnish aid activities unaffected.

Rise and fall in appropriations

The most visible of the changes was the rise and fall in budgetary appropriations for official development assistance (ODA), but there have been shifts also in the internal structure of aid budgets and in geographical directions of the flows of assistance.

During the 1980s, the increase in volume of Finnish ODA was one of the fastest among the OECD countries. In 1988, Finnish ODA rose to 0.59% of GNP. The target of 0.7% of GNP was reached and even surpassed in 1991, when the disbursements to ODA amounted to 0.78% of the Finnish GNP. By then, 'development assistance ha[d] become an important element in the cooperation between Finland and developing countries in addition to trade, political and cultural relations'.[1]

The growth of the ODA volume reflected the strong performance of the Finnish economy in the 1980s. Finland's economic growth rates were much above the average, and Finnish capital had embarked upon a strong internationalizing drive. When added to the old motives of foreign policy and ethical commitment, these trends acted as powerful catalysts in attracting increased funds for development purposes.

By 1991, however, the depression - the most severe in Finland's modern economic history - had set in. Indeed, the record ODA-GNP ratio of almost 0.8 % was achieved by a coincidence of peaking disbursements and declining GNP. With exploding unemployment, and unemployment costs, as well as soaring public debt (partly caused also by heavy subsidies for mismanaged private banks), appropriations for development cooperation were brutally cut.

---

[1] *Finnish Development Assistance 1988.* Finnida, Helsinki, 1989, p. 1.

Some other donors cut their funds at the same time, but the Finnish cuts were extremely abrupt. Although the centre-right government of Mr Esko Aho promised to keep the GNP percentage temporarily at 0.4 % and eventually raise it back to 0.7 %, the actual disbursements plummeted to 0.31 % in 1994. The new rainbow coalition of Mr Paavo Lipponen decided to freeze the appropriations at the 1995 level. With a growing GNP, the decision entails a declining trend in the ratio of ODA to GNP.

The competition for shrinking funds has been heightened by increased allocations for purposes counted as development cooperation but kept outside Finnida's administrative control. The major items of this type have been payment of the costs of receiving refugees from developing countries and, since 1995, Finland's contributions to EU development cooperation.

The main victim of the cuts has been (non-EU) multilateral development cooperation. From a level of more than FIM one billion in 1990-92, the allocations to it were reduced to FIM 274 million in 1994 - that is, to one fourth of what they used to be.

Although bilateral funds have suffered less in proportion to the overall cuts, the effects are acutely felt there, too. Only one in four of the bilateral development projects under way in 1992 could be continued as planned. Other projects have had to be scaled down, rescheduled, postponed, or suspended. Very few new projects have been launched.

Among the targets, one item has survived the cuts remarkably well, with allocations for it actually somewhat increasing even in absolute terms, in 1993-95. This is aid which, in part, supports Finnish export and other business interests: interest subsidies for premixed concessional credits and industrial cooperation through Finnfund (see Table 1).

These changes have also affected the geographical distribution of Finnish aid flows. Through interest subsidies to relatively large commercial credits and through industrial cooperation, an increasing share of Finnish bilateral development funds has been allotted to what are called emerging economies, such as China, Malaysia and Thailand. Traditionally, the primary cooperation countries of bilateral programmes have been among the poorer countries in sub-Saharan Africa and parts of Asia and Latin America: Tanzania, Mozambique, Zambia, Kenya, Egypt, Nepal, Vietnam and Nicaragua.

Table 1

FINLAND'S DEVELOPMENT ASSISTANCE (in million FIM):

	Disbursements 1990-1992 (average)	Disbursements 1993	Disbursements 1994	Budget 1995	Budget Proposal 1996
Multilateral development assistance	1096.3	538.8	273.6	415.0	444.0
Country-to-country and regional cooperation	1023.8	543.6	545.4	465.0	455.0
Unallocated bilateral funds	133.5	105.2	41.2	40.0	30.0
Development credits net	88.2	61.8	-8.0	50.0	43.0
Interest subsidies	63.0	126.9	124.7	180.0	150.0
Humanitarian aid	296.9	121.0	161.7	125.0	150.0
Planning and supportive services	36.4	37.3	30.7	20.0	20.0
Support through NGOs	140.8	116.6	120.4	120.4	125.0
Industrial cooperation	59.8	161.0	22.6	28.0	16.0
Assessed multilateral contributions	47.1	63.2	88.2	66.9	95.6
Finland's share of EU budget	-	-	-	200.0	200.0
Temporary sustenance for refugees	172.6	65.5	30.8	197.3	169.0
General administrative costs	99.3	85.8	77.2	92.1	76.2
Other official development assistance	36.6	4.7	6.4	5.2	5.6
Net official development assistance	3294.3	2031.5	1515.1	2004.9	1982.5
Net ODA of GDP (in per cent)	0.69	0.45	0.31	0.39	0.34

Changes in development thinking and Finnida strategies

Meanwhile, international development thinking has continued to evolve. The changes have variously but unmistakably influenced and informed Finnida's strategies, not least via OECD's Development Assistance Committee (DAC). Translation of these changes into practice is a continuously on-going process.

Perhaps the main changes in development theory have been the abandonment of modernization thinking in favour of a direct poverty reduction approach; the triumph of the free market model over its state-centred challenger; an intensifying demand for 'good governance'; the emergence of stress on sustainability both in an environmental sense and in the sense of the ability of the recipients to maintain the activities and benefits introduced by foreign aid; and increased attention to the role of women and gender in development.

All these shifts are reflected in Finnida's major strategy paper of 1993, *Finland's Development Co-operation in the 1990s*. The paper was basically drafted within Finnida itself, although it was discussed and to some extent influenced by other interest groups, in particular the parliamentarily representative Advisory Board on Relations with Developing Countries. In the strategy paper, development cooperation was seen as the part of foreign policy through which Finland strives, by transferring material and human resources to the developing countries,

* to promote sustainable development and well-being in developing countries;

* to contribute to the establishment of peace, equality, democratic conditions and human rights in these countries; and

* to further interaction between Finland and the developing countries.

Finland's partners in development cooperation, whether states or non-governmental organizations, were required to commit themselves to the following three objectives:

* to reduce poverty in developing countries;

* to combat global threats to the environment; and

* to promote social equality, democracy and human rights in the developing countries. (p. 15)

Thus, a clear emphasis was placed on sustainability and combating global environmental threats. Environment was seen as closely connected with sustainability; environmental factors should be 'given due consideration in all development cooperation projects, not merely to combat existing threats but also to create preconditions for security and well-being based on multiple use of natural resources'. The aim was to 'find the right balance between growth, environmental considerations and income distribution'. (p. 19)

Even women's issues were subsumed under the heading 'Environment, population and development'. As raising of women's status was seen as important in relation to - among other things - population and family planning, Finnish development cooperation should 'pursue the principle of equality between genders in all development cooperation projects and also strive to utilize fully female and male resources and redevelop them equally'. (pp. 29, 19)

The main principle of Finnish development cooperation was declared to be that a developing country is responsible for its own development and the donor's role can only be a supportive one. A precondition for development and development assistance was seen to be 'the will to develop' on the part of the country and its citizens and organizations. (p. 16)

In no uncertain terms, Finland committed itself to the support of economic reforms in the developing countries aimed at exploiting market forces and developing price mechanisms. Although it was stressed that what was needed was not only growth but also greater distribution of well-being, preconditions for economic development were seen in investments in human beings and the use of market forces. (pp. 17-18)

A major means by which the strategy hoped to achieve its objectives was through creation of more coherence between Finnish aid on the one hand and Finnish policies concerning trade, labour, immigration, agriculture and culture on the other (p. 17). That is, trade and other interests were seen as affecting developing countries not only through demands on aid, but they were also given a more active and constructive role.

However, the strategy is couched in rather general terms and gives little guidance as to how to translate its major propositions into practice. The promised country-level strategies had not materialized at the time of writing this study in mid-1995. But there are some earlier thematic policy guidelines for implementors of Finnish aid.

The demand for sustainability has been given increasing emphasis in guidelines for appraisal and planning which Finnida has formulated following the lead from DAC. A major example is the *Guidelines for Project Preparation and Design* issued in 1991. Planning guidelines for NGO projects also exist.

For environment issues, Finnida has a Guideline for Environmental Impact Assessment from the late 1980s, but it is growing old. Gender issues are discussed in two guidelines, which have almost the nature of discussion papers. There are also a few sectoral guidelines, notably one for water and sanitation and another for education (in draft).

A recent study found all these strategy documents and guidelines rather general and partly outdated. Even most of the existing sectoral strategies were deemed too unspecific to provide a good basis for strategic planning. Moreover, Finnida was found to lack more specific policies and guidelines on such crucial issues and sectors as structural adjustment, industrial cooperation, rural development, agriculture, etc:[2]

> This means that a large part of the experience and competence which has been gained by FINNIDA during the last 20-30 years has not been documented and made readily available for application.

Changes in Finnida organization

During the period covered by this study, Finnida, or officially the Department for International Development Cooperation of the Ministry for Foreign Affairs of Finland, has been in constant institutional and organizational flux. It has been subject to different ministerial portfolios,

---

[2] *Finland's and EU's Development Cooperation - A Comparision.* Jarle Hårstad and Paul Silfverberg, Ministry for Foreign Affairs in Finland, Department for International Development Cooperation, Report of Evaluation Study, 1995:2, p. 64.

development cooperation being variously subsumed under Foreign Affairs, or combined with Issues Related to Alcohol, or Environment. For several years in the early 1990s the Department was without a Director-General, being directly under the Under-Secretary of State, before the incumbent was appointed in 1995. Its internal structure has been consecutively reorganized.

The major reorganization of Finnida's administrative structure took place in 1991. Four functional lines were created. In bilateral functions, the former sectorally based division of work was replaced by a regionally based organization. After that, several smaller modifications have been made.

By 1995, Finnida was divided into three major functional lines and a secretariat. The lines were those of multilateral, bilateral, and development policy and coordination functions. The bilateral line was divided into three units, two of them regional and one thematic (for aid to non-governmental organizations). Policy and coordination functions included units for planning, sector policy services and EU coordination. Other functions were outside the main lines, evaluation and internal auditing forming a separate unit directly under the Director-General (see Chart 1).

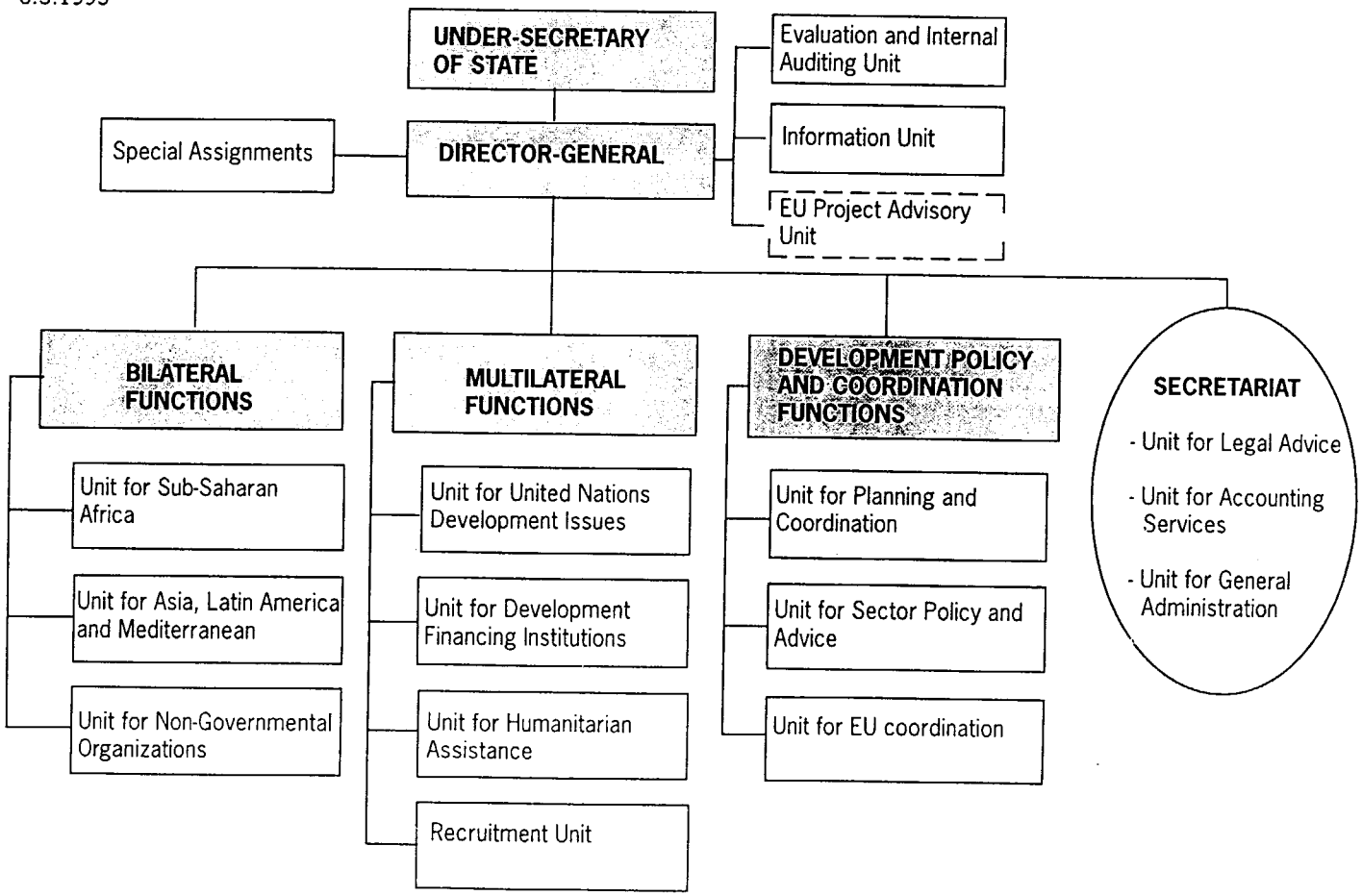
Another potentially important change in Finnida's modalities was the delegation of more authority to Finnish embassies in primary cooperation countries following the reorganization in 1991. The embassies no longer have to refer all major decisions concerning aid activities back to the responsible officer in Helsinki, but are now in charge of the implementation of the activities within the framework of agreed plans and budgets. The financial frames and general outlines are still confirmed in Helsinki.

It is generally believed that the organizational changes have improved the basis for more effective work within Finnida. However, other changes have worked in the opposite direction.

Cuts in budgetary appropriations have also affected the personnel of Finnida. The home administration consisted of 136 persons in 1995; five years earlier, the number was some 170. The category which has suffered most has been the professional advisers, who are like in-house consultants. Their number has been reduced from around 20 to a handful. Because of this, it has been argued, the quality of project preparation and monitoring has suffered, and strategic

Chart 1

MINISTRY FOR FOREIGN AFFAIRS
Department for International
Development Cooperation
6.3.1995



planning been delayed.[3] The Finnish Embassies in the main cooperation countries have found it difficult to exercise their newly gained authority because the already slender number of aid attachés in them has been further reduced.[4]

A persistent problem within the Finnida organization has been the high rate of internal staff turnover. The frequent moving of officials can hardly fail to adversely affect the possibilities for internal learning and accumulation of knowledge.

Evaluation in Finnida

Among the more positive consequences of the cuts in development cooperation funds has been the increasing emphasis on the quality of aid and on its evaluation. In Finnida this was shown by the re-establishment of the autonomous Unit for Evaluation and Internal Auditing in 1993.

Functions of evaluation

Evaluation of development assistance is by definition 'an assessment, as systematic and objective as possible, of an on-going or completed project, programme or policy, its design, implementation and results'. It is seen to have two major functions: one related to management of aid and another related to its accountability.[5]

* The *management function* of evaluation is to improve future aid policy, programmes and projects through feedback of lessons learned.

---

[3] Ibid. pp. 6, 50.

[4] This point was made for Tanzania in *Development Cooperation between Tanzania and Finland*, Harri Porvali et al., Finnida, Report of Evaluation Study, 1995: 1, pp. 149-150.

[5] *DAC Principles for Effective Aid. Development Assistance Manual.* OECD, Paris, 1992, p. 132.

* The *accountability function* refers not so much to accounting of public funds in a legal sense but to developmental results and impact of development assistance, and includes the provision of information to the public.

In Finnida, the management function of evaluation has been pronounced. 'Evaluation's primary purpose is to assist management and planners to fulfill their decision-making responsibilities,' stated the guidelines drafted by the evaluation section which functioned in Finnida in the 1980s.[6]

The old evaluation section disappeared in reorganizations. From 1986 to 1991, evaluation was left as the responsibility of operational desks and came to reflect their short-term concerns. In practice, it was the officer in charge of a project who decided what to evaluate and when, and who drafted the terms of reference for evaluation missions. Consequently, the overwhelming majority of evaluations were mid-term reviews of on-going projects, or evaluations of phases of projects which were to be continued. There were few ex-post evaluations, and practically no sectorally or regionally focused evaluation work. In 1991, the responsibility for evaluation was assigned to the Unit for Policy Coordination, where a senior officer began to coordinate evaluation activities of operative units and initiate more comprehensive evaluations which partly fulfilled the accountability function.

After the establishment of the Unit for Evaluation and Internal Auditing, the situation remains dualistic. Operational officers are still responsible for the management evaluation of the on-going activities under their control, but the evaluation unit coordinates the activities and tries to influence their terms of reference. The unit initiates sectoral, regional and thematic evaluations and ex-post evaluations in which the accountability function has more weight. Still, the main purpose of evaluation, even of this synthesis study, is to improve future aid activities through feedback of experiences.

Moreover, the Finnida evaluation organization continues to survive on a shoestring. The Unit for Evaluation and Internal Auditing has a head, one officer for evaluation, one for auditing, and a secretary.

---

[6] Project evaluation. Concept and guidelines, Finnida, 1985, p. 8.

Evaluation and review missions

Many of the characteristics of the evaluation and review reports included in this study, discussed above in chapter 1, can be seen against this organizational backdrop, but the approach and quality of the reports was also greatly affected by the composition of the missions who wrote them.

Mid-term reviews are, as the name implies, carried out while the implementation of the project or programme is still in full swing. They normally concentrate on selected aspects of activity which the operational desks feel are problematic and on which they want to obtain further information in order to assess and, if necessary, adjust the course of the activity. Thus, their primary purpose is to propose improvements in the implementation of the activity for the remaining contract period. Post or final evaluations which are carried out at the completion of a project or programme are supposed to be more comprehensive, and discuss the conditions for continuation of the activity. Nowadays they are increasingly expected to provide guidance as to how to ensure the sustainability of the achievements.

In our sample, however, no systematic differences between mid-term reviews and post evaluations were found. This is a significant finding in its own right, which needs critical attention but which obviously stems from the primary function of both types of evaluations as tools for aid management. On the other hand, the distinct nature of ex-post evaluations and broader thematic and country studies was more apparent.

The ex-post evaluations, having been undertaken only some years after the termination of Finnish support, were not so concerned with the practical management of the project or programme or its immediate continuation, but concentrated more on the relevance and long-term impact of the activities. Thus, they had a more pronounced accountability function. Also the broader programme evaluations, thematic studies and country evaluations focused on the overall use of resources and asked whether they had had the desired effects.

The composition of the evaluation and review missions varied greatly. Some basic information on them is summarized in Table 2.

The missions consisted mostly of professionals independent of the management of the activity concerned. There were several representatives of Finnida participating, but commonly these were professional advisers and not desk or other administrators responsible for specific activities (although some of the latter could participate in the work of the missions as 'resource persons' or 'observers'). The outsiders were individual consultants or represented commercial consultancy companies or public research institutions and universities.[7] Local representatives were as a rule government officials or researchers.

As for nationality, most missions combined Finns, non-recipient or DAC nationals, and representatives of recipient countries, in varying mixes. The number of locals was increasing as time went on, and two missions consisted only of these. There were also some other missions without any Finns, but on the other hand all-Finnish missions were more common than these (almost a dozen).

The size of the missions was mostly two to four Finns and/or other DAC nationals, to whom the local representatives were added. Genderwise, male representatives formed an overwhelming majority, although attempts had clearly been made to include women. There were also some female team leaders. A few missions even had a female majority.

Interestingly, women were as well or even better represented in missions for such traditionally male-dominated fields as water supply and even forestry, in comparison with fields like rural development or health. They were conspicuously absent in missions for infrastructure and industry projects.

Also the professional and disciplinary background of the missions varied, but broader social sciences were clearly overshadowed by experts in technological or administrative fields and economists. When social sciences were included, the brief was often to concentrate on women

[7] Almost all major Finnish consultancy companies were involved in evaluations. None predominated, but in our sample the most frequently used was the Finnish Cooperative Development Centre (FCC - three reports). Among non-Finnish companies, the Dutch IRC International Water and Sanitation Centre was often commissioned to evaluate water projects; and the similarly Dutch Netherlands Economic Institute (NEI), to undertake broader analyses involving detailed economic calculations. Gibb Africa International, with itsheadquarters in Cyprus, was employed for three road reports.

and development (WID) or gender. In general, the interdisciplinarity of the missions could have been much wider.

There was more similarity in the methods employed by the missions. Commonly, these consisted of document studying, meetings and interviews with project personnel and various officials and leaders (government officials at central, regional and district levels, community leaders), and very short field observations. Workshops and seminars were also arranged. Total time spent in the project country ranged from two to three weeks, and the actual field study was often limited to a few days.

No participatory evaluation methods had been used. The contribution of target groups was limited to occasional, and scarcely very thorough, interviews.

All these limitations and constraints naturally affect the picture which the reports can convey regarding the performance of Finnish development activities.

Table 2: BASIC CHARACTERISTICS OF EVALUATIONS

AGRICULTURE AND LIVESTOCK

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Finnish-Egyptian Sheep Breeding Project	June 1991	Mid-term	1 Finn 1 DAC national 1 local	2 livestock specialists 1 agricultural economist	3 M
Arab Republic of Egypt, El Fayoum Milk Collection Project	June 1990	Post-evaluation	2 Finns	1 transport specialist 1 economist	2 M
Ghana Sasakawa Global 2000 Agricultural Programme	March 1992	Mid-term	4 Finns	3 administrators 1 agricultural economist	3 F 1 M
Kenya-Finland Livestock Development Programme	May 1993	Mid-term	2 Finns 1 local	1 livestock specialist 1 agricultural economist 1 socio-economist	1 F 2 M
Satim: Support to Agricultural Training in Mozambique	December 1991	Mid-term	2 DAC nationals 1 local	1 planner 1 agronomist 1 agricultural economist	3 M
Tanzania Sasakawa Global 2000 Agricultural Programme	June 1992	Mid-term	1 Finn 1 DAC national 2 locals	2 agricultural economists 1 agronomist 1 public health expert 1 farming systems and WID expert (Finnida observer)	2 M 2 F Finnish observer 1F
Uyole Agriculture Center, Mbeya, Tanzania	Feb-March 1991	Mid-term	1 Finn 2 DAC nationals 2 locals	1 agronomist 1 extension specialist 1 training specialist 1 social scientist 1 planner	?

RURAL DEVELOPMENT

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Kalutara Integrated Rural Development Project, Sri Lanka	November 1992	Mid-term	1 Finn 1 local	2 administrators	2 M
Rural Integrated Project Support Programme in Mtwara and Lindi Regions, Tanzania	March 1991	Mid-term	3 Finns 1 DAC national 2 locals	1 management specialist 1 rural economist 2 socio-economists 1 roads specialist 1 sociologist	1 F 5 M
Luapala Rural Development Programme, Zambia	November 1990	Mid-term	3 Finns 2 DAC nationals 2 locals	2 economists 1 planner 2 social scientists 1 agronomist 1 agricultural engineer	1 F 6 M

FORESTRY

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Mechanised Nursery and Plantation Project in South Kalimantan, **Indonesia**	April 1991	Mid-term	1 Finn 1 DAC national 1 local	2 forestry experts 1 administrator	3 M
Bura Fuelwood Project, **Kenya**	January 1991	Mid-term	3 DAC nationals 3 locals	3 forestry experts 1 socio-economist 1 ecologist 1 administrator	6 M
Kenya Forestry Master Plan	November 1992 April 1994	Mid-term Mid-term	3 DAC nationals 3 DAC nationals 3 locals	3 forestry experts 1 forestry expert 1 consultant 1 consultant in social forestry 3 administrators	1 F 2 M 1 F 5 M
Zanzibar Forestry Development Project, **Tanzania**	September 1991 April 1995	Mid-term Mid-term	2 Finns 1 DAC national 2 locals 2 Finns 1 local	3 forestry experts 2 administrators 1 administrator 2 forestry experts	2 F 3 M 1 F 2 M
Tanzania Wood Industries Programme	July 1990	Mid-term	2 Finns 3 DAC nationals 4 locals	3 consultants 4 environmental scientists 1 forestry expert 1 administrator	1 F 8 M
East Usambara Catchment Forest Project, **Tanzania**	September 1993	Mid-term	2 Finns 1 DAC national	1 forestry consultant 1 forestry genetics expert 1 administrator	3 M

HEALTH

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Kenya-Finland Primary Health Care Programme	October 1990	Mid-term	2 Finns 2 DAC nationals	2 health care experts 1 economist 1 training expert	1 F 3 M
	June 1992	'Impact evaluation'	3 locals	2 consultants 1 project intervention specialist	1 F 2 M
	July 1992	Mid-term	4 DAC nationals 1 local	2 administrators 1 environmental health specialist 1 management expert 1 health services expert	5 M
Hospital Equipment Maintenance, Nicaragua	September 1991	Mid-term	2 Finns	1 hospital maintenance expert 1 medic	2 M
	September 1994	Mid-term	3 DAC nationals	1 biomedical engineer 1 economist 1 planner	2 F 1 M
Somalia-Finland Tuberculosis Control Support and Training Project	May 1990	Mid-term	1 Finn 2 DAC nationals 1 local	1 economist 1 health care expert 1 training expert 1 administrator	4 M
Rehabilitation and Development of General Hospital, Colombo, Sri Lanka	April 1990	Mid-term	4 Finns	2 administrators 1 medic 1 orthopedic specialist	1 F 3 M
	April-May 1991	Mid-term	1 Finn 4 DAC nationals 1 local	1 architect 1 orthopedic surgeon 1 management and training specialist 1 economist 1 planner 1 administrator	3 F 3 M

WATER

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Kenya-Finland Western Water Supply Programme	February 1991	Mid-term	1 Finn 2 DAC nationals 2 locals	1 social scientist 3 administrators 1 planning engineer	1 F 4 M
Rural Water Supply and Sanitation Project in the Western Development Region, Nepal	March 1992	Mid-term	4 Finns 3 locals	1 water supply specialist 2 social scientists 1 hygiene education specialist 1 engineer 2 administrators	1 F 6 M
Harispattuwa and Udunuwara Water Supply and Sanitation Project, Sri Lanka	October 1988	Post-evaluation	3 Finns 2 DAC nationals 3 locals	5 administrators 1 water supply and sanitation engineer 1 social scientist 1 handpump development specialist 1 HRD specialist	8 M
Kandy District Water Supply and Sanitation Project	November 1990	Mid-term	5 DAC nationals 4 locals	2 economists 1 technology specialist 1 communications specialist 4 administrators	1 F 8 M
Mtwara-Lindi Rural Water Supply Project, Tanzania	January 1990	Mid-term	2 Finns 1 DAC national 2 locals	2 water engineers 1 human resources specialist 1 economist 1 hydrogeologist	2 F 3 M
	February 1993	Mid-term	1 DAC national 3 locals	1 sanitary engineer 1 sociologist 1 civil engineer 1 administrator	1 F 3 M
Hanoi Water Supply Project, Vietnam	July 1991	Mid-term	1 Finn 2 DAC nationals	1 engineer 1 water engineer 1 economist	3 M
	November 1993	Mid-term	3 Finns	1 water supply and sanitation specialist 1 economist 1 administrator	3 M

EDUCATION AND TRAINING

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Forestry Training Programme	August-September 1993	Mid-term	1 Finn 2 DAC nationals	1 forestry expert 1 sociologist 1 educationist	1 F 2 M
PRODEC	June 1989	Mid-term	4 DAC nationals	?	2 F 2 M
Practical Subjects Project for Upper Primary Schools in Zambia	November 1993	Ex-post evaluation	1 Finn 1 DAC national 1 local	1 consultant 1 administrator 1 senior lecturer	?
The Zambia Educational Materials Project (ZEMP)	March-April 1991	Mid-term	1 Finn 2 DAC nationals 3 locals	3 administrators 1 educationist 2 consultants	1 F 5 M

INFRASTRUCTURE

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Bangladesh Mapping for Development	February 1994	Mid-term	1 Finn 2 locals	1 engineer 2 administrators	3 M
Beira Harbour, **Mozambique**	November 1989	Mid-term	1 Finn 2 DAC nationals 1 local	1 consultant 3 administrators	4 M
Eastern Desert and Nile Valley Topographic Mapping, **Egypt**	May 1992	Mid-term	2 Finns	1 consultant 1 mapping and surveying expert	2 M
Eastern Nepal Topographic Mapping	May-June 1994	Mid-term	2 Finns 2 locals	1 engineer 1 land surveyor 2 administrators	4 M
Hambantota Project and Telecommunication Sub-Project, **Sri Lanka**	January 1991	Post-evaluation	1 Finn 2 DAC nationals	2 consultants 1 economist	3 M
Dar es Salaam Port Rehabilitation Project, **Tanzania**	November 1988 November 1992	Mid-term Mid-term	1 Finn 5 DAC nationals 2 DAC nationals 2 locals	3 port engineers 2 economists 1 administrator 1 mariner 1 training expert 1 economist 1 civil engineer	? ?
Road Maintenance Projects in the Mtwara and Lindi Regions, **Tanzania**	November 1992	Mid-term	2 DAC nationals 2 locals	1 consultant 3 administrators	?
Road Maintenance Project, **Zambia**	August 1991 July 1993	Mid-term Mid-term	1 Finn 2 DAC nationals I Finn 1 DAC national	1 consultant 2 administrators 1 consultant 1 administrator	? ?

INDUSTRY AND ENGINEERING

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Beira Exercise Book Factory Project, **Mozambique**	February 1992	Post-evaluation	1 DAC national	Consultant	M
Tanzania Pharmaceutical Industries (TPI)	April 1988 May 1989	Mid-term Mid-term	WHO/Danida/ Finnida 1 Finn	? Economist	? M
Trama, **Tanzania**	September 1989	Mid-term	3 Finns	3 consultants	3 M
Pha Rung Repair Shipyard, **Vietnam**	July-August 1992	Ex-post evaluation	3 DAC nationals	2 economists 1 naval architect	3 M

OTHERS

PROJECT / PROGRAMME	TIME OF EVALUATION	TYPE OF EVALUATION	TEAM COMPOSITION NATIONALITY	PROFESSION	GENDER
Consultant Trust Fund	November 1993	Evaluation	1 Finn	Economist	F
Finnfund	1992	Evaluation	1 Finn 4 DAC nationals	Economists and social scientists	5 M
Finnish Personnel as Volunteers in Development Cooperation	July 1995	Evaluation	1 Finn 7 DAC nationals 3 locals	social scientists?	6 F 5 M
Mixed Credits	1992	Evaluation	2 DAC nationals 1 Finn	economists	3 M
Water Supply and Waste Projects in the People's Republic of China	May 1995	Evaluation	3 Finns	1 environmental scientist 1 economist 1 administrator	1 F 2 M
South East Asia Lumber Incorp. BHD (SEAL) Plywood Project	March 1995	Evaluation	4 Finns	1 economist 1 forestry expert 2 administrators	4 M
Siam Kraft Power Plant Expansion Project	As above	As above	As above	As above	As above
Phoenix Pulp Mill Project	As above	As above	As above	As above	As above
Philippine Associated Smelting and Refining Corporation (PASAR) Expansion Project	As above	As above	As above	As above	As above
NGO Support Programme	February 1994	Evaluation	2 DAC nationals 2 Finns	social scientists	2 F 2 M
Case studies:					
Nepal	February 1994		1 DAC national 1 local	? 1 economist	2 M
Ethiopia	February 1994		2 Finns 1 local	3 social scientists	2 F 1 M
Nicaragua	February 1994		1 DAC national 1 local	?	2 M
Uganda	February 1994		1 DAC national 1 local	?	2 M
Finnish NGOs' Development Cooperation Projects in Morogoro Area	April 1995		3 locals	1 economist 1 medic 1 social scientist	2 F 1 M

Technical Assistance Personnel	March 1988		1 Finn 4 DAC nationals	1 administrator 1 economist 1 educationist 1 geographer 1 journalist	1 F 4 M

3. LOGICAL FRAMEWORKS AND PROJECT LOGIC

To discuss any of the basic aspects of development efforts - their rationale and relevance, effectiveness, impact or sustainability - is a complicated task, for several reasons. One is that it evokes thorny issues concerning the basic goals, aims and objectives of the activities, the means to achieve them, and the relationships between goals and means. One does not have to undertake a particularly profound analysis of aid activities in order to realize that there are many existing objectives and they are of varying kind, and it is not always clear to all participants how the various objectives relate to each other and what will be the best means to achieve them.

Aid bureaucracies have devised several tools to make this empirical muddle more manageable. Aid efforts are commonly organized into discrete projects, meaning sets of activities with objectives, resources, personnel and time frames of their own. Related projects, and other activities, can be further grouped together to form a programme. Attempts have been made to clarify the internal logic of a project, and make it visible, by introducing the ideas of project cycle and logical framework.

While these terms are now widely used, a considerable degree of conceptual confusion continues to reign in aid discourse. Programme aid, for instance, means many things. Besides programmes in the sense of a set of related projects and activities, programme aid commonly refers to other aid not linked to specific projects, such as general budget support and commodity assistance. Similarly, there are different adaptations of the principles of project cycle and logical framework.

The confusion is particularly acute in the Finnish case, where a standard framework was introduced in the early 1990s but where now the competing framework of the European Union is making inroads. There are at present at least three overlapping project frameworks - or sets of frameworks - in use, explicitly or implicitly:

1. the framework introduced by the Finnida *Guidelines for Project Preparation and Design* in 1991 and further applied in the standardized reporting system for all Finnida projects which was taken into use in 1993,

2. the more recent Project Cycle Management framework of the EU, and

3. remaining vestiges of the old pre-1991 *ad hoc* frameworks.

As much of our subsequent discussion in this report is crucially dependent on the way the goals and objectives of the projects are defined - after all, the whole rationale of the project and its effectiveness and development impact are measured against the objectives it set out to reach - we shall in the following review the different uses of these concepts in the frameworks concerned.

Old frameworks

Before the introduction of the 1991 Guidelines and the reporting system in 1993, there were few guidelines or other documents on which the project planners, implementors and evaluators and Finnida's own staff could rely to as to how to highlight the questions and dimensions to be tackled in aid endeavours. Consequently, there was a great diversity in the way project objectives and activities were conceptualized and how project documents and reports were structured.

Perhaps nearest to a standardized approach to project logic came the document called 'Project Evaluation. Concept and Guidelines' from July 1985.[1] It advised the evaluators to find out what had been the long-term objectives, or development objectives of the project, and what had been its immediate objects. In case the objectives could not be found in the documents, the evaluators were themselves asked to specify them through discussions with project staff and authorities of the recipient country. In addition, the evaluators were asked to find out the activities of the project and its outputs, or results, and compare these with inputs from Finland and from the recipient country.

What kind of instructions, if any, the planners were given could not be determined from the materials which were available to this study. *DAC Principles for Project Appraisal* were translated into Finnish in 1989,[2] but they confined themselves to underlining the importance of

[1] Ministry for Foreign Affairs in Finland. Finnish International Development Agency, Project Evaluation. Concept and Guidelines. Mimeo, Helsinki, July 1985.

[2] *Hankearvioinnin periaatteet*. Finnida, Helsinki, 1989.

a careful specification of objectives and recommending 'the logical framework' as a possible method in project planning and evaluation, without elaborating what it entailed.

Finnida 1991 Guidelines

The Finnida 1991 Guidelines for Project Preparation and Design were issued with the explicit aim of establishing a systematic and logical planning system which would shift attention to the principal factors affecting the success of the project right from the beginning. The document outlines what is called objective-oriented planning methodology for the use of Finnida programme officers and outside consultants involved in project planning. The aim was to help to produce a project document which would direct the implementation of the project towards sustainable achievement of the targets instead of short-term activities. (p. 4)

The standardized reporting system introduced in 1993 follows the structure of a project document.[3] It surveys the progress of the project at three levels: operational, financial and impact monitoring.

Finnida's project cycle concept is elaborated in the 1991 Guidelines. It is seen as a flexible notion whose realization depends on the nature, size and importance of the project. Investment projects are envisaged as going through the full project cycle from identification through preparation, appraisal, tendering, agreements, implementation, phasing out and handing over to post-evaluation. All stages are not applicable to all projects, however; some projects can skip some of them. (15-17)

The Guidelines are also said to be based on the logical framework concept. The document uses the concept of logical framework in the sense of an illustration which describes the structure of the project and its various elements. The project is seen as divisible into sub-projects, which can be further divided into components. These have their objectives, indicators, outputs and output specifications. The logical framework is meant to make sure that the project is comprehensive and logical. Comprehensiveness, then, means that the project includes all the relevant

[3] *Guidelines for Project Reporting*. Finnida, Helsinki, January 1993.

dimensions; whereas logic refers to the internal hierarchy levels of the project being appropriately derived and defined. (p. 72)

However, in the way the framework is illustrated in the graphics in the Guidelines manual (pp. 72-73), it is a tool for managing the division of the project into sub-projects and components. It does not tell how the goals and objectives at various levels of the project hierarchy are meant to relate to each other in the context of the whole project during all its stages. The way this is perceived does not seem to differ greatly from the practice existing until the issuance of the Guidelines.

The Finnida 1991 Guidelines do not use the term 'goal' but continue to speak of objectives and to consider that a development project has objectives at two levels: long-term development objectives and shorter-term immediate objectives.

Development objectives are told to 'describe and define the project's long-term objectives as a description of the goals which the project will contribute to' whereas immediate objectives 'describe and define more specifically the objectives of the phase concerned'. Objectives of both types are to be derived from a problem analysis. (p. 56)

Thus, a major dimension in the differentiation between development and immediate objectives is that of time. While development objectives are longer-term, their time frame consisting of the whole assistance period, immediate objectives are meant to be achieved during the project phase concerned. (p. 83)

Development objectives also have an overall guiding function. 'While defining the actual goals of the project the development objectives are also the basis for all lower-hierarchy target-setting. Thus all immediate objectives, outputs and strategies must reflect the development objectives, be derived from them and lead to the achievement of the development objectives.' (p. 84)

The attainment of the various objectives is to be measured with project-specific indicators. These are also at two levels, development indicators and achievement indicators, corresponding to objectives. The development indicators are derived from the development objectives. The achievement indicators define the immediate objectives respectively.

In actuality, it is argued, indicators of both types should meet the same criteria. They can 'usually be derived from key words involving the number, area, quality, timing and sustainability of the objectives. They should describe the end situation (target) and be measurable and easily verifiable.' (p. 62)

To illustrate its definitions, Finnida Guidelines gives some examples. For instance, in a primary health care project, the development objective may be defined as improvement in the health status of the population in a certain region; and the improvement in the effectiveness of certain health care services could be among the immediate objects of a phase. (p. 56)

However, a logically more important distinction than that between development and immediate objectives and their indicators may, in the Finnida framework, be that between these objectives and what the Guidelines call outputs and their specifications.

Outputs are the physical, institutional and operational changes or improved skills and knowledge achieved by the project. They are derived from the immediate objectives inasmuch as if the outputs are achieved, the objectives will be met (provided that critical assumptions hold). Each output is further defined in terms of output specifications which describe the output in terms of quality, quantity and time. (pp. 88-89)

The crucial importance of outputs lies in the fact that they provide the 'hard' targets which are the basis for contracts as described in project documents.

Thus, the Guidelines argue, a Finnish project is defined at two levels. Project objectives and development/achievement indicators define the actual objectives of the project in terms of long-term sustainability, i.e. what is to be achieved through the project in the long term. The outputs and output specifications define the 'hard' contractual targets of the project, i.e. what at least should be done in the project.

The Finnida Guidelines are similar to many older guidelines of bilateral donors. One feature that distinguishes them from the others is the emphasis on outputs and the inclusion of the level of qualitative output specifications as the recommended form for presenting the project's outputs.

In our view, the main flaw in the framework provided by the 1991 Guidelines resides in the gap between the outputs and the objectives, and in the lack of a mediating level between immediate objectives and development objectives. Because of these logical ruptures, the implementors are given the licence to concentrate on the achievement of the physical targets specified in the project document,[4] and practical activities and their outputs may remain in a world entirely divorced from that of the high-sounding development objectives.

EU Project Cycle Management approach

The concept of logical framework employed by the European Commission is more ambitious and comprehensive and better integrated. It presents the objectives, related activities and underlying assumptions of the project in operational terms in the form of a matrix which can be applied at each stage of the project cycle. The matrix, it is argued, makes the project concept and the context in which it operates clear and visible, and enables better monitoring and evaluation. The EU calls the procedure Project Cycle Management (PCM).[5]

	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
Overall objectives				
Project purpose				
Results				
Activities				

[4] Cf. the comment in *Tanzania and Finland*, p. 170.

[5] Commission for European Communities, Evaluation Unit, *Manual. Project Cycle Management. Integrated Approach and Logical Framework.* February 1993. See also: European Commission, Evaluation Unit: Project Cycle Management (PCM): Yet Another Fad? Mimeo, December 1993.

The EU framework describes the intervention logic systematically in terms of overall objectives, project purpose, results, activities and their causal relationships. In addition to these, the external factors which are thought to influence the project are included in the framework under the term 'assumptions'. The overall objectives, project purpose and results are further described by means of indicators and the sources of verification necessary for obtaining the information by which they are measured. Also means and costs are included.

The main terms used to describe the intervention logic are defined as follows:

* *Overall objectives*: objectives wider than the project itself. Other projects and activities will also contribute to the achievement of these objectives.

* *Project purpose*: the objective which is to be reached by implementing the project and which is likely to outlive the project. The aim must be stated in terms of sustainable benefits for the target group: that is, not in terms of services provided, but in terms of the utilization of these services by the beneficaries.

* *Results*: 'products' of the activities undertaken; the combination, these 'products' will achieve the purpose of the project: enjoyment of sustainable benefits. A number of services provided can well be a result.

* *Activities*: the things that must be done in order to achieve results.

In the other columns of the matrix, the following are given:

* *Objectively verifiable indicators*. This is an operational description of the overall objectives, project purpose and results in terms of quantity and quality, indicating time and place. The bottom row, 'activities', contains the physical and non-physical means (inputs) necessary for carrying out the planned activities.

* *Sources of verification*. These indicate where and in what form information on the achievement of the project purpose and results can be found. The costs and sources of financing are situated on the bottom row.

* *Assumptions.* These are external factors that are crucial for the project but outside its direct control.

The approach was introduced in 1992 and is reported as being increasingly used in EU-funded projects. Yet, according to a comparative study on Finland's and the EU's development cooperation, it is too early to know to what extent the approach will be used consistently. It requires considerable competence, and may be much more time-consuming than earlier systems. In general, a weakness within the EU has been a laxity in the use of any guidelines and sectoral policies.[6]

Evolution of project logic

It is very difficult to follow the impact of any guidelines on the evolution of the internal logic of projects in a study like this, based as it is on a review of evaluation and review reports, not of project documents and other documentation internal to the project. In addition, most of the projects, or phases of projects, discussed here were started before the introduction of the Finnida Guidelines for Project Preparation and Design in 1991. This means that we simply do not have enough materials to make proper judgements of how these Guidelines have affected the project logic of Finnish bilateral projects.

From the materials we have, however, it appears evident that the 1991 Guidelines have gained a normative position and have created some uniformity in the structure of the project documents and reporting of Finnish projects. The terminology used by the Guidelines is more consistently followed in post-1991 projects than in earlier ones which used very diverse terms (e.g. 'immediate development objectives'). There were cases in which the evaluators commented that the project design was defective because the Guidelines had not been followed (e.g. the Bangladesh mapping).

Whether the functioning and performance of the projects has improved because of these changes cannot be determined on the basis of our study, and it may be too early to tell in any case.

[6] *Finland's and EU's Development Cooperation,* pp. 61, 64.

Certainly, the 1991 Guidelines made a determined attempt to take into account the various factors needed for sustainability.

Nevertheless, the study quoted above found the EU concept clearer and more comprehensive than that of Finland. Finnida's project cycle concept was found to lack coherence to some extent. The plans and reports in different phases vary in terms of structure and the reporting systems do not fully follow the structure of the project plans. The special advantage of the EU concept was seen as lying in the integration of all phases of the project cycle into the same logical framework. Although the Finnida 1991 Guidelines were found to provide better tools for actual planning than the EU Manual, which was found to be too general, it was recommended that the Guidelines be revised to be compatible with the new project management concept.[7]

Some projects discussed in our study have, in their later phases (not covered here) already partly gone over to the EU terminology.[8]

---

[7] Ibid.

[8] E.g. Rural Integrated Project Support (RIPS). Project Document for Phase II, Mtwara, August 1994.

4. RATIONALE AND RELEVANCE

The terms rationale and relevance are closely entangled with the issue of goals and objectives. We follow DAC in defining rationale in terms of relevance and realizability of objectives: 'Does the undertaking make sense? Are the objectives relevant and realisable?'[1] By relevance, we then mean the degree to which the objectives of a project or activity can be seen as significant in relation to the identified priority needs and concerns. Relevance can be assessed from the point of view of the overall goal, of donor and recipient policy, as well as of local needs and priorities;[2] our brief was to examine it in relation to the goals and aims of Finnish development cooperation and the aims of the recipient.

This still leaves open the definition of goals, objectives, and aims. While we are not entirely satisfied with the standard Finnida terminology and object hierarchy with its dualistic division between development and immediate objectives on the one hand and outputs on the other, we have decided to stick to the Finnida terminology to avoid further confusion. After all, these are the terms which have been employed, though very inconsistently, by most actors in Finnish development cooperation as well as by the authors of evaluation and review reports on which we have been relying. Thus, we speak of projects as having objectives; the terms 'goal' and 'aim' we reserve for other, larger contexts.

Rationale and relevance at policy level

The task of assessing the relevance of the objectives of an aid activity in relation to the goals and aims of Finnish development cooperation, or to those of the recipient countries, faces a number of difficulties. The most obvious include the fact that neither 'Finland' nor the 'recipient country' are monoliths - there are many interests involved on both sides; and besides the official and stated goals, there may also be unofficial and hidden ones. Moreover,

---

[1] *DAC Principles for Effective Aid.* Paris, 1992, p. 136.

[2] The cue for this definition was taken from the Norwegian manual, *Evaluation of Development Assistance. Handbook for Evaluators and Managers.* Royal Ministry of Foreign Affairs, Norway, November 1993, p. 30.

few goals and aims are likely to remain entirely unchanged, even during a period of a few years such as we are discussing here.

One thing must be made clear at the outset. In this synthesis study for Finnida, we are concerned solely with the explicitly stated official goals and aims of Finnish aid activities. We shall assess the rationale of activities and the relevance of objectives in relation to these, and not to any other goals and aims there may well be. The latter would be an entirely different task.

Goals and aims of Finnish development cooperation

The goals and aims of Finnish development cooperation were authoritatively defined in 1993 in the Ministry of Foreign Affairs strategy document *Finland's Development Co-operation in the 1990s*, already discussed to some extent above.

According to the strategy paper, Finland is involved in development cooperation because the enormous discrepancies in wealth and well-being between the developed and the developing countries are not acceptable by any human standards. These discrepancies constitute a threat to the prosperity and security of all nations. Finland is doing what it can to reduce and eliminate them. (p. 14)

With reference to 'general objectives guiding Finnish development cooperation', the paper states that Finland strives, by transferring material and human resources to the developing countries, to promote sustainable development and well-being in developing countries and to contribute to the establishment of peace, equality, democratic conditions and human rights there; and to further interaction between Finland and the developing countries.

This is seen to happen in such a way that Finland will support partners - whether states or non-governmental organizations - who are committed to reducing poverty, to combating global threats to the environment; to promoting social equality, democracy and human rights in the developing countries. (p. 15) The main means include investments in human beings and the use of market forces. (pp. 17-18)

One could, of course, retrospectively assess the rationale and relevance of the Finnish aid activities against the goals set in the strategy of 1993. Indeed, major elements of the strategy were included in our terms of reference, such as the stress on sustainability and environment.

However, that strategy paper was issued only towards the end of our study period. Before that, Finnish development cooperation policy had emerged from a large number of individual statements, giving more leeway for interpretation of the official line. It can be argued that the strategy statement represented, or at least codified, such a considerable policy shift in some respects that it would be unfair to use it as a sole yardstick for assessing earlier activities. Instead, the rationale and relevance should be assessed by showing sensitivity towards the prevailing notions of the day.

The latter, 'historicist' approach may indeed be more justified, but it also has its dangers. Taken to its extreme, it would give a *carte blanche* to any course adopted, however foolish it might appear with the benefit of historical hindsight.

Rather, to find measures by which to assess rationale and relevance of Finnish aid activities in a longer perspective, we should look for underlying continuities in the stated Finnish goals and aims. A major continuity appears to emerge: the stress on the reduction or elimination of discrepancies and inequalities in wealth and welfare between and within developing and developed countries.

This has been included among the major goals of Finnish development cooperation in all major policy documents from the Basic Policy Statement in 1974,[3] through the report of the Committee on Development Cooperation in 1978,[4] to the 1993 strategy paper. The conception of the means to achieve this goal has changed, but the major goal has remained fundamentally the same.

Thus, one could assess rationale of any Finnish aid activity and relevance of its objectives by asking: does it help to reduce international and intranational inequality?

---

[3] Hallituksen hyväksymä kansainvälisen kehitysyhteistyön periaateohjelma, passed in the 'evening school' session of the Finnish government, 9 October 1974, printed in Helena Tuomi, ed., *Suomi ja kolmas maailma*, Jyväskylä, 1976, pp. 246-258.

[4] *Kehitysyhteistyökomitean mietintö*. Helsinki, 1978, p. 11.

This is a very big question, of course, which is unlikely ever to be explicitly put forward in practical project work or its evaluation. In our sample, we came across no case where it was stated in these terms. It is not impossible that this kind of amorphous idea has been implicitly in the mind of some evaluators, but whether this was so we cannot tell. When the evaluators took a stand as to the relevance of the objectives, they invariably commented upon the goals and policies of the recipients.

Changing aims of the recipients: the case of Tanzania

Also the recipient aims change; in fact, there has happened a much more dramatic change in the policies of many recipient countries than in those of Finland. The shifts in Finnish policies can to a great extent be seen as a response to the changes happening in the recipient countries (and in international reaction to them).

In our sample of evaluation and review reports, we had a country evaluation of the 30 years of cooperation between Finland and Tanzania which neatly illustrated the direction of changes and the constellation of forces acting upon them.

Initially, one of the main reasons for selecting Tanzania as the first and major cooperation country for Finland was the worldwide appeal of her development philosophy and policies, based on *ujamaa* (indigenous African socialism) and buttressed with exhortations to self-reliance and hard work. That is, Tanzania was selected because Finland, following the lead of other Nordic countries, wanted to support the policies Tanzania was pursuing.

In the 1970s and early 1980s, Finland did not question the Tanzanian economic and other policies, even when they seemed to contradict some of the original declarations of intent. For instance, the villagization drive passed without comment from Finland. Rather, many Finnish aid activities were initiated as a response to Tanzanian policies, e.g. the support to the rural water sector or the basic industries strategy.

Thus, the approach and contents of the Finnish/Tanzanian development programme in the 1970s and early 1980s were very closely in line with Tanzanian policies. At that time, and still in some reviews included in this study, they were seen as highly relevant to the needs

and priorities as conceived by the Tanzanian government. The Tanzanian officials interviewed by the country evaluation team insisted that all projects supported by Finland were priorities. In independent evaluation reports, there was only one reference to a lacking priority (a university dental department).

But although the Finnish/Tanzanian programme was coherent with the Tanzanian policies, it did not mean that the programme would have contributed to achievement of the declared objectives of those policies, such as economic self-reliance and poverty alleviation, the evaluators argued. 'On the contrary, a number of activities have contributed to increased dependence on external resources, while those having a direct impact on reduction of poverty have been very few.'[5]

Practically all donors took a similar line in their dealings with Tanzania in the 1970s. In the early 1980s this began to change. A number of donors, led by the International Monetary Fund (IMF) and the World Bank, embarked on criticism of Tanzanian economic policies, which were seen as too much dominated by state intervention. Now, the goals and aims of the donors and those of the Tanzanian government came into conflict.

For Finland, the period of conflict was short-lived. The Finns, along with other Nordics, were among the last to take up policy issues in their consultations with Tanzania. When they did, they made their point clear. In a Tanzanian-Nordic policy workshop in 1984, the Nordic countries informed the Tanzanian government that they had decided to side with the IMF and that Tanzania should come to terms with the Fund.

After the Nordic turnabout, the Tanzanian government began to restructure its economy along the lines demanded by the IMF, and later in 1986 concluded an agreement with the Fund. Since then, Tanzania has followed the path of structural adjustment and economic liberalization. The process has been strongly supported by other donors, Finland included. Some of the more recent Finnish projects were seen by the evaluators as a response to policy changes, with support to designing of the sectoral policies demanded by the new environment being a major component.

---

[5] *Tanzania and Finland*, pp. 16-17.

In this way, the harmony between the aims of the donors and those of the recipient has been returned. But the goals and aims which are now supported look rather different from the previous ones. Not only is Tanzania no longer striving for any sort of socialism or state control of the economy; but also poverty reduction rhetoric has replaced the old stress on social equality.

Rationale and relevance of Finnish projects

The rationale of the project objectives and their relevance in relation to the goals and aims of Finnish development cooperation and the aims of the recipient, as well as the realizability of the objectives, can be discussed both at sectoral and project levels.

Sectoral relevance in general

Hardly surprisingly, in project evaluations and reviews, no case of a sector deemed unworthy of support was encountered. Familiar arguments were echoing throughout the reports. Agriculture provides employment for the majority of the population, and plays a central role in the national economies as a key source of foreign currency. Rural development programmes aim at improving human life in rural areas more generally. For forestry, the old economic and social justifications have in recent years been enhanced by ecological arguments. Health and education can be seen both as basic human rights and as investments in human beings with high economic rates of return. Water is obviously a basic necessity of life. An economy cannot modernize without a functioning infrastructure. Industry raises the productivity of work and saves foreign exchange.

When general justifications have to be translated into decisions as to how to allocate the inevitably scanty resources, all activities can no longer be regarded as equal. Choices have to made, and besides the aims and needs of the recipients, also supply-related factors enter into consideration. The choice of sectors will be based on 'the particular development priorities of the countries concerned and Finland's ability to offer quality resources in the key sectors thus selected', the 1993 strategy paper argues. This requires sufficient flexibility in the choice of sectors. (pp. 25-26)

As to that kind of discussion, we have few examples in our material. Only the Tanzania country evaluation, undertaken by a team from the Finnish Cooperative Development Centre, discussed the sectoral division of aid at the recipient country level. It criticized the heavy Finnish support to industry, especially to the capital-intensive basic industries strategy, and welcomed Finnida's decision to discontinue aid to the industrial sector. Instead, it advocated channelling more resources to rural development, especially the agricultural sector, and working with institutions belonging to the intended beneficiaries themselves (such as cooperatives).

For further discussion on rationale of activities and relevance of project objectives, we have to turn to project-specific reports. Although all sectors were seen as generally worthy of support, the assessments of the objectives of specific projects were more varied.

Agriculture and livestock

Support to agriculture has long had a modest but firm place in Finnish development aid. The agriculture and livestock development projects and programmes in our sample had varying objectives, but commonly they shared a few central goals such as:

* intensification of agricultural production, and through it
* increase in the incomes of smallholder farmers (target group) and
* increase in their living standard.

Many projects emphasized technical aspects like farm inputs, transportation, equipment, machinery, building materials, vehicles etc., while some concentrated on training. Smallholders had been selected as the primary target group because in Finland's primary cooperation countries they form the great majority of agricultural producers.

The general orientation and the objectives of the projects and programmes were generally found by the evaluators to correspond well with national development plans and stated agricultural policies in each country. Some objectives, however, were criticized for inappropriateness or excessive ambitiousness.

The **Kenya-Finland Livestock Development Programme (LDP)** is one of the major programmes within the development cooperation between Finland and Kenya. Its development objective was defined in terms of improving the standard of living of the main target group. At the national level, the project tried to increase foreign exchange savings and earnings and produce raw materials for industries. However, the latter objective was among those deemed too ambitious.[6]

More specifically, the project was to address central constraining factors for primary milk production in Kenya, such as low genetic potential of animals, high disease incidence, and low level of dairy management. Also, the project emphasized genetic improvement of the dairy stock.

One of the immediate objectives mentioned assistance to women through women's groups and to individuals, so that they would benefit financially from programme activities. In addition to women, emphasis was also given to organizations like farmers' dairy cooperatives and extension services in the Ministry of Agriculture and Livestock and in the Ministry of Cooperative Development. Improvement of marketing was anticipated to operate as a strong incentive for milk production.

In Egypt, the development objective of the **Finnish-Egyptian Sheep Breeding Project** was to increase smallholder sheep production through crossbreeding local sheep breeds, Rahmani and Ossimini, with Finn sheep (the high fertility of which is known world over). 'Intermediate beneficiaries' were anticipated to be the Animal Breeding Division of APRI (Animal Production Research Institute, Animal Research Centre of Egypt, Ministry of Agriculture) and their staff, who gained through training and provision of equipment and material. The Finnida contribution had been used for capital assets, equipment, supplies, and salaries of temporary employment staff.

The project was justified by reference to the fact that sheep have an important role in the traditional livestock system in Egypt. They provide animal protein for a great part of the human population in the country. Furthermore, sheep make use of household waste. The majority of the flock is kept by smallholders.

---

[6] Kenya-Finland Livestock Development Programme. Mid-term Review, May 1993, p. 17.

Finnish aid for the **El Fayoum Milk Collection Project in Egypt** consisted of equipment, machinery, building materials, trucks, road tankers, and technical assistance. The development objective was to improve the milk collection and cooling in the El Fayoum area, including both small producers and large farms. Another mentioned development objective was to assist the Misr Milk and Food Company (MMFC) in starting milk transport from El Fayoum to the Cairo milk plant. The project was expected to result in increased milk production, which again would improve the employment situation of the area.

In **Mozambique, support was given to agricultural training** carried out at Boane Agricultural Institute and Umbeluzi Pedagogic Institute for Agriculture, which produce agricultural technicians and teachers for agricultural schools. By strengthening these institutions through assistance in curriculum development, staff training, rehabilitation of facilities etc., the development objective of the project was to train qualified manpower for the agricultural sector in order to increase agricultural production, and food production in particular.

The objective was taken as entirely valid by the evaluators: they found it 'relevant to educate extension workers especially for smallholder (family) agriculture, hoping that an adequate extension service will be created in the future'. What they emphasized was the practical need to gear the assistance to the primary objective of training the students in issues relevant to smallholder agriculture.[7]

In **Tanzania, the Uyole Agricultural Centre** was carrying out production-oriented applied research and training agricultural research and extension staff. Located on the outskirts of Mbeya town in the south-western part of the country, its working area was the Southern Highlands, comprising the regions of Mbeya, Iringa, Rukwa and Ruvuma. Its facilities consisted of a research centre and a training institute.

Originally a Tanzanian institution established in 1968, Uyole began to receive pan-Nordic assistance in 1971. After the bilateralization of Nordic aid to Tanzania, Finnida became the bilateral donor in 1985.

---

[7] Support to Agricultural Training in Mozambique 1990-1993. SATIM. Report on mid-term evaluation 1991. Maputo, December 1991; Helsinki, January 1992; pp. 3, v.

The primary development objective for Phase II discussed here, lasting from 1989 to 1992, was to increase agricultural production, income level and income security, resulting in better nutrition, higher living standards and food self-sufficiency of local small farmers. A close liaison between research and extension was emphasized. Research was to be adapted to farmers' conditions, and dependence on imported inputs reduced. Among the immediate objectives were to build a data base of research findings for the extension service, and to train extension workers in better farming and communication techniques.

The mid-term review mission of 1991 accepted much of the orientation of the work of the Uyole centre. The point it took issue with was the emphasis on research adapted to local conditions and local inputs. '(I)t is a serious error to limit research to only those limits that the present small farmer can achieve with his present limited options of cash and technology,' the evaluators argued. They thought that the high yields attained on the research station and by other projects in the country showed that small farmers did not have to be inefficient. With modern methods, they believed, it was possible to raise the maize yield per hectare fivefold, from the current 1.25 tons to 8 tons.[8]

One of the projects referred to by the modernizing evaluators of Uyole was the **Sasakawa-Global 2000 (SG 2000) Agricultural Program,** working in four African countries including Tanzania. Its development objective was to improve the living conditions, including nutritional status and income, of the families involved in small-scale agricultural production.

The SG 2000 agricultural projects were joint ventures of the Japanese Sasakawa Africa Association (SAA) and Global 2000 Inc. (Global 2000), attached to the Carter Presidential Center in Atlanta. SG 2000 was managed by the Sasakawa Africa Association (SAA), and funding for projects in Tanzania, Ghana, Benin and Togo was largely provided by the Sasakawa Foundation through SAA. Finnida was another major donor to SG 2000 agricultural projects in Africa. Finnida's participation was based on an agreement whereby Sasakawa provided funds for the United Nations University's WIDER Institute in Helsinki and Finnida promised to assist Sasakawa programmes in Africa.

The basic approach of the SG 2000 was technology transfer in cereal crop production. The programme emphasized improving the productivity of staple food, and assisting farmers

[8] Report of the mid-term review mission. Uyole Agricultural Center, Mbeya, Tanzania. February 24 - March 19, 1991, pp. 11, 15.

toward achieving food security through better crop varieties, crop storage, seed promotion and improved extension services. Rapid expansion and diffusion was anticipatedm and thus the material inputs for farmers were provided through a credit.

The programme was to select a number of farmers to grow the improved variety according to recommended management on a one-acre plot. There were around 1,000 participating farmers. This would give a picture of the farmer's management abilities, and the farmer would see the impact of the improved technology. The participating farmers were to be directly involved with the programme through extension services for at least two seasons (three years in Tanzania), after which they would 'graduate' - that is, after having adopted the technology, they could apply for credit from national financial institutions. The programme would then operate only as a facilitator. Another part of the project was seed promotion.

An important part of the strategy of Sasakawa projects was to influence the policy-makers to transform the 'traditional low yielding agriculture systems into a more competitive commercially-oriented high-yielding agricultural economy'.

In Ghana, the SG 2000 project was launched in 1986 with the development objective of improving maize and sorghum production in small farmers' fields by the use of improved varieties and chemical fertilizers. Phase II (1991-1994) included especially institutional strengthening of extension activities and a crop technology demonstration programme.

In Tanzania, the project introduced high-input crop production practices and post-harvest technologies. 'One of the principles of project operation is to increase demand for agricultural inputs and extension and thus create the environment for stimulating private and public sector interest in providing the services.'[9]

[9] Kilimo-Sasakawa Global 2000 Agricultural Program/Tanzania. Evaluation/observation mission. June, 1992. pp. 7, iii.

The evaluations did not contain much explicit discussion on the rationale of the Sasakawa-Global 2000 approach. It was just recommended that the project goals and objectives should be critically examined, discussed and clearly stated.[10]

Rural development

A broader concept of rural development has been on Finnida's agenda since the 1980s. Three rural development programmes, or phases of them, will be discussed here: the **Luapula Rural Development Programme** in north-eastern Zambia, the **Rural Integrated Project Support Programme, or RIPS, in Lindi and Mtwara** regions in south-eastern Tanzania, and the **Kalutara Integrated Rural Development Project** in Sri Lanka. As to Luapula and RIPS, only their first phases are included; both have since radically changed their orientation.

These were ambitious programmes which, besides promising rural development in general, were also justified with reference to more timely tasks, such as the demands for economic recovery and structural adjustment (RIPS). Their very level of ambition, and the complex manner in which the different objectives and output targets were interwined in their set-up, left considerable leeway for differences of approach in their practical implementation.

In them, the crucial question in all development cooperation - who benefits? - appears in a particularly complicated form. These are projects in which there had been an explicit poverty focus for a long time, but, in practice, there seems to have been some tension between 'target area' and 'target group' approaches.[11]

'Target area' sounds a straightforward concept, but its definition is not necessarily as unequivocal as it may appear. In rural development programmes, there are bound to be several overlapping target areas. The first is the overall area in which the aid resources are to be concentrated. This is usually delineated by practical criteria and coincides with a major administrative unit, variously called a province (Luapula), region (Lindi and Mtwara) or

[10] Ibid., p. 19. See also the Sasakawa Global 2000 Ghana evaluation, annex, p. 1.

[11] This was explicitly noted in reports on the Kalutara project (Kalutara Integrated Rural Development Project, Sri Lanka. Mid-term review, November 1992, p. 8), but applies as well to RIPS and Luapula.

district (Kalutara). Yet few, if any, activities can be spread evenly across such an area, and further choices have to be made as to the location of activities within the selected area.

The selection of target areas is closely related to that of the 'target group'. While the latter is commonly defined as comprising the 'people' or 'rural population' in the area, all programmes also single out some groups for special attention. Luapula and RIPS in Tanzania concentrated on 'improving the living conditions, including nutritional status and income of the small scale agricultural producers'. Particular emphasis was to be given to those who were thought to be most vulnerable, such as women and youth, or, in Kalutara, 'the poorest'.

In their flexibility, these definitions and formulations leave open the question of to what extent anybody living in the area is entitled to benefit regardless of whether or not he or she belongs to any of the specified groups. This seems to have remained an unresolved question in the practical implementation of the programmes and in their evaluation.

Another crucial choice is which kind of activities are to be included. The programmes discussed here showed a tendency to enlarge their coverage. The Luapula programme, the oldest undertaking discussed here, started in 1980 initially as an agricultural extension programme. Five years later it was extended to cover other fields in agriculture and rural development. Kalutara and RIPS were multipurpose programmes right from their commencement in 1987 and 1988 respectively, but both have since considerably changed and widened their targets and activities.

The means that the programmes intended to employ to achieve improvement in rural life varied widely. In reading the documents, it is not always easy to make sense of the assumed relationship between means and ends since many of what are presented as objectives can also be seen as means to further aims, and vice versa. This is true, for instance, with stated objectives such as raising the income, production and employment of the rural people. The problem is further confounded by the blurred borderline between programme and project levels and by terminological confusion. Luapula and RIPS are 'programmes' divided into 'projects', Kalutara is a 'project' divided into 'sectors'. Higher-level objectives are discussed separately from lower-level objectives and output targets. Yet in practice, there is much overlap between them.

In the phases of **RIPS** and **Luapula** under discussion here, the programme and project objectives cover much common ground. They can be grouped together as follows: to (a) increase agricultural production through extension, training and changing attitudes, (b) improve crop collection through support to cooperatives, (c) develop the cattle economy, and (d) support the capacity of provincial or regional administration. RIPS also mentioned as one of its programme objectives a reduction of the tendency toward urban migration. The distinguishing feature of RIPS was that it would not initiate any activities of its 'own'. It would only support those which had already been included in Tanzanian plans but could not be implemented due to unavailability of resources.

The **Kalutara rural integrated development project** in Sri Lanka shared common elements with the African programmes, but was much wider in its range of activities. Its objective was defined in terms of achieving 'an increase in income, employment and production in order to improve the social conditions and standards of the people, with special emphasis on the poorest groups'. Whereas the project began with a heavy emphasis on 'hard' sectors such as electrification, telecommunications and roads, coupled with some work on health, nutrition and water, in its second phase it adopted a more broadly based approach, adding sectors as varied as industries, education, agriculture, village development, and environmental protection. At the end, its objectives ranged from an improved standard of pre-school education to entrepreneurship development and prevention of soil erosion and landslides.

What kind of factors can affect decisions concerning choice of target areas and groups and of activities is seen from the example of Kalutara. The rural project was started in this partly urbanized district just south of the Sri Lankan capital of Colombo due to the initiative of the Ministry of Finance and not the Planning Ministry. The activities were at first limited to the three eastern electorates of the district; and the sectors they concentrated on, telecommunications and electrification, were found to benefit mainly groups other than the poorest. These choices could be justified in several ways, but as a Sri Lankan research team pointed out, a strong reason for the original location and orientation of the project was undoubtedly the fact that the targets were the electorates of three powerful politicians, including the Minister of Finance, and also there was an expressed Finnish interest in providing 'technicians and material' in the tele and electricity sectors.[12]

[12] Teams (Pvt) Ltd., Impact Evaluation of the Kalutara Integrated Rural Development Project. Main Report, December 1992, pp. 7, 11.

The history of the selection of Luapula and Lindi and Mtwara remains to be written. No doubt several pressures will be discovered there, too, though probably different from those in Kalutara.

The evaluation missions commissioned by Finnida did not question the targets or objectives of rural development programmes at the most general level. The poverty focus and other justifications offered by programme and project documents were taken as warranted. Whatever problems were detected in the programmes were rather located in the selection of the more specific activities and the drawbacks found in their implementation.

RIPS was declared 'basically a healthy programme' by the otherwise fairly critical mid-term mission of 1991. Its original objectives could still be taken as valid.[13] Luapula was discussed in the same spirit. Also in Kalutara, the general project design was seen by the evaluators as 'satisfactory, being much more in line with the stated objectives and the target group concept' than before. The views of the Kalutara review team concerning the target group focus were not entirely consistent, however. The team endorsed the definition of the 'poorest segment' as the target group, and thought that activities which manifestly benefited the more well-to-do, such as electrification, were 'somewhat questionable' when compared against that notion.[14] However, it also commented favourably upon the Sri Lankan practice of not adopting the 'very restrictive definition' of target groups being limited to the rural poor, and found nothing to complain about other cases where also the less poor would benefit.[15]

Forestry

The forest and forestry sector continues to occupy pride of place in Finnish development cooperation. Forestry is regarded as *the* field in which Finnish individual professionals and consultancy companies are at the international cutting edge. It is taken as self-evident that

---

[13] Rural Integrated Support Programme, RIPS 1988-1992, Lindi and Mtwara Regions, Tanzania. Mid-term review mission report, March 1991, pp. 1, 5.

[14] Kalutara mid-term review, p. 28.

[15] E.g. in the village development programme, ibid., p. 50.

Finnida must utilize and export the renowned Finnish forestry expertise for the mutual benefit of all the parties involved.

With the passage of time, the range of Finnish forest projects has been diversified. Reflecting the general trend in development interventions, less emphasis is being put on tree planting and other efforts aimed at effective production of woody biomass for immediate use. Some projects have adopted a more conservationist approach and also give attention to the preservation of threatened biodiversity. An increasing number of projects consist of planning and support to local government or other organizations, and the participation of local people has become an essential demand in most endeavours.

Our focus here will be on projects which include some field action towards afforestation or conservation (South Kalimantan, Usambara, Zanzibar, Bura). The preparation of forestry plans, an increasingly important activity in development cooperation, is rather underre-presented in our sample because we have only one case, that of the controversial Kenya Forestry Master Plan. In addition we discuss one wood industry case, that of Twico of Tanzania. Forestry training projects are dealt with in the education and training part of the report.

Forest and forestry projects display a great variety of justifications. Benefits are no longer envisaged on only a local or national but also a global scale, and they are seen as not only economic or social but also ecological. Self-sufficiency in wood supply and improvement of living standards of the target population still figure among development objectives (Bura), as do rural development (South Kalimantan) and contribution to the national economy (Twico), but these are now mixed with objectives such as prevention of the alarming decimation of the indigenous forests, or creation of sustainable and environmentally accessible renewable natural resources. 'Reforestation in Indonesia is a national attack on global greenhouse effect.'[16]

The logic of such justifications often seems compelling. In the words of a review mission, for instance, the objectives inherent in the efforts of the Finnish nursery and plantation project in

[16] Mechanized Nursery and Plantation Project in South Kalimantan, Indonesia. Phase IV. Report of the mid-term evaluation mission, Finnida, Ministry of Forestry, Jakarta, April 1991, p. 17.

South Kalimantan, Indonesia, 'reforestation of the forestry resource base, improved land-use practices, stimulus to the local economy and the generation of employment opportunities, watershed protection in critical areas, conversion of ... grasslands, and providing an alternative to shifting cultivation, *cannot be challenged*'.[17]

Every justification, however, can be challenged, and often is. For instance, forestry planning efforts related to the Tropical Forestry Action Plan - conceived in the mid-1980s by the World Bank and UN organizations such as the Food and Agriculture Organization (FAO) and the United Nations Development Programme (UNDP) - represent to many officials and forestry professionals a concerted attack on deforestation and environmental degradation, but are feared by others, mainly environmentalists, as 'an ecological Frankenstein's monster unleashed'.[18] Controversy has continued to surround actions informed by the plan and its successor, the Tropical Forestry Action Programme.

Though not directly related to TFAP, exercises of a similar kind are in our sample represented by the **Kenya Forestry Master Plan.** Its development objective was to enhance the role of the forestry sector in socio-economic development, particularly in rural areas; and to contribute to environmental conservation, especially with regard to soil fertility, water resources, the natural ecosystem and genetic resources. The project was also to strengthen the indigenous planning capacity within the Ministry of Environment and Natural Resources and especially the Forest Department, where the planning took place. The activities recommended in the plan were to start up in the first five years (1995-2000), continue in the medium term (2000-2010), and be made fully effective in the long term (2010-2020).

The other Kenya project in our sample looks very different from the master plan. It was the **Bura Fuelwood Project**, attached to the Bura Irrigation and Settlement Scheme along the Tana river. The project was to provide fuelwood to the 2,100 settlers with families and to the administrative staff in the scheme, and thus lessen the pressure on natural vegetation. The fuelwood project started in 1984, a few years after the commencement of the settlement scheme. Its 'main aims' included, in its second phase from 1989, to provide fuelwood and building poles for the settlers and to increase knowledge of tree growing and natural

---

[17] Ibid., p. 44. Emphasis in the original.

[18] Bruce Rich, *Mortgaging the Earth. The World Bank, Environmental Impoverishment and the Crisis of Development*. London, 1994, p. 163.

vegetation management in an arid environment. Wood consumption was to be reduced through improved stoves.

An afforestation project on a potentially much larger scale operated in **South Kalimantan in Indonesia,** where heavy logging had degraded vast areas into secondary forest and grassland, and had opened them up for colonization. As the development objective, the **Mechanized Nursery and Plantation Project** was looking for 'sustainable and replicable means for large-scale reforestation' to enable wood plantations to be established on deforested grasslands.

Started more than 10 years ago, the previous phases of the project had already demonstrated the technological feasibility of establishing plantations of fast-growing tree species on grasslands. The focus of Phase IV of the project in 1989-1992, reviewed in the report discussed here, was on creating 'reforestation systems' for grasslands 'infested' with alang-alang (*Imperata cylindrica*), comprising the chain from nursery development through plantation establishment to plantation tending and management. This phase also saw the introduction of pilot efforts to explore the potential for sustainable forest management in the existing natural secondary, i.e. logged-over, dipterocarp forests (*Dipterocarpacae*) of the area. This component reflected the fact that while reforestation technology for alang-alang grasslands had been sought little had so far been done to slow the expansion of the degradation leading to grasslands.

The immediate objectives included the establishment of an effective reforestation system with the management capability to plan and implement large-scale industrial plantations; training of personnel; assembly of information and data on various aspects related to reforestation technology and forest management; an effective fire prevention and control strategy; and a modest number of pilot trials aimed at evaluating the potential for regeneration of native, high-valued species as the basis for a management system. The intended outputs were expressed mainly in terms of manuals, studies, reports, training programmes, courses, trial plots and areas, and a modest extension capability.

The underlying justification for the project was the belief that large-scale plantation-based industrial forestry would be able to meet the needs of local development. Economically, it was argued that the local people would benefit from the creation of employment and eventual industrialization, whereas environmental benefits were seen to flow from taking pressure off

surrounding areas through reforestation. However, there continued to be 'a persistent lack of clear understanding' as to which would be the end use of the reforested plantations, and in particular whether they would be good enough for a pulp and paper mill, as envisaged in some plans.[19]

The horizons of the project extended beyond South Kalimantan. The plan was that the technological advances would be extended elsewhere in the country by another project called the Central Nurseries Development for Industrial Forest Plantation Programme. The central nurseries programme had the same principal Finnish consultant as South Kalimantan, but instead of a Finnida grant it is funded with a soft loan from the Nordic Development Fund and the Nordic Investment Bank.

The **Zanzibar Forestry Development Project** had experienced a thorough transformation during its 15 years of existence, from a tree-planting exercise with a parallel expatriate organization to a multifaceted programme fully integrated into the Zanzibari forest administration, putting increasing emphasis on village forestry and conservation.

At the outset in 1980, the Zanzibar project emphasized quick afforestation to respond to the perceived environmental degradation. Another priority was to supply fuelwood and other forest produce for the rapidly growing population.

In the second phase of the project from 1989 to 1992, the main emphasis was shifted to wood production. The development objective defined was 'to develop a sustainable and environmentally acceptable renewable natural resources, forest management and wood production system... in order to achieve self-sufficiency and self-supportiveness in wood supply'.

The second phase also introduced institutional strengthening, people's participation and human resource development, but more as means to increase wood production than as ends in themselves. Among the immediate objects were to: increase wood production; develop a self-sufficient, sustainable wood production practice and forest management system; increase

[19] Cf. South Kalimantan mid-term review, p. 44, and South Kalimantan evaluation mission 1987, pp. 1-2.

villagers' involvement in wood production; introduce agroforestry; and reduce the dependence on imports.

In the third phase, from mid-1993 to mid-1997, the core problems were redefined as rural poverty and inadequate management of natural resources; and the development objective was set as improvement of the conservation and management of forests and land management practices in order to contribute towards reducing rural poverty. The emphasis of the activities of the Sub-Commission for Forestry (SCF) was shifted to village forestry and conservation. A more businesslike approach was taken towards plantation forestry. Support for planning and administration was strengthened, as the phase was planned to be the period of smooth phasing-out of the Finnish assistance.

The **East Usambara Catchment Forest Project** (EUCFP) in north-eastern Tanzania aimed at protecting forest resources, particularly forest reserves, in the ecologically unique East Usambara mountains: its development objective was defined in its first phase, discussed here, as maintenance of the essential ecological processes and life support systems, and ensuring that utilization of the forest-related resources was rational and sustainable.

The project was structured around four components: (i) nature conservation, which aimed at the establishment of a nature reserve in the core area of Amani and the rehabilitation of the Amani botanical garden; (ii) catchment forestry, which sought to expand forest reserves elsewhere in the area and establish sustainable, protection-oriented management practices within them; (iii) plantation forestry, aiming at the establishment of efficient management of forest plantations; and (iv) institutional support to the Forestry and Beekeeping Division (FBD) of the Ministry of Tourism, Natural Resources and Environment.

These activities were seen to benefit target groups ranging from the world community at large and the Tanzanian nation in general, to local people and tea estates on the mountains and urban and industrial communities in the nearby Tanga town. All these would, in the long run, gain from the various aspects of the conservation of the indigenous naturala environment in one of the most precious ecosystems in Africa.

Many forest interests come together on the East Usambara mountains. The forests are known worldwide for their unique biodiversity; one-quarter of the plant species are endemic. The

forests also contain valuable tropical timber and form an important catchment area for the Sigi River, which provides water for Tanga.

In assessing the rationale of EUCFP activities, the mid-term review gave the most weight to the conservation of the Amani rainforest. A legal framework stronger than the presently available forest reserve status had to be established for this. Also the protection of catchment forestry reserves and support to FBD were found largely relevant. But the plantation forestry part was found 'difficult to justify', especially as the activities had concentrated on one existing teak plantation which would have been extremely profitable on its own had the Tanzanian government chosen to charge a proper royalty for the timber sold.

Finnish-supported activities in East Usambara have not always been as conservationist-minded. Finnida's involvement in the area dates back to the late 1970s. It funded two forest inventories of commercially valuable species, carried out by a well-known Finnish consulting company, and supported the **Sikh Saw Mills (SSM)** in Tanga in its commercial logging in the natural forests at higher altitudes.

The ecological and economic value of these forests had long been known by then. In the early 1980s, the destructive logging practices of SSM in submontane forests of the East Usambaras came under attack. The heavy machinery used, partly of Finnish origin, wreaked havoc in the ecologically fragile environment.

After an international outcry, a new comprehensive inventory was carried out in the form of the Amani Forest Inventory and Management Plan, funded jointly by Finnida and Norad. It showed that the original forest cover of perhaps 100,000 ha had by 1986/87 been reduced to 23,000 ha, of which only slightly over 5,000 ha were intact forests. In the light of that, industrial logging was banned and SSM was banished from the Eastern Usambara forest reserves in 1986.

A more recent estimate puts the total forest-covered area on the East Usambaras at 43,000 ha, of which 21,900 ha lie within the gazetted forest reserves.

The **Tanzania Wood Industries Programme** had an intimate connection with the confrontation in East Usambara. Sikh Saw Mills was one of three major companies in the Tanzania

Wood Industries Corporation (TWICO) holding company which the programme aimed to develop into profitable enterprises that would supply Tanzania with mechanical wood industry products 'based on a sustained yield of the raw material resources'. The programme was also assumed to generate foreign exchange through exports. The support to logging on Usambara had been given in an earlier phase of this project.

The forest projects were seen as generally justified and congruent with the national policies although some critical points were remarked on. The evaluators of the Mechanized Nursery and Plantation Project in Kalimantan, for instance, found that the project continued to pursue objectives of high priority to Indonesian forestry sector development. Also the Kenya master planning was welcomed by the otherwise extremely critical first mid-term review mission as a significant opportunity for Kenya to strengthen and revitalize its forestry sector. To be sure, the report claimed that in Kenya doubt was expressed as to why a Master Plan was needed, and especially as to why it was believed that the inadequacies of other planning excercises like the 1986 World Bank Kenya Forestry Subsector review could be better addressed by a master planning process. A sceptical tone was discernible also in the Zanzibar 1991 mission, where the extent of the 'fuelwood crisis' was suspected to be exaggerated; but the 1995 mission found the revised focus on alleviation of rural poverty and improved management of natural resources to be relevant.

Health

Although Finnida is not known for strong support to health, some of its health sector projects have been large and have occasionally occupied a prominent place in a recipient country's bilateral aid programme. Cases in point are Somalia and Kenya. In Somalia, the **Tuberculosis Control Support Project** represented, practically speaking, all Finnish aid to the country in the 1980s. In Kenya, the contribution of the **Kenya-Finland Primary Health Care Programme** to the Finnish aid programme was considerable. Both these projects are included in the list of the ten biggest Finnida bilateral development aid projects for 1970-1992, where also one more health project is mentioned: the **General Hospital Colombo Rehabilitation Project** in Sri Lanka was the tenth.[20]

[20] *UutisFinnida* (News Finnida), 4/93, 15 December 1993.

In recent development thinking, health is seen not only as a valuable objective in its own right, but also as a means for furthering economic development. Functioning health services increase quality and quantity of human resources. Improving the access of the poor to health services increases those people's income and raises their living standards. Even when gains in productivity from investments in the health sector are difficult to quantify, the common argument is that there exists a positive relationship between health and raising productivity.[21]

The reviewed reports never questioned the relevance of the health sector projects nor the need for them in recipient countries. The projects followed the policies set for national health sector development in each country and corresponded well with the needs of the sector. Furthermore, the projects were usually found to be well incorporated into ministries of health and other corresponding organizations in the recipient countries.

The projects were also seen to represent health sector priorities in each particular country. However, it is quite possible that the high priority given to the projects by the governments concerned may have reflected the considerable amount of Finnish funding available. This argument was spelled out in the evaluation of the Somalia Tuberculosis Control Support Project in 1990,[22] but it certainly can be applicable to many other projects as well.

As a general goal, projects were aimed at improving the health status of the population through better functioning and higher quality of health care services and their increased acceptability and use. Training of health service staff, management staff and supervision level staff, that is development of human resources, had a central place in projects, as did institutional capacity building. Most projects supported health institutions at a level higher than primary. The immediate objectives comprised issues like operational capacity, administrative and management reforms and capacity, training (mainly training of trainers) and maintenance.

---

[21] E.g. World Bank, *Poverty Reduction Handbook.* Washington, 1993, p. 71.

[22] Somalia-Finland Tuberculosis Control Support and Training Project 1988-1991. Mid-term evaluation report 1990, p. 66.

Yet, in terms of volume of expenditure, there was an unmistakable emphasis on construction and renovation activities, development of physical infrastructure, and on equipment and facility provision and maintenance. A noticeable proportion of the total financial resources targeted to project operations were spent on these. For example, in Western Kenya between two-thirds and three-quarters of the programme resources went into building infrastructure, building and refurbishing rural health facilities, constructing latrines, procurement of laboratory equipment, etc.

In the case of the **Somalia-Finland tuberculosis control and training project,** tuberculosis was recognized as one of the main diseases causing morbidity and mortality, and thus a control support project was found relevant. Phase I of it started in refugee camps in 1980 as humanitarian relief work, mainly through NGOs. Subsequently, the nature of the project changed radically. Phase II started in 1985 and was conducted as a part of official intergovernmental development cooperation. Phase II included treatment and increased training, as well as extensive renovation and construction of clinics and hospitals. The development objective of Phase III, covering 1988-1991, was 'to support the Ministry of Health (MOH) at national, regional, district and community level in developing institutions and capacity to reduce morbidity and mortality rates, tuberculosis in particular, keeping in mind the target of Health for All by the Year 2000'.[23] In 1990, that is during Phase III, the project concentrated on institution and capacity strengthening, training and technical aspects.

Throughout the project, substantial material support had been given, which made the Somalia tuberculosis project the largest health exercise ever financed by Finnida.[24]

The **Kenya-Finland Primary Health Care** project started in the Western Province of Kenya in 1984, and the last phase began in 1993. The project was organized into components which were conceptualized by the 1992 evaluation mission in the following terms:

* Construction and maintenance,
* Environmental health and sanitation, and

---

[23] Id., p. 23.

[24] Finnish Anti-Tuberculosis Association (FATA). Somalia-Finland Tuberculosis Control Support and Training Project. Summary Report 1980-1990.

* Community-based health care (also called rural health services).

The programme strategy had undergone a fundamental change since the time of its inception. In the words of the mid-term review report of 1990, the project was becoming transformed 'from a parallel health service to a developmental project'. From seeking to provide primary health care (PHC) services directly, the programme shifted the emphasis to strengthening the organizational capacity of the district health systems, so that they could deliver PHC services more effectively and efficiently.

The task of the construction and maintenance component was to construct new health facilities, renovate existing ones, and establish in co-operation with the Kenyan Ministry of Health (MOH) a recurrent maintenance organization to guarantee sustainability. The special objectives for environmental and sanitation components were to improve hygienic habits, to develop standard Kenyan sanitation design options and establish demonstration sites for improved pit latrines, and to co-ordinate water supply, sanitation and health education planning and implementation at provincial and district levels. The development of the rural health services was to take place through support to what were called district health management teams. These were provided with training and professional consultancy in all fields of primary health care.

The relevance of the **General Hospital Colombo Rehabilitation** project in the capital of Sri Lanka was buttressed by the argument that the hospital was not only the main referral centre but also the most important multipurpose teaching hospital in Sri Lanka. For several staff categories, the Colombo hospital was the only training centre in the whole country. The existing buildings, services and infrastructure were in poor condition. Likewise, the lack of space and of modern management and administration needed attention.

Phase I of the Colombo hospital project started in 1985. The initially designed components of the first phase were renovation, construction of new buildings and the conduct of a management study. Later it was recognized that the rehabilitation programme needed to be supported by administrative reforms and a training component. Therefore, the Management Development and Training Programme (MT) was introduced in 1988.

While the basic rationale of the Colombo hospital project was not challenged, in the evaluation report of 1992 the project's immediate objectives were seen to lack definition, specificity, and concreteness. Terms such as 'acceptable facilities' or 'guarantee acceptable hygienic conditions' were found unclear.[25]

The development objective of the **Nicaragua hospital equipment maintenance project**, which here represents a smaller-scale endeavour, was to strengthen the hospital equipment maintenance sector, particularly in five project hospitals. Furthermore, the project aimed to increase the availability of functioning hospital and medical equipment in the hospitals, and to develop a comprehensive training programme. The project started in 1990. It was executed within the Nicaraguan health system through the Ministry of Health (MOH), with technical assistance from the Pan-American Health Organization (PAHO). The target hospitals and Tecnomedic also participated in the project execution. Tecnomedic is a state-owned maintenance company where the metal and welding workshops (production workshops) were located. The project was to continue until 1995. When looking at the relevance of the project, the evaluation mission report of 1994 mentioned that '(t)he need for improved hospital equipment maintenance in Nicaragua [was] acute, and as such this project clearly provides an important contribution to the Health Sector'.[26]

Water

The water projects, or programmes, discussed here include some of the most prolonged and costly development efforts Finnida has ever supported (in the top-ten list of the largest Finnish projects in financial terms up until 1992, the Hanoi water supply programme holds the third place, Mtwara-Lindi in Tanzania the fourth place, and Western Kenya the ninth)[27]. They were all geared towards bringing a safe and reliable water supply for the use of the

---

[25] General Hospital Colombo, Rehabilitation Phase I. Project Evaluation Report. No date but 1992, pp. 13-14.

[26] Strengthening of Technical, Material, Human and Institutional Resources in Hospital Equipment Maintenance, Nicaragua. The report of the Finnida evaluation team, March 1994, p. 44.

[27] *UutisFinnida*, 4/93, 15 December 1993.

people, though they operated in very different environments. Some, like the Hanoi programme, took place in urban areas, while most were undertaken in rural areas.

There was a noticeable difference between water projects started in the late 1970s or early 1980s and those started later. The early projects underlined physical targets, with little regard to community needs. The crucial role of knowledge, attitudes and institutions in the transfer of technology was largely overlooked. The emphasis was on constructing as many water supplies as possible, as soon as possible. The quality of the work sometimes remained secondary. Only towards the end of the 1980s did these projects recognize the significance of community participation and community responsibility as basic conditions for sustainability of achievements. Lessons were drawn from national and international experience, and the emphasis of projects was revised accordingly to include more social and cultural aspects.

The rationale of water projects was taken for granted in the review reports: it was readily accepted that water was one of the basic prerequisites of human life; that water projects brought water to the needy, and with water came other good things such as improved health and economic development. However, it also emerges from the reports that the issue of how the projects are meant to contribute to the wider goals is more intricate. The relationship between long- and short-term objectives and the expected results or outcome was commonly found to be poorly elaborated and not seldom confused. This tendency was apparent already in the early, construction-dominated phases of the programmes; and the overlap of objectives and outcome, and the ambiguity of the links between them, became ever more visible in the later phases, when the demand for sustainability shifted the emphasis in activities to tasks such as institution building and community participation.

Improved access to safe water is, of course, the main purpose of any water project or programme, but most link the water-related objectives to wider goals such as improved health of the target population or accelerated economic development in the project area. However, the question of how to translate the access to water into better health or economic development has remained open. The experience of water projects has clearly established that an increased water supply cannot in itself be considered a sufficient requirement for improved health or growing production. What the actual mechanisms are is less understood, but an awareness is growing that they are complex.

For health goals, an obvious mediating link is sanitation. Most of the water projects, at least in their more recent phases, have indeed taken on the task of heightening popular awareness of the connection between water hygiene, sanitation and health. Some projects have explicitly included health education as an integral part of the whole. In our sample, this was the case with the Nepal Water Supply and Sanitation Project.

The issue of how the improved water facilities will accelerate economic development was commonly left to rest on *a priori* assumptions. It was believed that better access to water, or access to better water, led to a reallocation of available labour time - especially that of women - from fetching of water to more productive activities; or that, indirectly, a healthier population would be able to contribute an increased labour input. While these assumptions are plausible as hypotheses and undoubtedly true in many empirical cases, so many factors affect both water use and productive activities that the desired effects may not always materialize.

In all water projects reviwed here, the emphasis of the activities had shifted from construction towards improvement of operations and maintenance, institution-building, and community participation. In rural projects, the original objectives had commonly been stated in terms of constructing new facilities in order to provide a certain population with an improved water supply by a target date; whereas the urban projects - represented in our sample by the Hanoi one - usually stressed, besides construction of new supplies, also consolidation and rehabilitation of the existing ones. In later phases, often after the ambitious physical targets were found to be in part unattainable, the objectives shifted to the smooth operation and maintenance of the constructed or improved facilities, better institutional arrangements, and transfer of the responsibility for their running to local institutions and local people.

Programmes were usually divided into sub-programmes, the immediate objectives of which varied widely. These included efficient transmission and distribution of water, continuous utilization of supplies, motivation toward utilizing them, reliable organization and management systems, institution-building, and provision of skilled staff.

Perhaps the most ambitious original objective was that of the **Mtwara-Lindi Water Supply Programme in Tanzania**. In 1971, the Tanzanian administration adopted a national target that by 1991 all rural households should have access to safe water within easy reach of their homes. This was expected to lead to an improvement in general health and economic

development. The Finnish project was to realize the national objective in Mtwara and Lindi Regions, in the south-eastern part of the country, with a population of almost 1.5 million and an area of some 70,000 km^2. The programme started with a feasibility study in 1972, and construction began in 1978.

As the year 1991 approached, the original target of water for all was quietly dropped (and later re-established for 2002). For Phase V (1988-90), the development objectives were defined as being to:

* Improve the water supply in the regions in order to achieve an improvement in general health and economic development,
* Increase the coverage of improved water supply from 27 % to 40 % of the population,
* Ensure reliability of operation of water supply according to standards, and
* Introduce the idea of cost recovery.

For the next, 'Phasing-out Phase', originally planned for 1991-1994 but actually cut short in early 1993, the development objectives were to consolidate the existing water supplies and to provide additional sustainable supplies through rehabilitation and some new construction. At the beginning of the phase, however, the objectives were narrowed down to support for management of community point source supplies (i.e. basically handpump wells and boreholes) and to the development of an organizational structure of piped water supply systems on the densely populated Makonde Plateau.

Similarly, the **Kenya-Finland Western Water Supply Programme** adopted the official planning target of the Kenyan government: full coverage of the whole population with a safe and adequate supply of drinking water, although the deadline here was the year 2000. During its early phases, almost 600,000 of the 1.7 million people in the area were assumed to have received access to water. To keep the goal within reach, a high physical target of providing an additional 400,000 people with water was set for Phase III, from 1989 to 1992, discussed here. A complementary objective was the consolidation of the existing facilities. The water supplies provided were to be not only safe but also sustainable.

The physical objectives of the **Harispattuwa and Udunuwara project in Sri Lanka** were more restricted. The project was to provide 'access to safe drinking water within reasonable walking distance for the whole population of Harispattuwa Electorate (154,000 people), 25% (14,000) of Galagedera Electorate and 9% (6,500) people of Udunuwara Electorate as well as proper sanitation facilities for the majority of the population of Harispattuwa (110,000 people) by mid 1987'.[28]

In the **Western Development Region of Nepal,** the aim of **His Majesty's Government-FINNIDA Rural Water Supply and Sanitation Project** was to improve water supply and sanitation for some 175,000 people in the Lumbini Zone by the year 1994. This was to be achieved through five components: (a) improved district water supply development plans, (b) physical improvement of water supplies, (c) socio-cultural and other studies, hygiene education and sanitation programmes, (d) training and human resources development, and (e) community development. In the project target region, 96% of the total population of 1.9 million lived in rural communities. The infant mortality rate was high, 152/1000, and life expectancy was very low, only 45 years. The infant mortality rate was higher than the Nepalese average and life expectancy lower than average.

The long-term development objective of the **Hanoi Water Supply Programme in Vietnam**, which has been going on since 1985, is to secure an adequate and safe water supply for the citizens, industries and other consumers in Hanoi City, by creating a sound public, self-financing utility which will provide potable water efficiently and at the least cost. Whereas the first two phases concentrated on providing a technically sound water supply, the third phase (1991-1995) shifted the emphasis from construction towards improvement of operations and maintenance, and institution-building. The Hanoi water supply is to become 'a self-sustainable water supply enterprise'.

Sustainability has emerged as a major objective in all of those water projects and programmes which are still running. This is because of the realization that neither foreign donors nor recipient governments will be able to run the water supply systems for ever, but none of the systems can survive on their own for the moment. The following dimensions are seen as the

[28] Harispattuwa and Udunuwara Water Supply and Sanitation Project, report of the post-evaluation mission, October 1988, Finnida, p. 4.

most relevant for water projects: (a) financial and institutional, and (b) socio-cultural sustainability.

(a) It has become apparent that rural water can no longer be provided free of charge, nor the tariffs for urban water be kept much below the production costs. Consequently, most programmes aim at the creation of self-financing water institutions capable of independently running the water supply systems constructed or rehabilitated. Financial and institutional sustainability requires both policy changes and more technical reforms. The notion of water as a heavily subsidized public commodity is the result of policy intervention, and to introduce the idea of 'cost recovery' or 'cost sharing', meaning proper payment for water, requires a change in declared policy. Technical reforms relate, among others, to the level of water charges and the means to effectively collect them. In addition to the transfer of responsibility to the local partner, institution-building also entails training of local personnel. These are now emphasized among the major objectives of all water programmes discussed here.

(b) Closely related to the above is socio-cultural sustainability, which is commonly conceived in terms of community participation. The idea is that communities should be made to feel that they 'own' the water facilities, so that they are willing to pay for the services and/or take over the responsibility for their operation and maintenance. Community participation is usually set as a target in rural programmes, but also some urban projects advocate it (although it is not always clear what the latter mean by that).

Education and training

In Finnida policies, education is seen as one of the basic human rights, but support for education is also increasingly justified in economic terms. Education, especially basic education, is seen as investment in human capital which brings high rates of return, both privately and socially. Finnida draft education guidelines pinpoint that international organizations have calculated private rates of return up to 49 %, and social rates of return up to 27 %. Furthermore, a clear relationship has been established between female participation

in education and economic growth. The returns from female education have actually been calculated as higher than the returns from male education.[29]

That education and training are long-term activities is shown also by our sample, in which some of the programmes have been in operation since the 1960s, such as the Forest Training Programme and Prodec. The programmes basically support endeavours to increase local and national capacity in the field of education and training and to develop local institutions.[30] Although they may operate in a large number of countries, the focus in quantitative terms has commonly been upon Finnida's main cooperation countries. Correspondingly, there has been a clear geographical concentration of activities. Africa has received the majority of the support, while Asia has occupied the second place. Finnida education guidelines advocate the targeting of the support to the education sector to 'programme countries in Sub-Saharan Africa'.[31]

Activities were targeted mainly to groups such as:

* Senior officials (Prodec),
* Management and supervisory personnel, teachers, and
* Instructors from the forestry and wood industries sector (Forestry Training Programme, FTP),
* Local institutions operating in the educational materials production sector (Zambia Educational Materials Project, ZEMP).

Prodec (Programme for Development Cooperation), which is attached to the Helsinki School of Economics, was established in 1968. The operations of Prodec should reflect Finnida's general development aid goals. About 150 managers and government officials receive training each year, and more than 180 specialists from Finland and abroad contribute

[29] Returns to Investment in Education, WB policy research paper 1067, 1993, World Bank. See also The Economist, March 26th 1994.

[30] Finnida, 1994. Education sector development co-operation guidelines, draft. Helsinki.

[31] Ibid.

to the programme as lecturers and resource persons. During the period 1986-1989, covered by the report discussed here, Prodec arranged over 25 courses.

The overriding idea of Prodec is that training in trade is an essential component in harnessing capital and natural resources for economic and social development. Prodec offers developing countries training, research and related services in the field of international trade. Topics include export marketing, import management, contracting of projects and technology transfer, and more specific items related to international operations. The development objective of Prodec operations is to assist developing countries to build up their human resources in the field of trade-related expertise.[32] Immediate objectives are expressed for each course separately - for example: to apply new marketing and promotional techniques to export programmes.

The **Forestry Training Programme (FTP)** was established in 1967 to conduct training courses and seminars in forestry-related subjects for developing countries. FTP is operating under the Ministry of Education of Finland/National Board of Education. The principal financing agency for FTP projects is Finnida. FTP has projects in over 30 countries, and participants come from over 80 countries. The activities are roughly divided into two separate groups: (a) the FTP course and seminar programme, representing 43 % of expenditure in 1992, and (b) FTP institution-building projects, representing 57 % of expenditure in 1992. The discussion here covers only the first category.

FTP emphasizes training of medium-level officials. The idea is to support the capacity-building of the national institutions and organizations responsible for training farmers, rather than to directly train the latter. The institution-building approach is seen as the only correct mode of action leading to sustainability. FTP operations focus on small and medium-scale technology which is anticipated to fit in well with environmental protection and to minimize waste of forest resources.

The overriding development objective for all the courses and seminars of FTP is to attain 'qualified and motivated manpower to plan and implement forestry and forest industry

[32] Evaluation of Prodec, June 1989. Volumes 1, 2 and 3. CTA (Economic and Export Analysis Limited of United Kingdom).

operations, which leads finally to an increased number of permanent working opportunities in rural areas through different sizes of sound forestry and forest industry operations'.[33]

The relevance of the activities of Prodec and FPT was taken for granted by the evaluators; it was not assessed or otherwise discussed in the reports.

Finnida has also given educational support in project form. Much of it has been concentrated on Zambia. We discuss two Zambian projects, the Practical Subjects teaching in upper primary schools and the Zambia Educational Materials Project (ZEMP).

The assistance for **Practical Subjects in Primary School** in Zambia first started in 1974. During the beginning years the aid consisted basically of tools and other materials, and some Finnish bilateral experts. In the mid-1980s the assistance was reformulated to become a project. The first project document was written in 1984. The aid was then allotted for creating administrative structures according to subject, for creating teacher training structures and programmes, and also for facilities construction and tool and equipment supply at school level.

The development objective of the project was to establish practical subject teaching in all the upper primary schools and teaching training colleges throughout Zambia. The immediate objective of the final phase was to ensure that by the end of the externally supported project, Zambians would have the necessary capacity to further develop and promote teaching of industrial arts in primary schools.

The original rationale of the project arose from the assumption that pupils needed practical skills as a means of survival strategy. This was undoubtedly the view of the Zambian Government. But the evaluators in 1994 found the original objective to be flawed.[34] According to them, it did not really represent the wishes and aspirations of those primarily concerned, that is children, parents and teachers. Practical subjects, entailing manual work,

---

[33] FTP, 1990. FTP Training Project, International Training and Technology Centre, Kotka, Finland 1991-1995.

[34] Finnida, 1994. Practical subjects teaching in upper primary schools in Zambia. Ex-post evaluation (including the study of the impact of practical subjects teaching on those most directly affected, i.e. teachers, ex-pupils, parents and employers).

were not what the schools of independent Zambia were expected to promote. Rather, the parents wanted their children to pass examinations in academic subjects and to progress to then relatively well-paid modern sector jobs, that is office work. These jobs were appreciated highly and manual work was seen as inferior.

The educational sector in Zambia suffered from increasing shortage of funds and other resources from 1975 onwards. Schools were short of basic necessities like books, papers and toilets. Teaching of practical subjects requires considerable resources, both human and material. The shrinking resource base of Zambia was seen as further questioning the basic rationale of the project.

Finnida's support to the **Zambia Educational Materials Project (ZEMP)** comprised training, machinery, spare parts, distribution vehicles and raw materials. During Phase II of the project, Zambia's economic policy was reoriented towards liberalization. At the beginning of the project, most of the Zambian industries were parastatals, and Zambia had a large trade deficit due to overvalued currency. Zambia had to adopt austerity measures in 1985. Phase III of ZEMP was already market-oriented and it endeavoured to promote free competition.

The development objectives of ZEMP were defined as being to develop the quality of locally generated school materials, to develop the capacity for local publication of educational materials, to rehabilitate the quality of primary education, and to develop self-sufficiency in the provision of educational materials and minimize its costs.

These objectives were seen by the evaluators in 1991 to suffer from some critical deficiencies: they were too large in scope, unrealistic, unclear and vague. Especially the connection between the objectives and the stated measures was not particularly distinct. The objectives were not ranked in any order of importance or priority. The evaluation mission recognized that this fact, combined with deficiencies in the organizational framework, had created a lack of flexibility in adapting the project to changing circumstances.[35]

[35] Zambia Educational Materials Project (ZEMP), 1991. Evaluation of Phase II, March-April 1991.

Infrastructure

Finland has been keen to provide support for infrastructure, a broad category of activities supporting economy, ranging from port to mapping projects. Even when the average size of individual projects was commonly not very large in our sample (in the top ten list of the most expensive Finnida projects, only the Dar es Salaam port represents infrastructure activities), together they constitute an important component in Finnish bilateral development assistance.

The infrastructure projects discussed here were meant to boost economic development, promote market mechanisms and increase productive activities of the recipient countries - for example, through creation of new trading and small industry opportunities, and through availability of information. Foreign exchange earnings and savings were also seen as important. In addition to their being considered as contributing to economic development, there has been increased emphasis on the distributional aspects of infrastructure projects.[36] Feeder roads, rural electrification, and so on are seen to promote rural development more generally.

However, the reports at hand did not pay much explicit attention to the rationale of the Finnish projects: it was taken more or less for granted. The question of what was the actual content of the projects and how exactly they would contribute to the achievement of the goals was seldom analyzed. Clearly, there was no explicit poverty focus in most projects, and no discussion in the reports as to whether there should have been. The underlying assumption was that of trickle-down modernization: the standard of living of the population, including the poor, would rise due to increased economic activity and availability of consumer goods brought about by the increase in general mobility of people, goods and services.

The projects concentrated on modern techniques and equipment, repair and construction activities, equipment provision, technical assistance and training. Capacity development with training components was also central.

---

[36] A point made by Ole Koht Norbye (ed.) with Arve Ofstad, 'Norwegian Development Aid Experiences. A Review of Evaluation Studies 1986-92'. Chr. Michelsen Institute, Bergen, December 1994, p. 18.

Ports. Finnida has supported several port rehabilitation projects during recent years. They have often been undertaken in cooperation with other donors. The Finnish component has as a rule focused on development of container handling facilities, other donors taking care of other aspects of port rehabilitation. The choice was based on the view that container handling equipment is a field in which Finnish expertise and supplies are competitive. In this study, it was decided to review more closely the **Beira port project in Mozambique** and **Dar es Salaam port development project** in Tanzania.

The overall objectives of these projects were framed in very broad terms. The rehabilitation of the ports had started in the mid-1980s, when Beira and Dar es Salaam were the only two transport corridors functioning in the area and South Africa was firmly under minority rule. The development organization of Southern African states, SADCC, had given the port projects a high priority. These were expected to promote trade and economic development not only in Mozambique and Tanzania, but in all the land-locked countries using their port services. The projects were also expected to reduce the dependence of these countries on apartheid South Africa. As their early phases seemed relatively successful, they were continued well into the 1990s.

More specifically, the objectives of the port rehabilitation projects in Beira and Dar es Salaam were defined in terms of creating modern, functioning and reliable container terminal or handling facilities, which would also bring foreign exchange earnings to Mozambique and Tanzania. This aim was to be achieved through provision and installation of container handling equipment, spare parts, technical assistance, training etc. The Beira terminal was to be managed as an independent profit centre within the Beira Port Authority.

The evaluators regarded port development projects relevant when considering the needs and aims of recipient countries, although the Dar es Salaam team felt that the original development objectives had been expressed in very broad terms and did not go into discussion on them.[37] All the evaluations discussed here were undertaken before the transition to majority rule in South Africa, a fact which has of course called the political rationale of

[37] 'Beira Port Project P-ME-1 Phases II and III. Mission for Mid Term Evaluation of Phase II and Appraisal of Phase III', Pertti Tilus et al., November 1989; 'Dar es Salaam Port Development Project. Phase II Extension Project. Mid-term-Review', TecnEcon, November 1992, p. i.

the port projects into question. On the other hand, the economic reasons have not lost their validity. In 1994, at least the Dar es Salaam port was seen to be doing quite well both technically and financially.[38]

Electricity and power. Finnida has supported a considerable number of electrification and power projects, but most of them have been relatively modest in size (with the major exception of the Pangani Falls Hydropower Redevelopment Scheme in Tanzania, for which no evaluation report was available). In our sample, these are represented by **two rural electrification projects in the department of Cusco in the Peruvian Andes.**

The first of the two was the electrification of 33 villages in the Valle Sagrado de los Incas around Cusco town in 1985-1987. The second was the electrification of the more remote Valle del Vilcanota, beginning in 1988. The target group of that project were 12,000 consumers in 60 villages. In both cases, the basic idea was to construct an integrated network and connect it to transformer stations. The organization responsible for the planning, management and execution of the projects was the state-owned Electroperú with its subsidiaries.[39]

The objectives of the projects in Peru were divided into national, development and immediate ones. The national objective of the projects was to improve the social and economic conditions in rural areas and to slow down the internal migration to regional centres and to Lima. The development objective was defined as being to support the government's rural development policy in Cusco. Furthermore, rural electrification was to improve the infrastructure for housing and public services and to create new opportunities for trading and small industry.

Immediate objectives of the Valle del Vilcanota project included the distribution of electric power in 60 villages. An indicator of the achievement of immediate objectives could be the number of consumers receiving electricity through the network constructed. These objectives follow the national policies for rural electrification.

---

[38] *Tanzania and Finland*, pp. 291-292.

[39] Electrification projects in Peru. Report of the mission for review of electrification projects in Cusco - Peru. September 1990.

The relevance of the projects was not much discussed, beyond noting that in Peru, hydroenergy is the principal source of energy that the country possesses.

Roads. The road projects concentrated on improvement of road conditions and especially maintenance activities, thus aiming at reduction of transport costs and delays. The standard of living of the population was anticipated to rise due to increased availability of consumer goods and an increase in general mobility of people, goods and services. The focus of the projects was especially on increased management capacity, training, increase in equipment availability and institutional development.

The Zambian road maintenance assistance to Lusaka Province roads department commenced in January 1989. The objectives were to improve the productivity and economy of the road maintenance operations. From the beginning of 1994, the three-year-long Phase II had been going on. The project focused on three areas: management, training, and increase in equipment availability. The target group for the project was the road maintenance sector of the Roads Department within Lusaka Province. The 'secondary target group' consisted of the road users themselves.

The development objective of the project was to prevent further deterioration of the road network and to improve road conditions in Zambia, through improved management and overall effectiveness of periodic and routine maintenance activities. These objectives were regarded highly relevant by the evaluation report of 1991, as the routine maintenance of roads had been adversely affected by a lack of funds.[40]

In the **Road Maintenance Assistance Project in the Mtwara and Lindi Regions** of Tanzania, operating in close cooperation with RIPS, an objective was to improve the living conditions of the rural population.

[40] Zambia road maintenance assistance to Lusaka Province roads department. Evaluation report 1991.

Road projects were judged very relevant within the stated priorities of the governments of Zambia and Tanzania. For example, economic restructuring in Tanzania was recognized to be suffering from serious bottlenecks caused by poor transport.[41]

Telecommunications. As was noted above, the telecommunications projects in Sri Lanka in the late 1980s, which are discussed here, originated not least from a Finnish push to supply telecommunications equipment. However, their official justifications were defined in different terms.

The **Hambantota district telecommunications project in Sri Lanka**, undertaken in 1987-1990, introduced modern digital switching and transmission techniques together with a new external plant network. The project was 'to provide the Hambantota area with access to various telecommunications services to meet the growing needs of the economy, administrators and day-to-day life'.[42] The level and variety of productive activities were anticipated to increase. Several other development objectives were mentioned, such as 'improving the working of the market mechanism by expediting and extending access to information'. Target groups were envisaged to consist of various administrative organizations, commercial and industrial companies, tourists, private telephone subscribers and users of public call offices.

The **telecommunication project in Kalutara** (1988-1990), likewise in Sri Lanka, formed a part of the Kalutara Integrated Rural Development Project (discussed elsewhere in this report). The Finnish contribution included equipment, installation, testing, training and local network cables. The project's development objective was to provide the northern part of the Kalutara IRDP project area with new automatic telephone facilities having automatic long-distance dialling capacity. The efficient telecommunication network was presumed to be required for the economic development of the Kalutara IRDP area.

The evaluation report of 1991 saw the objectives of both these two projects as 'reasonably well defined and achievable'. However, they were limited both in scope and time:

---

[41] 'Road Maintenance Assistance Projects in the Mtwara and Lindi Regions, Tanzania. Mis-term Evaluation Report' Gibb Africa International, November 1992, p. 4.

[42] Finnida, 1991. Evaluation of telecommunication projects in Sri Lanka. Final report, January 1991. Swedtel ab.

'[Finnida's] involvement centers on the installation of equipment and the training of staff to maintain it.'[43] Both projects had the same consultant. Similarities in development objectives of the projects were striking, despite different circumstances.

Mapping. The rationale for the mapping projects can be found in the lack of up-to-date topographic maps in project countries. Old maps are usually inaccurate for any kind of design purposes. Often, development aid projects have to prepare their own maps, which are not standardized. Also other reasons were cited: in Bangladesh, flood control measures and cyclone protection efforts were seen to require proper maps.

The aim of the **Eastern Desert and Nile Valley topographic mapping in Egypt**, which was carried out in 1987-1992, was to increase the capacity of the Egyptian General Survey Authority (EGSA, also the implementing agency) in land surveying and mapping, and to produce 1:50,000 scale topographic maps for the project area. Further, the project aimed at increasing ways and means of collecting, processing and presenting topographic information. Immediate objectives concentrated on improving the capacity of the national map service.

In the **Bangladesh Mapping for Development 1:10 000, First Phase, Coastal Area** project, development objectives were similar to those of the Egyptian project. Here, also the provision of training for survey and mapping personnel was emphasized.

The emphasis of the **Geological mapping and maps project in Namibia**, undertaken in institutional cooperation between the Finnish Geological Survey (GSF) and the Namibian Directorate of Geological Survey (GSN), was on the establishment of a digital information system (GIS) infrastructure. The capacity to predict regional mineral potential was considered a long-term objective. Although the project was regarded as over-ambitious, given the time frame of three years, the basic ideas and objectives were judged sound by the evaluation mission in 1992. The project was found to fit in well with other efforts of the Ministry of Minerals and Energy in Namibia. Mining is the greatest contributor to the government income.

---

[43] Evaluation of telecommunication projects in Sri Lanka. Final report, January 1991, p. 33.

Nepal does have existing topographic maps, but these are not only outdated and on an old scale - they are also unavailable. Likewise, few urban maps exist in Nepal. **The Eastern Nepal Topographic Mapping Project** (ENTMP) started in 1992. It operates in the Eastern and Central Regions of Nepal, and covers more than a third of the surface area and over half the population of Nepal.

The development objective of the project was to 'develop the availability of land, water and environmental information and ensure that the development of a more complete land information network system will provide a solid and reliable base for all land related evaluation, planning and implementation operations'. Secondly, the project was to 'develop the self-sustainability of the relevant Nepalese authority and agencies through training', and to 'extend the services to cover other areas of geographical and environmental information'.

The first-mentioned development objective was seen by the evaluators as involving rather more than what the project was designed to cover[44]. The project was actually producing aerial photographs, geodetic data and topographic maps. The second objective was found partly unclear, as the 'other areas of geographical and environmental information' had not been defined. The evaluation mission suggested that 'some other clarifications on the amount and type of the target group in figures' would have been useful besides the notion that they included the user community and producers of maps.

Nationwide environmental problems are critical in Nepal, and maps as well as aerial photographs are assumed to provide assistance in analysis and in projects that operate against deforestation and landslide. Furthermore, there are many development aid projects in Nepal that can benefit greatly from the mapping project. With proper maps, the projects are able to decrease their investment costs and improve the effectiveness of the investments.

Industry and engineering

Bilateral industrial and engineering projects carved out an important and visible place in Finnish development cooperation for a certain period during the late 1970s and early 1980s.

[44] Eastern Nepal Topographic Mapping report on evaluation mission. May - June 1994. p. 25.

This was possible because the demand coming from the developing countries concerned coincided with an increasing supply in the form of growing appropriations to Finnida, and with a growing interest among Finnish industrial companies in taking part in the use of these funds.

The industrial projects discussed here operated in a number of fields, producing services and commodities as varied as shipyard repairs for Vietnamese vessels, tractor assembly and pharmaceutics in Tanzania, or exercise books for Mozambican school children. Their objectives were partly stated in more general terms related to industrial policy and macroeconomy, but were also directly addressed to specific sectoral goals concerning agricultural mechanization, health or education.

Thus, the stated objectives of the **Trama tractor company project in Tanzania** were twofold: the project was (i) to establish infrastructure for industrial production of tractors in Tanzania, and at the same time (ii) to promote the mechanization of Tanzanian agriculture by making more tractors accessible to the farmers in the country.

The **Tanzania Pharmaceutical Industries** (TPI) plant in Arusha, northern Tanzania, aimed at substituting domestic drug production for imports. In this way, it endeavoured to improve both health conditions and the balance of payments.

The objective of the **Beira Exercise Book Factory Project** in central Mozambique was to rehabilitate the factory and thus boost local capacity for production of exercise books, improving the quality of education in the country.

In the **Pha Rung Repair Shipyard** (PRRS) project in northern Vietnam, the development objective was to improve the national economy through (i) creating sustained maritime transport capacity by improving the maintenance of the merchant fleet; (ii) making a positive contribution to the GNP and the balance of payments; and (iii) creating and sustaining managerial and technical competence within the Vietnamese shipping industry.

The basic objectives of most of the projects were judged relevant or were passed over without much discussion in the reports.

In Tanzania, projects like Trama and TIP were seen as relevant since the Government had policies that aimed at increasing mechanization and the use of basic medicine, and Tanzania was suffering from a chronic and worsening lack of foreign exchange.

Originally, the projects were also seen to fit well within the ambitious Basic Industries Strategy (BIS) of Tanzania. The ultimate aim of this strategy, adopted in 1974, was to profoundly restructure the Tanzanian economy and to eliminate its dependence on the export of agricultural raw materials. The strategy aimed at the production of capital goods required for the processing of local raw materials, and consumer goods fulfilling the basic needs of the people.

In practice, the strategy worked poorly. It was subjected to heavy attack, and has in actual fact evaporated. The Tanzania country evaluation took the Finnish support to the Basic Industries Strategy as the prime example of how 'uncritical compliance with the policy priorities [of the recipient government] can... lead to unsustainable results and pure disasters'.[45]

The Pha Rung project was seen to gain its justification from the vital role played by the shipping industry in the Vietnamese transport sector, the severe socio-economic crisis prevailing at the end of 30 years of war, the very poor condition of the Vietnamese merchant fleet, and the lack of domestic ship-repair capacity along with the general lack of foreign exchange.

A more critical attitude was taken towards the Beira exercise book factory. Even there the evaluators accepted the underlying premise of the project, which was that in order to raise the quality of education in the country, the production of exercise books should be stepped up because the parents could afford them rather than textbooks - an assumption whose grounds were nowhere discussed. What the evaluators did challenge was the original estimate of the demand for exercise books, which was found to be arbitrary and inflated.

[45] Tanzanian and Funland evaluation, p. 16.

Conclusion

Finnish development projects and programmes cover a broad field of well-intentioned and generally supportable activities ranging from agriculture, rural development and forestry to social sectors - like health and education - and water supply, and further to infrastructure and industry. The overall justification for any of these activities was questioned by the evaluators only in exceptional cases, and only retrospectively - such as the criticism that the Tanzania country evaluation put forward regarding the heavy Finnish support to industrial projects in Tanzania in the context of the Tanzanian basic industries strategy. These projects, or the strategy as a whole, had not been challenged by the earlier evaluators.

Neither did the reports at hand pay much explicit attention to the rationale of individual projects: it was taken more or less for granted. The overall development objectives of the overwhelming majority of individual projects and programmes went without mention, or were seen as relevant without further analysis. Only in very few cases were they seriously challenged. The most obvious of these was the Practical Subjects teaching in Zambian primary schools. The ex-post evaluation in 1994 argued that the project did not really represent the wishes and aspirations of those primarily concerned, that is Zambian children, parents and teachers, but this had gone unnoticed because of the top-down nature of the project.

The assumed relationship between objectives and outputs on different levels was seldom analyzed. In a number of projects in which the underlying premises were accepted, however, some of the more specific short-term objectives were found to suffer from over-ambition, unfounded assumptions, or lack of definition, specificity and concreteness. In some reports, a sceptical tone was discernible in the discussion of some of the major objectives.

When rationale and relevance were discussed, it was done in relation to recipient aims. Generally, this meant the stated aims of the recipient government and not those of the beneficiaries to be: the question was whether the projects followed national policies and corresponded to national priorities. While high national priority was commonly recognized, it was also noted in one report that priority given to an activity by a government is not necessarily independent of aid, but may in fact reflect a considerable amount of foreign funding available for that particular purpose.

The question of what the Finnish aims were and how the objectives of the activities were related to those aims was never raised in project-specific evaluations. Neither was there discussion on the criteria by which the relevance of the objectives was assessed. Yet it was apparent that although the official Finnish development cooperation strategy had embraced the poverty alleviation approach, most of the argumentation in evaluation and review reports reflected modernization thinking of the previously conventional type. Only towards the end of the time frame of our study did poverty arguments gain force in some cases.

5. EFFECTIVENESS: THE STRONG SIDE

By effectiveness of a project or programme, we mean the extent to which it has been successful in achieving its objectives. This seemingly straightforward definition leaves room for widely differing interpretations, however, depending on what kind of objectives are taken into consideration. In the broadest terms, one can assess the effectiveness of a project concerning its ultimate development objectives, its sustainability, etc.[1]

Our usage, defined by our terms of reference, is more narrow. We reserve the term 'effectiveness' to denote the extent to which a project has been, or is likely to be, successful in achieving its short-term, or immediate objectives, in the loose sense of the latter term: those objectives the project set out to attain and which are envisaged to lead to the achievement of the basic development objective and produce development impact. Impact itself and sustainability are assessed as separate categories.

In our sense, effectiveness is largely concerned with the implementation of the project, and is subject not only to evaluation but also to ongoing monitoring. Yet it is important not to equate effectiveness with project performance. By effectiveness, we refer to the consequences of the efforts and not the efforts themselves. The activities of a project can be performed smoothly without achieving the stated intermediate objectives.

This way of defining the concept of effectiveness raises an obvious dilemma. The attainment of objectives is crucially dependent not only on the performance of the activities but also on the definition of the objectives. A project can work well and produce a lot of useful outputs, but if its objectives are over-ambitious or unrealistic it will not meet the criteria of effectiveness. On the other hand, a project which has defined its immediate, short-term objectives in narrow terms of simple, immediate outputs may score high on the scale of effectiveness without ever being able to produce a noticeable impact.

---

[1] This, in fact, is how some major donors such as the World Bank and the European Union use the concept. See World Bank, *Assessing Development Effectiveness*. Washington, 1994; and ODI, The Effectiveness of EDF Development Aid to APC Countries in the 1980s. A final report on EC Evaluations. Mimeo, London, November 1994.

To tackle that dilemma, one should ideally make an independent analysis of the logic of the object hierarchy of each project discussed, and convert the stated objectives into a comparable form by reconceptualizing them with an apparatus imported from outside - from the Finnida 1991 Guidelines, DAC Principles, scholarly literature, or wherever. In this synthesis study, due to constraints of time and source materials, we have been unable to undertake such a procedure except in a few glaring cases. Normally, we have been forced to take the objectives given at their face value and discuss them as such. This, naturally, introduces a strong element of incommensurability into the analysis.

Agriculture and livestock

On the basis of review and evaluation reports, it can be suggested that the effectiveness of the agricultural projects, in the sense defined above, had been reasonably good. However, it was clear from the reports that the projects varied considerably as to the degree of success in achievement of the stated objectives. Moreover, it seems that smallholders had not benefited as much as had been anticipated.

The physical output targets had generally been achieved more successfully than other objectives. Sometimes the outputs had even exceeded the anticipated numbers, as happened in the Egypt Sheep Breeding Project (for example the number of breeders involved in the project). Building components had been implemented according to plan.

In the case of the **Kenya-Finland Livestock Development Project**, the achievement of immediate objectives was deemed successful, especially in the case of including women in all aspects of the project and introducing participatory approaches. It was also regarded as 'evident' that milk production at farm level had increased, although no baseline data on the household level milk production had been made available to the review mission.[2]

The **Finnish-Egyptian Sheep Breeding Project** was commended for having made a remarkable contribution to scientific publications.[3] The scientific knowledge on the productivity and

[2] Kenya-Finland Livestock. Mid-term review, May 1993, p. 17.

[3] Egyptian sheep breeding mid-term evaluation 1991, ch. 5.1.2. (no page numbers given).

climatological adaptation of Finn-crosses in subtropical conditions had substantially increased. It was believed that the project had created an interest in Finnsheep crosses throughout the Middle East. It had succeeded in distribution of Finnish land race sheep genes to the local sheep population, being able to establish a foundation stock one quarter Finn / three-quarters local crosses by multiplying cross-bred animals. As regards the reproductive performance and social desirability, this sheep should have met the requirements of local people.

No evidence had been found, however, that crosses would have shown a better reproductive performance than local sheep under smallholder management. It was evident that by 1991 the project had had no significant impact on the national sheep industry in Egypt. Closer contacts were needed between researchers of the project and smallholders. One of the problems with the crosses from the farmer's point of view was insufficient growth of the tail which made it hard for the farmer to fetch the same farm gate price for them as for local sheep. It was also found that the workplan had not been followed when distributing animals from the multiplication unit, and large-scale sheep breeders had benefited more than others.

In the **El Fayoum Milk Collection Project in Egypt,** the milk collection centre was found by the evaluation of 1990 to function technically well, but below capacity. This was seen as a major shortcoming.[4] In interviews, it was maintained that the project had faced a number of technical problems from the outset. In the selection of machinery and equipment, a make had been used that was not represented in Egypt. The building was not constructed according to the standards of a functioning milk collection centre.[5]

The starting phase of the **support to agricultural training project in Mozambique** was deemed 'in many respects successful', although the long-term development objective of training the students in issues relevant to smallholder agriculture had been somewhat pushed into the background and the planned number of graduated students, especially female ones, did not seem to be within reach. Still, quality was considered more important than quantity, and potential improvements in teaching methodology were under way. The farm of Umbuluzi was found to

---

[4] El Fayoum evaluation 1990, pp. 19-20.

[5] Problems in construction were emphasized in the interview with Karl Ström, Finnagro, 15 May 1995.

be too production-oriented and mechanized for the purposes of training medium-level technicians for support of smallholder agriculture.[6]

In the evaluation of the **Uyole Agricultural Centre**, research activities were commented upon favourably (except for farming systems research, which turned out to be 'a major disappointment'). However, the research capacity of the centre had not been used to its maximum. The link between research and extension was judged 'negligible'. The main reason for this was seen in the poor functioning of the underresourced government extension service. Among supplementary reasons were mentioned the fact that a data base of research findings for the extension service had only recently been forthcoming. The researchers were found to be unwilling to assume a role as teachers.

Also training activities were given some credit. Almost 5,500 students had graduated from the institute during the Nordic and Finnish periods.[7] In training of extension workers, the emphasis had been on practical training. In the opinion of the mission, both the quality and the quantity of trained village extension workers was outstanding. In addition, plans for conducting farmer training had been made and targets were being met.

In the Tanzanian **Sasakawa Global 2000** project, improved technologies were found to have raised productivity. Both maize and sorghum yields were reported to exceed the traditional yields three- to fourfold. The overall impression of the project was favourable. 'It has also been instrumental in initiating a policy discussion on agricultural development in the country.'[8]

In Ghana, the SG programme was found to have had a considerable impact on improved maize technology diffusion. The mid-term review of 1992 regarded the project to be strong on top-level policy advice. It was also found to be in the frontline with agriculture extension. Extension services had been strengthened substantially, and the target group had been reached through them. Interestingly, women farmers seemed to have gained more from the involvement in the test plot production programme than had men. 'However, earlier emphasis in the programme

---

[6] SATIM mid-term evaluation 1991, pp. v, 28, 30, 11-16.

[7] The figure is from *Tanzania and Finland*, p. 190.

[8] Kilimo-Sasakawa. Global 2000 Agricultural Program/Tanzania. Evaluation/Observation Mission. June, 1992. p. ii-iii.

was on credit and the extension personnel were rewarded by their credit recovery percentages. Therefore, they tended to focus on the wealthier small farmers.'[9]

Rural development

Not much was said concerning the effectiveness of the rural development efforts as measured against their stated objectives. This was due both to the general lack of baseline data and to superficial impact monitoring. Instead, the discussion concentrated on the tangible outputs, or the lack of them. In that respect, progress was more visible in Kalutara and Luapula than in Lindi and Mtwara. This impression obviously resulted both from actual developments in the field and from the availability of data (which of course are not unrelated).

The general progress in the implementation of the **Kalutara** project was rated as good. The project had been extended to cover the whole district. The mission commended the project management for having taken seriously the recommendations of earlier reviews and having succeeded in creating out of various activities a logical package bringing tangible benefits to the target group.

Besides its own observations, the mid-term review mission of 1992 relied also on an impact study commissioned by the project and carried out by a Sri Lankan consultancy company.[10] It judged that 'good' or 'impressive' progress had been made in sectors such as industrial development, forestry (except social forestry), rural electrification, health, rehabilitation and construction of flood control and irrigation schemes, education, housing, and environmental protection; while the results in agriculture, animal husbandry and village development so far were more mixed but by no means unfavourable. The one sector in which the mission was dissatisfied with the progress - and for which its evaluation differed from that of the Sri Lankan study - was that of roads and bridges. In a highland settlement scheme, the results were 'still to

[9] Sasakawa Global 2000 Agricultural Programme. Mid-Term Review Mission, March, 1992. p. 19.

[10] Impact evaluation, see (ch. 4, fn.12) above.

be seen'. The telecommunication part of the project was not commented upon by the mission (perhaps because a separate review was written about it[11]).

Reading the impact study and the mid-term review together, it can be seen what the achieved progress entailed in practical terms. From the beginning of the project in 1987 to the middle of its second phase in mid-1992, the results included:

* the establishment of an industrial estate on which six industrialists had been allocated land for industries employing 2,063 workers;

* block planting of some 500 ha and enrichment planting of more than 800 ha of forest, establishment of a number of nurseries, and the preparation of a Forestry Plan;

* the repair or improvement of some 66 km of rural roads (up until the end of 1991);

* the construction of 16 rural electrification schemes, with more than 2,000 connections;

* the construction of 20 new primary health care centres, improvements in seven existing hospitals, provision of three ambulances and a mobile dental clinic, and the construction of almost 4,500 latrines; and training in health issues of some 1,800 village leaders, mothers, and village volunteers;

* rehabilitation of 6 medium-scale and 20 minor irrigation schemes;

* training of hundreds of teachers and pre-school teachers, and provision of language education for the former;

* supplying seed of high-yielding varieties for local paddy farmers;

[11] Discussed in this report under Infrastructure, below.

* provision of inputs for 304 families starting to grow tea, and assistance of 20 rubber farmers in introducing tea to their holdings as a complementary crop;

* providing some 1,000 families with grants to upgrade their housing;

* involvement of 59 farmers in tree planting and other soil conservation activities; and

* the introduction in nine villages of a multisectoral development project, which had constructed for example 38 km of roads, 1,960 latrines, 85 dug wells, three gravity water schemes and 17 pre-schools.

Such outputs, it was argued, were bringing 'direct, tangible benefits to the target group'. The process of reorientation was admittedly still half-way, and many key activities were only at their initial stage; but the slow pace of transformation was due to reduced funds and other reasons beyond the control of the project office. Rural development is a long-term process, the evaluators commented, and termed the plans to discontinue the project 'unfortunate'.[12] At the end of the day, the programme did continue with most of its components, but Finnida confined its participation to the industrial estate and water supply, and withdrew all assistance at the end of 1994.

The African programmes in Luapula in north-eastern Zambia, and Lindi and Mtwara in south-eastern Tanzania, were more focussed than the one in Kalutara, but their effectiveness was not found to be any more marked - rather less so.

In **Luapula**, the progamme had been sponsoring the commercial cultivation of maize, and the commercial marketing of it through local cooperatives. In this respect, the mid-evaluation of 1990 found the achievements remarkable. Crop extension sponsored by the programme was given the credit for the fact that the production of maize had tripled. 'In many areas the extension is, in the minds of small farmers, the same as "FINNIDA".'[13] 70 per cent of Luapula maize was produced in Mansa, the main extension area.

---

[12] Kalutara mid-term review, pp. 91-92.

[13] Luapula mid-evaluation 1990, p. 101.

The main emphasis remained on maize; but besides farmers, small-scale producers in other sectors (industries, fishermen and women, game ranchers) were also considered as target groups. In Phase II, the policy shifted toward an expanded support to cattle development and the cooperative movement and toward strengthening of administration.

The largest sub-component of the programme was the support to the cooperative movement. Most of the Finnida resources in this went to the Luapula Cooperative Union (LCU); this was engaged in marketing maize, and some rice, and providing credit to maize farmers. As immediate objectives, the programme was - among other things - to improve the management of the Union, increase the efficiency of its operations, and Zambianize the executive positions. The mission thought that, as far as LCU was concerned, the most immediate 'implementation targets' were likely to be reached.

In support to primary society development, the physical progress had been satisfactory; but in relation to development objectives the impact, again, had been less obvious. Some immediate objectives had been achieved, e.g. an improved standard of management and development of infrastructure. Still, primary societies remained weak, both in quantitative and qualitative terms. There were probably less than 50 operating, viable primary societies, with a total membership of some 5,000 in 1989, most of which remained excessively dependent on the Union. Thus, the Finnish assistance had strengthened the already lopsided, Union-centred structure.[14]

In spite of such critical observations, the mission suggested that Finnish support to the cooperative movement had had a positive impact on the rural population, notably maize producers. The services provided through LCU and the primary societies - marketing, input supply and credit - had been instrumental in creating the maize boom which had led to increased incomes in Luapula. The services could not have been maintained without support from Finnida.

Among the other components, the animal draught power / cattle development programme, whose mid-term objectives included increasing the availability of cattle to satisfy the provincial demand and to raise the area cultivated by animal draught power to 5 per cent of the total, was found to

[14] Ibid., pp. 60, 53.

be well conceived and operating in an integrated manner. Also the effectiveness of the support to the provincial planning unit was assessed as 'generally speaking ... satisfactory'.[15]

In **Lindi and Mtwara**, from reading through the report, it is not immediately evident how the evaluators reached the conclusion of RIPS being 'basically a healthy programme'. Although the original objectives were taken as still valid, it was observed that many people involved in activities were apparently not aware of the original objectives, and the current approach and the implementation of the programme were criticized. A number of projects included in the original programme document had not been implemented, especially concerning agriculture, whereas some entirely new components had been added.[16]

The team complained that Phase I of RIPS I had not produced any material concerning the impact of the activities, which made it difficult to assess its performance. Anyway, the main finding was obvious: by the time of the review in 1992, the target group - rural people, especially women and youth - had not been involved and were not much affected by programme activities.

The percentages given by the mid-term mission have been contested later, but other evaluations have confirmed that during the whole Phase I of RIPS, only a small share of the activities directly benefited the rural population in Mtwara and Lindi. Close to half of the budget went to administration and construction and infrastructure for the programme itself.[17]

Some positive signs were reported by the mid-term review mission in fields like support to agricultural education in primary schools, or rural roads rehabilitation and maintenance and a light vehicle workshop. Yet implementation of many activities was sluggish and only a part of the originally agreed funds had actually been utilized. A serious restraint was seen to be the slow flow of funds from Finland, for which the mission identified a number of mostly technical reasons in the bureaucratic procedures in Finland and Tanzania.

---

[15] Ibid., pp. 95, 115.

[16] The last point was explicitly made by *Tanzania and Finland*, p. 210.

[17] Ibid., pp. 209-211.

Although RIPS worked in close cooperation with Tanzanian administration from the beginning, it also employed a number of expatriates, whose role in implemention was found 'perhaps too strong'.[18] The close liaison of RIPS staff with the regional staff meant that in practice the districts were by-passed, although in the Tanzanian local administrative set-up it is the districts who are supposed to be in charge of implementation of local development projects.

Forestry

According to the judgement of the review missions, most forest projects had generally been successful in satisfactorily achieving their stated immediate objectives. In common with most other projects, clear physical targets had been reached better than other targets. Most forestry projects, however, seemed to be drawn out in time. Projects designs had often been ambitious and anticipated results were laborious to achieve. Sometimes implementation lagged behind for reasons related to technical, political or social circumstances.

An apparent exception among the forestry projects was the Kenya Forestry Master Plan. In its earliest phase, it was subjected to a scathing attack by the mid-term review of 1992, and the responsible consultancy company was changed in the middle of the process. In the end it, too, was taken to satisfactory completion. Some other projects, like the one in Zanzibar, were continuously found to suffer from some over-ambitious objectives.

Yet such a summary scarcely gives an entirely fair picture of the forest projects as a whole. A lot of confusion is created by the inconsistent manner in which the various evaluation and review reports conduct their arguments. A closer look strongly suggests that some of the 'satisfactorily' proceeding forestry projects were in fact grappling with intractable problems, whereas the shortcomings in a supposedly more difficult project like that in Zanzibar may have been of a less fundamental nature.

A striking example of the way how widely differing comments are thrown by evaluators into a hotch-potch from which the conclusions 'bubble up' rather erratically is provided by the **Bura Fuelwood Project** (BFP) mid-term review report.

---

[18] RIPS mid-term review, p. 51.

The mission reported that the project was running well and was well regarded by the Government of Kenya and, most importantly, by the settlers who were the beneficiaries. Almost 1,000 ha of irrigated plantations had been established, more than 90 per cent of this being *Prosopsis julifora* and the rest mainly Eucalyptus. Thus there was an ample supply of fuelwood and construction timber. On the consumption side, 1,400 improved stoves had been built and the programme had become popular. The research component of the project was commended for its silvicultural work, but more research into natural forest ecosystems was recommended.

However, the report did not attempt to hide that the project was facing serious problems. During the time of the mission's visit in January 1991, the settlement was plagued by severe shortages of water due to failure of diesel-powered pumps. As all the 2,100 settlers were entirely dependent on irrigation for their food and cash crops, this meant that the settlers were short of food and money and the whole Bura settlement scheme was close to collapse.

The situation had an obvious implication for BFP: there was little market for Prosopsis fuelwood. Although Prosopsis had grown well, its sales were low due to the settlers' lack of cash, the abundance of wild Prosopsis, and Prosopsis being smoky and thorny.

Even in a more normal situation and with more spare cash, it would have been difficult to market irrigated Prosopsis as fuelwook. As there was plenty of wild Prosopsis about, there was no need to buy it. Moreover, Prosopsis was at the bottom of the list of local fuelwood - or charcoal - preferences. Those who could afford to buy fuelwood preferred other species from the natural vegetation of high quality.

How much pressure Prosopsis growing had taken off the natural vegetation could not be determined because of the lack of a baseline study; but, in the words of the report, it 'appears' that 'cutting has slowed down from its peak at the beginning' of the scheme.

Yet the mission managed to conclude that, after all, the project seemed to be 'able to meet most of its objectives... provided the water supply problem is solved'. There was no need to change the size of the objectives of the project, but just to go over from Prosopsis to more Eucalyptus. Admittedly, 'the disastrous irrigation and settlement scheme forms a distinctly unpromising

environment for the fuelwood project', but the goals of the latter were much more limited, and 'in terms of those goals, BFP has been largely successful'.[19]

A most negative assessment was given of the early phase of the **Kenya forestry master plan** by the mid-term review in November 1992. In no uncertain terms, the review expressed its concern at the poor technical quality of most of the written outputs, and questioned the quality and professionalism of the project management.

The evaluators claimed that the whole project had been so ambitious that it was unlikely to achieve its objectives. It had gone awry from the beginning. The project document was labelled as incomplete, misleading and ignoring issues of institutional capability. The development objectives mentioned in the project document showed little real understanding of the issues in the sector. The effort was overwhelmingly engaged in expensive information collection with only limited policy content or relevance. Among the products thus far, the hastily assembled 'First Incomplete Draft' of the plan was not found worth commenting upon. The technical papers were found to be of varying but mostly low quality. This was seen to stem from factors such as: insufficient preliminary understanding; inadequate project preparation; lack of prioritization; inadequate staff direction; too many short visits by international staff with minimal previous experience in Kenya; narrow experience and insufficient qualification of nationally recruited consultants; and limited participation and training of the Forest Department staff.

In the opinion of the mid-term review mission, the Master Plan exercise should have been more a process involving local actors rather than the production of a product by outsiders. The project document had overlooked 'the fact that a very significant amount of work - by the Kenyan Forest Department, by other public sector organizations, and by a large number of NGO's - had already gone into characterizing the sector and into developing future opportunities for institutional strengthening'. In the later phases, participation of other government agencies, the NGO community and local people had not been as extensive or effective as was desirable, although the contribution made by the Kenyan staff of the project was considered extremely constructive and positive.

---

[19] Bura mid-term review, pp. 6, 24.

Thus, the 1992 mission concluded that it was 'unable to recommend... that the status quo of the project with regard to its content, output, management or administration be maintained'.[20]

After such a devastating assessment, the project was modified. The Finnish consultancy company which had had the responsibility for the management soon went bankrupt, and another, more experienced company replaced it. The development objectives of the programme remained as they were, although it was decided to issue the various components of the plan separately. An updated forest policy paper was drafted. A number of workshops were organized in which policies and strategies were refined. The planning phase was finished in June 1994. The project went to by assist Kenya with the implementation of the plan projects. There was what was called a bridging phase until October 1995.[21]

A new review mission, contracted by a Finnish (non-forest) company but consisting of members from New Zealand, the U.K., the United States and Kenya, visited the Kenya forestry master plan in April 1994. Its report was far less critical, but not entirely enthusiastic. It congratulated the KFMP team for its response to the criticism of the mid-term review. An advisory board had been appointed, as recommended by the 1992 mission, and the draft of development programmes improved. The mission was not totally convinced, however. 'Inevitably... a suspicion remains that the quality of data and information inputs to the development programmes in some cases leaves something to be desired.'[22]

In the view of the latter mission, the most serious deficiency in the master planning process had been a lack of appreciation of the 'parlous' economic situation of Kenya, and inadequate awareness of government policies as regards structural adjustment. These defects may have made the KFMP - measured by its scope and the number of its supporting programmes - over-ambitious.[23]

---

[20] Kenya Forestry Master Plan, mid-term review, 1992, p. vi.

[21] In addition to the review reports, the following interviews have been used here: Eero Reinius, Jaakko Pöyry Consulting Oy, 21 December 1994; Keijo Ruokoranta, Finnida, 21 March 1995; Olavi Luukkanen, Helsinki University, 23 March 1995; and Markku Aho, Finnida, 12 September 1995.

[22] Kenya Forestry Master Plan. Report of a Review Mission, Helsinki University Knowledge Services. April 1994, p. 10.

[23] Ibid., pp. 53, 83.

These differing assessments raise some questions which cannot be adequately answered with the materials and methodology employed in this synthesis study, but which are worth putting forward. The Finnish team leader who had joined the project towards the end of the first company's time 'to rescue the sinking ship' and stayed in the same position later on, suggested that the first mid-term review had been grossly unfair, reflecting the preconceived notions of the evaluators. Much of the criticism concentrated on the project's first year, when there had been no project manager and the internal relationships within the project had been troubled. The representatives of the second company laid much of the blame at the door of its predecessor, which was accused of inexperience. Yet other interviewees reminded that there had been much continuity in the project e.g. in terms of personnel.

In the **South Kalimantan project** in Indonesia, the general progress of Phase IV was judged 'quite satisfactory' by the mid-term review mission. The project had moved forward well in achieving its objectives. Implementation had been efficient and effective. Concerning reforestation systems, good progress had been made in accelerating the preparation of technical reports on project activities, research and trials. The effectiveness of the training programme had also been satisfying.

A major shortcoming was that a full-scale study probing the wider conditions for sustainability and replicability of large-scale reforestation remained undone. Such a study was felt necessary because it was evident that, despite the technological know-how, problems such as poor planning, poor survival rates, faulty maintenance and susceptibility to fire continued to trouble reforestation activities in South Kalimantan. Especially fire, wreaking havoc in reforested areas, remained a vexing problem.[24]

This view echoed the criticism put forward by the previous evaluation mission four years earlier in 1987. While commending the project on its effective work with nurseries and reforestation methods, it noted that a number of basic problems remained unaddressed. The project was criticized for having focussed almost exclusively on the technological dimensions of reforestation. It had overlooked issues related to policy-making, such as those arising from the policy to allocate timber estate concessions to private companies who could not be expected to

[24] South Kalimantan mid-term evaluation 1992, p. 45. Emphasis deleted.

jeopardize their profit margins with any unnecessary risks such as low survival rates or fire danger.[25]

The natural forest management part of the project, seeking a cost-effective option for managing and restocking secondary logged-over areas, was commended for having made a strong start in pioneer experimental work, with far-reaching applications in tropical silviculture in Indonesia and South-East Asia.

Here, Indonesian forest staff were gently exhorted to follow the flag of Finnish forestry values and spend more of their time in the forest instead of the office:[26]

> (T)he most essential feature of management capacity is a deep interest and knowledge of the forest area in which one is working. This is what the profession of forestry is all about... Finland's fame and success in the forestry sector is founded on the principle and exercise of the professional values of forestry.

The first phase of the **East Usambara project** in Tanzania was found to have progressed well as far as physical targets such as surveying and border establishment for forest reserves were concerned. Also, implementation responsibility had increasingly been transferred to the local staff. But training had been limited to in-service training and study tours. Little research had been undertaken.[27]

In the core area of Amani, the creation of the nature reserve had proved more a protracted legal process than had been anticipated at the project design stage, and the formal gazettement had not as yet materialized. A frame plan had been drafted. The old forest reserves, and enlargement areas to be added to them, were effectively controlled. Illegal encroachment and logging had been considerably reduced.

---

[25] Indonesia: Mechanized Nursery and Plantation Project in South Kalimantan. Phase III, 1985-1988. Report of the Evaluation Mission. October 1987. Document of FINNIDA, Report 1988: 1, pp. 1-2, 47-48, 28-29.

[26] South Kalimantan mid-term evaluation 1992, p. 37.

[27] Besides the East Usambara mid-term review of 1993, this discussion draws on 'Project Document. East Usambara Catchment Forestry Project. Phase II: 1995-98,' 26 October 1994.

In the catchment forest reserves, 3,528 ha had been reserved for gazettement in addition to the existing reserves. The control had generally been stepped up. The local people were reported to regard the forests as closed to them, and be toafraid of foresters. In order to change the 'police' image of forest guards and attendants, a course in communication skills (two weeks) had been organized for these.

A weak point in the implementation had been the scant and one-sided involvement of local people. Even at best, their role had been limited to that of providing information, the mid-term review noted. It also took issue with the basic idea of the Amani frame plan, that people should be totally excluded from using the conservation area. The mission did not wish to preclude local collection of various products from the reserve forest.

The Usambara project experienced an unexpected complication when it was found out that some of its own Tanzanian project staff had been involved in illegal pit-sawing activities in the forest reserves. This caused much resentment, and strained relations not only within the project but further between forest officials and local people. 'People can't understand the government. Pit-sawers are allowed to be there, but local people's use is not allowed.'[28]

The pace of implementation was stepped up towards the end of Phase I. The need for genuine people's participation was given serious attention in the project document for Phase II, starting in 1995, which was largely drafted by a new Tanzanian team.

In **Zanzibar**, much of what the forest administration had achieved since 1980 had been due to the resources contributed by the project. The project had provided virtually all of the development budget for the Sub-Commission of Forestry (SCF), previously known as the Forest Department (FD), and contributed a great deal to recurrent expenditure as well.[29]

Much of the work of SCF/FD, supported by the Finnish project, had been concentrated on tree planting. Nurseries had been established and big government woodlots planted. By the early 1990s, the area of the plantations was some 2,000 ha. The major species were fast-growing, some 57 per cent being acacia, 24 per cent casuarina, and 16 per cent pine.

---

[28] A project staff member, as quoted by the East Usambara mid-term review, p. 17.

[29] Zanzibar forestry mid-term review 1991, p. 34, cf. mid-term review 1995, pp. 20-21.

The mission of 1991 apparently felt that so far plantations had been given too much emphasis. They were inefficiently run and could not satisfy more than a small part of the demand for wood. In some places, especially on Pemba, their establishment had met with strong resistance from local communities, who felt that their lands were being taken away. The next evaluation mission, that of 1995, saw the plantation activities as progressing well and thought that in the future they would provide the 'economic backbone' for the activities of the SCF. In planting, more emphasis had been given to timber species. Logging and wood transport had been privatized, and standing sales adopted. This had raised the income of the SCF.

A conservation component had been added to the project only in the third phase. It was intended to heighten conservation awareness and improve protection and management of the remaining indigenous forests. According to the 1995 review, the introduction of the component had changed attitudes 'inside and outside SCF', but there had also been delays in starting the activities.

Village forestry was emphasized in the third phase, but tree planting in villages was no newcomer to the project. Over 2.7 million seedlings had been planted by rural people since 1980, with assistance from the project. In terms of area, this was estimated to represent some 800 ha. Most of this was for monoculture village woodlots, while part was intercropped with food crops, to be left to grow as fallow crops. Among peasants, casuarina had become the most popular species, because it was selling well due to heavy demand for construction poles. The 1991 mission advised that village forestry be concentrated on the coral rag areas, where existing livelihood strategies were found to be more diversified and the inhabitants were assumed to be more innovative and risk-taking than elsewhere. There were also more female-headed households there than elsewhere.

In the third phase, the notion of village forestry embraced, in addition to tree planting, also conservation and management of existing natural forests. The focus of activities was increasingly on women. While the approach was endorsed by the 1995 mission, the target - management plans for 20 villages - was found unrealistically high, and the village forestry section was commended for its decision to proceed steadily and not to hurry.

Intriguingly, also the review mission of 1991 thought that the village forestry targets had been over-ambitious, but at that time the aims had been different: planting trees and shifting most of the seedling production to village nurseries.

The **Tanzania Wood Industries programme** was judged by the mid-term review to have made significant progress in its efforts to develop the three TWICO companies - Fibreboard Africa (FAL), Tembo Chipboards (TCB) and Sikh Saw Mills (SSM) - profitably. The companies had a higher rate of growth than most similar companies. Financially, their performance had improved since 1985.[30]

Still, it was clear from the report that the companies were in far from good shape. Although the production of FAL and TCB had increased steadily throughout the 1980s, there remained quantitative and qualitative shortcomings in the production process, and the output of SSM was partly very poor. The objective of significant exports had been given up a long time ago. The economic return the companies yielded was far below the domestic interest rate, in spite of heavy investment in and considerable hidden subsidies to them.

Management was regarded as the most important issue, but management training was criticized by Tanzanians as inadequate. Otherwise, the level at which management issues had been addressed, that of mill management in the Tanzania Wood Industries project, was deemed to be correct and to have constituted a most cost-effective provision of management assistance.

Health

The overall impression conveyed by the reports is that of relative success of the health sector projects in terms of effectiveness in achieving their major immediate objectives. Naturally, some parts of the projects had been more successful than others. The immediate objectives related to physical construction, rehabilitation, hospital and laboratory facilities and equipment, maintenance, had been given most of the implementors' attention and time. Correspondingly, these objectives had been achieved to a higher degree than 'softer' objectives like community mobilization. However, the operational capacity expected had rarely been achieved. Involvement

[30] Tanzania Wood Industries Programme. Report on the mid-term review, July 1990.

of a target community had been paid most attention in the case of Kenyan Primary Health Care project.

In Sri Lanka, the **General Hospital Colombo** (GHC) project had according to the evaluation mission in 1992, achieved impressive results. A new eight-storey accident and orthopeadic surgery (AOS) block had been constructed to very high standards and was found to provide 'very adequate facilities'. The immediate objectives, of improving conditions for accident and orthopedical patients and reducing the incidence of infections in surgical departments, had been realized in large measure. Also, the discipline and enthusiasm encountered among the staff was impressive. The benefits from the hospital were anticipated to spread over the country.

All engineering installations were of high standard, the evaluation in 1992 noted. Likewise, electric, water and drainage systems were constructed in durable materials. Most of the materials used in the engineering installations were imported, probably in order to ensure timely delivery and correct quality. However, in the institutional respect, the overall achievements fell far short of expectations, the 1992 evaluation report asserted. The contrast in resources in terms of buildings, equipment and staffing levels between the new AOS and the rest of the hospital were seen as a source of potential conflict. AOS was likely to consume an undue proportion of the total operating resources of the hospital. Knowledge and skills of AOS staff were seen to need upgrading.[31]

Some of the shortcomings had been corrected when a Finnida end-of-project review mission visited the hospital in 1994. The main administrative and organizational achievements of the hospital were found in 'improved functional planning and increased output of treated patients'. As for training, the project had succeed in developing 'a proper base for an institutionalized in-service training system'. The Ministry of Health had been 'willing to add the necessary human and financial resources' to ensure the functioning of the new AOS.[32]

In a previous review report in 1990, the Colombo hospital project was found to have suffered from serious organizational problems during Phase I. There had been several small local

---

[31] GHC evaluation 1992, pp. 4-7, 24-25.

[32] Rehabilitation and development of General Hospital Colombo, Finnida end-of-project review mission, Sri Lanka. Final Report, March 1994, pp. 2, 5, 4.

contractors whose activities were difficult to coordinate. Responsibility and decision-making structures had not been clear within and between the various parties. Coordination had been constrained by inadequate reports as well as differing practices in financial and progress reporting and in distribution of information. The review report in 1990 insisted that more responsibility be given to the local level.

In particular, the 1990 report argued, the management and training (MT) project had been somewhat over-ambitious compared with the available resources and the planned timetable. The concept of 'mission-work', meaning the despatch of a large number of short-term consultants from Finland, within the MT project had proved neither effective nor efficient.[33]

The **Nicaraguan hospital equipment maintenance project** was credited with several achievements. In the five Nicaraguan hospitals covered by the project, maintenance programmes had improved considerably according to the evaluation report 1994. Without the project, several of the hospitals would have come to a standstill. Now, functioning hospital equipment was available for more of the time than earlier. Maintenance was also being taken seriously, both among hospital administrators and the Ministry of Health (MINSA) staff. The project had evidently had an 'awareness' effect, making the Ministry of Health and hospital administrators recognize the importance of maintenance in hospitals.

These were tangible advances over the situation in 1991, when the previous evaluation was undertaken. Then, it had been noted that the project had proceeded well, but due to delays in implementation it was too early to assess the results.

In the opinion of the evaluation mission in 1994, however, major problems still remained.[34] The objectives of the project were found too ambitious compared with the size of the project budget, the obsolescence of the existing machinery stock, and the economic situation in the country. In consequence, 'objectives for human resource development, production of equipment in Tecnomedic, and repair of machinery could not be achieved'. Planning, monitoring and reporting had been weak during the first phase.

---

[33] The General Hospital Colombo (GHC). Mid-term review, 27 April 1990.

[34] Strengthening of Technical, Material, Human and Institutional Resources in Hospital Equipment Maintenance, Nicaragua. Report of Evaluation Team. March, 1994.

The administrative structure of the project was deemed too complex, with too many executing agents participating at the central level. Financial resources had been controlled not by MINSA but by a multilateral agency, Pan American Health Organization (PAHO), which also contracted the staff. PAHO had had no earlier experience in implementing a bilateral project of this kind, and it ran into problems with performing its role as Finnida wished. Decentralization had created difficulties since the project had been planned during the time of centralized control. Also the strengthening of institutional capacity had been mainly confined to the central level, and had not been addressed at the hospital and workshop level. At the workshop level, new buildings had been constructed but not properly completed, so that they were unable to operate to the capacity expected.

The success of the project was seen to crucially depend on the maintenance staff. 'If they cannot be retained due to their low salaries or recruited due to the lack of posts, the project will fail.' Indeed, many of best-trained staff were being lost to the private sector, since the salaries in hospitals were very low. Yet it was found that little attention had been paid to educating and training key equipment operators, the existing training programmes were not sufficiently flexible, and communication between project staff and workshop staff was poor.

The overall impression conveyed by the reports on the achievements of Phase III of the **Western Kenya primary health care programme** was somewhat mixed. The mid-term review in 1990 indicated that the process of transformation of the project approach was still incomplete. The evaluation report of 1992 did not tackle this directly, but stated only that what had been achieved so far was very commendable and deserved continuation. Yet the latter mission presented many detailed points of criticism on different aspects of the implementation of the programme, and confessed to being unable to assess the actual health impact of programme activities.

By far the largest component in terms of financial costs had been that of construction and maintenance. Between two-thirds and three-quarters of the programme resources went into building infrastructure. A little more than half were used to build and refurbish rural health facilities or improve the provincial hospital in Kakamega. About ten per cent were used to build 20,000 latrines throughout the province. The remainder went to laboratory equipment for testing and combating AIDS.

By July 1992, 22 of the 82 rural health facilities of the province had been built or renovated by the programme. The quality of both the design and construction was considered good. According to the evaluation report, new construction had improved accessibility of primary health care to the people. New and renovated facilities had boosted staff working morale and also improved community participation. Likewise, the number of patients had increased by as much as 50%.

Institutional capacity-building and human resource development had had a central role in project operations. For example, over 16 000 community extension workers had been trained. The programme had progressed a great deal towards establishing a community-based health care system, for which purpose some 12 per cent of programme resources had been used. This had been achieved mainly by training; faced with a wide range of objectives, the project staff may be attracted by training as an easy activity to implement, as the 1990 report noted. More than 3,000 traditional birth attendants, 700 community health workers, 840 child growth monitors and 780 community-based distributors of contraceptives had been trained over eight years. Also, a good system of follow-up and support of community health workers by the health centre staff had been established, partly because of the supply of bicycles by the programme.

As a result, the district health systems now had the technical capacity needed to continue expanding and consolidating the community-based health care system by training and supervision.

The third component, that of environmental health and sanitation (EHS), had been least successful, not fulfilling its potential. It was found to have suffered from an engineering approach, trying to promote the construction and use of ventilated improved pit (VIP) latrines through community health workers and the construction of demonstration latrines. This emphasis had remained in spite of the recommendation of the mid-term review mission that the objectives and strategies of the component should have been reviewed and activities should have focused on practical methods of assisting the 40% of households without latrines to build standard pit latrines.

The latrine programme had been allocated some 10 per cent of the funds. The latrines built had been technically good but 'unfortunately... totally inappropriate as "demonstration latrines"'. The interest of the communities had obviously not been taken into account in the design of the EHS component. A VIP latrine was found to cost more than the annual household income in the

province. The increase in number of such latrines among the population had been rather modest. Very little education of the people as to how to use toilets and water together was undertaken.

The training and education activities of the programme were evaluated separately by a Kenyan consultant in 1992. The mission found that the programme had successfully completed the training and education tasks as outlined in the project documents, and deemed the collaborative approach adapted in training appropriate. By training a wide spectrum of participants, the project was believed to have had a major impact on the health practices of the people. Problems were found with management systems and with integration in terms of the participation of various ministries at health centre level.

The evaluation report of the **Somalia tuberculosis project** in 1990 assured that a considerable number of human lives had been saved as the result of appropriate TB treatment. However, in the case of capacity development, outputs had not been achieved as planned. Staff had been assigned as scheduled and management training had taken place, but the community level had been left out when establishing regional tuberculosis teams. The National Reference Laboratory had had problems with water availability and electricity supply. The target of making Forlanini Hospital a university-level training hospital had proved overambitious.

The educational outcome of the Training of Trainers and Supervisors sub-project was found to be too early to assess, since training was still going on. The evaluation mission noticed that it had been difficult - 'partly because of the revised plans, partly because of different topics for the same group in different reports, partly because of inadequate statistics' - to get relevant information about planned and implemented courses, participants, timing etc. A general observation on training was that most courses of the project had been planned by Finnish experts without adequate training needs analysis. The contents, training methods and materials had not been suitable for the target groups.

Other subprojects were considered to be doing relatively well, although Health Education and Community Mobilization, producing health education materials for the patients and their families, was seen as needing to increase community involvement. The Maintenance and Supply Systems Development, Construction, and Equipment Support sub-projects were believed to be reaching their immediate objectives.

Water

The discussion of effectiveness of the water projects is marred by the confusion between longer and shorter term objectives and the actual outputs. The reports were mainly preoccupied with immediate outcomes of the projects and aspects related to their implementation. The overall impression emerging from the reports is that whereas the technical tasks have been mostly - but not always - satisfactorily undertaken and the physical targets have been reached to a reasonable extent, more problems have been encountered with objectives related to sustainability, such as institution-building and community participation.

The project the results of which are least known is that in **Mtwara-Lindi**, phased out in 1993. Extremely little reliable quantified information is available on the achievements of the project. The reports at hand, which discuss the later phases, do not give data on the overall construction achievements. Yet it is clear that the accomplishment of physical targets fell far short of the admittedly highly ambitious original plans. It is known from other sources that some 2,500 wells and 13 piped schemes were constructed, and theoretically they provided water for 900,000 people. However, because many of these are periodically or regularly out of order, it cannot be said how many people have actually gained access to reliable safe water thanks to the project.

In the early phases of implementation of the project, beginning in 1978, the emphasis was on constructing as many water supplies as possible, as soon as possible. The project set up its own implementation structures, parallel to those of the local water ministry. This approach produced a large number of water supplies, most of which were functioning erratically. In 1987 it was observed that more than half of the constructed systems were out of order. In Phase V, beginning in 1988, the approach of the project was shifted from construction towards management and maintenance, integration into local structures and community participation.

The reorientation proved a slow and laborious process. According to the evaluation report of Phase V in 1990, the new strategies had not been fully followed. The project was still production-oriented, and effective integration into local structures had not taken place. Only after 1989 had the project been able to successfully follow the strategy for community involvement.

The mid-term review of 1993 noticed that progress in the reorientation was 'still limited'.[35] In project management and implementation, nearly all tasks which were previously carried out by expatriate staff had been taken over by local staff at regional and district level. Yet the parallelism was visible in that the only expatriate remaining, the management advisor, had a lot of control over the Finnida funds, and community participation activities were to a large extent dependent on the two locally recruited community participation advisors employed by the project, and on logistical and financial support from Finland.

At the village level, a good number of village water committees and some village water funds were reported to have been established, and village leaders and members of the committees trained. Also local village well caretakers had been trained in a number of villages. The effectiveness of these village-based institutions was doubted, however. The support from regional and district level required to make community management efficient was missing. No operation and maintenance system had been developed. Villages were lacking basic tools, and spare parts were not available.

The report also established that the constructed supply systems were functioning poorly. Of the piped systems, only 20 % were (partly) functioning in Mtwara and 27 % in Lindi. Of the shallow wells, information was available only on Lindi, where 74 % were reported as functioning. Later it was reported that in Mtwara 75 % of wells were working.[36]

On the basis of the information available to it, the mission concluded that 'physical activities [had] progress[ed] well in Lindi region'. In Lindi, the number of expatriate staff had been originally lower than in Mtwara. The mission considered that this had had a positive effect on regional capacity and institution-building there. Especially in Mtwara, the physical construction and rehabilitation of the facilities was found to have been hampered by a two-year stoppage of material supply by Finnida, related to a dispute about alleged inefficiencies and 'incidents' of mismanagement in Mtwara.

Both Mtwara-Lindi reports complained of the shortage and vagueness of basic data and the lack of functioning monitoring and management information systems. No quantitative or qualitative

---

[35] Mtwara-Lindi water mid-term review, 1993, p. 1.

[36] *Tanzania and Finland*, p. 280.

information was available on the use of improved water sources by the population, or possible changes in hygienic behaviour. In several instances, the review missions pointed out that it had been impossible for them to check the reliability of the most elementary quantitative data they had been provided with.

The programme in **Western Kenya** was seen as 'quite successful in ensuring coverage in a physical sense'. Especially the performance in point source water supplies (wells, boreholes and protected springs) was deemed impressive. Although the construction of new water points lagged somewhat behind the target, the rehabilitation of the old ones exceeded it. Yet piped water supplies had been delayed, and the target of providing an additional 400,000 people with water during Phase III was found by the evaluators to be entirely unrealistic. There were also shortcomings in the quality of water in some of the supplies - more so with piped schemes than water points.

Also the Western Kenya programme had originally been heavily construction-oriented, but since 1986 the technical components had been complemented with extensive community development and training efforts. Phase III was found to be superior in planning, design and implementation. Still, it was considered that the approach of the programme continued to be 'supply-driven', limiting the communities' involvement in basic decision-making about the type and location of the water points, and militating against the emergence of a sense of local ownership of these. 'The overriding concern of the Programme with achieving coverage has resulted in a minimal strategy of community participation, whereby users (women) have hardly a role to play in the design of their own water supply systems.'[37]

As a result, the level of utilization of improved water points was apparently left far below target. Often, women continued to use old 'contaminated' water sources. When looking for possible reasons for this, the evaluators noted that many of the new water points did not in fact offer a sufficiently better quality of service. The quality of water varied, remaining unacceptable in a number of supplies. Particularly in cases where it was not possible to bathe or do laundry at the improved water point and the people had to walk to the old source for these purposes, the improved point was easily abandoned altogether. The mission lamented that without hygiene education, the people would remain unaware of the 'hidden price tag' of contaminated water:

[37] Kenya water mid-term review 1991, pp. i ff., 16.

high incidence of diarrhoeal diseases, infant mortality, high cost of medical treatment and loss of productive time.[38]

The actual attention given to hygiene education was found to be very limited, both in Western Kenya and Mtwara-Lindi. The former was supposed to receive some support from its sister programme, the Kenya-Finland Primary Health Care Programme, but most of the expected assistance failed to materialize.

In Sri Lanka, the contrast between the earlier **Harispattuwa and Udunuwara project** and the later **Kandy district water project** - partly in the same area where Harispattuwa is located - provides some insight into the progress in project design and implementation.

The Harispattuwa and Udunuwara project was plagued by typical problems characterizing earlier water projects, and failed to reach its objectives. According to the evaluation report in 1988, the project had had a bureaucratic and top-down approach and suffered from deficiencies in the technology applied and used. Inadequate use had been made of local resources and local materials. Not enough attention had been paid to the availability of spare parts.

Also the institutional organization of the project was seen as unsatisfactory. There was a severe lack of agreement between various parties engaged with project implementation and administration. Reporting and monitoring systems were considered inadequate.

The Finnish State Auditors[39] noticed in their report that the project had been started in haste without adequate information about the organization and implementation of water supply in Sri Lanka and without paying adequate attention to earlier experiences from projects of similar kind. Due to inadequate planning and implementation the whole project had been marked by confusion. The development objectives were considered not to be in accordance with the financial resources or the timetable. An additional problem had been the fact that Sri Lanka was able to pay only half of its financial share, due to difficulties in the country's economy.

---

[38] Ibid., pp. 78-79.

[39] Harispattuwan vesihuolto- ja sanitaatioprojekti. Valtiontalouden Tarkastusvirasto, Tarkastuskertomus nro 127/54/88, 1988.

In contrast, the subsequent Kandy district project was found by the evaluation mission in 1990 to have proceeded satisfactorily and produced substantial results.[40] Some 570 new tube wells and 11 piped schemes had been completed, and 850 existing wells rehabilitated. 20,000 latrines had been constructed. Technology choice had taken into account field conditions, beneficiary preference and financial viability. Priority had been given to gravity schemes when possible. A community participation approach had been introduced. The project had formed action committees at village level, who in turn assisted in forming consumer societies for a hand pump or a section of a gravity scheme. This approach was seen as instrumental in helping the project to survive through the unforeseen civil disturbances of 1988-1990.

However, the formation of really effective and representative people's bodies was still considered to be lacking. The training part of the Kandy project was criticized for a lack of overall direction. Activities had been carried out but little attention had been paid to the quality of training or its impact. It was claimed in the report that this was due to failure to recognize the importance of human resources.

Also the Finnida end-of-review mission in 1994 expressed some doubts about the basic approach of the project. Admittedly, it was participatory, but it was unclear whether it was more supply- than demand-driven. Although the participatory process was seen to be positive as such, it appeared that people were still too much regarded as passive beneficiaries of services provided by the government, and not as people willing and able to help themselves.[41]

The example of Kandy shows that it is difficult, but possible, to change the approach from construction orientation to community participation. In the words of a former team leader, an engineer by background:[42]

> (I)t...involved a complete change in orientation of both expatriate and Sri Lankan staff. Engineers who had spend their careers designing pipelines and pumping

---

[40] Sri Lanka: Kandy District Water Supply and Sanitation Project. Report of the Evaluation Mission, R.A. Boydell et al., November 1990.

[41] Kandy District Water Supply and Sanitation Project, Finnida end-of-project review mission, Sri Lanka. Final report, March 1994, pp. 12-13.

[42] As quoted in Mary Hill Rojas, Kandy District Water Supply and Sanitation Project: From Phase I to Phase II. Unpublished, Finnida, 1992.

> systems had to learn about development issues and work closely with social scientists... It would be nice to be able to write that everyone immediately saw the light and became believers in community participation... but the truth is that these were contentious issues throughout the project... What can be said is that there was an evolutionary change in thinking accompanied by appropriate action, toward more involvement of the institutions and people, and that activities were driven less by the traditional "construction first" reflex of many engineers.

Also the **Nepal water supply and sanitation project** showed how Finnish consultancy companies can change their ways of working. It was conducted by the same Finnish consultant as the Harispattuwa and Udunuwara project, but the approach was very different. The Nepal project was also reported to have achieved substantial results, even if with some delay. The delays were partly blamed for non-specification of immediate objectives in the project document and the unclear division of responsibilities among the staff. The successes of the project seem to have stemmed at least partly from the broad socio-economic view adopted from the planning stage onwards.

Clear improvement in achievements had taken place between the review of 1992 and the evaluation of 1994. The evaluation report of 1994 found the quality of construction good. The construction of wells and installation of handpumps had proceeded fairly fast during the review period. Also District Water Supply and Development Plans had started to be prepared, even if behind schedule, and were already exerting influence on the awareness of political leaders.

The project was relying heavily on the resources of local communities, especially on village users' committees and community health volunteers. Community health volunteers were the key personnel in spreading knowledge of health and sanitation related issues as well as water use. Trained volunteers usually enjoyed high status and respect in their societies, which further assisted in applying the knowledge that the volunteers were spreading.

However, in terms of expenditure, the community activities were only a minor part of the project. The project had spent an estimated 14 per cent of the resources on 'software components', such as human resource development, health education and district water

development plans. Thus, it is obvious that the project was still oriented towards providing 'hardware' for water supply schemes.[43]

The effectiveness of the community approach was not entirely clear, moreover. The users' committees in villages, for instance, were found to be unable to manage the maintenance and operation of handpumps.

The overall impression of the **Hanoi project** conveyed by the Evaluation Mission report of 1991 and the Mid-term review of Phase III in 1993 was that of a general improvement of water supply in the urban area of the Vietnamese capital. The programme was said to have 'obtained concrete positive results' since its commencement in 1985. The water supply of about one million people was estimated to have 'been improved considerably' during that time, because the project had rehabilitated or constructed water plants with a capacity of 300,000 sqm per day and 92 wells, and built 236 km of new pipeline.[44] The quality of water had reportedly improved in the area covered by the new pipelines, which served 40 per cent of the population.[45] The direction of the project had been changed from construction towards institution-building, operation and maintenance. The revised project organization was considered a notable improvement on previous arrangements.

Despite these positive achievements, problems remained. Due to a lack of base data, it was found difficult to reliably assess and quantify the improvements brought about by the project. During the first part of Phase III, the implementation had followed the target schedule reasonably well, but delays were observed in institution-building, operations and maintenance. In practice, there had been little community involvement, and the old implementation-oriented nature of the programme had persisted. As a result, the service level - the quantity, quality and pressure of water and the continuity of supply - was still low at the time of the 1993 mission. The system continued to be inefficiently operated, and much water was wasted due to leakages and illegal connections. Public taps were poorly managed and maintained.

---

[43] Rural Water Supply and Sanitation Project. Lumbini Zone, Nepal. Evaluation of Phase I, 1994.

[44] Hanoi Water Supply Programme. Phase III, 1991-1995. Mid-term review report, Helsinki, November 1993, pp. 2, 4.

[45] Finnida, Vettä Hanoihin. Tietolehti kehitysyhteistyöstä, no 15, 6 October 1994.

The scope of the programme was considered too wide, and the evaluators were unable to see how the programme would achieve its long-term development objective. The organization of water supply in Hanoi remained unclear. The expatriates still maintained vestiges of parallel organization within the Hanoi water supply establishment.

Education and training

The education and training programmes and projects discussed here were generally regarded quite effective by the reports reviewed. However, despite the relative success of the projects, there obviously remained room for improvement. The reports indicated some serious shortcomings, especially in the degree of attention paid to socio-cultural aspects by the projects. They suggested that knowledge of cultural and other local factors might have increased if the projects and programmes had been targeted to more specific geographical areas, or, in the case of Prodec, to more specific product sectors.[46]

The top-down nature of the projects was also conspicious. A lack of commitment of local people and organizations, as well as a lack of local responsibility in projects operations and inputs, prevailed widely.

Turning to individual programmes, the stated immediate objectives of **Prodec** had been met and the courses had been well received by the participants. Evaluators in 1989 were impressed by the relevance and utility of Prodec courses. However, the evaluation report further argued that it was problematic to assess the overall role and achievements of Prodec in countries benefiting from training.

The evaluation in 1989 found critical areas especially in the targeting and selection of course participants. As a result of inadequate targeting, some of Prodec's courses had had a poor impact on the participants' abilities and their countries' development prospects. In the case of export marketing and export market research, those coming from ministries, trade promotion organizations or chambers of commerce, had not demonstrated the usefulness of their

[46] Evaluation of Prodec, June 1989. 3 vols.

participation. As they returned to their jobs, they did not feel concerned with the product they had studied. Instead, people coming from enterprises (private or government) live with their products every day, know about the problems they have and are correspondingly committed to solving them. For this group of participants, the courses have proved to be useful. They have added to their professional education.

A crucial vagueness appeared in Prodec's manner of targeting the courses according to a geographical region (for example, the 'group' of Latin American countries). The evaluation mission of 1989 argued that sub-regions should be considered when targeting the courses, since problems inside one geographical region are of very different levels. Prodec planning needed to take more systematic account of the development plans, objectives and priorities set by developing countries. This would increase the effectiveness of achievements. Assessment also needed to find out the real need for training in a country or region.

The course in export marketing and export marketing research was targeted to many different sectors, which were very disparate. Targeting to specific product sectors would promote group homogeneity, and stimulate the participants through a better knowledge of the competitors within the same region.

Another basic problem emerged in the selection of the participants. Prodec mainly considered the 'student' capacity of the applicants instead of their 'business' capacity. Many of the participants were not involved in marketing or export of the products proposed, and some of the products proposed did not have any export potential, due to problems on the supply side. Furthermore, little sense was found in educating people who were working for big jointventures, since these companies were already exporting and had their own resources for educating their staff, even abroad.

During its years of operation, the **FTP** had been able to extend skill training to a great number of people and institutions which otherwise would have remained without it. This had allowed a broad spread of further training by FTP trainees to their national and regional colleagues.[47]

---

[47] Evaluation of the Course and Seminar Programme of the Forestry Training Programme (FTP), 1993, p. 10.

The FTP was criticized for what was taken as a top-down approach in its operations and management practices. A 'demand-driven' approach had not been applied at any stage. FTP lacked cooperation between local institutions, and the concept of community participation had remained unclear. The evaluation report also maintained that socio-cultural aspects had been weak and almost nonexistent in FTP training programmes. Even the administrative particularities of each national situation had been overlooked. Some FTP courses lasted only two weeks in one single country.

The availability of modern facilities and well-trained staff had been the central arguments for conducting the training in Finland, at Kotka International Training Centre, and not in any of the developing countries. But evidence suggested that when the students went back to their home countries, they faced problems in adapting their newly acquired skills and knowledge; because modern technology, used during the Kotka courses, was not available in many developing countries.[48]

Many course organizers were found to have an unclear picture as to how successfully the participants operated in the field after the training given. For some years, however, the Kotka training centre had made some efforts to follow up the students in the field after the training. Questionnaires had been sent to the employers of the participants, and most of the responses had been found very useful.

Planning in the FTP took place at the level of individual activities, which were not necessarily related to each other. The vision of long-term objectives was blurred. It had proved extremely difficult to develop the courses and their objectives, for example to better meet the cultural requirements. Thus, the overall educational and pedagogical input had remained stagnant over the years.

No evaluation had been made of the effectiveness of the work in any one country. The evaluators found that the structure of FTP, with its several subprojects with separate budgets and organizations, made the monitoring and evaluation of individual activities very difficult. Follow-up and monitoring clearly needed more effort.

---

[48] Ibid., pp. 19-20.

FTP was recommended by the evaluators to restrict the number of countries it operated in to allow for the organization of courses of particular relevance for each country and the integration of socio-cultural features into them.

The FTP representative interviewed defended the relative lack of socio-cultural factors by reference to the skill training nature of the FTP operations and the fact that the importance of these factors in development aid had been recognized only recently. The FTP project documents had been written at the beginning of the 1980s, and the project had to follow them. Nowadays there is more flexibility in FTP activities.[49]

In Zambia, the **Practical Subjects for primary schools project** was seen in the major ex-post evaluation as 'at least partially a failure'. It was accused of a 'virtual failure... to make much progress towards meeting its development objective' of the establishment of practical subject teaching in all Zambian upper primary schools.[50] This failure, however, could not be attributed to a failure on the part of Finnida to implement the project effectively. On the contrary, the project had been implemented 'with great vigour and dedication on the part of Finnida staff and their Zambian colleagues'. The Finnish staff was highly regarded and well evaluated. The operational 'aid delivery objectives' had mostly been achieved in a efficient way: tool kits had been delivered to schools, syllabuses drawn up, workshops built, teachers trained, etc.

The implementation of the project was not found to be faultless. For instance, thousands of tool kits had been supplied to schools too early, when storage was not available, and the tools were often stolen. Insufficient attention had been paid to socio-cultural and regional aspects. The tools were of foreign origin, and the syllabus did not consider the variations in local cultural traditions or skills. Yet the basic reasons for the failure were seen to lie elsewhere. The ultimate problem was seen in the flawed rationale of the whole endeavour. There was, it was argued, a lack of interest in and appreciation of practical subjects on the part of the students and parents alike. Moreover, the nature of the project had been top-down. Management had been dominated by Finnida to the extent that the local Ministry of Education had been by-passed. 'In effect Finnida set up its own parallel administration and established a foreign enclave.' Finnida had kept the project strictly under its own control, through its control over the budget, which further created

---

[49] Interview with Tapio Järvinen, FTP, 20 December 1994.

[50] *Practical subjects ex-post evaluation*, pp. 24, 10.

lack of administrative interest on the Zambian side. 'This certainly ensured efficient and speedy implementation, but in terms of sustainability it was disastrous.'[51]

The project, which had started in 1974, had been evaluated several times before. Many of the shortcomings were known, but the project was continued until 1990, when the lack of interest of the Zambian government towards practical subjects had become conspicuous and the evaluation in 1988 had again clearly showed that achievement of the development objective was far away, after 14 years of effort.

For the **Zambia educational materials project** (ZEMP), the evaluation report in 1987 saw the overall achievement as satisfactory and even promising as regards the long-term future.[52] At the end of Phase II, the project had printed and distributed 5.2 million books, 90 % of these for primary grades. Two million books were at the stage of technical production. The underlying assumption was that when schools received more books, the quality of teaching and the level of learning would increase accordingly.

The project's own objectives, however, were directed more to capacity development of institutions than to increase in supply of educational materials. The evaluation mission in 1991 recognized that the development objectives of the ZEMP, and particularly the project plan, concentrated almost entirely on the institutional and technical support.[53] The project was indeed found to have succeeded in strengthening the capacity for local development and publishing of educational materials.

Also ZEMP was criticized for a top-down approach and a failure to entrust the Zambian counterpart with real project responsibilities. More substantial progress would have been possible with a better-defined organizational structure and managerial framework.

---

[51] Ibid., pp. 3-5.

[52] The Zambia Educational Materials Project (ZEMP), Phase I evaluation mission, June 1987.

[53] ZEMP evaluation 1991.

Infrastructure

The infrastructure projects were seen as relatively effective by the reports reviewed. Despite several problems, the projects had progressed satisfactorily in technical terms and the overall level of achievement of the objectives had been encouraging. Yet some components of the projects were working below anticipated capacity, and much of the effectiveness seemed to have been attained at the cost of sustainablity.

Ports. According to the reports, the effectiveness of the port rehabilitation projects had generally been good. The general level of achievement of the objectives was found to be encouraging. The container handling capacity had increased, and equipment was adequate and functioning well. Container traffic had increased likewise, although in Beira it later fell. Some other components of the projects were working below capacity.

In the evaluation mission in 1989, the **Beira Port** project was seen to be successful in creating an effective and reliable container handling system in the port of Beira. This was regarded to be the most important achievement of the project. The customers' confidence in the port services had increased, and this had resulted in a fast growth of container traffic. It was argued, furthermore, that the traffic increase could have been even faster, had there not been restricting external factors, such as the unreliability of railway transport.[54] Although the immediate objective of introducing an independent profit centre during Phase II was seen as unrealistic, it was noted that the increase in cargo traffic in Beira had had a positive impact on Mozambique's foreign currency earnings.

The final report in 1991, however, found that the increase in container traffic had not continued in the Beira port as anticipated. In 1990, the traffic had dropped by 4.5% compared to that of the previous period. Several reasons were found for the decline. Partly it was seen to result from the current world economy, and partly from the weaknesses in the services. The port users were complaining about a lack of competent senior/middle management, a bureacuratic and non-client oriented attitude of the management, and security problems, etc. The final report suggested that

[54] Beira port, mid-term evaluation of Phase II, 1989.

'it is widely accepted that the lack of the managerial skills is the basic reason for the existing problems in the performance of the Beira Corridor'.[55]

The container terminal in **Dar es Salaam** port had, according to the mid-term review of 1992, achieved 'standards of operational performance which are acceptable by regional standards'. A major problem was worker absenteeism, stemming from 'cultural attitudes and motivation problems'. Theoretical vocational training of key staff had been delayed because the project had not been able to cooperate with the local Bandari College, for reasons which the mission thought were related more to the college than to the project. The institutional environment had suffered from overcentralized decision-making within the Tanzania Harbours Administration (THA) and overlap in responsibilities of implementing organizations.[56]

The Tanzania country evaluation found in 1994 that the port was capable of handling some 120,000 containers a year, which was twice the amount handled before the rehabilitation project. The port had become the second biggest earner of foreign exchange in Tanzania (after coffee). THA could even pay 22 % of Finnish expatriate consultants' fees and almost all their local costs.[57]

Electricity and power. The record of effectiveness in the two similar electrification projects in the Peruvian Andes was contrasting. In **Valle Sagrado** in Cusco, not only the 33 originally projected villages had been electrified, but two additional villages as well. In **Valle del Vilcanota**, the project was delayed, and the objectives had not been achieved by the time of the visit of the inspection mission.

The extra electrification in Valle Sagrado had been carried out with surplus materials which had been meant as spare parts. The installations in the inspected villages were generally in good condition after the two to four years of use. The principal problem in the operation had been a

---

[55] Finnida, Sida 1991. Appraisal of the present situation in Beira Harbour project for reassessment of objectives, scope and content of the project document for Phase IV. Final report.

[56] Dar es Salaam port mid-term review 1992, pp. iv, x-xii, 1-6.

[57] *Tanzania and Finland*, pp. 287-292.

lack of spare parts and decent tools. The financial position of the electricity company Electro Sur Este was poor, mainly because of low tariffs.

In Valle del Vilcanota, the idea was that Electroperú would have managed the execution through its own organization, and the villagers were given the opportunity to participate in it. Although the project was delayed, the mission thought that the basic approach and the chosen strategy were good. The use of a local engineer as part of the Finnish supervision was found a good experience. Likewise, the enthusiasm and active participation of the villagers was deemed unforgettable.

Part of the unsuccessful implementation was attributed to late electro-mechanic installations. Timing of the Finnish inputs had not been correctly synchronized with the local readiness for project phases. Furthermore, the local obligations had been hampered by the recipient's unfavourable economic situation. These external factors caused unnecessary expenses for the project. Difficulties in financing affected also management and supervision.

Roads and Railways. Road projects were seen to have progressed well techically. It was difficult to find the basis for some evaluation statements, however.

In **Mtwara-Lindi in Tanzania**, around half or more of the target outputs of the road project had been achieved by the time of the mid-term evalution. Maintenance capacity had been improved, and the overall project organization was seen to beworking well.

In **Zambia**, the total paved road network classified as good had risen from 20% to 45% as a consequence of the project. The development of a maintenance management system was more than satisfactory. The project had achieved what was called its development objective: to build up management capabilities in the Lusaka Province Roads Department. The financial management seemed satisfactory. Even if more inputs were recommended to the training component, training had been effective and appropriate in regarding the needs of the department. Finnish staff had fitted in well and quickly in the Roads Department organization.

Telecommunications. According to the evaluation report in 1991, the Sri Lankan projects in **Hambantota** and **Kalutara** had been well implemented and well managed, and their objectives had largely been met. Thus, in technical terms, the projects can be classified as effective.

However, the evaluation mission took the virtual lack of institutional support as a critical issue. Some should have been included, the evaluators argued, to help the Sri Lanka Telecommunications Department (SLTD) to gear up for the new situation. It was found difficult for the department to switch from a non-growing situation to one where lines were freely available. Institutional impact of the new technology had not been assessed during the planning phase.

Mapping. The effectiveness of the mapping projects discussed here range from relative failures to fair successes. In mapping projects, the transfer of skills, also at the management level, would have merited more attention in all the projects.

In the **Eastern Desert and Nile Valley mapping in Egypt**, both the professional design of the project and its implementation were assessed as good. Although the review mission admitted that the original implementation strategy - a mapping contract awarded to the Finnish consultancy company, and the efforts of the Egyptian General Survey Authority supported by a management and training component - could be criticized from the technology transfer point of view, it was considered appropriate 'taking the starting situation... into account'.[58] The quantitative objectives of the project were most likely to be met. The quality of the maps produced was assessed as good. Their potential users had given positive feedback.

The **Bangladesh Mapping for Development 1:10 000, First Phase, Coastal Area** project was subjected to much more criticism by the evaluation mission in March 1994. Its objectives were being met only in part. The project had been implemented by the Finnish consultant and local employees on a turn-key basis, without productive participation of permanent Bangladesh mapping sector agencies. Little technology transfer was taking place. The delivery and sustainability of the project outputs had not been properly planned. The local agencies were found to have no capacity in their archives for the outputs of the project.[59]

Severe shortcomings of a technical nature were in the project. The project document and the local project proforma did not match. Goals and backgrounds were expressed in different ways.

---

[58] Eastern Desert and Nile Valley Topographic Mapping 1:50000. Project review report, May, 1992, p. 3.

[59] Bangladesh mapping evaluation 1994, pp. 2-3, 20 ff.

There had been no analysis of environmental questions, the institutional framework, risks and assumptions. Indeed, the project had never been appraised as is normally the case. The original cost estimate of the project document was found to be too small. Budget details were lacking, and local involvement was not defined. However, it was suggested, the project had not lost its potential.[60]

Despite its over-ambitious objectives, the project in **geological mapping in Namibia** was reported by the evaluation mission in 1992 to be making significant progress. This was evident especially in standardization procedures. The two main goals of the project - the GIS and digital production of maps - were considered achievable, given sufficient time. The third objective, of establishing the ability to utilize geological and geophysical maps for prediction of regional mineral potential, was regarded as a long-term goal which could not be achieved at the current stage, but for which an operational GIS would lay the foundation.

What the Namibian project was criticized for was the undue haste with which it was initiated and implemented. This was attributed to a politically motivated urge to get the project started. There was an extremely short time lapse between the conceptualization and the actual start of implementation of the project, insufficient consultation between the two executing partners, insufficient familiarity of project staff with the selected GIS system, and the problem that most of the project staff had no similar overseas experience.[61] The project was also thought to have underestimated the complexity and detail of the Namibian geology.

---

[60] Ibid., p. 26.

[61] '(A)t one given moment 5 or 6 Finnish experts, some accompanied by their families, descended on Windhoek, to start the operationalization of a new geological information system and digital cartographic facility. Under any circumstances this would have been a daunting task, but now all of a sudden this small community was faced with problems of finding adequate housing, lack of offices and office facilities, non-availability of counterpart staff.... (T)he GSF staff was virtually unfamiliar with the selected system (and) could not claim to avail of expert knowledge... (M)ost Finnish staff had never experienced overseas assignments like this before... This resulted in inefficiencies, breakdowns, delays,... modifications and frequent (unplanned) visits of staff from Espoo to Windhoek....' (Namibia geological mapping, evaluation 1992, p. 16).

Even if the 1994 evaluation report on the **Nepal topographic mapping project** made no explicit analysis of the effectiveness as such, it can be suggested on the basis of information in the report that the project has been quite effective.[62]

Despite adverse conditions - heavy rains and road damages in 1993, and delays in the import of cars - the project had completed ground control survey, aerial photography and aerial photo production by the time the evaluation was conducted in 1994. Aerial triangulation was almost completed. Map compilation and field verification were only partially completed. Cartographic work and reproduction were just starting. Since map printing had not yet started, the map availability for clients and users had not yet improved, either. However, the aerial photographs had already been used for several other projects, especially the Finnida Forest Resource Information System Project.

Industry and engineering

The stated objectives of the industrial and engineering projects were found to have been fulfilled to a varying and mostly not very high degree. None were regarded as complete failures at the time of evaluations, but most suffered from serious problems of a varying kind and extent. Since the evaluations, two of the companies - Trama and TPI in Tanzania - have actually closed down their production lines. The one relative success story that there was, the Pha Rung Repair Shipyard in Vietnam, was scoring better in impact than in effectiveness.

The projects had been far more successful in technical than in economic respects. TPI and the Beira exercise book factory were in good technical condition; but TPI could not reach the production levels matching its installed capacity, due to economic and policy obstacles, while the Beira factory was not able to market its production.

The original idea of **Trama**, established in 1980 as a joint venture between Valmet and the State Motor Corporation of Tanzania, was that the company would introduce the manufacture of tractors in Tanzania in a few years, just as Valmet had earlier done in Brazil. It was envisaged

[62] See Eastern Nepal Topographic Mapping, Report on Evaluation Mission, September 30, 1994.

that the annual production would reach 1,500 tractors and an increasing proportion of the components would be manufactured in Tanzania.

It did not take long before Trama quietly dropped whatever plans it had had for laying a base for sustained industrialization and indigenous technological development. It confined its activities to importing Valmet tractor kits for assembly, and distributing and marketing the tractors thus assembled. It did not even assemble the tractors itself, but gave the job to the Swedish-run Tamco, utilizing the facilities of Scania.

At the same time, Finnida's role in the project changed. Its original intention had been to finance technical and managerial services. As Trama was not allotted enough foreign currency, Finnida began to finance the importation of tractor kits and parts from Finland. This 'transformed this semi-commercial project into a donor/supplier driven aid project' and raised the question of 'whether FINNIDA was primarily supporting the export efforts of Valmet'.[63]

Protected by the government as the 'national tractor', Trama rapidly expanded its sales to more than 600 tractors in 1985. During the first half of the 1980s, it was indeed easy in Tanzania to sell with profit any imported item, because the exchange rate was artificially low. For some time, Trama practically had a monopoly position. Finnida's import support (15-20 per cent) and technical assistance (all the management salaries were paid from Finnida funds) gave Trama a strong competitive advantage.

The appropriateness of Valmet tractors for East African conditions was challenged in the mid-1980s. The government set up a probe committee in 1985, which established that several parts of the tractor had been malfunctioning and their performance had been impaired. As a result, Trama/Valmet made changes in the construction of the tractor. Since then, no serious technical criticism of Valmets has been presented. Yet, according to representatives of Trama, the probe results were exploited by competitors and still today affect the marketing of Valmets.

Also changes in economic policy undermined Trama's position from the mid-1980s onwards. With market reforms, an intense competition was ushered in, and prices took off into a steep rise. Trama and its customers lost access to easy credit. The competitive position and financial

---

[63] *Tanzania and Finland*, pp. 258, 261.

results of Trama declined, and the sales fell drastically. In the early 1990s, the sales collapsed to less than a hundred tractors annually. The assembly of Valmet tractors in Tanzania was stopped at the end of 1993. Trama continues to operate as a sales agent for Valmet and imports fully-assembled tractors from Finland.

The **Tanzania Pharmaceutical Industries** (TPI) plant in Arusha began as a commercial venture between the Tanzanian National Development Corporation (NDC) and Orion Pharmaceutics of Finland, but was included in 1976 within the Finnida support. Starting operation in 1980, the factory was designed to supply 35 % of the essential drugs needed in Tanzania. The original management contract expired in 1983, but Finnida's support continued until 1990.

In the reviews carried out in the late 1980s, it was found that the conditions of the TPI factory in Arusha were acceptable, though the building was gradually becoming dilapidated. Production units were well organized. The pharmaceuticals produced by the plant were of good quality, and the needed know-how and technical skills were there. In spite of these favourable factors, the objectives of the company had not materialized. It had been plagued by low capacity utilization, and had not been able to manufacture more than a tiny fraction of the medicine used in the country.

Basically, TPI's operations had been hampered by a chronic lack of pharmaceutical raw materials and packing materials. The lack of these materials was due to a lack of foreign currency - which, again, was due in part to the precarious financial situation of the company and in part to government discrimination in the allocation of licences.

The root cause of TPI's financial predicament was seen in the 1989 assessment report to lie in the initial foreign currency loan from the East African Development Bank (EADB), which had been used to pay those foreign exchange costs which fell outside Finnida's assistance. After the onset of devaluation of the Tanzanian shilling, the loan amount had risen to absurd proportions and had led to excessive interest expenses. The foreign currency loan was found to be a critical mistake, if only for the reason that the company did not have export income that would have balanced the exchange risk.[64]

[64] TPI, LarCon report 1989, pp. 12-13.

Some government policies had made the situation still worse. During the strictly controlled foreign exchange regime in the 1980s, the company had not received the necessary allocation for a full utilization of the plant. When the currency markets were liberalized, TPI lacked resources to buy foreign currency on its own. Moreover, the government's tariff policies did not favour the local production of drugs. The policies have changed erratically, but for most of the time, there have been no duties on imported generic drugs; whereas the local producers of these same drugs have had to pay duty of approximately 40 % on imported raw and packing materials.

Recruitment of personnel had also created a problem, as there were an extremely limited number of trained pharmacists in the country; and those trained in Finland were in high demand in the private sector, against which the rigid government pay scales did not offer much counter-attraction.

Throughout the 1980s, the capacity utilization in the main product line, tablets, varied between 14 to 21 %. Temporarily, thanks to heavy import support, the level jumped to some 60 % in 1989-1990. After that, the lack of funds and foreign exchange again brought the capacity utilization of the tablet line down to 14 % in 1993. A combination of low sales (Tsh 300 million in 1993) and high loan service charges led to huge losses in 1991-93 and to a financial collapse, which forced TPI to stop its commercial production at the end of 1993.

The **Beira exercise book factory** was subjected to thorough criticism by the evaluation mission of February 1992. The rehabilitation of the factory, owned by Diname, the government distribution company for educational materials in Mozambique, had been supported by Finnida with paper, machinery, spare parts and technical assistance through Opifer Ltd. Paradoxically, although the production volume remained much below the target, the amounts produced could not be sold, and the losses to Diname from exercise book operations only increased.

The problems of the project did not lie on the technical side. From the technological point of view, the project was judged successful. Relevant equipment, spare parts and raw materials had been procured, the exercise book machine had been technically rehabilitated, and the technical staff were found well able to operate and maintain the machine.

But it was argued that the whole project had been based on incorrect assumptions of the demand for exercise books, and implemented with a limited perspective towards the overall needs of the

company and the country. It had become the main aim of the project to produce a certain number of exercise books, regardless of whether they were needed or not. It appeared that 'the dominating goal of the factory and the consultant has been to reach the production targets... whether economically suitable or not'.[65]

The objective in the project plan, of raising the productive capacity of the mill to 18-24 million exercise books per year, had been based on the assumed consumption of 14 exercise books per pupil per year. No explanation had been given as to how the project had arrived at this figure. The actual demand was never that big. And when the Mozambican government, in an effort to move towards a market economy, introduced full cost pricing in 1991, the sales prices of exercise books were drastically increased and the demand was further reduced.
In actual fact, the production volume achieved was much lower than planned, some 12 million in 1991. Yet even this far exceeded the demand. Low demand meant accumulation of stocks expensive to maintain. The total amount of exercise books in stocks in Maputo and Beira was estimated at 12 million, that is the equivalent of one year's production at the Beira plant.

One factor contributing towards the problems was that training of the management in economic and commercial issues had been neglected, though this would have been sorely needed in the situation in which Mozambique was moving from a planned command economy toward a market economy. What training had been given had concentrated on technical-administrative matters.

The conclusion was that the project had not been sufficiently revised and adapted to new circumstances when the untenable assumptions were disclosed. It had failed to transfer relevant economic and commercial knowhow to the recipient, the mission concluded. The end result was that exercise book operations were 'a huge loss-maker' for Diname, on a scale of several hundred million MT.

The **Pha Rung Repair Shipyard** is discussed in this synthesis only on the basis of the ex-post evaluation of 1992. The evaluation report concentrates on the long-term development impact, which is analyzed in positive terms; but it emerges from the report that effectiveness, in our sense of the concept, had not been good. In the early phases, the Pha Rung project appears to

[65] Beira Exercise Book Factory evaluation, pp. 25-26, 17.

have been ridden with several problems. In terms of attainment of the immediate objectives, its record had been rather poor. The original timetable for the completion of the project had been three years, which had proved unachievable. Equipment disbursement and energy input had not been flexible enough. There had been an overestimation concerning the possibilities of the Vietnamese to take part in the project, their material resources, the size of their labour force, and their professional skills. During the beginning years, the operational capacity of the yard had been only 30 per cent of the international capacity. This was partly due to unskilled labour and a great turnover of staff. But most of these problems appeared to have been overcome in the longer, ex-post evaluation perspective.

Conclusion

It appears that effectiveness, in the narrow sense of term as we have used it, is among the stronger points of Finnish development projects. In all sectors discussed above, perhaps with the exception of industry and engineering, the overall effectiveness of the majority of Finnish projects was found by the evaluation and review reports to be reasonably or quite good: most projects had attained most of their major immediate objectives. There was no lack of projects with a poor record of effectiveness, to be sure, but they were exceptions within their sectors.

However, the conceptual difficulties raised in the introductory discussion to this chapter should be recollected. There was little uniformity and system in the way the projects or programmes defined their objectives, and there was often a degree of confusion as to what should be regarded as immediate objects and what as outputs. At the beginning of our study period, no explicit guidelines as to how to define the objectives existed. The issue was not cleared by the ambiguous formulations in the 1991 Guidelines for Project Preparation, in which immediate objectives were seen to define the phase concerned and were related to the long-term sustainability of the benefits, whereas outputs and output specifications were seen to indicate the 'hard' contractual targets in terms of 'what at least should be done in the project'.[66]

In fact, in many of the projects and in the reports on them which we investigated, the distinction between objective and output was like a line drawn in water. It is likely that several projects

[66] See discussion above (ch. 3, pp. 3-5).

were assessed as effective mainly due to their vigorous implementation and the impressive number of outputs they produced. If this is so, then the effectiveness explicitly recognized in the evaluation and review reports was of an even narrower kind than allowed by our avowedly narrow definition.

6. IMPACT: THE MISSING FACTOR

The term 'impact', as applied in this study, refers to the changes brought about by the project: that is, what has happened as a consequence of the project. If our definition of effectiveness was somewhat narrow, that of impact is wide indeed. Even when a project is well implemented and effective, if its internal and external linkages are not well conceived, it does not necessarily exercise much of an impact. At one level, thus, impact is a reflection of the degree to which the long-term development objectives of the project have been reached.[1] But we refer by impact not only to the intended and positive changes sought after by the project. In our usage, impact covers also unintended and negative consequences that the activities of a project have for the surrounding society and culture.

The term 'impact' can also be used in a slightly more restricted sense. In the European Union logical framework, impact is seen as parallel to 'overall objectives', i.e. objectives wider than those of the project itself. These overall objectives set the framework for project implementation. The stated impact should be seen as the reason why the project was started in the first place. Other projects and activities will also contribute to the achievement of these overall objectives. We have decided to employ the term 'development impact' to refer to the attainment of such intended overall objectives.

There are several factors which make the assessment of impact of development interventions a difficult task.[2] Many projects cover a wide range of objectives, with an indefinite number of factors affecting the possibilities of the objectives being fulfilled. Impacts are the result of complicated causal forces, which can be difficult to analyse or measure. External factors, beyond not only the control but also the knowledge of the project, affect impact in many ways. Projects have a long period of gestation and tend to draw out in time. Changes become visible only slowly. Many impacts are impossible to discern while the project is still going on and mid-term reviews are undertaken; for some to become visible, a ten-year period may be all too short.

---

[1] This is the standard Finnida usage. *1991 Guidelines*, p. 7.

[2] Cf. discussion in the Norwegian manual, Evaluation of Development Assistance. p. 38.

Agriculture and livestock

For agricultural and livestock projects, the common argument was that - as they were long-term efforts - it was too early to see their impact at the time of an assessment. Nevertheless, it was often anticipated that a positive impact on the standard of living of true rural population, and especially of small-scale farmers, through higher agricultural production and increased income would emerge as the project went on - an argument which was somewhat contradicted by evidence indicating a factual anti-smallholder bias in many projects.[3]

For the **Kenya-Finland Livestock Development Project**, the mid-term review argued that four years was too short a time for a dairy development programme to achieve sustainable results or allow verification of possible trends or impact, but the mission was confident that the project would have a positive impact on the standard of living of smallholder households in the area. Although self-sufficiency in milk production had not yet been achieved, it was thought a realistic objective. Milk production at farm level had increased. New casual employment opportunities had been created. The LDP had improved genetic potential of the dairy stock through grade bull schemes. Women were involved in project activities and were seen to benefit from them.[4]

Often, Finnish agricultural and livestock projects were so small-scale that it was impossible to discern any noticeable impact they may have had on their environment.

Although the **Finnish-Egyptian Sheep Breeding Project** was commended for having made a remarkable contribution to scientific knowledge on the adaptative capacity of Finn crosses in subtropical conditions, it was not found at the time of evaluation to have made a strong impact on the national sheep industry in Egypt. The project had exceeded its distribution targets, to be sure, making more than 2,300 crossbred animals available to smallholders, but the total number

---

[3] See the discussion above, in the chapter on effectiveness.

[4] Kenya-Finland Livestock Development Programme. Mid-term review, May 1993, pp. 16-17.

of sheep and goats in Egypt is some 5.5 million, and the crossbreeds had not performed better in smallholder environments than the local sheep.[5]

As to the **El Fayoum Milk Collection Project in Egypt**, a number of conflicting statements were made. The anticipated development impact - increased milk production - had clearly not been achieved. Still, it was argued that the project had been of benefit in ensuring a regular and reliable market with collection facilities. But this was obviously on a very limited scale. Only 15 producers delivered milk to the centre in May 1990. Of these, still fewer had acquired an incentive to milk production resulting from the establishment of the centre. The evaluation mission concluded that 'the collection centre, so far, has made an insignificant contribution to milk production both in terms of milk output and number of producers served'[6].

Neither small nor large holders were found to have significantly benefited from the milk collection project. The smallholders could not use a centrally located milk collection and cooling plant. It would not have been beneficial for them to sell milk to the centre. Local markets were more remunerative in their case. Moreover, the project had overlooked the fact that for smallholders, marketing was just one constraint in the milk production process. Another was low productivity of the indigenous buffaloes and cows. The large farmers had increased their commercial production, but not as a consequence of the established El Fayoum centre. They normally had cooling and transport facilities of their own, and were not dependent on the local collection network supported by the project.

In the case of more sizable projects, the issues involved and their interrelationships were sometimes so complicated, and the data base so poor, that it was impossible to clarify waht was the contribution of the project to what had happened.

In the evaluation of the **Uyole Agricultural Centre,** it was noted that maize cultivation in the Southern Highlands of Tanzania had spread greatly during the existence of UAC. The area had

---

[5] Finnish-Egyptian Sheep Breeding Project, Mid-term evaluation report, June 1991 (no page numbers given).

[6] El Fayoum Milk Collection Project. Egypt. Report of the Evaluation Mission. June, 1990. p. 22.

become the bread basket of Tanzania, producing 30 per cent of the maize sold in the country. However, there was no way of determining how much of this spectacular increase could be attributed to research and training at Uyole. The evaluators resorted to phrases such as the following: small farmers had 'picked up some modern methods' and UAC had 'contributed to this a great deal in terms of research and plant protection' and disseminating different varieties of maize seed. But they admitted that most of the increased production in the 1980s had come from increasing the area under cultivation.[7]

The mission explicitly recognized that in order to produce results, Uyole must cooperate with other donors on the scene (such as Sasakawa Global 2000, FAO/Kilimo, Concern, and CIDA with animal power promotion). With their activities, the Tanzanian extension services were likely to become more efficient in the 1990s. If Uyole would intensify cooperation with them and work along with them, the mission believed, then increases in production in the 1990s 'would be largely from yields'.[8]

Rural development

Considering the wide coverage and ambitious target level of the rural development programmes, it hardly comes as a surprise that little could be said about their impact. Information on wider consequences of the activities was manifestly lacking. This can to a great extent be explained by the necessarily long-term, slowly maturing nature of such consequences on the one hand, and the lack of comprehensive baseline data on the other; but it also appears that the programmes themselves had not been particularly keen to monitor the impact of their activities.

A question which most evaluators did try to tackle was that of the beneficiaries and benefits: who, among the total populations of the programme areas, had benefited from the activities supported by the programmes, and how?

---

[7] Uyole mid-term review, pp. 14-15, 2.

[8] Ibid., p. 2.

For the **Kalutara** project in Sri Lanka, it was apparent that in the first phase of the project, the main beneficiaries had been among the more well-to-do. A modern telephone exchange in Horana town benefited more than 500 new subscribers, including businessmen and government offices. The number of households receiving electricity connections exceeded 2,000. Some 80 per cent of the latter were outside the poorest group. Their overall quality of life no doubt improved with access to TV, radio etc., their children were given the opportunity to spend more time on their studies, and they had seen the value of their land increased.

The mid-term review argued, however, that in the second phase the thrust of the programme had changed and the flow of its benefits had been redirected towards the originally conceived target group. There were components from which all could benefit - such as education, whose target group were the 220,000 pupils in the district; or the village development programme, which, besides directly benefiting the almost 10,500 families living in the villages concerned, also brought 'immense' indirect benefits to others in surrounding areas. Yet much of the activity was now clearly targeted towards the poorest segment.

The practical implications of this orientation were not entirely clear, however. As an example, it was argued that the main beneficiaries of the industrial estate established by the project were to be the workers, more than 90 per cent of whom were young local women. The question whether the six industrialists involved could also be seen as among the beneficiaries and whether there were any women among them, was not raised.

For **RIPS I** in Mtwara and Lindi, it was impossible to discern any societal impact, not least because - according to the estimate of the mid-term review mission - only 10 per cent of the total expenditure during 1988-1990 had been spent on activities which directly benefited the poorest group.

> The mission was unable to collect numbers on the population affected by RIPS. Thousands of primary school pupils, their families, some thousands of primary society members and some 200 beekeepers and artisans have been positively affected. However

for most of the target group RIPS is unknown. "Yes we have seen those Land-Rovers, but they never stop at our schamba. We have got no single shilling from the dzungus."[9]

The evaluators did not detect any indications of increased food self-sufficiency, increased cash crop production or reduced tendency of migration to urban centres. The activities of RIPS Phase I had concentrated on the creation of operational infrastructure for the project and the Tanzanian administration: maintaining overhead organization both in Finland and Tanzania, constructing housing for expatriates and offices for Tanzanians, paying salaries for experts and importing vehicles. The (small) funds earmarked for sanitation and health education had been used to build an office block on a poorly accessible hill in Lindi.

The story of **Luapula** was more complex. This was the one programme which could be credited for a noticeable rise in production (of maize). 'Most' of the implementation of the LRDP in its second phase, after its extension, was considered good by the mid-evaluation report. Nevertheless, the mission felt very uncertain whether the programme was exercising any impact on the target group. The external conditions of the programme had changed radically. The overall prospects of the whole endeavour had been rendered bleak because of major policy changes introduced with the liberalization of agricultural marketing in Zambia.

The mission thought that concerning Luapula Co-operative Union, although the most immediate 'implementation targets' were likely to be reached, there had been 'no or very little impact' towards the overall development objectives of increasing self-sufficiency in food and creating a viable cooperative movement. The loans accorded by the LCU had reached only some 10 to 15 per cent of the rural population.

In support to primary society development, the physical progress had been satisfactory, but in relation to development objectives the impact, again, had been less evident. Some immediate objectives had been achieved: e.g. an improved standard of management and development of infrastructure. Still, primary societies remained weak both in quantitative and qualitative terms.

---

[9] Rural Integrated Support Programme, RIPS 1988-1992, Lindi and Mtwara Regions, Tanzania. Mid-term review mission report, March 1991. FCC, p. 44.

There were probably less than 50 operating, viable primary societies with a total membership of some 5,000 in 1989, most of which remained excessively dependent on the Union. Thus, the Finnish assistance had strengthened the already lopsided, Union-centred structure.[10]

In spite of such critical observations, the mission suggested that Finnish support to the cooperative movement had had a positive impact on the rural population, notably maize producers. The services provided through LCU and the primary societies - marketing, input supply and credit - had been instrumental in creating the maize boom which had led to the expansion of maize production and increased incomes in the area. The services could not have been maintained without support from Finnida.

Nevertheless, it is evident from the report that the impact of the Luapula programme was disturbing in two major respects.

First, those who had actually benefited from the maize boom were relatively few. The evidence suggests that they were mostly more well-to-do, male farmers - not 'the real farming majority',[11] i.e. female farmers, who may account for more than half of Luapula's heads of households. Women farmers do produce surpluses in crops like beans and groundnuts, which are sold on unofficial markets; but not in maize, which - as a non-traditional introduction - is a men's crop.

Even more serious was that the boom was turning into a bubble, for two reasons. First, an internal reason: much of the success had been based on maize, but maize is not an ideal crop in much of the Luapulan agroeconomic environment. Second, a reason from outside: the project strategy lost its foundation when in 1990 the Zambian government, pressured by a concerted donor effort toward structural adjustment, decided to liberalize the trade in maize, and yet obliged the cooperatives to buy up what the private traders failed to take. Subsidies being

[10] Ibid., pp. 60, 53.

[11] Ibid., p. i.

abolished, Luapula maize lost its competitive edge, while the cooperatives were not likely to withstand the competition from private traders in an open market environment.[12]

Forestry

Seen against the promise of Finnish forestry expertise and the lofty and ambitious objectives of the forestry programmes and projects - ranging from effective production of woody biomass to the preservation of biodiversity and an attack on the global greenhouse effect - what could be said of their impact appeared modest so far. In particular, no evidence could be found, in the reports discussed here, of an ability of the projects to counteract the alarming decimation of indigenous forests by creating a corresponding mass, or more, of sustainable renewable natural resources.

Some of the projects were obviously of such a nature that their impact would be seen only in the years to come (the **Kenya forestry master plan**), while others were so small-scale (**Bura**) that what impact they had was bound to remain localized. Three projects that can be expected to have a wider effect are discussed in the following: those in South Kalimantan, East Usambara and Zanzibar.

The **Mechanized Nursery and Plantation Project in South Kalimantan** in Indonesia was, it will be recalled, looking for 'sustainable and replicable means for large-scale reforestation' to enable commercial wood plantations to be established on deforested grasslands. However, according to the mid-term report of ..., not even the 'reforestation system' had been completed as yet, and no mention was made of possible actual reforestation. According to data given by the review mission, in 1982-90 deforestation progressed at a rate of 1.31 million ha/year in Indonesia, and the rate of forest decimation continued to be highest in Kalimantan, the most important reserve of mixed tropical hardwoods in the country.

[12] Ibid., pp. 21, 61.

In **East Usambara**, if the project was intended as an attempt by Finnida to redress some of the damage to the natural environment of Usambara and to its own image from its earlier support for destructive logging in the mountain forests, as was suggested earlier, the impact of its first phase was not entirely what had been anticipated.

Although the project had progressed well as far as physical targets such as surveying and border establishment for forest reserves were concerned, and illegal encroachment and logging in the old forest reserves had been controlled, the advance in legal matters had been slower and the relations with local people remained strained. Most embarrassing was that some of the project's own Tanzanian staff - and project vehicles - were caught in illegal pit-sawing activities in the forest reserves. Thus, while the impact in parts of the project area had been conserving, in other parts it had contributed to the continuing destruction of the invaluable forests.

In **Zanzibar**, the 'overall impacts' of the forestry development project were judged by the mid-term review mission of 1995 as 'significant... in terms of improved awareness of the role of the forests..., in terms of wood supply and income generative [sic] rural activities and also in terms of promoting equitable social development among rural people, especially women'.[13] However, the empirical grounds for this statement were not entirely evident.

The earlier Zanzibar mid-term review report, that of 1991, was one of the very few which, in addition to intended beneficiaries, also identified some unintended ones. For instance, the way the wood produced on government plantations was sold at reduced rates amounted to a subsidy to traders who bought wholesale, and to government departments.[14]

The objectives of the Zanzibar project had progressed from quick afforestation to wood production more generally and institutional strengthening, and then further to reduction of rural poverty and improvement of conservation and management of forests.

---

[13] Zanzibar Forestry Development Project. Mid-term review report, Helsinki, April 1995, pp. vi, 5. Indufor.

[14] Zanzibar Forestry review 1991, p. 49.

On the ground, while the project had contributed to the planting of government and village woodlots of a total area of some 3,000 ha, also forest destruction had been going on parallel with the existence of the project since 1980.

Some logging in major forest reserves - which contain the remnants of once magnificent natural forests - was continued until 1990, when it was stopped by the forest administration. The pressures are still there, and the 1991 review mission thought that these forests would 'gradually wither away without decisive protection measures where local populations play an active role'.[15] Whether the introduction of the conservation component in the third phase of the project would help could not yet be determined. According to the 1995 review, the introduction of the component had changed attitudes 'inside and outside SCF', but there had been delays in starting the activities.

Of the coastal mangrove forests, only 2,600 ha are left in Unguja; while in Pemba, where the pressure on them is less, their area is some 16,000 ha. In principle they are protected, but they have been utilized by local tree-cutting cooperatives with some supervision from the Forestry Department.

Perhaps most endangered are forest and bush cover in what are called the coral rag areas, situated mainly on the eastern side of Unguja. These lands provide much wood for use in Zanzibar. Wood is obtained particularly in the process of clearing bush for cultivation. The area of coral rag bush was variously estimated in the 1980s at 70,000 to 82,000 ha. According to a more recent estimate, from 1977/78 to 1989/90 more than 12,400 ha of coral rag forest have been degraded to ferns, grassland and scattered trees.[16]

However, Zanzibar has by no means been devoid of wood. Although its original natural forests were cleared during the 19th century, large areas were immediately reforested as clove and other tree plantations. Cloves are still the principal export in spite of the crash ub their world market

---

[15] Zanzibar Forestry Development Project. Phase III: 1993-97. Volume I. Main Document, February 1993, p. 54.

[16] Ibid., p. 13.

price, while other major cash crops include other tree crops such as coconut, and fruit and spice trees. Most of the fuelwood used in Zanzibar originates from the densely populated and intensively cultivated areas, where wood is obtained as a by-product from old clove and fruit trees and coconut residues.

Health

Health is among to the social sectors, where the impact of development efforts is notoriously difficult to monitor and evaluate. In any case, the importance of international diffusion of health technology should not be exaggerated. A host of other factors affect the health situation as well: access to food, adaptation to environment, etc. Thus, it is perhaps not surprising that there were very few observations on the impact of the health projects in our sources, and the grounds for what was there were not always transparent.

In **Western Kenya**, the mid-term review discussed here admitted of being unable to assess the actual health impact of the primary health care programme as a whole, or that of its individual components such as environmental health and sanitation. Later, some documentation has been presented according to which clear improvements in health standards have taken place. Indicators were cited showing a drastic drop in infant mortality over a period of eight years and a decline in maternal mortality.[17] However, it was not clear whether the project could be credited for all improvement that had happened in health conditions in the area.

In the opinion of the evaluation mission in 1990, the main impact of the **Somalian tuberculosis project** was that a considerable number of human lives had been saved as a result of appropriate treatment. As the report put it, the results had been steadily improving and were achieving 'impact level', but it was not explained what was meant by 'impact level'. The programme was apparently far from reaching its development objective of reducing TB morbidity. To be sure, any impact would have been impossible to measure, as there was no reliable information about

[17] Raimo Rintala at the press conference concerning Finnish health and social sector development aid, Helsinki, 13 January 1995.

the incidence of tuberculosis in Somalia, even for the years since 1980 when the antituberculosis project had been operating.

Water

Strikingly little discussion was provided on the impact of water projects, which has in many cases been massive in terms of extent and duration. The weakness of basic data, which we found to complicate the assessment of the effectiveness of most water projects, constituted a still more formidable obstacle here. Not even the intended effects beyond those directly related to water supply output targets were given any focussed attention in the reports concerning water projects, not to speak of unintended consequences.

When the impact was referred to, it was done in very vague terms. In **Western Kenya**, for instance, it was told of 'several instances' in which time gains from the utilization of water supplies had been reallocated by water committees and women's groups for 'productive income-generating activities making a productive use of available water supply': vegetable gardening, fish farming, brickmaking etc.[18]

An improvement of health and sanitation was one of the stated objectives of most water projects, but the actual connection of water projects with health and sanitation could not in most cases be shown.

No impact evaluation concerning the **Mtwara-Lindi water project** has been made. The reports at hand complained of a shortage and vagueness of data and a lack of functioning monitoring and management information systems. No quantitative or qualitative data were available on the use of improved water sources by the population, or possible changes in hygienic behaviour. The Tanzania country evaluation recorded a significant drop in the number of functioning water supplies after the termination of the project, but not much reliance can be put on the figures.

[18] Kenya-Finland Western water supply programme. Mid-term review report 1991, p. 68.

There was no information on the quality of community participation efforts and little insight on their impact. Thus, no meaningful assessment can be presented as to the overall impact of the massive 22-year project.

The evaluation reports concerning the **Rural Water Supply and Sanitation Project in Lumbini Zone in Nepal** provided little discussion on impact. The Annual Report of the project in 1993 noted that only limited impact studies had been carried out, but it appeared that the target population were indeed accepting and making use of the improved water supplies. Large slabs around water points motivated people to wash more (not only themselves but also clothes and utensils). Water points were kept clean, and participation in mass campaigns and sanitation promotion activities had been high. The report stated that people had participated in sanitation construction training of several days without remuneration.[19]

The field research conducted in Nepal gave some support to these arguments. People in the villages visited, in which the project had been implemented, expressed their satisfaction with the new water and sanitation facilities, and appeared to be more aware of the importance of safe drinking water and proper sanitation than earlier. Women, especially, said that they saved a considerable amount of time every day due to access to new water facilities. Furthermore, nearby villages without similar water and sanitation facilities were eager to join the project.

The increased awareness of villagers had to a great extent been achieved through community health volunteers (mainly women), through other training and education, and through people's own observation of the effects of safe water and sanitation habits on their everyday lives.[20] As the evaluation report of 1994 reported, community health volunteers were 'active promoters of new behaviours and latrine building'. Volunteers had a high status and they enjoyed people's confidence.[21]

---

[19] RWSSP, Annual Report 1993.

[20] Field observations in November 1994.

[21] Rural Water Supply and Sanitation Project in Lumbini Zone, Nepal, Evaluation report of Phase I, 1994, p. 24-26.

In **Hanoi**, it was found difficult to reliably assess and quantify the improvements brought about by the project. The water supply of about one million people was said to have 'been improved considerably' since the commencement in 1985.[22] How many additional people had gained a water supply thanks to the project remained unclear, but the quality of water was said to have improved in the area covered by new pipelines, which served 40 per cent of the population.[23] Yet the service level - quantity, quality and pressure of water and the continuity of supply - continued to be low at the time of the 1993 mission. The system was inefficiently operated, and much water was wasted due to leakages and illegal connections.

Education and training

The problems in assessing the impact of social service projects are perhaps most accentuated in the case of education programmes. These are prime examples of projects whose outcomes are affected by a myriad of factors external to the project, and which have a very long period of gestation before the resulting changes become visible. Moreover, the programmes themselves had not been very keen to monitor the ultimate impact of their activities.

As far as programmes such as **Prodec** and **FTP** were concerned, little tangible could be said about the long-term impact of the exposure of trainees from developing countries to this kind of Finnish training. Prodec courses had generally been well received by the participants, but due to shortcomings in targeting and selection of the participants, some of them were judged to have had a poor impact on certain participants' abilities. At FTP, many course organizers were found to have an unclear picture as to how successfully the participants operated in the field after the training given.

In the **Zambia Educational Materials Project**, the underlying assumption had been that when schools received more books, the quality of teaching and the level of learning would improve

[22] Hanoi Water Supply Programme. Phase III, 1991-1995. Mid-term review report, Helsinki, November 1993, p. 4.

[23] Vettä Hanoihin. Tietolehti kehitysyhteistyöstä, no 15, Finnida, 6 October 1994.

accordingly. Indeed, some signs were detected that improvement may have happened to some extent. The Impact study carried out in 1992 found a statistically significant improvement in the learning of science at Grade 8 level.[24] In mathematics, no similar phenomenon was detected; this was explained partly by teachers' lack of qualification, and partly by over difficult presentation of the content in the book itself.

One of the few ex-post evaluations in the sample of reports included in this study was the one on the **Practical Subjects teaching project in upper primary schools in Zambia**. It gives an idea of how complex the impact of development interventions is in the field of education.

In the evaluation, the project was labelled 'at least partially a failure', and was accused of a 'virtual failure... to make much progress towards meeting its development objective', which had been the establishment of practical subject teaching in all the upper primary schools and teacher training colleges throughout Zambia. 'The first question to be asked is: Was this objective attained? The answer has to be: No.' And the situation seemed to have gone from bad to worse since the termination of the project in 1990. By the time of the evaluation in late 1993, practical subjects were being taught in only about a quarter of the primary schools.[25]

This 'virtual failure', however, could not be attributed to ineffective implementation. The basic flaws were found in the original rationale of the project and in the one-sidedly donor-driven way it had been organized. The project was not the result of a process of consulting the intended beneficiaries, but of top-down planning by the Government of Zambia and by Finnida. The project management had been dominated by Finnida, and the Zambian Ministry of Education had been by-passed to a considerable extent. The lack of interest in or appreciation of practical subjects among the students and parents did not become known early enough, and the socio-cultural biases were not corrected along the way.

---

[24] CDC (Curriculum Development Centre), 1992. Impact of Zambia Basic Education Course Books in Science, Mathematics and English at Grade 8 level in Basic and Secondary Schools of Zambia.

[25] *Practical subjects ex-post evaluation 1994*, pp. 24, 10, 3.

This was not necessarily the end of the story, however. Ironically - as pointed out by the ex-post evaluation - after the termination of the project, changes have taken place in Zambia which have increased the value of practical skills and their appreciation. Real wages in the modern sector have been heavily cut, and wage employment has lost much of its attraction. The value of formal schooling is rapidly diminishing. Practical subjects are increasingly seen useful for survival skills. Practical subjects teachers have gained a much higher status than before and can use their skills to earn extra money. The teachers even maintain schools. People are rediscovering the value of traditional tools, techniques and handicrafts. All this could enhance the prospects of practical subjects being taken more seriously in the schools, and would allow the project to belatedly achieve some of its intended results. Among the bottlenecks identified were that the number of trained teachers remained low, materials were lacking, and tools were too few as they had continued to be stolen.[26] On the other hand, one could also take the frequent stealing of tools, however 'Western' they were, as an indication of a high demand for them.

Infrastructure

For infrastructure projects, impacts were readily assumed but rarely documented. Their results were commonly put in terms of physical outputs achieved (the amount of containers handled, the length of roads built or improved), but the possible social and economic changes implied by such figures were rarely discussed. Fortunately, there were a few exceptions.

For **electrification** projects, a separate socio-economic study on the effects of the one in Valle Sagrado[27] found that the project had led to remarkable savings for the household economy when electricity was substituted for kerosene and candles in lighting. As electricity had not replaced firewood as a source of energy for heating or cooking, its consumption had remained at a low level in homes.

---

[26] Ibid., pp. 4-5, 28-29.

[27] Undertaken by the Department of Geography of the University of Helsinki: *Electrification and Rural Development. Electrification Project in the Rural Areas of Cusco, Peru.* Final report, 1990, A. Carrasco, K. Juvas, M. Seppo.

However, introduction of electricity had had the unintended effect of aggravating inequalities in social terms within and between the households, and in spatial terms within the region.

In households, when electric light was available, women worked longer hours conducting household activities, while men and children could dedicate more of their total available time to their personal activities. Between the households, those who obtaind electric appliances also gained a higher status. In spatial terms, electrification had tended to strengthen the urban character of the bigger localities, whereas it had marginalized outer regions, for example communities on the upper slopes of the valley.

For the **Mtwara-Lindi road maintenance project** in Tanzania, it was reported that the development objective of improving the living conditions of the rural population was being achieved. The mid-term evaluation report made some quite extravagant claims. It suggested, referring to the 'view of the Rural Director of Development', that the improvement of rural roads had directly induced increased crop production, with some crops more than doubling in tonnage over the last three years (cashew and sesame) and others being exported out of the region for the first time in many years (cassava).[28] However, it is impossible to find primary data in the report, or elsewhere, to justify such claims.

An unintended impact of road improvement, noted in the reports, was a deterioration of traffic safety. Now that cars and heavier vehicles were travelling at high speed, domestic animals, pedestrians and light vehicle traffic were in more danger than before.

In **telecommunications**, improved services were claimed to have boosted the community's development planning in **Hambantota** in Sri Lanka, and enhanced the image of the district compared with the rest of the country. The Hambantota area in the south now had a reliable telephone network, providing superior service, and the project was said to have been of high significance for the 'social and economic development' within the project area.

---

[28] Road Maintenance Assistance Project in the Mtwara and Lindi Regions in Tanzania. Mid-term evaluation report, November 1992, p. 14. By the Rural Director of Development is presumably meant the Regional Development Director.

Benefits of the IRDP sub-project in **Kalutara**, near Colombo, were seen to go in the first place to the business community, whose economy would be boosted. In the longer run, it was believed that also other groups in the society would benefit. The report recognized that only government bodies, business enterprises and wealthy individuals could afford to subscribe to telephone services. There were public telephones at the post offices, but these were few, service was poor, and opening hours were limited. This was seen as a chance for Finnida to improve the situation with extra funding.

The impact of the **mapping** projects was difficult to see, because it depends on the use of the produced maps throughout their lifetime, which may well exceed 50 years. There were no attempts to monitor the wider societal effects of the projects, either.

In the **Eastern Desert and Nile Valley mapping in Egypt**, however, the evaluators believed that the 'economic impact' of the project would be positive, although they said that due to the shortage of relevant data it was impossible to introduce any indicators to verify this. The project was also credited with having made a recognizable impact on the main target institution, the Egyptian General Survey Authority, and the whole mapping sector in the country.

In the **Bangladesh coastal mapping project**, 'many' development objectives had not yet been met. Most of the potential users of the data and materials from the project were not even aware of its existence. Its impact on the professional production capacity of local institutions was declared 'close to zero'.[29]

Industry and engineering

The broader, overall impact of most industrial and engineering projects was impossible to discern in the reports. Not much more was said in the review reports about the development impact, except that the Pha Rung Repair Shipyard seemed to be making a more long-lasting impact along

[29] Bangladesh mapping evaluation, pp. 22-23, 26-27.

intended lines. It is known, however, that since the evaluations, two of the companies - Trama and TPI in Tanzania - have actually closed down their production lines.

Certainly, the **Trama** project has made Valmet a highly visible trademark in Tanzania, as any visitor to the country will recognize. But from the point of view of industrial objectives - technology transfer or raising of productivity - the impact of Trama was obviously negligible. When, at a very early stage, the company gave up the idea of manufacturing tractors in Tanzania and confined its operations to importing Valmet tractor kits for assembly, it dropped at the same time whatever plans it had had for laying a basis for sustained industrialization and indigenous technological development.

It is more difficult to assess Trama's impact on Tanzanian agriculture. Of some 7,700 tractors sold in Tanzania from 1982 to 1993, more than a third (2,705) were Valmets. How many of these were still working was not told in the reports, and how their presence affected the agriculture was not discussed, beyond the remark by the Tanzania country evaluation that Valmet tractors had been used mainly on large public and private commercial farms. Their utilization on small farms, e.g. through tractor hire services, had been negligible.[30]

As for **Tanzania Pharmaceutical Industries**, it was never able to produce anything approaching the supply of 35 % of the essential drugs needed in Tanzania as planned. Temporarily, the level of the capacity utilization had risen to 60 % in 1989-1990, but otherwise it had vacillated between 14 % and 21 %. A combination of low sales and high loan service charges led to a financial collapse, which forced TPI to stop its commercial production at the end of 1993.

The relative success of the **Pha Rung Repair Shipyard** was all the more remarkable as the effectiveness of the project had not been particularly noticeable. Most of the problems which used to plague the shipyard appeared to have been overcome, or at least ameliorated, in the longer, ex-post evaluation perspective. In 1992, the shipyard was operating independently under the Department for Maritime Affairs of Ministry of Transport and Communications

[30] *Tanzania and Finland*, p. 261.

(Vinamarine). A foreign workforce was no longer needed. The last Finnish staff had left Vietnam in Spring 1991.

The number of ships repaired at the yard had increased, foreign exchange had been saved, and the professional skill of staff had improved. In efficiency, the yard had reached 75 per cent of the international level.

PRRS was regarded to be one of the most technically advanced industries in the shipping sector in Vietnam. Technical capabilities were supported through the yard's vocational school. This provided the yard with the needed workforce, and further training and its effects went also beyond the shipyard.

The biggest critical issue at the time was a lack of managerial skills. The organization was deemed satisfactory as far as the management of the ongoing work was concerned, though the absence of a marketing department was a serious handicap for a company heading towards free market conditions. Although the yard's top management had a balanced view on the position of PRRS and its future and strategy, at lower levels modern management skills were scarce and procedures and tools for adequate management information processing were lacking.

However, most importantly, despite the remaining shortcomings, each of the development objectives was being met. 'Maritime transport capacity of the Vietnamese fleet is substantially supported through PRRS repairs; a positive contribution to GNP is realized and direct employment is created for some 750 workers. The net Balance of Payment effects of the project also are positive... PRRS is considered as among the technically most advanced industries in the sector concerned in Vietnam.'[31]

[31] *Pha Rung post-evaluation*, pp. i-ii, 32.

Conclusions

It is understandable that the assessment of impact is an extremely difficult and exacting task in evaluation work undertaken under heavy time pressure, and impact cannot be properly tackled before the project has reached a degree of maturity. Yet it is astonishing to find how little information the evaluation and review reports discussed in this synthesis convey on the impact of Finnish bilateral development projects. The term 'impact' was not infrequently mentioned, but the reading of the reports left very little carefully analyzed and solidly documented evidence in hand. When something was said, it was usually confined to development impact, and the grounds for what was said were sometimes shaky. Other possible consequences were largely overlooked.

Whether this was because impact could not be detected due to shortcomings inherent in evaluation methodologies, or whether impact was actually lacking, cannot be determined on the basis of the materials of this study. However, the first option is more likely. There is no doubt that the standard evaluation procedures are poorly adapted to assessment of impact; and while it is readily appreciated that some development projects may not produce the intended development impact, it is more difficult to imagine a project without any impacts at all - although in many cases this may remain highly localized.

A discomforting finding emerging from the analysis is that the projects themselves had given relatively little weight to impact in their planning and monitoring. If basic baseline and up-to-date monitoring data are missing, external evaluators can hardly be expected, in a few days' fieldwork, to produce profound impact analyses.

The two major post-evaluations included in this synthesis, the Zambia practical subjects project and the Pha Rung repair shipyard, showed that even the narrower issue of development impact is a complicated one, and the assessment of it may change as time goes by. The Zambia practical subjects project was effectively implemented, but failed to reach its development objective. The implementation of Pha Rung was sluggish, but the performance of the shipyard improved after the Finns left, and its development objectives were being met to a satisfactory extent. Yet also in the case of Zambia, there was the possibility that the intentions of the project would be better appreciated and some benefits from it would be belatedly realized when the changes taking place

in the economy and society increased the value of practical subjects.

7. EFFICIENCY: RELATIVE NEGLECT

In this study, we use the concept of efficiency in a predominantly economic sense, to denote the 'productivity' of the project. It is an expression of how economically inputs (financial, human and material resources) have been converted into outputs, and further towards achievement of stated objectives. Thus, for us, efficiency is basically the relationship between efforts and performance, inputs and outputs. It indicates whether the project gives good value for money - whether the expenditure on the project has been justified by results achieved.

Efficiency, is a notion which can, however, be given other meanings as well. Sometimes it includes administrative efficiency. In the report on EC evaluations, for instance,[1] efficiency includes assessment of whether budget/cost limits and timetables have been kept. It also involves the question of whether the most appropriate technology has been chosen, and whether the 'least cost solution' has been found with an eye to local affordability.

Efficiency can also be seen to include assessment of the quality of results, and consideration of whether the same results should have been achieved in another, maybe even better way. In this sense, it is much the same as cost-effectiveness, which can be calculated either by cost-benefit analysis or cost-effectiveness analysis.

Cost-benefit analysis requires that costs and benefits over the lifetime of the project be specified, that their social value be quantitatively calculated, and that a discount rate be determined in order to make costs and benefits comparable over time. Then, a 'project is efficient if its net present value, calculated using the discount rate, is positive or equivalently if its internal rate of return is higher than the predetermined discount rate'.[2]

Whereas in the cost-benefit analysis, benefits and costs are measured in money terms and economic rates of return are calculated, the name of cost-effectiveness analysis is given to a logically similar procedure which uses also non-monetary measures of cost and benefits, such

---

[1] The Effectiveness of EDF Development Aid to ACP Countries in the 1980s, A final report on EC Evaluations, 1994. Overseas Development Institute, London. p. 10.

[2] Lodewijk Berlage and Olav Stokke, Evaluating Development Assistance: State of the Art and Main Challenges Ahead, in Olav Stokke, ed., *Evaluating Development Assistance: Approaches and Methods*. EADI Book Series 14, London, 1992, p. 17.

as the number of people reached, the comparative cost per beneficiary, or the standard and quality of the services rendered.[3]

Few systematic efficiency analyses of any kind were conducted by the projects or evaluation missions reviewed in this study. The missions were not usually provided with adequate data to judge the financial viability of the projects. Some missions made their own calculations, but to a very limited extent. In this situation, it is extremely difficult to gauge the efficiency in retrospect.

When cost-benefit analyses and attempts at cost-effectiveness analysis have been made in our sources, we have cited them and discussions related to them, but otherwise we have not attempted to consistently follow that kind of definition here. This is for reasons of both a very slender and fragile data base and the considerable theoretical and methodological difficulties in making the valuations required.

It is not easy to assess efficiency of aid activities even in our limited sense, as the simple relation between actual inputs and outputs. The main difficulty here lies, as noted by the Norwegian manual, in determining the standards.[4] Some standards are obviously needed to compare inputs and outputs, but how they will be chosen depends on the type of the project, on local conditions and other factors. Standards can be found for instance from comparable projects elsewhere, or from experience with other project.

What we can do in the following is to employ a fairly common-sense methodology, presenting the available information on inputs and seeing how they compare with what is known of outputs. Such a procedure cannot be expected to produce exact calculations, but rather to give, at its best, a rough idea of overall trends and magnitudes involved.

---

[3] Ibid., p. 19; *DAC Principles for Effective Aid*, p. 40.

[4] Evaluation of development assistance, p. 36.

Agriculture and livestock

Efficiency was hardly discussed in the reports on agricultural and livestock projects, partly because of a severe lack of data and partly because of the limited emphasis given to efficiency aspects from the project planning stage onwards. Still, on the basis of the limited information which can be culled from the reports concerning economic aspects of the projects, it can be claimed that the efficiency leaves a lot to be desired, even if agricultural and livestock projects were usually medium to small scale, their yearly budgets being a few million FIM.[5]

If attempted, efficiency - or cost-effectiveness -ssessments were found difficult to undertake. 'As agreed with Finnida, efforts to estimate the cost-effectiveness or calculating the cost/benefit ratios of various programme activities were not done, given the short review period,' it was explained in the review report of 1993 on the **Kenya livestock project**. The report also argued that calculations of the cost-benefit ratios might be of questionable value due to lack of information and also because of recent major changes in the Kenyan currency.[6]

Still, it was maintained that in primary production, most of the components could be regarded as cost-effective. Also the responsible officer in Finnida argued that considering the relatively modest financial inputs (FIM 25.6 million in 1991-94, with 10 million budgeted for the second phase), together withthe wide geographical area and the large number of people the project covers - smallholders, women's groups, cooperatives - its activities can be considered efficient, even if this is very difficult to establish quantitatively.[7]

During the initial stages of the **Egyptian sheep breeding project**, no economic evaluation or analysis of cash flows (FIM 7.7 million up until 1994) were done. Neither was any evaluation made of the milk production of the crosses. In order to achieve maximum output under the

---

[5] For the actual costs of the projects, see Appendix 1. The costs are calculated in current prices and are thus not strictly comparable over time. They are given here to illustrate the orders of magnitude involved.

[6] Kenya livestock mid-term review 1993, summary.

[7] Interview with Keijo Ruokoranta, 30 March 1995.

research component, a closer link between the project and the Finnish counterpart (the Agricultural Research Center of Finland, Jokioinen) was recommended.[8]

In Egypt, the evaluation mission for the **El Fayoum Milk Collection Center** made some calculations and concluded that from the financial point of view, the centre had proved to be poor value for the FIM 7.4 million invested. The capacity utilization of the centre (6,000 litres/day) had remained far below rated capacity (20,000 litres). The tankers had been used to less than 50 per cent of their capacity, and the trailer had not been used at all. Thus, the financial performance of the centre was very discouraging.

Delays (a total of two years) in the completion of the project had resulted in extra costs. The delays were attributed to the failure of the Egyptian counterpart to meet the requirements stated, for example in obtaining the needed construction permits, and also to a lack of a full-time project manager.[9]

The extra costs were compensated through reduction of the technical assistance for training - although training was supposed to be an important part of the project. Especially important - and now neglected - would have been training in preventive maintenance and regular servicing.

For **support to agricultural training in Mozambique,** no efficiency assessment was attempted, although this was a fairly sizable programme, with a three-year budget of FIM 41.3 million. The highly mechanized production farm was apparently suspected to be too costly.[10]

Uyole Agricultural Centre was by far the largest of the agricultural projects discussed here. The total Nordic contribution during the whole 20-year lifetime of the project was about FIM

---

[8] Egyptian sheep breeding mid-term evaluation.

[9] El Fayoum evaluation 1990, pp. 15-16.

[10] SATIM mid-term evaluation 1991, p. 16.

100 million. During this time, over 400 Nordic experts worked there.[11] Finland's contribution to the bilateral Phase II, discussed here, was FIM 27.1 million.

The mission found that the centre kept well within its total budget. However, there was a paucity of local funding. Earnings from the production farm of the Centre were not closely scrutinized, for which reason the mission advocated more thorough auditing.

The question of how the relatively large expatriate staff (about five experts annually in the last phases, as compared with more than ten earlier) affected the efficiency of the project was not discussed in the mid-term report. It was noted that the presence of expatriates was 'not always appreciated' by the local staff, but the mission believed that this was because the Tanzanians were 'jealous of the disparity of salaries between Tanzanian and expatriate... advisors' and expectations differed so much between the two groups.[12]

Lack of appropriate management structure in the **Sasakawa Global 2000** project in Ghana had resulted in poor planning and thus, partially, in inefficient use of financial resources. One criticism presented against the crop production technology was the high cost of fertilizer inputs, which made the package uneconomical. 'The combination of deficient programming and incomplete definition of budget allocations for various activities makes it very difficult to assess cost-effectiveness of the different project activities.'[13]

The Sasakawa-Global projects were multi-bi projects, in which an international NGO was acting as a main agency and Finnida's participation was only of a financial nature. However, in Tanzania and Ghana, the countries under discussion here, Finnida's contribution in certain years made up some two-thirds of the entire project costs. Thus, in these countries at that time, the projects became the major Finnish contribution in the field of agriculture. With total costs for Finnida of FIM 16.1 million, they were also relatively sizable when considered among Finnida agricultural projects in general.

---

[11] Estimates by *Tanzania and Finland*, pp. 188, 192.

[12] Uyole mid-term review, p. 3.

[13] Sasakawa Global 2000 mid-term review 1992, pp. 20-21.

Rural development

None of the review reports on rural development programmes made a detailed analysis of the efficiency of the operations so far undertaken. This was not even demanded in the terms of reference of the programmes, although these were fairly sizable, with their total costs up until 1994 ranging from FIM 42 million (Kalutara) to 82 million (RIPS) and 89 million (Luapula). From the fragmentary and partly contradictory data available, the following picture can be sketched.

In terms of costs, however calculated, **Kalutara** was the least expensive of the programmes. Its annual budgeted costs to Finnida ranged between FIM 5 and 8 million, whereas for **RIPS** and **Luapula** these costs varied from FIM 16 to 17 million. RIPS, however, had been able to spend only half of the budgeted funds.

The data on costs should be read against the discussion on effectiveness in Chapter 5 above, which did not disclose any major differences in this respect between the programmes - at least not in favour of the African programmes.

A partial explanation for the differential costs can be sought in the differential expatriate contribution. Although all three programmes were implemented in close cooperation with local administrations, the expatriate presence was stronger in Luapula and in Lindi and Mtwara than in Kalutara.

In Luapula, the programme organization consisted of an expatriate-run Programme Coordination Unit and Zambian implementation organizations, each backed up with one or more expatriate advisors. In Phase I of RIPS, a number of expatriate advisors were employed also for implementation purposes.

In Kalutara Phase II, there were only two expatriate advisors in the KLIRDP project office. Otherwise, most of the project activities were implemented by relevant Sri Lankan line agencies. Even that expatriate presence was in contrast to other integrated rural programmes

in Sri Lanka. One of the main functions of the expatriates was 'to safeguard the proper and effective use of Finnish funds'.[14]

For RIPS, overhead costs were increased by the multilayered administration. The various parts involved - RIPS itself, its various projects, the two regions in which it operated, the implementing sector authorities, other Finnida-funded projects in the regions, and their home offices - had various coordinators. On the Tanzanian side, regional and district administrations and the Ministry of Works in the road sector were added to this.

Also the differing import contents may explain part of the variation in programme costs. In Kalutara, imports were concentrated in the early phase and consisted of telecommunication and electrification equipment. In Luapula and Lindi/Mtwara, imports consisted mainly of vehicles or road construction equipment, and continued longer.

A major item in the expenditure for RIPS was the importation of road machinery and lighter vehicles, and their maintenance in the workshop. The mid-term review made a number of critical remarks concerning this. There were too many makes and models around. Some Finnish graders, imported against government guidelines, were found unsuitable. Some light vehicles were used for purposes other than those of RIPS. The team recommended that instead of Land Rovers, the programme should buy motorcycles or mopeds. For the price of one Land Rover, one can purchase some 10 motorcycles or 50 mopeds.[15]

In Luapula, the mid-evaluation mission presented some calculations which suggest that even if maize cultivation had been environmentally and institutionally sustainable, the Finnida-supported maize hardly constituted a paying proposition.

For the primary societies project, the Finnish technical and financial assistance was judged 'considerable' when related to the size of the assisted societies in terms of business turnover and membership. In 1990, the total value of the assistance was 5 to 10 times as high as the combined annual gross turnover of all the assisted societies. Calculated per active member,

---

[14] Kalutara mid-term review, p. 59.

[15] RIPS mid-term review, p. 26.

the assistance amounted to nearly ZK 3,000, the equivalent of the producer price for 10 bags of maize.[16]

Moreover, it must be remembered that only 15 per cent of the aid to the cooperative sector went to the primary societies, the remaining 85 per cent being swallowed up by the Co-operative Union project. In the latter budget, 51 per cent was allocated to what was called the transport sector, meaning basically the import of Sisu trucks and spare parts.

Forestry

Very few review missions attempted directly to evaluate the efficiency of the activities of forest projects by any methodology.

In **Bura**, it was noted that the settlement scheme had been a failure 'in the strict economic sense'. The number of settler families accommodated by the scheme had been reduced from the originally intended 5,150 to 2,300, yielding a negative rate of return and necessitating a heavy government subsidy. Worse still, the scheme had failed on another count, by making the settlers heavily indebted and thus placing them in an untenable economic position 'not far above starvation levels'. As settlers, they did not even have land of their own.[17] The question whether the total investment of FIM 29 million was in reasonable proportion to the output of unsaleable fuelwood for 2,000-odd settler families in such a scheme was not raised.

The Finnish state auditors, in their report, stated that 'during these years a considerable amount of capital had been invested in the Bura fuelwood project' and were worried that the achievements would be lost if 'aftercare' was neglected.[18]

For the **Kenya master plan**, Finnida targeted FIM 23.5 million for the period of 1990-1994. The Kenyan Government was co-financing the activity. For the second phase, the total budget

---

[16] Luapula mid-evaluation, p. 60.

[17] Bura mid-term review, p. 24.

[18] Valtiontalouden tarkastusvirasto. Tarkastuskertomus nro 73/54/92. Kahdenvälisen kehitysyhteistyön polttopuuhankkeiden tarkastus. 21 January 1993.

was FIM 35 million. Some 3 million FIM of this went to the consultant, leaving 32 million as the future implementation aid.

The early phase of the master plan was criticized by the 1992 mission as having been too dependent on expensive expatriates. Out of the total budget, 42 % was allocated to international consultants. Of these, short-term consultants were far less cost-effective than longer-term postings. The 1992 mission believed that there would have been local specialists capable of undertaking tasks where the Forest Department staff required assistance. Yet only 17 per cent of the budget was reserved for 'local specialists'. On the other hand, the majority of the papers produced by local subcontractors were found to be desk studies, with little new information or analysis. Cases were met in which the assistance of international consultants could have been valuable.

In **South Kalimantan**, the budgeted costs were FIM 12.9 million for 1989-1991, and the actual expenditures remained roughly at the level of 80 % of these budgeted. The mid-term review mission commended the project for its efficiency in implementation. However, it was also noted that no proper cost/benefit analysis could be made, because of 'a persistent lack of a clear understanding of the eventual end-use of plantation products'.[19]

For **East Usambara**, Finnida provided 15.5 million FIM, and the Tanzanian government some 19 million Tsh. The degree of efficiency in the use of these funds did not elicit particular comments from the evaluators. Although there were only two long-term expatriate advisors, the greater part of the funds went to technical assistance, consisting basically of costs for expatriates.

An explicit assessment of efficiency was conspicuously absent in the **Tanzania Wood Industries** mid-term review, but two sets of figures give an idea of what had happened. The input by Finnida during the three years 1988-91 was to amount to FIM 9.2 million for consultancy services, FIM 22.5 million for 'operative inputs', meaning chemicals, glues, cars and spares, and FIM 2.7 million for investments; that is, roughly FIM 12 million per year. At the same time, the annual sales of the three companies concerned were some Tsh 600 to 900 million. The Tanzanian shilling had then begun its free fall, but taking the prevailing

[19] South Kalimantan mid-term evaluation 1991, pp. 11, 41, 44.

exchange rates at their face value, the Finnida contribution would have constituted perhaps half the value of the company sales.[20]

Altogether, Finnida support to Twico exceeded FIM 250 million during the twenty years 1972-1992. More than FIM 200 million of this was allocated to the three companies discussed here. Compared with the relatively small size, modest turnover and partly questionable quality of the outputs of the companies, one cannot but agree with the Tanzania country evaluation that Finnish aid flows to the Tanzanian wood industry companies were indeed 'excessive'.[21]

In **Zanzibar**, another long-term undertaking, the operations were far less costly. The Finnida budget for Phase II was FIM 20 million and for Phase III some FIM 10.6 million, the total costs from 1980 to 1994 amounting to FIM 46 million. In the last phase, roughly half of the funds went to costs related to expatriate technical assistance, and the other half to direct development-related expenses (training, transport, infrastructure etc.)

The 1991 review mission estimated that the plantation operations should have been able to yield an internal rate of return up to 20 per cent. What happened in reality was not known. Not much had been done to set up a system to monitor the costs of operations and set them against revenues. From the scanty data the mission was able to collect, it inferred that 'a large amount of revenue either remain[ed] uncollected or perhaps [went] unreported for some reason or other'. It was seen as mandatory for the forest administration to increase efficiency, cut expenditure and generate revenues.[22]

---

[20] For the figures and exchange rates, see Tanzania Wood Industry mid-term evaluation, pp. 8-9, 65-66. At a more realistic exchange rate, the value of sales would naturally have been much less in terms of FIM. The situation had been similar earlier, as disclosed by a remark of the Finnida Coordinator at TWICO in 1987, quoted in *Finland and Tanzania*, p. 246: '(T)he support from the donor exceeds the turnover of the company.'

[21] *Tanzania and Finland*, p. 246.

[22] Zanzibar forestry review mission, pp. 34-35. Cf. p. 37: 'For those whose jobs give them control of goods and monies, the temptation to take part for use or re-sale can be big.'

The 1995 mission found that government revenues from plantations had risen considerably, something it attributed to the rise in efficiency stemming from privatization of harvesting. In 1993/94, Tsh 9 million was collected, and the estimate for 1994/95 was Tsh 20 million, representing 75 per cent of the budget of all the plantations.

Health

The health sector projects discussed here include a number of sizable undertakings. Three of them are included in the list of the ten costliest Finnida bilateral development aid projects for 1970-1992: the Somalia Tuberculosis Control Support Project was the sixth, the Kenya-Finland Primary Health Care Programme the ninth, and the General Hospital Colombo in Sri Lanka the tenth largest Finnish project in financial terms.[23]

Efficiency of health projects is, naturally, very difficult to assess using conventional economic or opportunity cost analyses, and the reports at hand made few attempts in that direction. Yet it can be inferred from the scattered information related to costs and benefits of the projects that the efficiency of most health projects left a lot to be desired.

In the **General Hospital Colombo**, it was found that the economic and financial implications of the rehabilitation project had been insufficiently analyzed. Only the investment costs for Phase I - based on the assumption that Finnish constructors and Finnish materials were to be used to the maximum extent - were examined. The implications of recurrent costs were not closely scrutinized. No alternative strategies for reconstruction/rehabilitation with different cost implications were identified or assessed.[24] In the end, the project costs for Finnida rose to FIM 159 million.

The Management and Training project attached to the Colombo hospital was singled out as having made a wasteful use of funds, and in particular an inefficient use of short-term consultants. In just over two years, 86 person-months of short-term technical assistance was used. The average duration of the visit of a Finnish expert was 12 days - a time 'far too short

[23] *UutisFinnida*, 4/93. These calculations were made in constant 1992 prices.

[24] GHC evaluation 1992, p. 15 and Annex 11.

to have much impact, and the development of counterpart skills and knowledge was not a major objective'. However, the relative share of the MT project out of the total costs was not very high. It had a budget of FIM 10.5 million for three years, and having been given a critical mid-term review it was brought to an end after two years of operation.[25]

The evaluation report of 1994 argued that it was difficult to judge project benefits in the **Nicaragua hospital equipment maintenance project** by using conventional economic project or opportunity cost analysis, due to the particular nature of the project. For example, 'it does not have a defined group of intended beneficiaries whose benefits can be added up; and many of the intended benefits, such as institutional strengthening, are not readily measurable'. A more technical problem was that the project's accounting system had not been transparent.

Compared with other health projects discussed here, the Nicaraguan one was modest, its costs amounting to some FIM 14 million. Still, there clearly remained areas where the range and depth of the benefits achieved would have been greater had the project been executed more efficiently. 'The main problem has been the high percentage of total expenditure devoted to project coordination, but this had not resulted in open communications or a clear organisational structure'. With a better organisation, it was argued, the benefits of the project would have been greater and more financial resources would have been available for direct maintenance, production and training activities.[26]

In the **Western Kenya primary health care programme**, the efficiency, or the lack of it, elicited a great deal of critical comment in the reports. In the words of the evaluation mission of 1992, it was 'difficult to envisage that the activities had been managed in a cost-effective manner'. As Finnida had made 'very large sums of money' available during the course of the project - the total costs up to 1995 were FIM 131 million - there did not appear to have been much of a concern for economy or sustainability before a late stage. The mission still found an 'inappropriate... degree of persisting extravagance'. The number of staff - more than 160 at its greatest - was 'very high for what it [was] actually doing', and the size of the vehicle fleet had soared to 35.

---

[25] Ibid., p. 12; GHC mid-term review 1990, pp. 21-23.

[26] Nicaragua hospital equipment maintenance evaluation 1994, p. 47.

The evaluation report argued that in fact it was impossible to measure the 'cost-effectiveness' of any specific activity, given the utter absence of unequivocal baseline health indicators and precise costs in relation to outputs. But it was evident that there had been very few checks and controls on spending. In spite of its criticisms, the mission believed that the relative efficiency of the various components had definitely improved during the course of the programme.

In construction, the strategy pursued was to provide good infrastructure to a limited number of communities. While these structures were found to have been established in a professional way and they had boosted the communities they served, the evaluation mission of 1992 argued that with more modest construction at each site, funds would have been available for refurbishing additional sites, thus increasing the coverage of the component and enhancing its efficiency. Also, simply repairing the existing infrastructure would have been a much more efficient way of using the funds. For the price of two new health centres, the remaining 55 rural health facilities would all have been repaired and refurbished.

Heavy criticism was directed at demonstration VIP latrines with concrete block superstructures. They were seen not to be cost-effective, in the sense that people other than the tiny percentage who were well off could not afford to replicate them. Thus the VIP latrine strategy was unlikely to have a significant effect on the two-fifths of the households in the province with no latrine at all.

The part which was regarded as relatively cost-effective was training intervention. Training of key health staff and community health workers consumed a relatively small proportion of the funds used. Even here, there were some activities that were regarded as notably cost-inefficient, such as the establishment of a training centre in Sirisia.

Alternative ways of reaching the project objeticves had not been considered. The budget for the programme was made in Finnish marks, which had steadily dwindled in value compared to the strong shilling. Therefore, less local currency had been available for the work.

The **Somalian** project, which spent altogether FIM 152 million, had had difficulties in achieving the set output targets. However, the grounds for efficiency arguments put forward

in the evaluation report of 1990 were hardly found in the report. Some criticisms were presented concerning a lack of efficiency in research work conducted by the project.

Water

Surprisingly little and superficial attention was given in the review reports to the issue of efficiency of the water programmes, in spite of their considerable costs to Finnida. After all, the water projects - or programmes - discussed in this synthesis study include some of the most prolonged and costly development efforts Finnida has ever supported. The Hanoi water supply programme, with costs amounting to FIM 342 million in 1984-1994, is by now probably the largest Finnish project ever. Also Mtwara-Lindi in Tanzania, and Western Kenya, are included in the top ten list of big projects.[27] Not only were few explicitly economic analyses found in the reports, but the question of the relationship between inputs and outputs was rarely tackled with any method.

In many cases, the omission may have been due to a lack of reliable data on programme outputs. Nevertheless, there would have been cause for a closer examination, as even a cursory acquaintance with the scanty evidence available - and indeed the sheer lack of data - suggest major shortcomings in efficiency.

One of the most detailed discussions was in the **Western Kenya** report. For construction activities, the report calculated the costs of one water point and noted that these had been considerably increasing in Kenyan shillings during Phase III. The rise was attributed to the high overhead costs of around 25-30 per cent and the utilization of imported handpumps and spares. The high overheads, again, were seen as stemming from the employment of Finnish staff, and from overly sophisticated logistics such as maintaining a garage for a fleet of over 80 vehicles. For community development, the report argued that where good results had been achieved this was because of 'very labour- and time-intensive... inputs of community

[27] In the account made for the end of 1992, Hanoi held the third place, but it has continued since then, as has the Western Kenya programme, the ninth in 1992. Mtwara-Lindi, which was the fourth in 1992, was phased out in 1993. *UutisFinnida*, 4/93.

development, training and extension workers' in a limited number of locations, which were hardly replicable across the programme area.[28]

For **Mtwara-Lindi**, the consultant Finnwater's own reports suggested that the implementation of the project had been cost-effective in comparison with other similar projects. However, one cannot but agree with the Tanzania country evaluation, which states that 'this view must be based on empirical data which... has not been available' to us.[29] The lack of reliable data makes it impossible to present any quantitative calculation of efficiency, but evidence suggests that if the total costs of FIM 178 million could be measured not against the hypothetical 900,000 beneficiaries but against the number of people with reliably functioning supplies of clean water, the resulting ratio cannot be very favourable.

Interestingly, the 1993 mid-term review criticized the Mtwara-Lindi project for overlooking the potential of rainwater harvesting as an alternative - or at least supplementary - method of water supply. Rainwater harvesting may have been a more cost-effective method as well, although this was not pointed out by the report.

In **Harispattuwa and Udunuwara**, the evaluation mission in 1990 argued that a more cost-effective implementation strategy could have been chosen. Indeed, the costs of the relatively limited project were FIM 75 million. The implementation was found to have taken place with minimum institution-building effects and very high costs of expatriate staff, the number of whom had averaged 16 persons throughout the project.

In the opinion of the evaluation mission in 1988, the level of expatriate input appeared to be extraordinarily high compared with total investments in the project and with similar bilateral and multilateral assistance activities elsewhere in Asia. The mission recommended that similar future projects should be implemented by the recipient government as much as possible. Locally available cheap construction material could have been used in latrine construction, and traditional wells could have been upgraded. The report also argued somewhat cryptically that 'if the community participation had been interpreted and utilized correctly, the project

---

[28] Kenya-Finland water supply mid-term review, pp. 101, 27-29, 70-71.

[29] *Tanzania and Finland*, p. 283.

investment would have improved the communities' capacity for self-reliant cooperation which would effectively lead to other development activities'.[30]

For the **Nepal water project,** the costs were much more reasonable - FIM 39 million in 1988-1994 - and a complete cost-benefit analysis was available.[31] This was meant to assess not only or mainly the internal efficiency in the narrow sense, but the entire economic returns of the project investment. As the results also shed some light on the relationships between the costs and the outcomes of the project, they are briefly discussed here.

Benefit/cost ratios for gravity schemes and shallow tube wells were found to be very high, even under various positive or negative assumptions, and could be used to justify the costs of investment. The ratios were 2.3 to 3.4 for gravity schemes, and 1.4 to 2.2 for shallow tube wells. Ratios for gravity schemes were the highest, due to higher time-saving benefits. However, benefit/cost ratios for deep tube wells were all less than 1. In this case, time-saving benefits did not justify the cost investment, and other justifications would have to be sought.

Also economic rates of return (ERR) were estimated for each type of water supply scheme (with a cut-off ERR for an acceptable project at 15 per cent). ERR for gravity schemes varied from 28 to 42 per cent, depending on starting assumptions; and for shallow tube wells, from 17 to 28 per cent. These projects thus had an acceptable economic rate of return, whereas the ERR for deep tube wells was far below 15 per cent, and under certain assumptions even negative. In conclusion, it seems that investment in gravity schemes and shallow tube wells would be the most cost-efficient method in these circumstances.

In the reports on the **Hanoi City programme**, no attempt was made to discuss the cost-efficiency of the activities. The record high programme costs were not even mentioned (for Finnida, in Phases I and II, FIM 224.4; and for Phase III, FIM 152 million). A list of 15 Finnish expatriates interviewed was presented in an appendix to the 1993 report, but their functions and opportunity costs were not discussed in the text. It is evident from the 1991 report that most of the actual design and construction work for the improved water supplies

[30] Harispattuwa and Udunuwara post-evaluation 1988, p. 18.

[31] In Development Alternatives Nepal, March 1994, as quoted in Lumbini RWSSP evaluation 1994, p. 40.

had been undertaken by Vietnamese contractors. As for the outputs, the 1993 evaluators noted that a Water Master Plan had been completed, a sufficient number of studies had been prepared but not put into practice, and the training programme was 'reasonably good' in quantity and quality.[32]

Education

Efficiency was not specifically assessed in the reports for education and training activities, probably due to the lack of systematic data and to anticipated difficulties in finding variables for measurement. The evaluation of Prodec in 1989, for instance, claimed that there was 'no generally accepted methodology for measuring cost-effectiveness in the case of a training agency operating such a diverse range of courses'. Yet it can be seen from the reports that budgetary and cost-effectiveness had not been of primary concern for the education and training projects, which have spent considerable sums during the years.[33]

For **Prodec**, it was noted that the costs appeared in some cases to be fairly similar compared with those of other trade training agencies, but there was room for some reduction. Travel and subsistence had taken most of the budget of each course. The evaluation report of 1989 claimed that the number of staff in charge of courses had been too large. Through follow-up of courses, the efficiency of operations could have been improved. Also, Prodec had conducted half of its seminars in Finland and the other half in different developing countries. According to Finnida guidelines for education, in-country training should have been preferred.

The **FTP** was found to have been organized in a way which had made the unit costs, for example costs per trainee, excessively high (although the FTP representatives thought that the evaluation mission had not considered all the aspects affecting the high costs). The mission recommended serious measures to be undertaken to reduce the costs per day of training, e.g.

---

[32] Hanoi water supply project. Mid-term review of Phase III, p. 19.

[33] By 1994, Prodec had spent FIM 117 million beginning from 1970, and FTP 122 million beginning from 1971.

an increase in the number of students taking part in the courses. At the same time, the mission advocated a more careful selection of the participants.

In Zambia, the total financial input by Finnida to the **Practical Subjects in primary schools** project was FIM 46 million during 1974 to 1990. A major share of this - some 40 % - went to the personnel component. The ex-post evaluation made no attempt to compare these costs[34] with the achievements and failures of the project. It contented itself with presenting some nuts-and-bolts criticism of workshops having been built not of local materials but of expensive bought-in components, and being used for purposes other than originally intended or not being used at all.

The **Zambia Educational Materials Project** had endeavoured with FIM 54 million from 1985 to 1991 to develop, among other things, an institution which proved to have little potential for efficiency. The institution was oriented toward printing the books, but it was not efficient enough to produce the intended output with the given input. Thus, in order to fill the gap the project reprinted some of the titles abroad (mainly in Finland). The institution was found to have unsuitable administrative and management structures, low profitability and cash flow, absence of a properly developed pricing system and, finally, lack of clarity regarding responsibilities to the project.

Infrastructure

Efficiency was very briefly discussed in the reviewed reports on infrastructure projects, although many of them were fairly expensive projects. Their costs up until 1994 ranged from FIM 16 million (eastern Nepal mapping) to ca. 160 million (Dar es Salaam port).

The mid-term evaluations for the port rehabilitation projects confined themselves to presenting scattered figures and observations about some aspects related to efficiency. The Dar es Salaam 1992 mid-term review duly listed outputs and inputs, but provided no discussion on connections between them.

[34] They were not even mentioned in the main report, but on the attached fact sheet by Finnida.

For the **Beira port project**, an economic and financial feasibility study of the port had been made back in 1986 by the Netherlands Economic Institute (NEI). According to the study, the financial rate of return, using the main scenario, was 8.4%; and the economic rate of return for the construction of the container terminal and equipment, with the main scenario, was 11.7%.

For **Dar es Salaam port**, the Tanzania evaluation team criticized 'a less than optimal cost-efficiency' in technical assistance, stemming from a duplication and overlap of the functions of the main Finnish implementing agency and a sub-contractor.[35]

There were no attempts at systematic analyses of efficiency of the **road projects,** and no discussion as to whether the same outputs could have been achieved in alternative ways. Yet some of them were fairly sizable endeavours, such as the Zambian road maintenance project, whose costs from 1988 to 1994 were FIM 75 million.

When looking at the budget figures of the **Zambian road project**, it seems that more inputs were directed to technical investments like equipment, even though the objectives emphasize institution-building. The main problems in delivery of inputs, causing delays in the project, had been in local funding and local fuel supply. During the Bridging phase (1994-), the efficiency of production had increased. This was taken as a direct result of establishing sound maintenance management.

In the **telecommunication project in Hambantota,** Sri Lanka, a rate of return on investments had been calculated. The internal rate of return of the project was found to be 8%, as against the anticipated 10.7% in the project document. That suggests some shortcomings in efficiency. As already mentioned in the chapter on effectiveness, the cost per line for the initial installations was high, about FIM 19,000. The mission felt that in possible further projects in Sri Lanka, a significant reduction in costs should be achieved.

Efficiency was hardly touched on in the evaluation of **mapping** projects. The evaluation report concerning the Nepal mapping project mentioned that the activities and inputs in the project document had been well followed during implementation.

---

[35] *Tanzania and Finland*, p. 292.

Industry and engineering

Detailed analyses of the financial performance of the industrial projects discussed here cannot be presented on the basis of the available evidence. This is due both to the sheer lack of data and to difficulties inherent in assessing the monetary values of assets and turnovers in the context of rapidly changing prices and exchange rates. In terms of simple ratios of known inputs to known outputs, though, all the projects must be regarded as rather inefficient, or costly - an intriguing observation, since the major *raison d'être* of industry is commonly taken to be its economic efficiency.

For **Trama**, calculations were rendered difficult by the fact that many costs related to Finnida's aid were not included in Trama's accounts.[36] It is clear, however, that without Finnida support the company would have been bankrupt long ago. When Trama was doing well commercially in the middle of the 1980s, its returns on assets varied from 12 to 23% per annum. In the late 1980s, the returns fell to 0.5 - 3%. In none of these calculations was Finnida aid included as a cost factor.

In total, some FIM 98 million of Finnida aid was disbursed to the Trama project up to 1992. More than half of it was in the form of import support. In addition, Valmet provided equity capital to the value of Tsh 6 million. With these funds, a company was established which sold 2,705 tractors in 1982-1993. Most of these were imported as components for assembly in Tanzania, although some were imported ready-made. Thus, Finnida assistance gave a neat subsidy to every Valmet tractor sold in Tanzania.[37]

It is obvious that assembling the tractors in Tanzania did not significantly influence the cost-efficiency of the operations. In 1989 it was estimated that the assembly costs constituted 5%

---

[36] A point made by *Tanzania and Finland*, p. 258, fn. 130.

[37] Taken at its face value, the Finnida assistance amounted to almost a third of the value of the total tractor sales of Trama, assuming a price of Tsh 12 million, i.e. ca. FIM 120,000 for a Valmet tractor of 70 hp, *Tanzania and Finland*, p. 260. The price in FIM had remained in the same scale for a considerable period. In 1984, the retail price of such a tractor in Finland was FIM 112,400 and in Tanzania Tsh 380,000, or FIM 140,000, according to the prevailing exchange rate, Valtiontalouden tarkastusvirasto, 'Trama-traktoritehdasprojektille Tansaniaan annetun asiantuntija-avun sekä laite- ja komponenttitoimitusten tarkastus', Tarkastuskertomus Nro 377/51/86, 13 October 1988, p. 14.

of the total cost of a tractor. The Tanzanian value added was very little: the purchase value of locally manufactured components represented 3% of the total.

TPI was a smaller undertaking. Finnida's assistance to it had reached a total of FIM 31.6 million when it was terminated in 1992. Roughly half of this had been used to finance technical assistance provided by Orion, while the other half was given as import support to purchase raw materials. TPI had also received import support from other donors. In addition, it had taken loans in foreign currency whose total shilling value was estimated to exceed Tsh 2 billion in 1994.

According to several estimates, TPI would have been a viable enterprise at higher production levels. But because, due to its very low capacity utilization, that firm's turnover always remained much lower than expected, the ratio of Finnida's contribution to TPI's sales became rather high. In addition, TPI had to pay for a part of Orion's services in the form of a management fee, which was fixed irrespective of output and amounted in the early 1980s to some 16% of sales.

The **Beira exercise book factory** project cost almost as much as TPI, FIM 30 million, although the period of support was much shorter (1986-1992). According to evaluators, the project had not been well planned and implemented from an economic point of view. At Diname, there had been no clear concept of the production costs for the exercise books, nor a clear procedure for costing of the books; and the consultant had not given enough attention to these issues. Especially stock control had been poor. Stocks had been allowed to accumulate so that they corresponded to one year's production, causing estimated yearly interest costs of MT 600-900 million. This represented 'a disastrous tying-up of liquidity for a company that lacks money to pay countervalue for donated goods'.[38]

Originally, the total project costs had been budgeted at FIM 36 million, of which an allocation of FIM 30 million had been planned for the procurement of raw materials, mainly paper and cover boards from Finland.

[38] Beira exercise book factory mid-term review, pp. 17-20, 25-26.

The **Pha Rung Repair Shipyard** was by far the most expensive of the industrial projects discussed here; indeed, by 1992, it was the most expensive Finnish development project ever.[39] The Finnish contribution to the implementation in terms of technical assistance and investment grants was FIM 270 million during 1974 to 1992.

What, then, was achieved with such a massive expenditure? This is a tricky question, because the bookkeeping system was inaccessible to the evaluators due to language barriers and local rules and regulations, and the Vietnamese Dong had been subject to heavy and fluctuating inflation. The evaluators based their financial evaluation on a number of assumptions, such as fixing the value of the present assets of the shipyard somewhat arbitrarily at USD 17.5 million.

As was stated above in the discussion on impact, the Pha Rung project seemed be meeting its main development objectives, one of which was a positive contribution to the GNP and the balance of payments, i.e. broad national economic profitability.

It was, however, apparent from the evaluation that the project scored substantially higher in the national economic than in the business economic sense. An economic rate of return of 13% was arrived at by including in the project's benefits the savings in domestic fleet repair costs that could be realized by the PRRS project. The net foreign exchange effects of the project were estimated to be clearly positive, USD 3-5 million annually. These estimations made the project worthwhile from a national point of view.

On the other hand, the internal rate of return (IRR) which basically measures the immediate returns on invested capital, was estimated at only 7.5%. This figure compared poorly with the opportunity cost of capital, estimated at 10-12%; and the project seemed not to be able to recover its initial investment without improvement of the financial feasibility. Even the use of more optimistic assumptions yielded an IRR of 11.1%, which was still considered marginal.

For an efficiency assessment of the Finnish aid, however, it must be emphasized that if the rates of return had been calculated not against the hypothetical 'market value' of USD 17.5 million but against something nearer the actual amounts of past investments, they would have

[39] In constant 1992 prices; *UutisFinnida*, 4/93.

been much lower, and hardly positive at all. The Finnish assistance alone (FIM 270 million) was more than three times the 'market value' used (USD 17.5 million). Thus, there were quite remarkable 'sunk costs' in the Pha Rung repair shipyard project.

Conclusions

Efficiency, in the sense of the 'productivity' of the project, was not an issue on which the evaluation and review reports on Finnish bilateral projects had specifically been focusing their attention. This, in itself, can be taken as an indication of the low priority that efficiency has been given in the Finnish projects. On fitting together the bits and pieces of information on inputs and outputs scattered across the reports, one indeed cannot fail to see that in this respect there was much room for improvement.

To put it differently, many Finnish projects, or their major phases reviewed here, have been designed and implemented with other requirements in mind than cost-effectiveness and some projects can be seen to have been rather wasteful in their spending patterns. It is difficult to find any clear correlations between the costs of the projects and their results, but it seems evident that whatever has been achieved in Finnish development cooperation has often been achieved literally at a high price.

The price has been high for Finnida, but not all Finns have necessarily been on the losing side. Indeed, the high costs were mostly due to overreliance on Finnish resources. There are two major components that increase the costs of an aid project: expatriate personnel, and supplies from abroad; in our cases, both came mainly from Finland. All the most expensive Finnish projects - the Pha Rung repair shipyard; support to Tanzania Wood Industries; water projects in Hanoi, Mtwara-Lindi and Western Kenya; Dar es Salaam port; and health projects in Somalia, Western Kenya and Colombo, Sri Lanka - have involved large contributions of both Finnish personnel and Finnish supplies.

However, it appears that some changes have taken place during the last few years. The worst examples of prodigal spending originate from the late 1980s - the time of rapidly rising appropriations and stringent administrative constraints within Finnida. Since then, the expatriate contingents in development projects have been cut down to size, and alternative

local supplies actively sought - developments not entirely caused, but no doubt expedited, by severe cuts in development cooperation appropriations.[40] Thus, in most projects, the budgets for more recent phases have been much more modest than for the earlier ones, and the projects have actively sought to exploit local resources, human and material. How this has affected the effectiveness and impact of the projects cannot in general be seen as yet; but where evidence is available, it indicates that the effect has scarcely been adverse.

[40] A debate has sprung up between State Auditors and some Finnida officials on the role that the cuts in appropriations have played in these developments. While the Auditors believe that the changes were almost exclusively caused by the funding cuts, many Finnida officials see these in a more catalytic role and emphasize that Finnida's long-term policy has been to make development cooperation more effective and efficient. See Kehitysyhteistyömäärärahojen supistamisen vaikutus jo aloitettujen kahdenvälisten hankkeiden toteuttamiseen, Valtiontalouden tarkastusvirasto, tarkastuskertomus no 45/54/94, 15 September 1994, and Leikkaukset ja kahdenväliset hankkeet, interview with Glen Lindholm in *UutisFinnida*, 4/94, 29 September 1994.

8. SUSTAINABILITY: IMPROVEMENT

The term 'sustainable development', as noted by Finnida's strategy paper, is best known in an environmental context. There it can mean many things, ranging from protection of the environment and the rational use of natural resources to respecting of global ecological limits. In development cooperation, however, sustainablity has acquired a still broader meaning. In addition to the environment, it be viewed from economic, financial, socio-cultural, political and managerial standpoints. It refers to the demand that the benefits from development efforts must remain viable even after all outside aid has come to an end. In practice, Finnida strategy argues, this means basing operations primarily on the recipient country's own resources and know-how. This may presuppose the creation or reinforcement of governmental or technical institutions ('capacity-building').[1]

The same idea has been put forward in slightly differing formulations by all major donors. DAC, for instance, states that a project can be said to be sustainable when it is able to deliver benefits for an extended period of time, after the main assistance from a donor has been terminated. The committee lists the following 'sustainability requirements and tests':

* A conducive policy environment.

* Clear and realistic goals.

* Designs corresponding to the capacity (managerial, technical) of the recipient.

* Economic 'soundness and sustainability'.

* Affordability in terms of initial costs and of operation and maintenance.

* Active involvement of local authorities and target groups including women.

* Technologies appropriate to economic and social conditions.

---

[1] Finnida, *Finland's Development Co-operation in the 1990s*, pp. 11-12.

* Realistic time frames.

* Adequate maintenance and support systems, as well as the capacity to manage them without foreign assistance.

* Compatibility with socio-cultural environments.

* Environmental sustainability.

It has been argued, however, that sustainability in the broad sense, as defined by DAC, is a demanding notion from the practical point of view since it will not be known until well after the completion of the project. It may be better to concentrate less on whether a particular intervention has become or is becoming 'self-sustaining' - that is, able to survive without continued intervention - and rather understand sustainability as a process. The focus will then be on the ways in which individuals, groups and organizations involved in a project, and benefiting from it, have been able to strengthen their capacity to take over the activities and survive without external inputs.[2]

However defined, the notion of sustainability has captured the imagination of the donor establishment, and the demand for sustainability has by now become the most important requirement of all development efforts. Similarly, sustainability has become an increasingly central theme in Finnida's evaluation work, due to policy emphasis on lasting improvements. There is a growing emphasis on sustainability in evaluation and review reports.

Environmental sustainability

In development cooperation, environmental considerations are best understood as the core part of the broader notion of sustainability. Indeed, it was in environmental discussion that the thought first emerged. The best-known definition of sustainable development, that of the Brundtland Commission in 1987, is basically environmental: sustainable development is

[2] Roger C. Riddell, Anthony Bebbington and Lennart Beck, Promoting Development by Proxy. The Development Impact of Government Support to Swedish NGOs. ODI, London, Februry 1995, pp. 53 ff.

'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.[3]

Some development projects and programmes may be so much concerned with the environment that they can be envisaged as 'environmental projects' (forestry, sanitation, water, etc.) while almost all activities are likely to have some impact on the environment, whether foreseen or unforeseen. Environmental sustainability, then, demands that discrete projects and programmes be drawn up and carried out in a manner which, minimally, ensures that they do no lasting harm to the environment, or, ideally, leaves the environment in better shape for future generations.

In Finnish development projects, and in their evaluations and reviews, environmental aspects have been given increasing attention during our study period. Finnida has since 1988 had detailed guidelines for integrating environmental aspects into the project cycle through Environmental Impact Assessment (EIA).

Finnida's policy is, according to these guidelines (p. 15), to 'integrate environmental considerations into each stage of identification, preparation, implementation and evaluation of every project. The primary responsibility for this should rest with those designing, appraising, implementing and evaluating the projects as a matter of routine rather than a totally separate system of Environmental Impact Assessment'. It is recommended that EIA studies are carried out by highly professional teams.

Also the 1991 Guidelines for project preparation stress the importance of EIA in 'obviating the limitations of the traditional economic and technical appraisal methods which are not applicable to comprehensive assessment of complex environmental issues'[4].

The increasing environmental awareness, however, has its limits. It appears in most cases to have been due more to a pressure from Finnida headquarters in Helsinki rather than to a change of heart on the field. Environmental impact assessment has not consolidated its position as yet; it has been especially difficult to involve the recipients and target groups in it.[5] Even if an

---

[3] *Our Common Future*. Oxford, 1987, p. 43.

[4] Project preparation and planning, p. 129-131.

[5] *Ympäristö Suomen kehitysyhteistyössä*. Finnida, Helsinki, 1992, p. 15.

assessment was conducted at the start of the project, it may later have been forgotten and not made much use of. The notion of the environment employed in the projects and programmes, and in the reports discussing them, tended to be very narrow. It was commonly confined to the question whether the project, as a foreign body introduced from outside, had or was likely to have any immediate harmful impact on the environment, and what had been and could be done to prevent possible damage.

Agriculture and livestock

The environment was not a primary concern of any of the agriculture or rural development programmes, but it had been given increased attention in the early 1990s. Mostly, environmental issues were bypassed with a few remarks in the reports, although it should not be difficult to understand that agricultural and livestock projects may have far-reaching implications for the environment.

As to the **El Fayoum milk collection project in Egypt,** the evaluation report of 1990 gave assurance that the centre had no negative impact on the environment. Some chemicals were used for milk testing, and detergents were used for cleaning of the plant and the equipment. The waste water was disposed of through the municipal sewerage system and cleansed by the treatment facilities of the municipality.

For the **livestock project in Kenya**, the review mission expressed concern about long-term risks related to the environment - in particular, about increasing land degradation through the increasing cattle population, and about waste waters as a risk to groundwater. The project was reproached for not having explored the national environmental policy in the project document or defined environmental demands in implementation, except for the expressed concern about the increasing number of animals in the area.

Regarding the **sheep breeding project in Egypt**, the evaluation mission thought it unlikely that the carrying capacity of the land would be exceeded through the introduction of the crossbreeding project in the Nile delta area. Some environmental advantages of sheep were also mentioned, such as the fact that they make use of household wastes and do not compete with crops for land.

The evaluation report of 1992 for **SG 2000 in Tanzania** noted that continuous use of fertilizers and pesticides might result in problems common in high-input agriculture. There are means to alleviate these problems, but it was seen as doubtful whether Tanzania would have the resources needed to handle them. 'On the other hand, intensification of crop production per unit area will reduce pressure on the land and will leave it free for other land-use purposes.'[6]

Rural development

The environment as such was not a primary consideration in any of the rural development programmes, but here, too, it was given increased attention in the early 1990s.

In **Luapula**, the possibility that maize was not the most suitable crop in much of the environment in the province seemed to have been given very little, if any, critical attention in the beginning phases of the project. Even the mid-evaluation mentions the environmental aspects in passing, without taking them up, for instance, in the executive summary.

Environmental problems in **Lindi and Mtwara** were considered to be less serious than in many other areas of Tanzania. Erosion, exacerbated by the disastrous floods in 1990, was singled out as the main problem. RIPS was seen to affect it very marginally, if at all.

The road project obviously had an environmental dimension, but the views on its impact were somewhat contradictory. In the RIPS mid-term review, the environmental effects of the rural road project were judged 'slightly negative', and it was demanded that attention be given to erosion control, without which rural roads might during the rains, look like rivers of mud. In the road evaluation, these same effects were assessed as 'minimal but ... beneficial and in some cases of corrective nature'.[7]

In **Kalutara**, some environmental risks were seen to arise from the establishment of industries, but these were seen as minimized. The industries were light and 'non-polluting' by nature, and alternative solutions were actively studied. The 1994 end-of-project review mission found that

---

[6] Kilimo-SG 2000 evaluation/observation 1992, p. 13.

[7] RIPS mid-term review, pp. 36, 46; Road projects mid-term evaluation, p. 23.

although no environmental impact assessment had been made in the preparatory phase, major environmental problems had since been identified and adequate funds had been directed towards developing waste water and solid waste systems. Another environmental hazard recognized by the mid-term review was the building of roads, which had introduced the danger of opening up forested areas to exploitation and deforestation.[8]

Forestry

As regards forestry projects, one would think that these would envision themselves as environmental projects *par excellence,* preoccupied with a fight against environmental degradation. This indeed happened, but the reports also point out some environmental hazards arising from forestry. In general, the obvious environmental advantages of forests were duly underlined, but otherwise environmental issues were addressed in a somewhat random manner, and much of the discussion was couched in highly technical terms.

For the **Kenya forestry master plan**, the 1994 review report concluded that although environmental factors appeared to be generally well covered - far better than is usually the case with forestry planning - they tended to be dealt with in a theoretical way, not specifically relevant to Kenya.

In **Bura**, one of the major objectives of the firewood scheme had been to take the pressure off from natural vegetation around the settlement scheme and improve the conservation and sustainability of the indigenous forest reserves in the area. To what degree this endeavour had been successful could not be determined, because of the lack of a baseline study, although the project led to several studies describing the natural vegetation around Bura. The mid-term review mission was worried about the continuing 'uncontrolled and degrading use' of natural forest around Bura by indigenous people. (p. 37)

The **East Usambara** project, with its conservationist thrust, can to a great extent be seen as an attempt by Finnida to redress some of the damage caused to the nature of Usambara and to its

[8] Kalutara mid-term review, pp. 13, 26; Kalutara Integrated Rural Development. Moderawila Industrial Estate, Finnida end-of-project review mission, Sri Lanka, March 1994, pp. 7-9.

own image through its earlier support for destructive logging in the invaluable mountain forests.

Water and soil conservation through afforestation was an essential aspect of the project in **Zanzibar**. In the choice of species, some controversy had been raised concerning the role of casuarina. It is a naturalized species widely planted on coral rags, where it looks strikingly different from the prevailing bush. It was popularized as a cash crop by the forest department, and many farmers planted it on better sites intercropped with food crops. Fears were expressed about the effects of this on the soils.

The **Tanzanian Wood Industries programme** was alerted to some environmental hazards. Of the most immediate concern were highly toxic leakages at impregnation plants, both in FAL and SSM, bringing about the risk of groundwater pollution. In addition, the mid-term review mission expressed concern at air pollution from smoke, and high noise levels.

The Tanzania country evaluation found that the threats had been averted and the remaining problems were small and localized. The environmental standards of Finnish processing equipment were considered high. Recommendations from evaluation missions and Finnida environment experts had led to useful investments to reduce the adverse effects on and around the plant sites.[9]

Concerning the possible effects in the logging areas, after the debacle in the Amani mountain forests had been stopped in 1986, the mid-term review report envisaged 'some environmental disturbance in the Handeni-Mkata natural forest' and a risk of soil erosion because of clearfelling of steep slopes.

Health

Health and other social sector projects are usually thought to have less impact on the environment than most other types of projects have. But many health projects in our sample were construction-oriented, which made environmental considerations crucial also here.

[9] *Tanzania and Finland*, p. 248.

The **General Hospital Colombo** was found to have had a significant impact on the surrounding environment, which included all the buildings and the water tower. The basic solid waste disposal was found to operate in part in 1994. Sewerage works for the hospital area had been delayed due to difficulties in finding a solution to the existing practice of having several old hospital buildings draining their soiled waters into the rainwater canal that surrounded the hospital grounds and ended up in the Beira lake in the middle of Colombo city.[10]

The project in **Western Kenya** had an environmental health and sanitation component, but this was found to have suffered from what was called an engineering approach. Environmental hazards had emerged in connection with latrine building: rules for minimum distance and maximum depth had sometimes been violated. Chemicals used in soil poisoning for termite protection (used for all construction) were highly toxic and very persistent in the environment.

Water

Internationally, water projects have lately begun to emphasize their environmental aspects. Little of this tendency was visible in Finnish projects; theenvironment as a separate category worth attention emerged only in the later review reports. Sanitation was given less weight than other issues, and sewerage systems were hardly mentioned.

The rural water projects were not seen as having any particular connection with the major environmental problems in the areas, such as soil erosion and land degradation, but some environmental monitoring was recommended in order to prevent any health hazards from stagnant or contaminated water. In **Mtwara-Lindi**, little adverse impact was noticed. The 1993 mid-term review pointed out that human activity around the water points might contribute towards the drying up of water sources which was found a problem in both regions.

For the rural water supply and sanitation project in **Lumbini zone in Nepal**, it was noted that the potential danger of pollution of drinking water sources was there, but due to the small-scale

[10] Rehabilitation and development of General Hospital Colombo, Finnida end-of-project review mission, Sri Lanka, March 1994, pp. 8-10.

nature of the project, adverse environmental effects were assumed to remain few. In any case, it was seen as important to protect the catchment area by proper land use.

In urban environments such as **Hanoi,** the environmental hazards were of a different nature and scale. The review reports discussed these, but rather superficially. What is probably the worst environmental hazard in the city - the increasing incapability of the old biological system of waste water disposal to cope with the increasing amounts of waste waters -[11] was noted only in passing. To monitor pollution of surface waters by the waste waters, the programme was collecting data on sewerage and drainage and preparing a master plan for these. The possibility of soil subsidence due to excessive groundwater exstraction was also given attention through continuous monitoring. The evaluators thought that a study on effluents from industries and hospitals was urgent, and that an inventory of oil and chemical storing and handling facilities and waste dumps in and around well fields was necessary.

Education and training

In education and training, the environment was given a more systematic consideration only in the Forestry Training Programme. Environmental issues were included in the planning of almost all the FTP sub-projects and in their individual activities. The evaluation report of 1993 mentioned several examples of projects in which environmentally sound methods were to be applied, but it did not explain how well these principles had been implemented or if any of the sub-projects seriously operated in an environmentally sustainable manner.

[11] Waste waters in Hanoi have for centuries been led from houses through pipes into open sewerage ditches along the streets. From there, they drain into open canals and ponds, and their nutrients are used for cultivation of crops and flowers and for feeding fish. Finally, they end up in rice fields outside the city. Presently, waste is accumulating in the waters more rapidly than nature is able to make use of them. Excessive silting, eutrophication and increase of nutrients accelerate the growth of algae. In the worst places, canals and ponds are threatened by depletion of oxygen and the destruction of biological cleaning mechanisms. See *Ympäristö Suomen kehitysyhteistyössä*, Finnida, Helsinki 1992, pp. 51-52.

Infrastructure

There was little discussion on environment in evaluations and reviews concerning infrastructural projects, as if the environmental impact of ports, roads etc. could be expected to be negligible.

In reviews of **port projects**, environmental issues were passed over relatively rapidly. In general, the container projects were assumed to bring some positive environmental effects. 'Due to increased use of containers in the port there will be less rubbish lying around the port. Also an organized container terminal looks better than a disorganized one.'[12] In similar vein, the appraisal of **Beira port** in 1992 suggested that container operations in general were not the source of significant environmental risks. However, it was also noticed that the new maintenance workshop, constructed with Finnida funding, did not have any arrangements for the removal or disposal of residual oil or other pollutants. In **Dar es Salaam**, the environmental impact of the Finnida component was found to have been small.

For **electrification in Valle Sagrado de los Incas** in the Peruvian Andes, the socio-economic study concluded that the project had had no observable impact on the natural environment. Consumption of electricity had remained at a low level, because it was used mainly for lighting. It had not replaced firewood as a source of energy for heating or cooking. Firewood could be collected free and it was not lacking.[13]

Environmental effects were not considered in any detail in reports on **road projects**. In **Mtwara-Lindi**, the impact of the project on the environment was assumed to be minimal, but where it did occur it was considered beneficial and in some cases of a correcting nature. In **Lusaka Province in Zambia**, environmental questions were largely excluded. Apparently, environmental assessment had been prepared at the project planning phase, but no further assessment had been made. Some attention had been paid to waste oil and environmental hazards during the equipment maintenance operations in Zambia.[14]

---

[12] The explicit argument is from Beira Container Terminal Development Project, Phase II: Temporary Container Terminal Project Appraisal, 1987.

[13] Electrification and rural development.

[14] Zambia: Road Maintenance Assistance to Lusaka Province Roads Department. Evaluation Report. August, 1991.

As for **mapping**, the evaluation report on the Nepal project claimed that no environmental problems were involved. The work was clean, nonpolluting and did not disturb nature. In fact, it was argued, the project improved the possibilities of evaluating and improving the environmental conditions of Nepal. 'Aerial photographs and maps are essential tools in evaluating the deforestation, erosion and landslides and in the planning and implementation of activities against them.'

Industry and engineering

Also in industrial and engineering projects, environmental aspects were passed over with surprisingly shallow discussion, considering the well-known environmental effects from industries.

In **Tanzanian industrial projects**, environmental questions were not properly tackled in the projects or reports. They were bypassed rather lightly, even in TPI, which might be assumed to have some environmental hazards. Obviously, environmental hazards from industry were not among the most urgent worries in Tanzania.

In **Pha Rung**, it was recognized that already, by its nature, the repair yard was producing waste: hull-cleaning, painting, oil remains, wastewater, scrap materials etc. However, no public institutional mechanisms were in place which would have monitored the environmental impact of PRRS, and environmental control was left entirely to the shipyard itself. 'The PRRS management is aware of the environmental effects of the shipyard activities, and is to a certain extent prepared to take measures to prevent pollution of the environment.'

The environmental effects of the shipyard were seen as limited, however - confined to its immediate neighbourhood and the river on which it was located. The current waste disposal practices were nevertheless deemed environmentally unsound, and measures were recommended for improving them at relatively low costs.

Institutional, financial and social sustainability

Also the other dimensions of sustainability were somewhat unequally treated in the evaluations and reviews discussed in this study. Nevertheless, it emerges clearly from our material that the limitedness of these dimensions - or the lack of them - has until very recently been one of the major shortcomings in Finnish projects. In particular, effectiveness and sustainability often appear mutually exclusive: a high effectiveness has been attained in a way which makes sustainability impossible.

The reports pay most attention to institutional, financial and managerial aspects of sustainability, where they often detect what has become popularly known as the aid dependency syndrome. Many project achievements were seen to be so dependent on foreign personnel and foreign funding that if these were withdrawn, the achievements would be in danger of collapsing. Additional evidence for the syndrome was found in the fact that often the recipient governments were unable to pay even the modest local contribution they were contractually committed to.

In addition to institutional and financial dimensions, also the social and cultural aspects of sustainability have been increasingly emphasized. This is seen to happen through local participation and utilization of local inputs starting from the planning phase of the project. In this way, it is believed, the feeling of local 'ownership' of the project will be created.[15]

Agriculture and livestock

Prospects for sustainability of the agricultural projects in our sample were seen to vary. In several projects, there were doubts about the sustainability of imported technology. Also financial

[15] 'For "ownership" of a project or program(me) to exist, the key participants in the program must feel responsible for the success or failure of the enterprise. Such responsibility is bred by authority and control of the means to make the project happen... This sense of authority can be developed by such steps as involving interest groups in the preparation of a project (including NGOs), assigning responsible tasks to them and respecting their results, and providing them with resources for sector and design work and letting them get on with implementation after funding is available.' Donors in African Education, 1993. Issues in the Implementation of Education Sector Programs and Projects in Sub-Saharan Africa. p. 18.

sustainability was seen as a critical issue, although the sample excluded extreme cases in which not only all salaries but also practically all running costs were paid by the project.[16]

The review report of 1993 on the **Kenya Livestock Development Project** saw the time frame of four years as too short a time for a livestock development programme to achieve sustainable results, but identified factors which it thought were favouring sustainability. Such were, for instance, excellent collaboration with local chiefs and active participation of farmers. Still, farmers' contribution to cost-sharing could have been greater, something which was regarded as the key element for future sustainability by the review report of 1993.

The responsible officer in Finnida saw good chances for sustainability of this project, although he identified two critical factors. The first was related to the improvement of the genetic potential of dairy stock. The availability of needed veterinary services was an open issue here. It was also expected that the distribution of improved dairy stock to local people after the end of the project could cause some difficulties. The second factor was the marketing of milk. The project had tried to market milk through cooperatives, but the structural adjustment programme challenged the cooperatives.[17]

The 1991 evaluation report thought that the **sheep breeding project in Egypt** was sustainable in terms of staff qualifications and facilities. Limiting factors were found in relation to the financial contribution of the Egyptian government. 'During the current phase III project work, the on-farm validation of results is mainly depending on the Finnida contribution. The project staff estimated that only 25-50% of the current project activities could be maintained without Finnida contributions.'[18]

The sustainability of the **El Fayoum milk collection project in Egypt** was seen to depend on a number of factors. On the technical side, the engineering capacity was expected to be sufficient, although additional training of maintenance staff would be needed since the equipment

---

[16] This was stated explicitly e.g. for the Egypt agricultural research project, not included our smaller sample: 'If project assistance is removed the operations will grind to a halt very quickly.' Mid-term review mission on the Egypt-Finland Agricultural Research Project, April 1993, p. 33.

[17] Interview with Keijo Ruokoranta, 30 March 1995.

[18] Egyptian sheep breeding evaluation 1991, section 5.2.2.

was Finnish-manufactured. The issue of spares, on the other hand, was expected to develop into a major conflict in the future.

The main threats were seen to loom on the financial side. Much would depend, in the opinion of the evaluation mission, on the milk pricing policies of the centre compared with those of private dairies. However, the competitiveness of the centre was restricted by the low productivity and high costs of the company. It was expected that the impact of the centre would stay at a low level, the number of producers served would not increase as expected, and the utilization of the cooling plant would remain below capacity.

For **Uyole Agricultural Centre**, the mid-term evaluators gave a devastating assessment of the (un)sustainablity of the centre. According to them, it was difficult to imagine UAC's existence without Finnida. After 20 years of donor support, Finnida had become essential to the core activities of the centre, research and training. 60 per cent of the budget came from Finnida, and it was the reliability and flexibility of these funds that made them so essential. '(I)f Finnida were to cease funding, the Centre would be reduced to just another government farm trying to survive after only three to four months...'

The centre had not in any way prepared for reduced funding, although this had been anticipated in the project document. The National Agricultural Research Masterplan had designated UAC as of secondary importance for national funding, because it was believed in Dar es Salaam that 'Nordic and Finnish funding was always going to support UAC'. The mission found that the centre staff in Mbeya were continually seeking reassurance that Finnida would remain. Besides foreign exchange funding, equally important to the staff appeared to be the payment of travel and overnight allowances.

The Tanzania country evaluation struck a more optimistic note in 1994, two years after Finnida support had been discontinued. It found that although the centre faced the same stringent financial constraints as any educational institution in Tanzania, it was working and producing results. The centre had a qualified Tanzanian staff capable of running it. 'The only question mark', according to this report, was to what extent the UAC could continue to offer a motivating working environment to its qualified staff and retain them.[19]

---

[19] *Tanzania and Finland*, p. 193.

In stark contrast to its strong view on the institutional unsustainability of the Uyole centre, the mid-term mission saw no problem in sustainability of the kind of import-intensive agriculture that the centre was advocating. If production was to be raised, inputs such as fertilizers, pesticides, machinery and fuel were needed. Admittedly, they were all imported and 'frequently' required scarce foreign exchange. 'However the benefit/cost ratios are four or more throughout the agricultural sector and once a viable agriculture is established the agricultural exports can more than pay for the imported inputs.'

The same questions were broached in the evaluation report for the **Sasakawa-Global 2000** project in Tanzania.[20] The issue was raised whether the single commodity, monocropping, and high input strategy was appropriate for Tanzanian conditions. The answer was a qualified yes. The recommended crop packages with improved seed, fertilizers and appropriate management practices were seen as a proven technology for intensifying crop production in high-potential areas. However, it was recognized that there were considerable regional differences in the country and that these affected agricultural strategies. In low-rainfall areas, the economic risk in using chemical fertilizers is higher than elsewhere. In such areas, the strategy of developing farming systems with low-input agriculture may be more applicable.

The sustainability of the project was found to be critically dependent on factors like input supply and the development of the credit, marketing and agricultural extension systems. The project embraced necessary elements like know-how, inputs, credit etc. This was clearly a strength of the project; but it was seen as potentially developing into a weakness in terms of sustainability if the national infrastructure would not be able to take over these functions after the completion of the project.

Delayed availability of inputs was seen by farmers to be a greater constraint than lack of credit. 'However, it is likely that the most disadvantaged farmers, such as women, require the credit cost and for them the delay in establishing a viable rural financial scheme for small farmers will worsen their situation.'

Finnida discontinued its assistance to SG 2000 in 1993. Although the evaluations in both Tanzania and Ghana proposed continuation, it was concluded in the discussions between Finnish

[20] Kilimo-SG 2000 evaluation/observation 1992.

authorities and the Sasakawa Foundation that the programmes could be continued without Finnish financing.[21]

These assessments can be contrasted with experiences from the **agricultural training project in Mozambique**. The evaluation report of 1991 doubted whether an economic viability could be achieved there. The report went on:[22]

> For any country like Mozambique one could argue that the discussion about sustainability is a bit out of place. Because of the very limited availability of trained staff and the 'bankruptcy' of the economy there will be no development projects/programmes which can be classified as sustainable in a time perspective of 10 years or maybe even more.

Rural development

The basis for institutional and social sustainability of the rural development projects discussed in this study would seem good, as they were all planned and implemented in close cooperation with local administrations. Problems might be expected to lie rather on the financial side, as none of the governments involved was in a position to pay even its agreed local contribution, let alone take over the responsibility for the much greater Finnida expediture. Yet the evaluators found the prospects for sustainability in all its major dimensions to be variable.

A major point emerging from the review reports is that while cooperation with local administration may be a necessary condition for sustainability of rural development programmes, it is far from sufficient by itself. Also broader policy support from above and active participation of the intended beneficiaries from below are needed from the outset. These had been manifestly missing in most of the activities.

In **Luapula**, the recent policy changes in agricultural marketing had rendered the emphasis on maize unworkable. As the evaluators agreed anyway that liberalization was 'the only long term sustainable way for Zambia', they were left in a dilemma as to what to recommend.

---

[21] Interview with Kari Karanko, Finnida, 3 April 1995.

[22] SATIM mid-term evaluation 1992, p. 32.

Interestingly, it was argued that the Luapula cooperative union had good chances of sustainability, provided that it was not forced to act as a government body and a 'buyer of last resort' without being paid for it. How this claim could be squared with the fact that the union was found to be heavily dependent on financial contributions from the government and LRDP was not discussed.[23]

For **RIPS I in Lindi and Mtwara** in Tanzania, the short period of the project and the early phase of activities made the assessment of sustainability almost impossible, according to the review mission. Some potential seemed to lie at least in the physical infrastructure, with the exception of the machines and vehicles.

The heavy equipment used in the road sector consisted of more than 60 types of different machines and vehicles, many of them imported from Finland without local permanent maintenance or spare parts. For light vehicles, the RIPS workshop had a good maintenance capacity for the fleet of more than 60 Land Rovers. However, the long-term sustainability of the expensive vehicles was questionable, given the inability of the Tanzanian government to accord sufficient funds for local organizations.

Although the basic idea of RIPS was to support ongoing activities of existing organizations, in particular those of the Tanzanian administration, the role of expatriates was 'perhaps too strong in the implementation', the evaluators found. They suggested that the main responsibility for preparing plans, supervising the implementation and reporting the results be transferred into local hands.[24]

In **Kalutara**, various aspects of sustainability had been considered from the design phases onwards, and there were many factors supporting it. Most of the operations had not been initiated from outside, but had been within the framework of the normal operations of the relevant line agencies. Technology used in the project activities was commonly that in ordinary use in Sri Lanka, and a good number of officials had been trained formally or on-the-job.

---

[23] Cf. Luapula mid-evaluation, p. 41: 'Strictly from a financial point of view the Luapula Cooperative Union is not at all viable... (W)ithout the (government) subsidy and financial grants the LCU would not have a chance to finance its operations.'

[24] RIPS mid-term review, pp. 51-52.

On the other hand, there were factors which threatened sustainability: notably the lack of funds on the Sri Lankan side, and the insufficient involvement of the beneficiaries themselves and their organizations in project activities.

In the Luapula review, an important observation was made which has wider implications. The animal draught power / cattle development component was found to be working effectively, to a large extent because of the way the funds were channelled. The programme advisor made payments straight to the specific activity from the Finnida account.

> External funding normally improves project efficiency in the short run but what about the long term perspective and the sustainability?... (The programme might) serve Zambia in the most efficient way by having its own FINNIDA financing system but more effort should be put into channelling part of the funds through the Government system. That would improve the commitment from the Government and increase the possibility for counterpart funds...[25]

At the end of the day, none of the programmes were continued in their current form. Finnida first limited its participation to the industrial estate and water supply, and then phased out all support to Kalutara at the end of 1994. The programmes in Lindi and Mtwara and in Luapula were subjected to serious rethinking and a thorough process of participatory replanning in 1993-94. They are now being carried out in a different manner, with much more active involvement from the local people.

Forestry

Institutional and even social sustainability was clearly a growing concern in forestry projects, and particularly in the reports about them; but as the nature of the projects varied, so did the nature of sustainability. In general, it is fair to say that most of the projects, in the state they were in when visited by the evaluation and review missions, were envisaged to have a poor expectancy of immediate sustainability.

[25] Luapula mid-evaluation, pp. 95-96.

With the increasing demand for sustainability, an obvious trend had been a shift away from direct deployment of Finnish personnel in efforts such as establishment of nurseries and afforestation, towards institutional support and planning, combined with elements of conservation and increasing local involvement. However, this did not make Finnish forestry cooperation conservationist. Rather, it can be seen as a search for cost-effective options for 'sustainable harvesting' conditions.

For the **Kenya Forestry Master Plan**, the evaluators went against the grain and used the word 'sustainable' very sparingly. This was for a good reason: to say what is the sustainability of a forestry plan is no simple task.

At one level, the project was intended to improve the forestry planning capability and process and the forestry management in Kenya. The 1992 review castigated the plan as a single-donor project which was managed as a commercial contract with the consequence that 'the commercial imperative to produce scheduled written outputs to time had overridden concern for quality and accuracy, and for the transfer of skills and building of national capacity which would have led to a longer term sustainability of the project'. According to the 1994 mission, the planners had 'made an important contribution towards improving forest management', but there was room for further strengthening in a number of respects.

Another dimension of sustainability is represented by the degree of realizability of the proposal presented by the plan. According to Finnida's representatives, the plan had been well received by the relevant Kenyan administrators. Its implementation and realization, however, were dependent on external support. Thus, the assumption was that Finnish and other aid would be continued for some of the sub-sectors of the master plan.

The 1994 mid-term mission claimed that the planners had failed to appreciate the 'parlous' economic situation of Kenya and the implications of structural adjustment. As it was apparent that forestry had a rather low priority in the eyes of the Kenyan government, the planners were urged to prioritize the KFMP programmes realistically, also allowing for a 'low' scenario which the Ministry should be able to manage within its own resources.[26]

---

[26] Ibid., pp. 53, 83.

Also environmental sustainability might be expected to play a dominant role in a forestry plan, but according to the review reports there was very little discussion on it. This was perhaps because there was a separate environmental policy prepared at the same time. The master plan estimates for sustainable yields of indigenous forests were judged by the 1994 mission to be statistically suspect and excessive in substance .[27]

In other projects, the degree of sustainability ranged from poor to reasonable.

One of the most manifestly unsustainable endeavours under review here was the **Bura fuelwood** project. The Bura evaluators did not address any faults in the design of the project when assessing the sustainability. The current problems were seen to result from 'administrative arrangements', meaning the inability or unwillingness of the Kenyan administration to cater for the needs of the remote settlement scheme. As a solution, privatization and commercialization were recommended. In order to make the water supply privatizable, Finnida was asked to put the pumping station and main canal back in working order. It was recommended that the responsibility for the management and marketing of the trees grown should be transferred to the target population, to be represented by a board of management. Anyway, the continuation of the project after Phase II was not recommended.

Finnida did, in fact, reallocate FIM 300,000 from the fuelwood budget to repair the pumping station and rescue the Bura settlers from famine and the whole scheme from imminent collapse. The Finnish state auditors, in their report, endorsed this for 'humanitarian reasons', but pointed out that in future the recipients' responsibilities should be defined contractually in a binding manner. The auditors thought that the plans for privatization were in principle recommendable, but hardly realistic. They hoped that a Finnish NGO would emerge to take over the project after the Finnida withdrawal in 1993. Otherwise, 'there is a danger that the achievements will be rapidly lost'.[28]

In **South Kalimantan**, the mid-term review mission found that the day-to-day responsibilities for nursery and large-scale plantation operations had been handed over to the local staff, and in this respect the Finnish advisors exercised only a troubleshooting and advisory role. However,

---

[27] Kenya Forestry Master Plan review mission 1994, p. 16.

[28] Valtiontalouden tarkastusvirasto, Polttopuuhankkeiden tarkastus, p. 33-34.

there had been shortfalls in the provision of counterpart staff by the Indonesian government which left 'in doubt the fulfilment of the technology transfer process'. This was especially so in the research component. Also insufficient institutionalization was seen as a weak link in technology transfer.[29]

Although it was noted in passing that conflicts might arise over land use (at least between timber and large-scale cash crop production), it is not evident from the report that the project or the review mission would have consulted local inhabitants - of any social status or sex - about their choices and preferences. 'Local people' appear and disappear in the report as shadowy shifting cultivators, burning down forest.

For the achievement of the development objective in **East Usambara**, the mid-term review recommended a time horizon of 10 to 15 years of external support. That was seen as necessary in order to create 'an institution of some sort' for conservation and management of the areas to be conserved. Included among the major problems were the structural confusion in Tanzanian forest administration, the general retrenchment of state resources, and a lack of functioning partnership with people living next to the conservation areas.

The structure of Tanzanian forest administration was seen as a constant source of confusion. There were forests of varying legal status, and forest reserves were under the control of varying administrations. As a catchment forest project, EUCFP was under the Forestry and Beekeeping Division of the Ministry for Natural Resources, i.e. the central government. Other forests in the area were under the jurisdiction of regional or district administrations.

The Tanzanian government did not seem able to direct sufficient resources for forest conservation. Government finances were extremely tight and it was thought unrealistic to rely on the treasury alone. Thus it was seen to be necessary that the future conservation institution should be able to generate income of its own through visitors' fees etc.

But the question of commitment did not only concern financial resources. When the involvement of some of the project staff in illegal logging activities was disclosed, it took a long time and

[29] South Kalimantan evaluation mission, pp. 11-12, 34, 41.

much prodding from the Finnish side before any administrative action was taken by higher Tanzanian forest authorities.

The failure of the Usambara project to involve the local population in its endeavours was seen to spring from the top-down attitude inherent in the project approach in Phase I, and a corrective was introduced in the subsequent phase.

What the three **TWICO** companies needed, the mid-term review mission argued, was not only sustainability but also economic viability, meaning an ability to yield a return on investment, . The prospects in this respect did not at first glance seem particularly promising. The source of the improvements which had happened in the financial position of the companies had been a rise in profit margins, not in productivity. The companies had a monopoly in board products and could charge a price above world market level. They did not have to pay adequate prices for their wood supply from government plantations, and as the calculations of efficiency above indicate, they were not charged anywhere near the true cost of capital invested in them.

A further condition for viability was seen in the separation of ownership responsibility from that for influence over management. This did not necessarily amount to a wholesale privatization, the review mission argued (this was back in 1990), but the managements needed a considerable degree of autonomy to be able to define corporate objectives and pursue them. 'Good management may be of greater significance for success than easy access to funds and hardware.'[30]

In addition, there was one more service problem, related to the Sisu trucks used to haul logs. As there were few such trucks in Tanzania, there was no dealer stocking the needed spare parts and consumables.

The review mission concluded that if Fibreboard Africa would be able to reduce its costs especially in raw materials and administration, it had good prospects of achieving economic and financial viability when calculated according to the international price and cost structure. Also Sikh Saw Mills was seen to have 'equal or even better' prospects compared with the other companies, given an adequate and assured raw material supply, reduced log transmission costs,

[30] Tanzania Wood Industries programme mid-term review 1990, p. 3.

and improved efficiency and quality. That optimistic assessment was based on the assumption than SSM had the best opportunities for export.

In actual fact, SSM was wound up in 1994 after its plywood production had plunged to one-tenth and its sawn-timber production to one-fifth of the installed capacity. The company had not been able to recover from the loss of its raw material privileges in Eastern Usambara. Fibreboard Africa was, at the same time, working at fairly high capacity utilization levels but it was plagued by the chronically weak financial situation, which prevented it from investing in new logging equipment. The financial performance of Tembo Chipboard was fluctuating, but mostly the company was making reasonable profits in the early 1990s, due to good markets and high prices of chipboard. It, too, would have needed a new injection of investment capital. No concrete plans had been presented for the future owership of FAL or TCB.

In **Zanzibar**, it was felt in 1991 that one more four-year phase was necessary, because the local forest authorities were 'not yet in position to shoulder the responsibility over... sustained management of forest and tree resources...' One thing needed was institutional strengthening, as well as changes in management climate and practices. The FD was found to be 'dramatically overstaffed' in quantitative terms, but qualitatively weak. Its organization and command relations were confused. Although the general level of training had improved considerably - from two staff members with professional training in 1980 to 73 in 1991 - the professional skills of the staff were still judged inadequate. The management style was very top-down; the staff appeared 'reluctant, even frightened, to take initiative'.[31]

When the decision had been made to extend the project for a third, phasing-out phase from 1993 to 1997, the project document was formulated in a year-long process of participatory planning, in which much of the basic work was undertaken by a team consisting of local officials. Local people were consulted in meetings held in 24 villages. The Forestry Department was reorganized as the Sub-Commission for Forestry.

The 1995 mission said that the participatory process in the planning phase had been a success, but remarked wryly that 'the continuation of participatory decision making processes is not self-evident'.

---

[31] Zanzibar forestry review mission 1992, pp. 28-33, 37.

Otherwise, the mission thought that such significant development had taken place in the SCF as regards its human and material resources and organization that there remained 'only one really serious threat in the way of sustainability: sufficient financing. If financing collapses, almost all development achieved may be undone...'[32]

The mission estimated that the government funding should be roughly doubled from its current level to make the activities sustainable. The sums needed were seen as modest when related to the total monetary value of actual wood production, but it was also noted that the current fiscal situation was extremely tight and there were many other needs competing with those of forestry.

Health

Institutional and financial sustainability was often a fragile element in health projects as well. To a great extent, this was because many health projects were expensive, and sustaining of the activities they had initiated was seen to require considerable financial resources which most recipient governments were plainly not in a position to provide. This was true even where the projects were well integrated into the existing organizational structure. Also political changes and social disturbances escalating to outright wars, aggravated the prospects for sustainability in countries such as Somalia, Nicaragua and Sri Lanka.

The costs of health projects escalated because so many inputs were not of local origin. It is very likely that without external funding, many of the workshops, facilities, machines etc. would have been unable to operate at the level attained during external funding. In 1994, the workshops in **Nicaraguan project hospitals** relied on Finnida for materials, parts, and other supplies. The economic situation in the country had already made the 1991 mission doubt the financial sustainability of the project.

In the case of the **rehabilitation of the General Hospital Colombo** in Sri Lanka, the evaluation report of 1992 claimed it had found evidence of the danger of trying to achieve too much in too short a time, and of paying insufficient attention to the sustainability of the changes introduced.

[32] Zanzibar forestry mid-term review 1995, pp. vi, 20.

'Affordable strategies for the maintenance of the buildings and equipment and for continuing the administrative and training efforts were not developed.'

The root causes of the problem were seen in the fact that the focus had been on implementation, while recurrent cost implications had been neglected. Costs had been calculated properly only for investments in Phase I. The evaluators thought that this failure to analyze the recurrent cost implications of the project, and the magnitude of the foreign exchange requirements, jeopardized the sustainability of some project achievements.[33]

In the **Somalian tuberculosis project**, the project's budget for the years 1989-1991 was five times as large as the budget of the Ministry of Health. Most of the equipment imported represented overly advanced technology for local conditions. To operate the equipment, expatriates were needed, as well as spare parts and foreign currency to obtain them. The government had shown no real interest in developing health services, but had poured in more money and materials according to the requests made.

In **Western Kenya**, the long-term sustainability of health care was argued to depend, above all, on effective district-level organization. But as the training evaluation of 1992 put it, 'management systems to ensure sustainability were not fully in place' in that district teams were not clear concerning their role. Neither were training activities considered fully sustainable should outside funding stop. The district lacked personal and financial resources, as well as needed the planning and management information and skills.

The Kenyan Ministry of Health was at that time instituting cost-recovery measures for all health facilities. Otherwise, the Government of Kenya was not able to fund the maintenance of the expensive health facilities after the termination of foreign funding, and furthermore Finnida had made it clear that it was not in a position to contribute to the project as much as in the past.

[33] GHC evaluation 1992, p. 15 and Annex 11.

Water

In theory, the thrust of the water projects reviewed here has been transformed from technical, construction-oriented activities towards operation, maintenance and institution-building, with community participation and sustainability as widely shared goals. Project organizations have been revised by dismantling parallel implementation structures and integrating the activities with those of local water authorities.

In practice, according to evaluation and review reports reviewed here, the transformation was still halfway at the time the reports were written. Although the phase of feverish construction was over in most projects, operation and maintenance had not been given quite the same weight as construction had been in the earlier phase, and institution-building was proving a difficult and long-term task.

When looked at from the outside, the prospects for sustainability would seem very different for different water projects. In urban programmes, such as the one in Hanoi, much of the groundwork appeared to be in place. A major part of the activity had all the time been in Vietnamese hands. There were local contractors capable of carrying out the design and construction of the improved supplies, and local state-owned companies were running the actual water supply. In rural programmes, the local partners - from water authorities to village communities - had been in a much weaker position, as most of the construction had been carried out with foreign resources. Yet none of the programmes, urban or rural, was reported to have reached the threshold of sustainability.

The **Hanoi** review reports argued that 'institution building' was proceeding slowly. It was found by the 1993 mission to have started late and to be lagging behind the schedule. The 'programme activities' were still understood as separate from the 'normal activities' of the Hanoi water supply, and the role given to the Vietnamese side in the strategy of the programme appeared very passive.

Although not squarely stated, the standard of Vietnamese consultants and contractors was clearly felt to be a problem. The Finnish advisors were reproached by the 1991 report for not having been strict enough on some sub-standard Vietnamese plans and activities. Thus, one of the major tasks of the programme was seen as being to train Vietnamese authorities, consultants and

constructors to meet international standards in design and construction. This was considered especially important in view of the rapid increase in internationally financed projects in Vietnam. Nevertheless, the progress in this particular training aspect was regarded as slow.[34]

Also the organization and financial situation of the Hanoi Water Supply Company, the main 'client' of the programme, remained poor. The revenue collected was much below the target, not covering even the operation and maintenance costs. Clear targets for water production and distribution were lacking. Activities were plagued by red tape and slow decision-making.

Such considerations led the evaluators to argue that a strong expatriate presence was still needed in Hanoi water supply. The 1993 report accepted the goal of reducing Finnish personnel, but doubted whether the aim of withdrawing all the expatriates by the year 2000 was realistic. It recommended a more gradual transition.

Also the authors of the last mid-term review of the **Mtwara-Lindi** project in 1992 recommended the continuation of the project until the end of 1994, although they had been made aware that the project was closing down and the decision to discontinue the few remaining operations in early 1993 had already been made by Finnida.

The evaluators thought that Finnida's attempt to gradually increase the share of Tanzanian financial contribution to the project costs had been a legitimate endeavour to shore up the sustainability of the project, but in the end it had created considerable confusion. The principles and mechanisms of local contribution had apparently not been fully discussed and agreed upon at the national level or with project partners in Mtwara and Lindi.

In its later phases, the Mtwara-Lindi project gave much attention to the organization of the big water supply system on the densely populated Makonde plateau, serving some 300,000 people. This is a piped scheme originating from the colonial period and extensively rehabilitated by Finnwater. In surveys undertaken, local people had announced their readiness to pay for water such sums as would make it possible to establish an independent company to run the scheme. There was a major snag, however: people will not pay before they can be sure that they will enjoy a reliable supply - and that was manifestly lacking in the area. The pumping stations, pipes

[34] Hanoi water supply mid-term review 1991, p. 10.

and wells were there, but due to a number of technical, financial and logistical problems, water reached the taps very erratically.

As their conclusion, the 1992 mission argued that without continued low-key funding support from Finnida for community participation, operation and maintenance and training activities, 'the achievements in community capacities, partly developed community-oriented approach and other training achievements may not be sustainable resulting in breakdowns of presently functioning... water supply systems'.[35]

Indeed, a modest attempt at an *ad hoc* post-evaluation by the Tanzania country evaluation team produced figures to show that the percentage of functioning handpumps in Mtwara Region had come down dramatically from 75 % just before the end of the project to 32 % within one year's time from its completion.[36] Not much credence can be put in these figures, but they probably give an indication of the trend.

In **Western Kenya,** the programme had been 'active at both the community and programme level in developing strategies and methodologies that are conducive to achieving the sustainability'. Still, the evaluators thought that the implications of working towards sustainability were inadequately understood, and called for 'additional efforts'. Especially the high physical targets were seen to be in contradiction with the consolidation of services. Also the programme strategies for institution- and capacity-building were assessed by the review mission as 'weak and vague'.

In **Lumbini Zone in Nepal,** the financial responsibilities were expected to be transferred to communities. Completed schemes would be handed over to the village users' committees. Project beneficiaries seemed to be willing to operate and maintain the schemes, although some users' committees did not operate as anticipated and neglected the maintenance of water schemes. Whether the government would still retain an interest in the provision of the water supply was an open question.

---

[35] Mtwara-Lindi rural water mid-term review 1993, p. 6.

[36] *Tanzania and Finland*, pp. 280-281.

Since the handpumps were easily available and quite a number of them had already been installed by individual households in the flatland Terai area in Nepal, the evaluation mission in 1994 asked whether, in the next phase, the project should finance any well construction and handpump installation at all. It was thought better that the people commission a well digger or handpump technician to do the job for them, rather than the project. The support from RWSSP could be considered only in the case of deep wells, or in areas where boulders made the normal sludging method impossible.

Education and training

Sustainability has emerged as to the most important demand also in education and training projects. A particular problem is that the educational and training sectors in developing countries will need continuing technical and financial support, but they have to compete with other more visible projects. As it is likely that less and less of the support will come from abroad, the responsibility for sustainability and viability of the operations is increasingly being shifted to the states concerned. In this case, a main indicator pointing towards financial sustainability is the level of Government funds available.

Especially in Africa, the goal of sustainability is far away. The Donors of African Education (DAE) argue that in Sub-Saharan Africa national resources are not even adequate for the recurrent expenditure on education, and thus 'it is accepted that for education to improve in the region donor support will have to continue at its current high levels'.[37] DAE also feel that efforts to improve education in Africa have not been successfully implemented. 'Despite continuing high demand for education and major investments in this sector, the region's education systems are not producing the intellectual and human resources needed for sustained economic growth and political stability.'

Here we have a prime example of how top-down planning, characteristic of many projects, may ensure smooth implementation but is disastrous for sustainability. In our sample, this was documented for the **Zambian Practical Subjects** project. The likelihood that the Government

[37] DAE, 1993. Issues in the Implementation of Education Sector Programs and Projects in Sub-Saharan Africa, p. 1.

of Zambia would ever be able to provide resources for the activities initiated by the project was considered very small.

The basic rationale of the project, it will be recalled, was found to be flawed. The nature of the project had been top-down. The intended beneficiaries had not been consulted at any stage. Further, Finnida kept the project management strictly under its own control, through its control over the budget, thus contributing to the lack of administrative interest on the Zambian side. 'This certainly ensured efficient and speedy implementation, but in terms of sustainability it was disastrous.'

The evaluation mission in 1994 for the Zambian Practical Subjects teaching argued that the project was unsustainable in four main ways:

* Economic and financial terms: materials and resources were extremely scarce.
* Political terms: there was a negative attitude on the part of Zambian politicians and administrators.
* Administrative terms: after the project ended, most of the administrative arrangement collapsed.
* Sociological terms: sociological and regional needs of local people were ignored.

The fundamental fault was seen in the fact that the Zambians never really felt that they owned the project and there were no officials or other counterparts to continue the project after Finnida aid was terminated.[38]

A better understanding and knowledge of local socio-cultural factors would have enhanced sustainability in other cases also. For example, **Prodec** had arguably embarked on new courses which were not supported by a clear analysis of the real needs or the possibilities of results.[39] Technology transfer, for instance, contains several aspects which are entirely outside the control of the developing countries. Courses overlooking this have no possibilities of creating lasting and sustainable results.

---

[38] Ibid., pp. 3-5.

[39] Prodec evaluation 1989.

A reduction in the number of cooperation countries was also seen as essential for increased sustainability, for example in the case of **FTP**. The reduction would bring better opportunities to incorporate country-specific socio-cultural factors, and would also facilitate planning and management.

The institutional aid to the **Zambia Educational Materials Project** concentrated on the supply side and overlooked the economic realities of the demand side, for example the fact that the majority of the parents had a low purchasing power and there was an obvious lack of institutions on the demand side. Little attention was given to local market conditions and consequently to the long-term sustainability of the activities. Issues like the quantity of books, costs, prices, efficient purchasing procedures etc. had not been handled by anyone. ZEMP was never related to the existing organizational structures of Zambia; and that, too, lays the sustainability of project activities open to question.

According to the mid-term review report of the Finnish education sector support programme in Zambia in 1994,[40] an important component in long-term sustainability is the orientation of teachers to the new material. Otherwise the new books will not have the intended effect in the classroom. The book industry in Zambia was seen to need continuing technical and financial support and a better-defined pricing system for books.

Infrastructure

Sustainability had gained some attention in the implementation of the infrastructure projects as well as in the reports concerning them, but had remained an unattained goal. Financial sustainability, capacity and managerial sustainability as well as involvement of the target groups had generally not been reached. The arguments of human resource development and sustainability were often left at the stage of mentioning them in objectives, without paying much attention to these later or presenting any actions or indicators for achieving these objectives.

[40] Mid-term review of the Finnish Education Sector Support Programme in Zambia, Finnida, 1994.

The most critical issues in the long-term sustainability of the achievements emerged in financing of technically oriented projects and in training of staff. In some cases, sustainability may have been impaired by the large amounts of total resources provided by external assistance. Furthermore, the amount of training needed to apply modern techniques and maintenance of equipment had surprised many projects.

Sustainability was given much attention in the **port projects**, indicating that the issue was not resolved. Whereas the prospects for financial sustainability were not bad, problems seemed to lie on the personnel side. In the **Beira** evaluation report in 1989, this was discussed in terms of 'human resources development'. Qualified local manpower was lacking, and the project's dependency on foreign expertise was being prolonged. The report warned that it would take longer than five or six years to build manpower resources with sufficient technical and administrative capacity.[41] In **Dar es Salaam**, the institutional environment in which the project was being implemented left much to be desired, due to over-centralized decision-making within the Tanzania Harbours Administration and the overlap in responsibilities of implementing organizations.

In **electrification projects in Peru**, the adaptation of Finnish technology seemed to have proceeded satisfactorily. Only supporting and controlling roles from Finland were envisaged as necessary. This indicated that sustainability had been taken into account in deciding technical issues of the project.

In road projects, sustainability was seen to depend crucially on financing. For **Mtwara and Lindi**, the prospects were bleak. The road project was considered sustainable only with continued donor grants for major repair, and the provision of new equipment as and when necessary - which, of course, is contrary to what is presently meant by sustainability. In **Zambia**, a special Road Fund has been established, which receives funds by taxing fuel. The fund originated from a recommendation by the World Bank. The experiences with it were considered promising.

The fact that the road project in Zambia had initially evolved in a province - Lusaka - rather than imposed from headquarters was believed to ensure its appropriateness and acceptability. It was

[41] Beira port mid-term evaluation 1989.

noted, however, that difficulties in availability and affordability of spare parts and quality of staff at machine maintenance and repair workshops might create problems regarding sustainability.

The responsibility for the **Sri Lankan telecommunications** projects had been transferred to the recipient. In the reports, however, there was little explicit discussion on the financial sustainability of these projects, which relied heavily on foreign funding. Technologically, the equipment supplied (a modern digital transmission system) was judged well-adapted for the implementation of relatively small-scale, semi-rural networks. The installed base was quite small, however, and the evaluation mission in 1991 feared that it would be difficult for the Sri Lankan Telecommunication Department to maintain its technical competence in the long run with such a small base. The mission consideredit possible that 'these projects, although beneficial in the short term, could become a liability in the long term'.[42]

Although the evaluators' judgement of the **Egypt mapping** project was generally positive, they thought that plenty of effort would be needed to develop the managerial capacity of the mapping sector of EGSA and to adopt new concepts of map compilation and map service. As the concept of map service was not properly understood, the achievement of sustainability would take time.[43]

In **Bangladesh mapping**, the sustainability prospects seemed gloomy.[44] The cost of the project had escalated, and there was a shortage of financial resources; also the first phase had been implemented in a way which endowed the local agencies with no additional capacity to produce maps and other outputs. An eventual sustainability was not ruled out, however. The evaluation mission demanded only that any additional allocation from Finnida should require clear improvement in the project sustainability and a more active participation by the Bangladesh survey authorities.

In the **Namibia geological mapping project**, the evaluation mission took an optimistic view of the future and sustainability of the project, despite the criticism it directed at its starting phase. The mission argued that the project was on the right track. In order to make geological mapping

---

[42] Telecommunication projects in Sri Lanka evaluation 1991, p. 5.

[43] Eastern Desert and Nile Valley mapping review 1992, p. 3.

[44] Bangladesh mapping evaluation 1994, pp. 28-34.

and map production sustainable in Namibia, the project period with some GSF staff in Windhoek (or, alternatively, GSN staff in Espoo) had to beextended until sometime in 1996.

The **Nepal mapping project** was found by the evaluation mission in 1994 to be heading in the right direction in its technology transfer to improve the long-term capacity of the mapping sector in the Survey Department.[45] Some long-term problems still prevailed, however, of which financing and motivation were seen as the most critical ones.

The financial sustainability of the mapping sector was seen to depend on the interest of the Nepalese government and donors in financing the sector. Still, the Survey Department could itself improve the economic sustainability of the sector by adopting 'a more active approach in selling the products', raising prices, etc.[46]

The financing of the project was exceptional. The consultant company worked on a lump sum contract basis. It was paid only on concrete results of the project, not on the expert time spent in Nepal. This had induced the consultant to pay allowances to the otherwise poorly paid Nepalese staff. The evaluation report of 1994 thought that although this practice might help the company to keep to the timetable and improve its financial result, it would create a problem as regards motivation in the long run. Paying allowances had also created feelings of inequality between workers in the Survey Department.

An institution-building part had not really been included in the project, except through training and other normal operations.[47] During the project, the capacity of the Survey Department personnel had improved; but in the most complicated tasks, technical assistance was still needed. The Nepalese were running the day-to-day activities, and the role of expatriates was supervisory. It was noticed during the field research, however, that a great deal of supervision was still needed.

---

[45] Eastern Nepal Topographic mapping evaluation 1994.

[46] Ibid., p. 36.

[47] Interview with Olli Sotamaa, Finnida, 24 March 1995.

After the Finnida support to the industrial projects was terminated in the early 1990s, very few turned out to be viable. While the projects in Tanzania, Trama and TPI, were forced to close down their production activities, and Finnida discontinued its support to the Beira exercise book factory, the prospects for Pha Rung in Vietnam appeared fairly bright, provided certain key conditions were met.

Trama, as we saw above, never went into actual manufacturing, and also stopped the assembly of tractors in Tanzania in 1993. It continued as a sales agent for Valmet, maintaining what sustainability it could in the form of service and spare parts availability for the existing Valmet tractors in Tanzania.

As to the future of **TPI**, an optimistic assessment was given by the consultant in 1989. He argued that the company was well able to create positive value added for the economy and save foreign currency.[48] The operating margin of TPI had always been above 25 per cent, in spite of the low capacity utilization rate. Whereas the devaluation of the Tanzanian shilling had led to the growth of the debt, it had also strengthened the competitiveness of the company against imports. New, revised prices were thought to guarantee normal profitability. 'TPI has [the] biggest capacity to manufacture pharmaceuticals in Tanzania and it is by far best equipped to produce good quality essential drugs that the country desperately needs.'

Five years later, at the time of the Tanzania country evaluation, the situation seemed much more sombre. The evaluation noted that since TPI was established, pharmaceutical technology had gone through a small revolution. Simple generic drugs that constituted the bulk of TPI's products could be produced on a large scale with much simpler and cheaper equipment, often of Asian

[48] 'To produce locally the 262 million imported chloroquine tablets in 1986 would have required approximately 1.8 million USD for raw and packaging material imports. Local production would have saved in this case 3.2 million USD in foreign exchange and the products would have been less expensive than imports. Employment at the Arusha factory would have been higher. The above example illustrates the waste of foreign exchange and/or foreign aid in the Tanzanian health care sector. This practice has gone on for 8 years in spite of repeated critical evaluations.' - TPI strategic assessment 1989, pp. 8-9.

origin. Its heavy investments in modern equipment were seen to make it difficult fir TPI to price its products competitively, even in the local market.

Whether the company would be able to resume its commercial production was seen to depend very much on whether it would be able to find a suitable niche in the ongoing restructuring of the Tanzanian industrial sector. The task did not seem easy, because the company's loans were roughly the same as its assets, some Tsh 2 billion.

For the Tanzanian industrial projects, there were at least two basic flaws. First, they were entirely dependent on imported machinery and/or inputs (tractor kits, raw and packing materials) which were provided through Finnida's support. Second, the financial, managerial and technical capacity of Tanzania to run such projects was gravely overestimated. The government was in no position to support the industries, e.g. with scarce foreign exchange, and deficiencies in skills of the Tanzanian senior staff created major problems.

For the **Pha Rung Repair Shipyard**, the prospects of its developing into an economically healthy business were seen as 'not bad', on the condition that the current transition towards a market-based economy in Vietnam would further accelerate. Another, related essential condition was seen as being improved access of Vietnam to international sources of finance and technical assistance.

The above view was based on the judgement that the utilization of technical capacity was high, but operational efficiency was still below international standards in terms of repair times, quality of the work etc. Market prospects were expected to improve in the future, as it was assumed that the volume of the domestic demand for ship repair would increase substantially. Also international markets were believed to offer good prospects for expansion, given the relatively favourable price level of PRRS.

Still, a number of aspects were seen to be in need of improvement:

* Weakness in management of the yard had to be overcome in order to improve operational efficiency and financial profitability. The yard needed more autonomy vis-à-vis the Vinamarine.

* The marketing function needed to be reinforced 'if the yard [was] to operate as an independent business unit [in] the (inter)-national market for ship repairs'.

* Technical skills needed to be maintained and improved so as to gradually move to more sophisticated and complete repair jobs, yielding a better value added.

* The PRRS company should also concentrate its managerial software on its core business. Current activities other than shiprepairs should be made independent.

In terms of marketing and management systems and skills, the mission stated, 'PRRS still has a lot to learn before it can operate successfully [in] the international free market'.[49]

Conclusions

Until fairly recently, sustainability was not an important consideration in Finnish bilateral development projects. The focus was on effective implementation and fulfilling the contractual output targets. Since then, a U-turn has taken place in this respect. Now sustainability, not only regarding the environment, but also in a financial, institutional and social sense, is taken as the most vital component of any development effort. It is seen to require consistent and goal-oriented action on many fronts, and this must be built into the project structure right from the outset.

Not all projects have been able to keep up with the speed of the attitude change. There were some recently terminated major projects - particularly in the fields of forestry (Bura, Twico), health (Somalian tuberculosis control), rural water (Mtwara-Lindi), education (Zambian practical subjects) and industry (TPI, Trama; Beira exercise book factory) - in which sustainability remained an unattainable goal and which indeed were terminated for that reason to a great extent.. There were also some exceptional projects in which an old-fashioned mode of implementation with heavy expatriate input continued (Hanoi water).

Nevertheless, it is clear from the evaluations and reviews under scrutiny here that some useful lessons have been learned and sustainability of Finnish projects has greatly improved during our

[49] *Pha Rung post-evaluation*, p. 31.

study period. It is now realized that sustainability has to be planned right from the start of the project and beneficiaries must be included already then. New projects, and new phases of old projects, have been planned with sustainablity requirements in mind. Their budgets are more modest and they rely much less on imported humanpower and equipment than before. Some serious attempts have been made to introduce participatory methods (including, in our sample, Zanzibar forestry, later phases of East Usambara catchment forestry, RIPS and Luapula). Even in those cases where considerable expatriate input remains, the target of longer-term sustainability has explicitly been set. There are also examples showing that the most alarmist assessments of (un)sustainability do not always have to come true, at least not immediately (Uyole Agricultural Centre).

The ways to reach eventual sustainability remain open, however. Environmental impact assessment has not been integrated into the project cycle routine as yet. Forms of local participation vary from case to case. What kind of 'ownership' they will produce remains to be seen. Institutional sustainability is to proceed through 'institution building', but, beyond provision of training, there is not much of a vision as to how this would take place. For financial sustainability, a commonly recommended prescription is privatization and the introduction of market pricing. While this may very well work in several cases, it is scarcely a panacea. There will probably always be cases, such as the most basic health and education services, in which the users of the services provided by aid cannot for some reason be demanded to pay a full market price.

9. WID AND GENDER: ATTENTION, BUT...

The concepts of WID (women in development) and gender have made a forceful entry into Finnida's development policies and declarations during the last few years. Finnida now has two major guidelines as to how to consider WID/gender issues in progress.[1] A professional adviser specializing in WID and gender questions, appointed in 1991, has avoided the financial axe of cuts in appropriations and continues to promote and follow the integration of gender concerns into aid policies and projects. There has been training on WID/gender issues for Finnida officials, many of whom have a positive attitude towards the gender approach in development projects.

This, of course, follows a deep-going sea-change in international development thinking. As everyone knows, women's role in development is nowadays given much more explicit attention than was the case twenty or even ten years ago. What is perhaps less well known is that there are many different approaches that intertwine and interact in the discourses and practices regarding women and development.

The views of the 1950s and 1960s in which women were seen as blocks to modernity and development were at first challenged by the Women in Development approach (WID), with its underlying rationale that women are an untapped resource that can provide an economic contribution to development.[2] Especially during the United Nations Decade for the Advancement of Women (1975-1985), women were put on the development agenda.

The original WID approach was the equity approach.[3] This view recognized that women were active participants in the development process, who contributed to economic growth. The

---

[1] The Role of Women in the Finnish Development Cooperation, Guidelines and Programme of Action, from 1988; and the Practical Women in Development Programme (PWDP), adopted in October 1991.

[2] Good discussions on these are provided by, among others, Jane L. Parpart, Who is the "Other"?: A Postmodern Feminist Critique of Women and Development Theory and Practice, *Development and Change*, vol. 24, 1994, pp. 439-363, and Carolyn Moser, Gender Planning in the Third World: Meeting Practical and Strategic Needs. *World Development*, vol. 17, 1989, pp. 1799-1825.

[3] The following discussion draws on Moser's analysis, 1989, with some modifications.

primary concern was with inequality between men and women, in both public and private spheres of life and across socio-economic groups.

However, this was soon complemented and in some respects superceded by other approaches. The most influential of these has become what is known as the efficiency approach. Here, emphasis has shifted away from women and towards development, with the assumption that increased economic participation of women is automatically linked with increased equity.

Both the equity and the efficiency approaches have since been challenged by yet another policy approach, called the empowerment approach. It is superficially akin to the equity approach, but places far less emphasis on increasing women's 'status' relative to men. Rather, it seeks to empower women through the redistribution of power within, as well as between, societies.

The succession of these approaches reflects the way how the women-centred premises of the whole WID approach have been increasingly challenged. It has been criticized for overlooking the fact that women, in the Third World or elsewhere, are not an undifferentiated mass, and that improving women's lot may require fundamental social changes. WID policy-makers and planners have been accused of focusing on modernizing Third World women, not on understanding their lives and experience.[4]

There has been a shift from WID thinking focusing exclusively on women to a more broadly based way of thinking, dubbed as gender and development (GAD), where the main factors affecting women's position are situated in a larger societal context. Here, it is recognized that gender is different from sex; it means social roles and interactions of men and women, rather than their biological characteristics. Gender relations are social relations.

Such changes in development thinking have had repercussions, direct and indirect, in Finnida projects and in evaluations and reviews of them.

It was argued in the Finnida paper on the Practical Women in Development Programme in 1992 that good efforts had been made during the past few years to incorporate women and gender

[4] Parpart, ibid., pp. 449, 454.

issues into development projects. Both the equity and the efficiency arguments had been cited, although lately the focus had shifted almost exclusively to the efficiency argument.

Yet the assessment mentioned shows that handling of gender issues has been very heterogenous in various development projects. The treatment of gender ranges from no consideration to deep understanding. There are still many obstacles to women's involvement, not least attitudinal, both within the culture concerned and among the project personnel. Information on women is commonly patchy. Even when a Rapid Gender Analysis has been prepared in some projects, it does not necessarily yield much essential information.

This assessment is amply corroborated by our sample. There were a few review and evaluation reports where WID or gender issues were not mentioned at all - notably in the infrastructure and industry sectors. When there was some mention, it often gave the impression of something affixed to the report from outside, not growing out of the main argumentation. But there were also good discussions on the issues involved.

The common way to 'take women into consideration' in project activities has become to 'target' them, which can take place in two main ways: there may be projects specially targeted toward women, or women may be chosen as a target group within a broader programme or project.

Taking a cue from the evaluation of Finnida's NGO Support Programme,[5] it can be argued that the gender sensitivity of any project can be assessed in two ways: first, in its orientation towards women as preferred target groups in projects; and second, more fundamentally, in relation to the way it challenges the underlying structural problems which marginalized Third World women face. The important point is that the relationship between these two is not straightforward : women can be targeted as beneficiaries in a project that ultimately reinforces the factors that keep women disempowered, for instance by perpetuating typical women's roles in households.

[5] *Strengthening the Partnership*, p. 142. The report will be discussed in more detail below, in the chapter on NGOs. The argument applies as well to bilateral projects.

Women's projects - the case of the Women's Bureau in Sri Lanka

There were no Finnish bilateral women's projects in our sample, and we examined a Women's Bureau project that ILO had been executing in Sri Lanka with multi-bi funding from Finnida.[6]

The project aimed at improving income and employment for poor rural women, and in this way to affect the structural conditions in which they were living. This objective was found to be highly relevant in Sri Lanka, where the restructuring of the economy had tended to marginalize the poorest section of the population and the Government had taken action to improve the socio-economic status of poor rural women. The immediate objectives concentrated on providing the Women's Bureau with the capability to redesign and implement economically viable self-employment schemes for poor rural women and to implement selected income-generating schemes.

The evaluation mission in 1993 found that the target group had been reached and was amazed by the women's raised awareness and self-confidence. But the project had not attained its immediate objectives. No income had yet accrued to any of the project participants. Only one of the economic targets had been reached: setting up of savings, loans and revolving fund schemes. There had been no increase in sustainable self-employment, productivity or income among the participating women.

The fault was not so much in the implementation. The project was found to have developed various implementation and monitoring tools. Training in group formation and organization had been effective. Various national-level efforts had also been made to strengthen the institutional capacity of the Women's Bureau.

However, the project period was found to be too short to attain all the stated objectives and sustainable results. It was emphasized in the report that self-employment projects for poor rural women needed realistic time frames to achieve their objectives.

---

[6] Strengthening the Women's Bureau of Sri Lanka in Implementing Economically Viable Self-Employment Schemes for Poor Rural Women. Report of the Final Evaluation Mission. ILO. September, 1993.

Agriculture and livestock

Women were variously targeted in the agriculture and livestock programmes and projects included in our sample - some by and large ignoring them, while others were even embracing separate projects for women. To what extent the latter addressed the structural conditions or strategic needs of women is another question, which cannot really be answered in a synthesis study like this.

In the **El Fayoum milk collection project in Egypt,** women had been largely overlooked. It had not been a specific objective of the project to address the interest of women, because women played a very marginal role in commercial dairy farms and in the production taking place on them. The project was seen not to affect women, because the centre served only commercial producers.

Plainly, this is an example of a project which can be argued to affect women not only in spite of but also because of the very fact that women are not targeted, as it can be seen to maintain and strengthen existing male-dominated structures.

In the **livestock project in Kenya,**women had participated at all levels of the programme and were seen to have benefited at household level. 'The cow rotation concept is awakening women into consciousness of their role in the decision making at the household and cooperative levels.' Women and women's groups also gained prestige, when they joined cooperatives. 'The use of workload reducing equipment for women was very appropriate.'[7]

These achievements were there in spite of the fact that gender had not been fully addressed in the LDP concept and there had been some shortcomings in implementation. The Women's Coordinator had been recruited late, which had delayed the implementation of women's training. It was suggested that this may also have delayed the ensuring of gender-sensitive indicators for the project.[8]

---

[7] Kenya livestock mid-term review 1993, p. 29.

[8] Kenya livestock mid-term review 1995, p. 22.

In the **sheep breeding project in Egypt**, it was observed by the evaluation mission of 1991 that 'nothing ha[d] been done by the project in order to assess the impact of the crossbreeding exercises on [the] position of women in rural areas'.[9] Yet several previous studies had stressed the importance of women in sheep breeding.

In **Uyole Agricultural Centre**, gender aspects had not been emphasized in the design of the programme or in evaluation, but women had participated in a routine way in the activities. The review mission noted that some 10 per cent of the research staff and 20 per cent of the students at the training institute were women. The village outreach programme had managed to engage female farmers and 'farmers' wives'. Over 30 per cent of the participants on short courses for farmers were women.[10] The issue of whether such percentages had any connection with the mediocre performance of the Tanzanian extension services was not raised.

The assumption in the **Sasakawa Global 2000 Programme in Tanzania** had been that the increased crop production would result in improved food security and welfare of the household as a whole. The project had not taken into consideration the intrahousehold dynamics or differences in resource use by different household members.

In **SG 2000 in Ghana**, wide regional differences were found in women's participation.[11] Although none of the data collected during the project had been disaggregated by sex, it was obvious that 'women's involvement in the project ha[d] not been proportional to their number among the small farmers'.

The reasons were believed to relate to the inappropriateness of the technologies to women's cropping systems. Women-headed households were more affected by risks of crop failure than were other smallholders. Thus, they were less likely to be interested in monocropping maize. Women also had labour constraints because they worked in several plots. It was believed that if the project moved toward intercropping and crop rotation, the number of women farmers would probably increase.

---

[9] Egypt sheep breeding mid-term evaluation 1991, section 5.5.5.

[10] Uyole mid-term evaluation, p. 31.

[11] SG 2000 mid-term review 1992.

Rural Development

In the late 1980s, when the documents for the programmes reviewed in this study were written, women were no longer excluded from among the target groups in the planning of efforts in rural development, but what including women would in practice entail was subject to widely varying interpretations. 'The aim should be to integrate the women into the mainstream of [the] socio-economic system,' the Kalutara mid-review team argued, and added that the creation of special women's components might turn out to be counter-productive.[12] In Luapula and RIPS I, women figured among 'target groups', but without common agreement on their actual role.

It is not surprising that the practical results produced by that this kind of gender awareness were mixed. In **Luapula**, it was found that projects were in general geared towards the male population; and in **Lindi and Mtwara**, the promised attention had remained as lipservice: in practice, the special needs of women were found to have been largely overlooked. In **Kalutara**, the evaluators were at pains to show that women had benefited from almost all activities of the programme, but whether this was by design or default was not clear.

In **Luapula**, the actual emphasis on male farmers was singled out as a critical project design and implementation problem. Although over half of the Luapula households are female headed, the proportion of women among members of primary societies was 15 to 20 per cent. The extension staff consisted predominantly of men, who referred to female farmers as 'troublesome'.

However, the Luapula review made the important point that women as a group are not homogenous and it would be erroneous to imply that gender barriers are insurmountable. 'Obviously, a few women do succeed and benefit from programmes like LRDP. However, too many are unsuccessful...'[13]

In **RIPS,** women figured most visibly as labourers in road construction gangs. The mid-term review team complained that only 5 per cent of the labour fource consisted of women, and thought that with special attention their share could be increased up to 10 to 15 per cent. The

---

[12] Kalutara mid-term review, p. 66.

[13] Luapula mid-term review, pp. 30, 77.

mid-term evaluation of road assistance projects suggested that such a low participation rate might have been due to the predominance of Islam among the population.[14]

In **Kalutara**, the impact on women was deemed as thoroughly positive. Women were seen to benefit from practically every effort of the project, from road rehabilitation to the introduction of tea cultivation (as tea plucking was normally done by women, they received 'productive employment' and no negative impact was visible).[15]

What kind of women's needs the project addressed was not entirely transparent, however. For instance, the mid-erm review mission thought that the objectives of creating employment for poor women were 'fully fulfilled' through the establishment of industries. The main beneficiaries of the industrial estate established by the project were seen to be the workers, more than 90 per cent of whom were women aged between 16 and 26 years. To be sure, the team had heard fears expressed about the position of the young women workers; but after discussions with the industrialists, it concluded that there was no apparent reason to worry about it.[16] Whether any of the factory owners were women was not discussed.

Forestry

Traditionally, forests have often been regarded a male domain, but gender issues have increasingly been making inroads into forestry projects as well, if not in an entirely systematic fashion. Mostly, the increased consideration has tended to be reduced to promises of 'special attention' to be given to women.

A good discussion was provided by the 1994 review of the **Kenya forestry master plan**. It noted that in few countries had women's involvement in forestry been adequately addressed, or gender issues well examined. Instead of considering gender issues as involving the socially

---

[14] RIPS mid-term review, p. 36; Road Maintenance Assistance Projects in the Mtwara and Lindi Regions, Tanzania. Mid-term evaluation report, November 1992, p. 22.

[15] See the discussion in the Kalutara mid-term review, p. 55.

[16] Ibid., pp. 12, 67.

defined differences between women and men, gender is often erroneously assumed to be synonymous with women, the report argued.

As far as the Kenya plan itself was concerned, the situation was much the same. Gender - and other sociocultural issues - had not been covered at all in some of the documents, and only in sporadic fashion in others. The claim by the preface to the Overview document that the 'Plan ... puts particular emphasis... on participation of rural people, particularly women' was found by the later, 1994 mission to be 'totally unsupported'.

KFMP had sought to involve women in the planning process by working through Maendeleo ya Wanawake, the women's arm of the ruling KANU party. MYW officers had participated in workshops. Yet the mission was told by the chairwoman of the MYW that she thought that women - and NGOs - had been inadequately involved in the formulation of forest policy.

The master plan had also failed to analyze the role of 'women's groups' in grassroots self-help in Kenya. There are thousands of such groups (many of which in fact have men as members) and they have been a major focus of forestry extension work.

In the plan documentation, women's involvement in forestry was in many places mentioned only in passing while elsewhere it was dealt with more detail. Even at best it amounted to scattered statements to the extent of promising 'special attention' to gender in promotion of this or that aspect of forestry.

'While... references to gender issues or women's participation are commendable, they still do not substitute for a thorough analysis of the major issues influencing strategies to promote women's participation,' the mission pointed out. It was unclear why 'gender' or 'women' were to be given 'special attention' rather than reviewing the entire policy with respect to gender.[17]

The failure could not be attributed to a lack of information. Past studies had noted a range of factors that affect women's participation in forestry, the mission said. These include: mobility, organization, land and land tenure, access to resources, access to education, access to labour, time, work, social obligations, income, money, access to credit etc.

---

[17] Kenya forestry master plan review 1994, p. 31.

In **Bura**, 'a highly paternalistic scheme', it was said that although socio-economic research had received little attention during Phase II, it could be noted that 'as in much of Africa, the lot of women [was] a hard one'. The fetching of water was a continuous chore for women. Journey times ranged up to five hours. Much the same was true of fuelwood collecting in which the women continued to play a leading role. Collecting was now the dominant means of obtaining fuelwood. Wild Prosopsis, although least preferred as fuelwood, had emerged as the dominant supply because it was nearby and free. Virtually all the collecting was undertaken by women, sometimes accompanied by children.[18]

In **East Usambara**, as has been pointed out earlier, little meaningful people's participation had taken place in Phase I. This was particularly true with women. In the Project Document, it was stated that 'as the project [did] not have direct impact on the local population, the role of women [had] not been given special consideration'. When villagers had been consulted, it had obviously been limited to the village leadership. In Phase II of the project, women's role was given much more prominence.

In the **Zanzibar Forestry Development Project**, gender was given serious consideration from the beginning of Phase II onwards; women were singled out as beneficiaries (although, at first, there were no means outlined in project indicators to monitor how women had in fact been considered). Differences between women's and men's specific activities were recognized, and a determined attempt was made to reach women, especially female household heads.

It was also apparent that women's involvement in forestry had considerably increased. This was especially clear in village forestry, which had started as a men's activity. The early extension agents were men, who worked with individual male farmers and men's cooperative and informal groups. The involvement of women began in 1985. This was credited to the Chief Minister's exhortation that also women should plant trees. The forest department began to recruit women foresters. At the end of Phase II, there were five of them. They had been working mainly with different women's groups.

The 1995 mid-term review found that a good number of Zanzibari women had been committed to forest activities, in particular to seedling production and tree planting. There were, however,

[18] Bura mid-term review, pp. 25, 26, 37.

several socio-economic and cultural constraints that had discouraged women's participation, such as lack of capital, limited access to land, a heavy workload, and cultural attitudes. Some women's groups were found to be too large, and the participation of women on village management committees was still low.[19]

Health

Considering the common image of the traditionally active role of women in health-related concerns, it was surprising to find out how lightly women were passed over in health projects in our sample.

The project in which gender issues had been given most attention was the one in **Western Kenya**. The 'strengthening of mother and child care' was one of the focus areas, and more than 2,000 traditional birth attendants (TBA) had been trained. Women had also been included in the training of community health workers, who were encouraged to belong to women's groups in their respective villages in order to promote effective community involvement.

The 1990 mid-term evaluation admitted that 'assessing the impact of TBA training [was] not easy', but reported that in the view of the district and project staff, the training had contributed significantly to developments such as the major reported drop in cases of neonatal tetanus and the increased referral of pregnant women to health facilities. Also, community health workers were believed to have contributed to raising community awareness of primary health care, although no follow-up surveys had been undertaken to assess their post-training performance.[20]

According to the impact evaluation on training, the project had had a considerable positive impact on the status of health in Western Province through reduction of high rates of fertility, and maternal and infant mortality. However, indicators to ensure gender differentiation had still been minimal and objectives related to gender were not developed.[21]

---

[19] Zanzibar forestry mid-term review, pp. 24-25.

[20] Health through district focus, I, pp. 15-16, 37-38.

[21] Impact evaluation of training, pp. 4.

In the **Somalian** tuberculosis control project, when women were mentioned, they were commonly grouped together with children. Women's groups and households had received some health education, but otherwise there had been no gender-specific objectives or recommendations. Hardly any of the demographic indicators had been disaggregated by sex.

The **Nicaraguan** hospital maintenance project included training of hospital staff, but women were not mentioned here either. Maybe the project was regarded as too 'technical' to have anything to do with gender.

Water

It appears that at the beginning of water projects and programmes, no particular significance was attached to women; but recently, gender awareness has grown. It was during the implementation of these projects that the WID aspect became a part of the international development agenda. The International Drinking Water and Sanitation Decade (1980-1990) signified a fresh realization of women's role in water and sanitation aspects. Women were shown to be the collectors, users and managers of water as well as the central group concerned with sanitation and health of household members. Their central role has been brought home in Finnish projects as well, and most review missions examine the issues critically.

That the collection and use of water, especially in rural areas, is women's responsibility is now widely acknowledged, and women were duly highlighted in all the water projects discussed here. In **Western Kenya**, women had been considered as 'primary beneficiaries' since 1984. In **Mtwara and Lindi**, 'special efforts to involve women in all stages' were called for in Phase IV in the mid-1980s, although they do not seem to have materialized before the final phase in 1991-1993. In **Kandy**, women's participation was supported from the beginning of Phase I.

By the time of the evaluations discussed here, a good number of women had been included in water or action committees and also trained as pump attendants. Especially the Western Water Supply Programme was credited for very good results in training women in maintaining and

repairing the pumps themselves. Those trained had increased self-confidence and status in their communities.[22]

Nevertheless, the Finnish programmes in general were criticized for not having fully exploited women's contribution or examined how the benefits from improved water sources were divided between men and women, or what the introduction of water charges would mean for women.

A good example showing the complexities of the women in development approach in action is the **rural water supply and sanitation project in Lumbini Zone in Nepal**. The project was commended for taking the inclusion of women seriously from its inception. The policy to be followed was 'people's participation to the maximum (and women in particular) in all aspects of planning for, providing and maintaining water supply systems and sanitation facilities'. A detailed strategy for including women had been developed as early as the project identification stage. During preparation, socio-economic data disaggregated by sex had been provided. Women were also seen to actively participate in the activities sponsored by the project.

Yet it was found that there was little if any mention of women or data disaggregated by sex, in the annual reports, work plans, quarterly reports etc. The mid-term review was led to recommend that promotion of women's involvement needed more attention.

Given the excellent starting-points of the Nepalese project, why was the actual record so disappointing? asked a Finnida WID consultant.[23] Was it because the strategies for reaching women were not spelled out or because relevant indicators were not delineated? Or were there no project mandates requiring disaggregation of data by sex?

The answers to these questions would be helpful not only for the Nepal Project but also more generally, the consultant argued. The questions were not unique to Nepal or Finnida, but rather reflected a common phenomenon within the water and sanitation sector. '(E)ven with policies at all levels supporting the inclusion of women and a clear determination of the project to do so, it is still not enough to make women visible.'

---

[22] Mary Hill Rojas, Kenya Finland Western Water Supply Programme. Phase IV, pp. 3-5.

[23] Mary Hill Rojas, Rural Water Supply and Sanitation Project in Western Development Region, Nepal: 1993, Finnida, unpublished.

In urban projects, the issue of women was much more haphazardly tackled. The **Hanoi** project document did not address it, nor was the women's role in the implementation or as beneficiaries given particular attention. A socio-economic study undertaken by the programme did not include a discussion on gender aspects, although a Finnida country study on gender in Vietnamese projects was prepared almost at the same time. The review mission thought that gender aspects could be included 'as one item in the future consumer monitoring'.[24]

Education

Following the general trend, issues related to gender have been given increasing attention also in the education and training projects, but it is clear that in the projects included in our sample and in the reports evaluating them the attention has been relatively scanty and unsystematic.

Prodec stated that it had paid particular attention to attracting women participants to its courses. The ratio of women out of the total number of participants had indeed slowly increased, being around 15% in 1989.[25]

The **FTP** had not included gender issues in any of its activities, argued the evaluation in 1993. It was indicated that there were women in the training courses every now and then, but the fact is that the great majority of officials in the forestry sector in developing countries are men. In the Philippines, there was a course especially targeted to women, 'women tree farmers'. This particular project had been established only after the evaluation in 1993 was done. Also, the importance of women-headed households was recognized, since women operated as wood and tree sellers.

Gender issues were not specifically included in any of the project activities or in any of the reports of the **ZEMP** project.

In **Practical Subjects Teaching in Zambian primary schools**, girls should in theory have participated equally with boys, but the old aspirations were found to still prevail. Boys

[24] Hanoi water supply mid-term review 1993, p. 34.

[25] Evaluation of Prodec, June 1989.

predominated in taking practical subjects in primary schools. But when girls were taught, it was found that they were better than boys at learning the skills needed. Also, the proportion of women among practical subjects teachers had risen. Women teachers, moreover faced a double task: teaching and household work.

Infrastructure

Infrastructure is among the few sectors which have not gone along with the WID mainstream. There was little if any discussion on women and gender issues in connection with infrastructure projects. Women were not mentioned at all in evaluations and reviews concerning port and electricity projects, and the attention they received in road and mapping projects was rather minimal.

However, for **electrification** projects, it was found in the separate socio-economic study on the effects of the Valle Sagrado programme in Peru that, unexpectedly, electrification had had an adverse effect on the position of women. When electric light was available, women used it for working longer hours in household activities. Men and children dedicated more of their total available time to personal activities like visiting friends, spending time in the streets (which had street lighting), and watching TV.[26]

Women were not considered in reports of **road** projects except as part of the labour force in the rural road maintenance project in Mtwara and Lindi in Tanzania.[27] Neither were analyses of socio-cultural issues done.

Among the **mapping projects**, only the evaluation report on the Bangladesh project mentioned women, recommending their active inclusion in the training component. Other projects did not have anything to say on women.

---

[26] *Electrification and rural development,* 1990.

[27] See the discussion above, in connection with rural development projects.

Industry and engineering

Originally, gender appears not to have been much of an issue in industrial projects either, but it has more recently been accorded some attention. The actual effects and impacts were difficult to evaluate, as pointed out by the ex-post evaluation of the Pha Rung Repair Shipyard, since no gender specific objectives or targets had been set during the design or implementation of the projects and little information disaggregated by sex was provided.

In **Tanzanian industry projects**, women were ignored not only in the projects but also in the evaluations and reviews of them. Next to no information disaggregated according to gender was found, even though these projects can hardly have been entirely gender-insensitive in their impact on households through income earning, employment, etc.

In **Pha Rung**, it was found that achievements could not be measured against the objectives, since no gender-specific objectives had been set during the project by the Finns or the Vietnamese. The evaluation team, which had been asked by Finnida to pay special attention to the issue, found that 23 % of the labour force were women. No gender-specific criteria (positive or negative) were applied, and women and men with similar qualifications were said to have an equal opportunity of getting a job. Women were indeed represented in all departments of the shipyard and at all levels, except the top management. Also the pay was equal, and its low level - average USD 50 per month - drove both husband and wife to seek employment. The policy of the yard was to employ both man and wife if possible, so that together they would earn enough to support a family.

Conclusions

It is evident that gender-sensitiveness, in the sense of 'attention being given' to women, has been greatly heightened in Finnish development projects during the time frame of our study. Some major gaps remain, however (infrastructure and industrial projects), and what attention to women entails in practice is not at all unambiguous.

As far as the orientation of the projects towards women as preferred target groups is concerned, a number of Finnish bilateral projects score quite well. Activities included in the agriculture,

rural development, forestry, health, water and education sectors can no longer be conducted without special reference to women and without targeting to them.

To what extent this targeting from above had become a reality from below, at the grass roots, and how women had benefited from the projects, is a much trickier question - especially if one agrees with the argument that gender is a social issue, and that women should not be regarded as a homogenous category but, rather they, too, are divided by a number of social, cultural and other cleavages.

We have examples of 'women', as a category, benefiting (Kenya Livestock Development Project) and 'women' losing out (electrification in Valle Sagrado), but in most cases we have far too little information to make any coherent statements as to how women have been affected and who among them have benefited and who have lost out. This is closely related to the problem of poor or missing data on the overall impact of Finnish projects in general.

It appears clear, however, that there have been far fewer projects which have really addressed the relationships that keep women disempowered or are aimed at strengthening womens' own organizations. Often, women have been taught traditional forms of income earning: handicrafts, and also cooking, childcare and gardening (e.g. Zambian practical subjects, Somalia tuberculosis control), which do not help women to break down the old traditions and look for new forms of income earning, new forms of influence in the surrounding society.

Where genuinely new employment opportunities have been created for women, the reports at hand do not very profoundly consider the actual effects and wider social and economic impacts of women's participation in the project work force. If women earn extra money from wage labour, does it mean that young girls are left out of school to take care of household tasks while their mothers are working? Do the new work opportunities increase women's already heavy work burden? How do decision-making and power structures change within the households? Such questions were not raised in the evaluation and review reports that we read through.

Finnish development projects have often assumed an 'idealized' model of a household, where all the resources are pooled and shared equally among all the members, and harmony predominates in the atmosphere. More realistic would be to apply intrahousehold models which recognize gender biases and intrahousehold inequalities, integrating cultural and social aspects

into household analysis.

10. CRITICAL PROBLEMS

Several critical problems or factors affecting the performance and impact of Finnish development projects and programmes have been mentioned in passing above, and occasionally discussed to some extent. In this chapter, they will be summarized in a more systematized fashion and complemented with other issues, so far barely touched upon. Although none of these problems were found in all projects, some were common to a larger number of projects across sectoral or other borders, while others plagued a smaller group within a sector or a country or other entity.

For our purposes, critical problems can be roughly divided into two major groups and also to the poor knowledge base underlying both of them. Some problems stem from the design or organization of the project, i.e. they are predominantly internal to the project. Others are related to the external environments in which the projects are operating and are caused by forces external to the projects. These are social, cultural, political, economic or even natural factors whose role could and perhaps should have been anticipated, but which are beyond the direct control of the project. Underlying both these sets of problems was insufficient or lacking knowledge of the environments and the forces at work in them.

The discussion below is meant to highlight the main problems and issues encountered in this study by illustrating them with selected examples from projects and programmes. No claim is made as to comprehensive coverage of their incidence.[1]

Internal problems

The most critical problems internal to the Finnish projects and programmes themselves seemed to pertain to deficiencies in design and planning, and to too heavy a reliance on outside resources in their execution. Also the organization of the projects and communication within them, and between them and Finnida, often left room for improvement.

[1] Also the references are selective and limited to cases in which the factor concerned was clearly exemplified.

Deficient logical frameworks

Ambiguity regarding the objectives of the projects or programmes, and confusion between longer and shorter term objectives and actual outputs or results, were observed by many evaluation reports. Sometimes the problem was not in understanding the objectives, but in a confusion as to the differentiation between components, outputs, indicators, activities and plans.[2] The sectors in which this was most frequent were perhaps water supply and health, but there were hardly a sector without one or two projects in which it was difficult to make sense of the intended relation between the physical and institutional outputs and the wider objectives.

In some cases, the confusion was obviously due to weaknesses in the preparation of individual project documents and other major plans. Objectives and their relationships had been left poorly defined because of undue haste, carelessness, etc., and these shortcomings had gone undetected in the appraisal phase. In extreme cases, no appraisal had been made[3].

However, the fundamental flaw may lie deeper. In many Finnish projects, the attainment of the physical or institutional targets was emphasized much more than the utilization of the targeted facilities. The targets were stated in terms of quantifiable outputs (e.g. the number of wells to be constructed), and the demand for their utilization was taken as granted. This left the link between the outputs and targets on the one hand, and the wider objectives (e.g. the reallocation of labour time or improved health) on the other, poorly defined and tenous. In the lack of the integral connection between the immediate outputs and the wider objectives, the latter may remain wishful thinking or become a cover under which activities can be undertaken that have very different purposes from those stated publicly.

Such problems were frequently encountered in earlier projects. Whether the introduction of the Finnida 1991 Guidelines for project preparation and the standardized reporting system in 1993 have reduced the confusion is not possible to say with certainty, because we have not examined the project documents and reports. In our sources, however, there was little

[2] E.g. in the Nicaraguan hospital equipment maintenance project, evaluation 1994, p. 18.

[3] In the Bangladesh mapping, evaluation 1994, p. 21.

evidence to show that they would. As has been argued above, the Guidelines themselves are ambiguous on this point. Although they emphasize that outputs are means to achieve objectives, they also embrace the duality between outputs and output specifications on the one hand and development and immediate objectives on the other, and state that what the projects are contractually committed to is to achieving the outputs.[4] The European Commission logical framework is much superior in this respect. There is no such gap there, because what is called the project purpose must be stated in terms of the utilization of physical and other outputs (e.g. the number of people actually using the wells constructed and the amount and quality of water obtained by them).

Over-optimistic time frames

Another problem related to the design of the projects and programmes was that of over-optimistic time frames. It was found in particular in agricultural, rural development, water and health projects. It led to the result that existing workplans and timetables could not be followed, or that the level of ambitiousness of the objectives had to be reduced.[5]

Donor-driven planning and implementation

Finland's mode of carrying out development cooperation has been, and continues to be, rather donor-driven. Recipient priorities - earlier mainly those of recipient authorities but now increasingly those of the direct beneficiaries as well - are listened to and taken into account, but after that, it is Finnida which organizes project identification and preparation, tendering of contracts, choice of consultants, etc.

In our sample, two major problems stemming from donor dominance were encountered, especially in the earlier phases of the projects under review: top down planning and parallel implementation structures. These often went hand in hand.

---

[4] See discussion above in ch. 3.

[5] Examples include: Harispattuwa and Udunuwara water supply and General Hospital Colombo projects in Sri Lanka; El Fayoum Milk Collection project in Egypt; and RIPS I rural development programme in Tanzania.

A telling example of these problems was provided by the ex-post evaluation of the 'Zambia Practical Subjects teaching in primary schools' project. It was seen in the major ex-post evaluation as 'at least partially a failure', but not because of ineffective implementation. The problems were rather poor impact and ultimate unsustainability. The evaluators in 1994 traced the root cause of the failure to the fact that the main objective had been flawed. The assumption that Zambian pupils needed practical skills for their survival was found to be untenable. It was argued to the contrary, that there was a lack of interest and appreciation on the part of the students and parents alike as regards practical subjects involving manual work. This had gone unnoticed because the intended beneficiaries had never been consulted about their preferences. The nature of the project had been utterly top-down. Management had been dominated by Finnida, which had set up its own parallel administration and kept a strict control over the budget. This had created lack of administrative interest from the Zambian side, and there was no-one to take over when the Finnish support was terminated:[6]

> The lesson is clear. Unless an aid project genuinely has the policy support of the recipient country it is unlikely to be sustainable, no matter how much it may seem to the donor to be in that country's interests.

The Zambian Practical Subjects project has been singled out for some discussion here because a thorough ex-post evaluation of it was available, not because it necessarily would have been the most flagrant case of donor dominance. In fact, it may have been fairly representative of a large number of Finnish development projects of its generation.

Also many other projects were criticized for a top-down approach and inadequate integration into local structures. Such projects were met in education[7] and in health,[8] but the sector in which parallel structures had been more the rule than the exception was water supply. This

---

[6] See the *Practical subjects ex-post evaluation* (quotation p. 16).

[7] E.g. the other Zambian project, the Educational Materials Project (ZEMP) evaluation 1991, pp. ii, 56-57.

[8] E.g. Somalia tuberculosis, mid-term evaluation 1990, p. 2.

was most evident in the earlier projects;[9] but in some, old structures persisted well into the 1990s.[10]

In the 1980s, there were few cases where implementation took place within the recipient organization, and in these Finnida implanted some expatriates as controllers[11] and also implementors[12]. In the early 1990s, a shift was taking place from top-down planning and parallel implementation to bottom-up participatory planning and more devolution in implementation in sectors such as agriculture, rural development, forestry and water.

In practice, the emergence of new community- and people-centred approaches was a slow process, with limited success thus far.[13] Parallelism continued to persist, in less conspicuous forms. An example here is Mtwara-Lindi rural water supply, where the formerly formidable expatriate structures were dismantled to the point of only one expatriate remaining to phase out the activities. Yet he continued to have much control over the Finnida funds.[14]

Expatriate-run implementation structures conspicuously bypassing those of the recipient administrations were characteristic of earlier projects. More recently, coinciding with the reduction of expatriate contingents, another form of parallelism came to the fore. Many projects have set up staff structures of their own by topping up the salaries of the recipient government officials seconded to work with them and paying extra allowances to their staffs.

Views on this practice were conflicting. It was commonly justified by referring to the extremely low official level of salaries in the cooperation countries. No family could be expected to subsist on such salaries, and yet a much more sustained labour input was demanded from people on project staffs than government officials in general. Still, the

---

[9] E.g. Harispattuwa and Udunuwara post-evaluation 1988, p. 8; Mtwara-Lindi evaluation 1990, pp. 3-4; Western Kenya mid-term review 1990, pp. 17, 25.

[10] In the Hanoi city water project, 15 Finnish expatriates were working at the time of the latest review in late 1993. By mid-1995, the number had been reduced to 13.

[11] E.g. Kalutara mid-term review, p. 59.

[12] E.g. RIPS mid-term review, p. 51.

[13] See e.g. Kandy water and sanitation project evaluation 1990, p. 2.

[14] Mtwara-Lindi mid-term review 1993, p. 15.

arrangement was doubted by some evaluation missions. It was feared that the practice would create problems of motivation and sustainability in the longer run when there was no longer a project around to pay the salary increments.[15]

Thus, good intentions and determined attempts at integration of Finnish-funded projects into local structures do not necessarily unmake the basic donor-driven nature of the activities. As noted by the Tanzania country evaluation, 'the comment often heard from the Tanzanian and the Finnish side was: "The one who has the money, has the final say"'.[16]

Inappropriate imported technologies

A considerable number of projects were found to experience trouble with imported technology, often of Finnish origin. Underlying this problem was the fact that in practice, Finnish bilateral aid - though not officially tied to procurements from Finland - was, as grant aid, to a great extent tied to the use of Finnish resources. As expatriates have had a dominant role in the procurement of materials, this partly explains the pivotal position given to them.

The sectors which used the most imported technology included infrastructure (telecommunications, electrification, container handling, road and transportation equipment), water (generators, handpumps, pipes), industry (machinery and inputs), and health (construction materials, medical equipment); but similar problems were encountered even in agriculture and livestock (imported breeds and milk machinery), rural development and forestry (transport) and education projects (tools for practical subjects teaching).

It was rare, but not unheard of, for imported technology to be manifestly unsuited to local conditions from the outset.[17] The more structural faults found earlier in some machinery,

---

[15] Good discussions are provided, among others, by SATIM mid-term evaluation 1991, pp. 20-23 (favouring topping-up) and East Nepal topographic mapping evaluation 1994, pp. 33-37 (doubting its sustainability). For an unsuccessful experiment, see *Practical Subjects in Zambia*, p. 18.

[16] *Tanzania and Finland*, p. 169.

[17] Examples are provided by some Valmet wheeled loaders in Mtwara-Lindi, Road maintenance assistance mid-term evaluation, pp. 19-20; or some over-sophisticated

such as those in Trama tractors in Tanzania, had been corrected before the beginning of our study period.

More commonly, technology imported was found appropriate for immediate use, but problems were encountered - or envisaged - as regards sustainability, i.e. longer term use and maintenance of the technology, especially after Finnish withdrawal from the project. Often, the technology imported was heavily dependent on imported inputs and spare parts which few of the local institutions concerned were in a position to afford. Examples of this were some modern dairy facilities and industries relying on imported inputs.[18]

A further problem was that Finnish assistance added new makes to an already large and varied assortment. Whether hand pumps,[19] transport and other vehicles,[20] or digital switching systems,[21] the multiplicity of types complicated operations and maintenance and posed a threat to sustainability. Where several donors were involved, as in Dar es Salaam port, they could all introduce their own makes carrying out similar kinds of tasks.[22]

Finnish makes were commonly newcomers in the countries concerned, and poorly supported in local circumstances. A number of industrial, forestry and rural development projects were donated Sisu trucks to be used for long-distance haulage, but their total number in the recipient countries remained so low that no local dealers could be engaged to stock spare

---

laboratory equipment in Somalia tuberculosis control, mid-term evaluation, pp. 48, 61.

[18] E.g. El Fayoum milk collection centre in Egypt, practically all Tanzanian industries discussed in this study, and the Beira exercise book factory, see above, ch. 5.

[19] Harispattuwa and Udunuwara post-evaluation, pp. 16-17, 19-20 and Annex 5.

[20] In the Mtwara-Lindi rural road maintenance project, the standardization of vehicles and maintenence was 'not satisfactory'. Some equipment had been imported from Finland against Tanzanian regulations. RIPS mid-term review 1991, p. 37.

[21] In Sri Lankan telecommunications, there used to be two digital switching systems in use. The Finnish telecommunication projects in Hambantota and Kalutara added Nokia's as the third; and the evaluation mission feared that when Finnida ceased its support to the telecom sector in Sri Lanka, a fourth system might be introduced - 'an almost impossible situation'. Sri Lankan telecommunications evaluation, pp. 40-43.

[22] *Tanzania and Finland*, p. 290.

parts and consumables, and these had to be ordered from Finland.[23] But problems were also experienced with imported non-Finnish technology.[24]

Even where Finnish aid provided internationally known makes, the total numbers of types remained lower, and good maintenance capacity and spare parts were locally available, the long-term sustainability of expensive equipment could become open to question, given the manifest inability of the recipient governments to accord sufficient funds for maintenance. A team suggested that large Land Rover fleets should have been replaced by motorcycles or mopeds.[25]

Often, the equipment imported represented overly advanced technology, but problems were not confined to more sophisticated machinery. There were cases in which technology that can, even in retrospect, be regarded as appropriate technology did not work for some reason. The prime example is the shallow well part of the Mtwara-Lindi rural water supply programme.

In Mtwara-Lindi, shallow well technology was originally chosen for large parts of the area in spite of some misgivings and resistance from the Tanzanian side. With the passage of time, it indeed proved much more sustainable than the alternative of diesel-driven piped systems. Yet also shallow wells could fail. Out of 970 wells visited by the evaluation team in 1990 only 212 were fully operative. The mission drew the obvious conclusion that such statistics were 'a clear indication of weaknesses in the applied technology'. After that, a rehabilitation programme increased the number of operating wells; but apparently the numbers fell again after the completion of the project.[26]

---

[23] E.g. Luapula mid-evaluation, pp. 46, 119; *Tanzania and Finland*, p. 247 (for Twico).

[24] E.g. with a Japanese automatic film processor in General Hospital Colombo, Finnida end-of-project review, p. 12; or with Lansing forklift trucks in Dar es Salaam port, Dar es Salaam port mid-term review 1992, pp. 1-3, 1-9.

[25] The RIPS mid-term review pointed out that in Tanzania, for the price of one Land Rover, one could purchase some 10 motorcycles or 50 mopeds, p. 26.

[26] *Tanzania and Finland*, p. 279; Mtwara-Lindi water supply evaluation 1990, p. 16 (quotation); and above in chapters 5 and 6.

Another, very different case, was that of the Finnish-Egyptian sheep breeding project. The idea was to introduce high-fertility Finnish sheep, cross them with local varieties, and distribute the crossbreds among smallholders. In research station conditions, crossbred sheep did show a better reproductive performance than the local sheep; but in a smallholder farm environment, no evidence was found that the Finn crossbreds would have reproduced better or contributed to increased farm incomes.[27]

In some cases, a choice of advanced technology, which had appeared justifiable at the time the project was started, was rendered obsolete by technological development during the lifetime of the project. A case in point is the Tanzania Pharmaceutical Industries plant in Arusha. Its heavy investments in modern equipment turned out to be a fatal liability. Simple generic drugs that constitute the bulk of TPI's products can now be produced on a large scale with much simpler and cheaper equipment, often of Asian origin.[28]

The high initial costs of imported technology were alluded to in many reports in addition to the TPI one.[29]

Another critical problem was the nature of institutional support for technology transfer. Often - but not always - some training was given, but its quality was frequently in doubt. Reports complained of training having been planned without adequate analysis of training needs, with the consequence that contents, training methods and materials had not always been suitable for the target groups. Commonly, there was little if any follow-up on its impact.[30]

In addition to the qualitative aspects of imported technology, problems arose in its procurement. In many projects, delays in procurement of equipment and material occurred.

---

[27] Sheep breeding mid-term report 1991, section 5.1.2.2 (no page numbers given). Admittedly, the project had by then been operating for only three years.

[28] *Tanzania and Finland*, p. 269.

[29] E.g. Sri Lanka telecommunications evaluation, p. 36; Somalia tuberculosis control, mid-term evaluation 1990, pp. 1, 61; GHC evaluation 1992, p. 15.

[30] E.g. Somalia tuberculosis control, mid-term evaluation 1990, pp. 54-55; Kenya primary health care, mid-term review 1990, pp. 36-39.

Ordering of spares often took longer than anticipated.[31] The Mtwara-Lindi water project even experienced a long stoppage of material flows from Finland, due to a ban on supply during an investigation of suspected malpractices.[32]

Problems in organization and communication

The conduct of Finnish development cooperation, as of any human activity, varies according to personal capacities and predilections of the people involved, but also according to the circumstances in which they work. Many projects were found to suffer from unclear internal organization and problems in cooperation and communication. This happened not only within internal project administrations but also in relations between the projects and Finnida.

A case probably not unrepresentative of more troubled undertakings was that of the Luapula rural development programme. The technical staff was judged to have performed reasonably well, but the work of the programme coordination unit had been hampered by factors such slow decision-making, difficult 'human chemistry' problems, and communication problems arising from an excessive use of the Finnish language in a multicultural environment.[33]

In some cases the project organizations were found to be unnecessarily cumbersome, involving too many parties and levels. Even in normal cases, the following were involved: the project team on the field, the consultant home office, the Finnish Embassy in the country, the Finnida headquarters, local authorities and, last but not least, the intended beneficiaries.

Some projects had a more complicated administrative structure. The administration of several infrastructure projects had been assigned to the Finnish National Roads Administration (FinnRA, formerly known as Roads and Waterways Administration, or RWA), which further

---

[31] For problems of a different kind, see e.g. Luapula mid-evaluation, p. 119; Beira exercise book factory evaluation 1992, p. 15; Uyole mid-term review, p. 3.

[32] Mtwara-Lindi mid-term evaluation 1993, pp. 1-2.

[33] Luapula mid-evaluation 1990, pp. 119-121.

subcontracted much of the implementation to private consultancy companies. This was seen to lead at least to some overlap and duplication of efforts, and also to increased costs.[34]

Examples of even more cumbersome administrative arrangements were encountered, with several implementing agencies working on one project, employing a number of coordinators.[35] In projects involving a lot of construction, difficulties had been created by factors such as the employment of several contractors, both Finnish and local, and their coordination.[36]

In some cases, bureaucratic procedures in Finland and in the recipient country were seen to lead to a slow flow of funds from Finland, which was taken as a serious constraint.[37]

Communication was experienced as a problem at several levels. Language problems emerged from time to time. Language skills of Finnish expatriates were rarely commented upon in project-specific reports; probably, they had improved from what was found in the Nordic evaluation of technical assistance personnel.[38] References to excessive use of Finnish causing friction were met in a few projects. Elsewhere, poor translation of documents into local languages had hampered communication among international staff.[39]

---

[34] For example, in the RIPS road project, mid-term review 1991, pp. 13, 17, 23, 35, 38; and Dar es Salaam port, where the practice was stopped after Phase II, mid-term review 1992, pp. vii, 2 - 4, and *Finland and Tanzania*, pp. 287-290.

[35] RIPS in Mtwara and Lindi had three different Finnish parts, each having its own budget: the main consultant for the rural development project; FinnRA - with its sub-consultants - for the road project; and the cooperative management advisor. In addition to those, there were three other Finnida-funded projects working in the area (a water project, a trunk road project and an NGO sport project), mid-term review 1991, p. 13. The Nicaraguan hospital equipment maintenance projects had three agencies involved in implementation: the Ministry of Health (MINSA); the multilateral Pan American Health Organization (PAHO); and a local company, Tecnomedic. Yet the director and other key personnel were only involved with the project part-time. Nicaraguan hospital equipment maintenance evaluation 1994, pp. 16-18.

[36] E.g. Harispattuwa and Udunuwara water supply post-evaluation 1988, p. 8; GHC evaluation 1992, p. 21.

[37] E.g. RIPS mid-term review 1991, pp. 13, 22-23.

[38] To be discussed below, ch. 12.

[39] Nicaraguan hospital equipment maintenance evaluation, 1994, p. 41.

Finnida (or Finnish embassies in some cases) was criticized by the evaluators of some projects for insufficient supervision of, or a lack of interest in, the project.[40] Sometimes the supervision was seen to suffer from the turnover of key programme officers in Helsinki.[41] Exceptionally, the Finnish embassy could be criticized for too close an attention to details of a project.[42]

External problems

In recent years it has been increasingly realized that development projects and programmes, like plants cannot survive and thrive if isolated from their macro and micro environments and their socio-cultural backgrounds. This realization has led to a clearer recognition of critical problems stemming from the relationship of the projects to their environments.

Policy macroenvironment

A major strand in recent development thinking has been a realization of the crucial importance of policy environment and the need to understand and anticipate it much better than hitherto and also to influence it. 'One of the compelling lessons of experience is that aid can only be as effective as the policy, economic, and administrative environment in which it operates'.[43] This is evident also from the present study. Many problems encountered by Finnish projects and identified here were attributed more to policies, or unexpected policy changes, than to any factors internal to the project.

---

[40] E.g. Nicaraguan hospital maintenance evaluation 1994, p. 42; Harispattuwa and Udunuwara post-evaluation, p. 42; Hanoi water supply evaluation 1991, pp. 46-47, 53; ZEMP evaluation 1991, p. 60.

[41] E.g. RIPS mid-term review 1991, p. 54; Nepal rural water and mapping projects (interviews, see ch. 15 below).

[42] Dar es Salaam Port. Mid-term review 1992, p. vii.

[43] *DAC Principles for Effective Aid*, p. 5.

Changes in most of the countries with Finnish cooperation that are included in this study have indeed been profound during our period. In one group of countries, comprising Sri Lanka, Somalia, Ethiopia, Mozambique, and Nicaragua, the whole social fabric has been under heavy stress, with civil disturbances and full-scale wars breaking out and then subsiding to a strained peace. In another group, consisting of countries such as Tanzania, Zambia, Vietnam, and perhaps Kenya, violence has been much less, but economy and polity have been decisively shifted from old, heavily state-controlled moulds towards more market-based and liberalistic forms. Also Nepal has undergone consequential political changes. In Egypt, which has avoided spectacular turnabouts, social tensions are heightening.

The significance of changing policy environment was manifest across all sectors in development cooperation.

In agriculture, the major problem was the abolition of subsidies, along with liberalization of marketing of the inputs and outputs. How a change in the pricing policy for a single commodity can ruin the basic premises of a whole development programme was graphically shown in the case of Luapula maize.

In industry, management and ownership were seen as further crucial variables. In all projects discussed here, the support had been given to industries which were originally state-owned enterprises, or parastatals, but which during the project found themselves in a new competitive environment that was seen to require not only changes in ownership structure but also a new style of management and new types of management skills.

In social sectors such as health, water and education, there was a policy shift away from free provision of services towards 'cost sharing', meaning that the users of the facilities should pay their share for them. The question as to the size of a proper share remained a debated issue. A broad consensus seems to have emerged that water should and could be charged a price that is sufficient to run the facilities; but in the case of inherently more expensive endeavours such as basic health and education services, no agreement was in sight.

In spite of the undeniable importance of these policy changes, one should not overlook the danger that their role in the difficulties faced by development projects and programmes may easily be exaggerated while the contribution of deficiencies internal to projects is neglected.

Also, it should not be forgotten that most of these policy changes have been strongly advanced by the donors themselves.

In fact, the great majority of such reforms in economic policies were the result of powerful donor pushes for structural adjustment. Yet few, if any, Finnish project administrations seemed to have been able to sufficiently anticipate the changes to come, or to have been flexible in adapting to them when they came. Neither was the grasp of the implications of policies, whether old or new, entirely convincing in all cases.

In a few fields, such as forestry, the objectives of the projects displayed an apparent trend away from reflecting the existing policies (Tanzanian projects in their earlier phases, South Kalimantan) towards a conscious attempt to mould their making (Kenya master plan, Tanzanian projects in their later phases). Yet there was little indication of an awareness of the complexity of the forces affecting policy-making.

Working microenvironment

A host of problems, closely related to problems conditioned by policy, were encountered in the more immediate microenvironments in which the projects and programmes worked. The most visible of these were related to the inability or unwillingness of local partners to carry out their part of the commitment, whether due to a lack of funds, of humanpower, motivation, or whatever. Sometimes Finnish activities had to compete with other foreign-financed activities putting stress on local institutions.

Some governments (Sri Lanka, Somalia, Tanzania mainland, Zanzibar) were found to be temporarily unable to pay all the local costs they had been contractually committed to, or the payment of these was badly delayed. In some cases, the inputs required from local partners might have been too high from the beginning, but often the cause was in the difficulties faced by the countries' economies.

Practically all the projects experienced some problems with local staff. At the highest level, there were often over-optimistic assessments of the technical, managerial and financial

capability of the recipients. In countries moving away from a command economy, managerial skills needed in a market economy were in short supply.[44]

At the middle level, an often expressed problem was the high turnover of staff. It was found especially difficult to keep trained staff, due to low salary levels. People who had gained skills from the project were lost to the private sector or neighbouring countries where better salaries prevailed.[45] There was hardly a country - Vietnam, perhaps, was an exception - in which this problem was not encountered.

The skills of the local labour force were seldom explicitly discussed,[46] but the general impression was that they were not always at the level of most optimistic expectations. A few projects had taken sustained measures to improve them, notably the Pha Rung repair shipyard.[47]

There was also a commonly mentioned group of critical problems of a more technical nature, affecting especially - but by no means exclusively - industrial and infrastructural projects. These included unreliable power supply, lack of fuel and interruptions in fuel supplies, increase in prices, lack of materials, customs clearance problems for imported material, and security problems, etc. In some cases even natural forces, such as heavy rains, could interfere with the execution of a project.[48]

Social and cultural environment

Perhaps the most important, and most inadequately understood, factor is the social and cultural environment. In principle, to be sure, its crucial role has long been recognized. Yet

---

[44] E.g. *Tanzania and Finland*, p. 272 (Tanzanian industrial projects); *Pha Rung post-evaluation*, pp. 14, 31; Beira exercise book factory evaluation, pp. 13-14, 27.

[45] E.g. *Zambian practical subjects post evaluation*, p. 9; Nicaraguan hospital equipment maintenance evaluation 1994, p. 30; *Tanzania and Finland*, p. 268 (TPI).

[46] For an exception, see Beira port mid-term evaluation 1989, pp. 24-25, 28.

[47] *Pha Rung post-evaluation*, pp. 16, 31.

[48] As with Nepal Eastern topographic mapping in 1993.

our sample included an ample number of examples in which functioning links between the projects and their environments had not been forged.

The need for understanding of local social and cultural factors has been evident in endeavours like rural development, health or education, and has also been becoming clear in sectors which at first sight appear more technical, such as water supply and forestry. It has become increasingly obvious that whatever tasks development workers wish to carry out, they have to work with different groups of people, from local people to high government officials, who all have their own social networks and cultural systems.

In sectors such as infrastructure and industry, to be sure, the realization has been slower in coming. The social and cultural aspects of infrastructural and industry projects were not much discussed in the reports included in this study. It appears obvious, however, that inadequate recognition of local needs was one of the causes of the problems met in these sectors, and there is no reason to expect that this would not be recognized in due course.

The problem here lies deeper than in the recognition of the importance of social and cultural issues - it lies in the fact that Third World realities are diverse and complex, and understanding them requires knowledge which can only be accumulated by a variety of means and from a multitude of sources. For such a process of attaining knowledge and experience, the top-down approaches and short-term time frameworks, with their tight schedules of practical development cooperation and their evaluations, are poorly conducive.

In addition, few reports recognized - let alone analyzed - the fact that social relations and cultural systems are not confined to what are called the recipients. Development workers themselves have their own social obligations and networks, cultural starting points and working assumptions.

Insufficient knowledge base

Underlying almost all the critical problems discussed above is the insufficient knowledge base on which Finnish development projects and programmes work.

The data base on which most of the Finnish projects operated was astonishingly slender. There was hardly a sector - infrastructure and industry may be partial exceptions - where the evaluators did not complain about the lack of data, some of it very basic. In particular, the lack of socio-economic baseline and cultural background information was manifest; and also the monitoring systems of the projects themselves, concerning their impacts, left a lot to be desired.

In most agricultural and rural development projects, no baseline data on social and cultural conditions had been collected and continous impact monitoring was lacking or not given the attention it deserved.[49] In forestry, a lack of detailed knowledge of important ecological principles was acknowledged, even in areas of long research tradition.[50]

In the water sector, even indicators describing aspects of physical performance were missing in some projects. This was notably the case in Mtwara-Lindi, where both review reports complained that data on physical achivements had been hard to obtain and no quantitative or qualitative information was available on the use of improved water sources by the population, or possible changes in hygienic behaviour. This was blamed on poor reporting and information systems and the lack of adequate studies.[51]

In fields such as agriculture, water and education, many critical issues were seen to stem from the fact that the data base was inadequate and thus the needs of the target group could not be specified correctly. In particular, a lack of socio-cultural data and a consequent scant attention to socio-cultural issues were often noted.[52]

---

[49] E.g. Kenya livestock development mid-term review 1993, p. 40; Kalutara mid-term review 1992, pp. 58, 62-63; RIPS mid-term review 1991, p. 43; Somalia tuberculosis control mid-term evaluation, p. 20.

[50] East Usambara mid-term review 1993, p. 41.

[51] E.g. Mtwara-Lindi rural water evaluation 1990, pp. 7, 22, 28; id., mid-term review 1993, 15, 18, 21, 35-36.

[52] Examples include: sheep breeding and milk collection projects in Egypt; the water projects in Harispattuwa and Udunuwara and in Mtwara-Lindi; the practical subjects teaching project in Zambia; and some Prodec activities.

The lack of data greatly hampered the evaluation of the development activities. Sometimes the review missions pointed out that it had been difficult or impossible for them to verify the reliability and accuracy of much of the data they had been provided with.[53] It is no wonder that the evaluation reports could say little about the impact of the activities, and that their judgements of effectiveness did not always appear well-founded. But it should not be difficult to appreciate that a poor or lacking data base is also fatal to the management of a project, assuming that it sincerely strives to achieve its stated development objectives.

This being the case with modern data, crucial questions concerning local knowledge and the forms of appropriate knowledge more generally could not even be raised. Yet on many occasions it should have been imperative at least to ask: what is the local people's conception of the problem at hand, and how have they been coping with it? Will ideas and equipment introduced from outside frustrate and impoverish some useful local knowledge and modes of action?

Conclusion

With the benefit of hindsight, it is not difficult to list the major critical problems encountered by Finnish projects (or the phases of them discussed in this study), which had prevented them from attaining their maximum effectiveness and ultimate goals. What is more difficult to say is why so many of these problems have been persistently overlooked in Finnish, and other, development cooperation, and why some of them have lately begun to change.

Major critical problems internal to the projects in our sample included the ambiguity of some of the objectives and the poorly defined logical connection between longer and shorter term objectives and outputs; over-optimistic time frames; a donor-driven mode of cooperation resulting in top-down planning and parallel implementation structures; reliance on inappropriate imported technology; complicated and cumbersome administrative structures; and gaps and breakdowns in communication. Among the problems caused by forces external to the projects were changes in recipient policies and inflexibility in adapting to them; inability or unwillingness of local partners to carry out their part of the commitments; and

[53] E.g. in Mtwara-Lindi rural water evaluation 1990, p. 30; id., mid-term review 1993, pp. 19, 36.

poor linkages between the projects and the social and cultural environments in which they operated. Underlying both these sets of problems was a slender information base, manifested in the lack of socio-economic baseline and cultural background data, and poor monitoring and information systems.

Such lists are inevitably outdated. Many changes have occurred. Lessons have been learned and major reforms have taken place in the approaches of Finnish development cooperation during our study period. Policy environment is given much more careful attention than used to be the case, and there have been increasing attempts to influence it instead of merely trying to adapt to it. The crucial role of the social and cultural environment has long been recognized, and the need for 'local ownership' of outside-induced activities has become a common watchword. Among more internal problems, phenomena such as donor-driven top-down planning, expatriate-dominated parallel structures, and inappropriate imported technology have been acknowledged as major mistakes, and practices leading to them have been discontinued in most bilateral projects at least. But many problems remain, such as those related to social and cultural understanding, microenvironments, logical frameworks, organization of the projects, and knowledge base. Some of the older problems may be appearing in a new guise (parallelism in the form of setting up a structure of privileged local staff).

On the other hand, few, if any, items on the above lists are new. While many changes have taken place, it also appears that many of the projects in our sample had been based on views and assumptions which were widely held as suspect, or at least challenged, at the time the projects were launched; and many existing practices known to be problematic have been carried on. It would be important, then, to ask why some factors have begun to change while others have remained: whether this is due to factors such as an increasing degree of professionalism in aid design and management along with improved knowledge and better understanding of the forces at work - or to some other, more external causes like the changes in national or international power relations; or to all of these, and perhaps some other, factors. But this is a more general question, which goes beyond the confines of our sample or of Finnish projects more generally, as Finnida has in its policy-making obviously followed the lead of other donors and the DAC.

11. FINNISH PROJECTS IN COMPARATIVE CONTEXT

In order to put our results in a larger context, we shall in this chapter present some evaluation materials from earlier Finnish projects and a selection of projects of some other donors. Although direct comparison between them and our projects is possible only to a limited extent, one can find a number of broad similarities as well as some significant differences.

Summaries of other syntheses

Below, we shall review and briefly summarize the results from an earlier synthesis study of Finnish projects, and from other syntheses and studies of Norwegian, European Development Fund and World Bank projects and activities. This will make it possible to examine how Finnish projects have evolved over time, and how they compare with those of other donors.

Finnish projects in the 1980s

A synthesis of Finnish bilateral projects in the 1980s - similar to ours, although much more restricted in scope - was carried out in 1990 and published, with some delay, in November 1991.[1] Like the present synthesis, it was based on evaluation reports, predominantly mid-term reviews, and not on primary data on the projects. It included a sample of 60 reports undertaken since 1980. The reports covered 54 projects, divided between ten sectors. Of these projects, four out of five were in Africa. The synthesis review concentrated on investigating what the reports conveyed concerning effectiveness, impact, efficiency and sustainability of the projects, employing definitions basically similar to ours.

The review of Finnish projects in the 1980s found that the main emphasis of evaluation and review reports included in it was on the implementation and performance of various project activities and the problems encountered there. Some of the reports did not go on to analyze how significant the output of these activities was to achieving immediate and long-term objectives of

[1] *Review of Evaluation Reports on Finnish Development Projects in the 1980s.* Paula Hirstiö-Snellman. Finnida, Helsinki, 1991.

the project. Where effectiveness of the project was in fact assessed, the focus was on how well individual activities had contributed to the achievement of the project goals, and not on the extent to which the goals had been reached as a result of interaction of different activities.

Such reservations notwithstanding, the performance of activities in the Finnish projects was rated as satisfactory. In general, the projects had, according to evaluations, achieved at least some of their major short-term objectives. Activities involving technical skills and knowhow were assessed as 'strong' areas, while activities involving training, communication, cooperation and institution-building were regarded as 'weak' areas.

Regarded sectorwise, the effectiveness of the projects was found to vary greatly both within and between the sectors. None of the sectors designated - agriculture, education, energy, forestry, health, industry, mining, transportation, water and 'other' - emerged as an unqualified success. Most projects which had seriously failed to reach their goals were in the category of production-related projects in the industry sector (p. 35; cf. p. 23).

Effectiveness in achieving technical objectives did not necessarily, however, bring the impact expected on a long-term basis. In fact, the review found that the evaluation reports had very little to say on impact, which was understood in the narrow sense of development impact. What was said commonly amounted to broad prediction in vague terms to the effect that the potential impact of the projects on development goals was expected to be positive (pp. 36, 2-3).

Not enough information was found to get a picture of the efficiency of the projects. Economic criteria were not systematically used in evaluation reports. When cost-benefit or cost-efficiency was discussed, 'costs' and 'benefits' were mostly defined in general terms. The assessments made were concerned mainly with specific aspects of efficiency, such as serious cost overruns, etc.

Sustainability of the projects was not taken as an issue in the reports. Some observations and statements related to it were made, however, especially concerning agricultural projects. On the basis of the information presented, the conclusion of the synthesis review was that the Finnish projects discussed in the review had not, as yet, reached the level of sustainability.

Sustainability was taken in the review to include financial, managerial, institutional and technical dimensions. The Finnish projects were found to be deficient in each of these. Environmental sustainability was not discussed in the review. (pp. 38, 2)

> Paradoxically, the factors, which made the Finnish project effective and efficient, seemed to be most often countereffective to the sustainability of the project. These were: independent project organization, Finnish experts in the management and on all levels of organization, and a lot of Finnish technology in the project. (p. 3; for a slightly different formulation, see p. 38)[2]

The evaluations reviewed reported critical factors which were seen to affect the project, but they mostly confined themselves to factors having an adverse effect, that is, reducing the effectiveness, impact, efficiency and sustainability of the project. Factors contributing to the success of the project were mentioned only occasionally. (pp. 2-3)

Factors identified as most critical to success were seen to relate to the planning of the project, in particular to the way the objectives of the project had been defined. The objectives were often found to have been put in too narrow terms, considering the nature of the changes aimed at. It appeared that the criteria most often used were related not so much to the impact officially sought as to the availability of Finnish expertise and technology, and to the manageability of the project by the Finnish executing agency, most often a Finnish company. (40, 3-4)

Mentioned among additional factors decreasing effectiveness, efficiency and impact were: unrealistic assessment of the socio-economic, political, technical and cultural conditions in the recipient country; insufficient appraisal of national policies and resources available in the sector and country concerned; and insufficient assessment of the needs of the target groups. (pp. 3-4, 40)

To sum up, Finnish development projects in the 1980shad a heavy technical orientation, and were more concerned with performing well the activities listed in the project plan than with ensuring sustainable impact from the project. Most of them were, broadly speaking, effective in

[2] Let it be noted that the concept of efficiency used in this quotation differs from our usage. For us, a project with a lot of Finnish expatriates and Finnish technology may or may not be effective, but it is most unlikely to be efficient.

the attainment of their major immediate outputs, but they were still far from attaining financial or institutional sustainability. Next to nothing could be said about their impact and efficiency.

Norwegian projects and activities in the late 1980s

The Norwegian Norad is a donor similar in many respects to Finnida, although operating with a consistently larger volume of aid, both in absolute and relative terms,[3] and with more sophisticated planning and evaluation tools. A recent synthesis study on Norwegian aid, covering roughly the same period as ours, gives some insight into Norad's experiences.[4]

The study was commissioned by the Royal Norwegian Ministry of Foreign Affairs, under which the Norwegian evaluation unit operates, and undertaken by a team from the Chr. Michelsen Institute. It was built on an examination of evaluation reports commissioned during the period from 1986 to 1992, but also included other materials such as project reviews and ten extensive country studies undertaken by the Ministry of Development Cooperation between 1985 and 1990 - amounting to a total of 82 documents altogether.

The study set out to examine the five basic evaluation components: effectiveness, efficiency, sustainability, relevance and impact. But as it was found that relevance was rarely questioned in the material, and impact analysis was virtually absent, the researchers dealt only with the first three components.

However, the Norwegian researchers were not content only to examine whether the Norad projects had been effective in their own terms, that is, in the attainment of the objectives as defined by the project personnel themselves, but they also examined whether the projects had moved toward reaching the major Norwegian development objectives.

---

[3] The absolute volume of Finnish ODA did not reach that of the Norwegian aid even in the record year of 1991, when the value of Finland's official aid was USD 930 million and that of Norway 1.178 million. Norway has consistently allocated a little over 1 per cent of its GNP to development cooperation; whereas the Finnish disbursements rose from 0.32 in 1982-84 to 0.78 in 1991, after which they plummeted back to 0.31 in 1994. See DAC, *Development Cooperation, 1993 Report*, table 5.

[4] Ole David Koht (ed.) with Arve Ofstad, Norwegian Development Aid Experiences. Mimeo, Chr. Michelsen Institute, December 1994.

Norway was seen to have two primary development objectives: to promote economic growth, both directly through support to productive activities, and indirectly by strengthening physical infrastructure which facilitates growth; and to improve the living conditions of the very poor, both directly, and by improving health conditions. In addition, five additional objectives were looked at: promotion of training and transfer of knowledge; promotion of the role of women in development; promotion of responsible management of natural resources and the environment; and promotion of Norwegian interests in developing countries.

On promotion of economic growth directly through assistance to productive activities, the conclusions were basically negative. Norwegian aid had only to a limited extent had a direct influence on production and productivity in agriculture, forestry, fisheries, mining, manufacturing and handicrafts. However, it was argued, the potential for economic growth had undoubtedly been increased by Norwegian aid to physical infrastructure and management for land and water transport, telecommunications, and electricity.

On improvements in the living conditions of the very poor, the researchers confessed to having no real basis because of 'the complete lack of any well founded studies of the impact of the aided activities'. It was known that many poor people had temporarily earned extra incomes through work on development projects, but nothing was known concerning long-term effects. Health and family planning activities appeared to function relatively well, but nothing was found regarding their impact on health conditions.

As for education and training, there were successes and shortcomings. Technical assistance experts, peace corps personnel and consultants were found to have done a good job on the whole, particularly in implementing the projects, but they had failed to transfer knowledge to people who could replace them.

Also on promotion of the role of women and on promotion of responsible management of natural resources and the environment, the results were mixed. There were successful cases implemented and promising strategies invented, but also problems encountered and potential threats looming. As to human rights and peace, little could be said.

Finally, direct efforts to promote Norwegian business interests in the developing countries seemed to have had little effect, particularly in the long run. In the short term, Norwegians had

derived benefits from commodity aid and deliveries to Norwegian projects, and contracts for consultancy services.

The effectiveness of the Norwegian projects was not found to be very good. Less than 15 per cent of the activities on which somewhat sufficient data were available had reached high or very high effectiveness. However, when the category of 'acceptable' effectiveness was included, one half of the projects and other activities were found to have performed reasonably well.

The rating of very high, high or acceptable effectiveness was undertaken by the researchers themselves from their reading of what was said in the evaluation reports. The researchers emphasized that material was insufficient in many cases and difficult to interpret, and that the conclusions were strongly influenced by what the members of the team read 'between the lines' of various studies.

As regards efficiency, the team found itself 'rather blindfolded'. None of the studies consulted contained any exact comparison of the planned costs of individual inputs into the activities and what it actually cost to supply them, nor any assessment based on cost-benefit analysis. By interpreting whatever the various studies expressed on the issue, the researchers concluded that out of the three-fifths of the projects and activities for which some information on cost efficiency was available, only 40 per cent appeared to have been cost effective.

Sustainability was discussed at three dimensions: economic, institutional and environmental. Economic sustainability was the weakest part; only a minority of the projects scored high or acceptable. For institutional sustainability, the picture was somewhat more optimistic: around one-third of the assisted institutions were thought to be able to prove sustainable. Environmental sustainability was not discussed in three-fourths of the reports, but where it was discussed, a clear majority of the activities had beneficial or at least non-harmful effects on the environment. Here, also, a close link between high sustainability and high or acceptable effectiveness was found.

The research team also examined whether there were differences in the apparent project performance between project countries or sectors, and found no strong relationships. As far as project countries were concerned, to be sure, the majority of aided activities in Sri Lanka, Botswana and Zimbambwe were assessed as functioning relatively well, whereas the opposite

was the case in Pakistan, Tanzania and Zambia; but the sample was rather small. As to sectors, agriculture, including rural development, and rural water supply could be singled out as difficult sectors. Manufacturing and electricity appeared relatively successful, which the researchers thought might have been because of their 'turnkey' nature.

The Norwegian researchers also identified some factors which were found to positively affect the performance of the project. The main conclusion was that 'planning matters', i. e. the quality of planning, seemed to have the strongest influence on project performance. Good cooperation with the recipient country, including integration into its administration and other organization, was seen as very important, too; and appropriate technology was found to help.

EDF aid to ACP countries

A similar synthesis study was undertaken by the London-based Overseas Development Institute (ODI) for the European Commission, on aid of the European Development Fund to the African, Caribbean and Pacific (ACP) countries. The study was based on 40 evaluation reports, including overview studies commissioned by the European Commission between 1987 and 1994.[5]

The task of the study was to assess how far EC evaluation work provides a picture of the effectiveness of EDF aid to ACP countries. The term 'effectiveness' was used in a broader sense than in the Finnish and Norwegian studies. It was taken as a cross-cutting category, so that the researchers rated their sample of projects for their effectiveness in different dimensions: in planning and preparation, implementation, impact and sustainability.

The evaluation reports examined were normally found to be independent and critical. Though variable in quality, they were found to be generally adequate enough to allow the judgements the researchers wished to make. The reports were found to be weak in their economic aspects; they usually lacked cost effectiveness assessments and adequate quantified estimates of impact. They were also rather weak in what were called the institutional and sustainability aspects.

[5] John Healey and Jeremy Rand, 'The Effectiveness of EDF Development Aid to ACP Countries in the 1980s. A Final Report on EC Evaluation'. ODI, London, November 1994.

The EC evaluation overviews reviewed in the study confirmed the earlier recognized weakness of EC procedures in the 1980s, especially in the clarity and realism of project and programme objectives and the rigour of investigation and appraisal in their early phases. The introduction of the new Integrated Approach is, in fact, part of the EU's response to these weaknesses.

The researchers chose a sample of 135 evaluated EDF projects and programmes, and rated their effectiveness in the way they defined it. The ratings showed that nearly 50 % of the expenditure was effective in planning and implementation, but that the effectiveness was lower (40 %) for impact and sustainability. About 25 % or less of project expenditure was ineffective. Generally, implementation was the most successful part, while strategy and preparation were less satisfactory, and impact and sustainability were the weakest aspects.

Fairly marked sectoral differences in effectiveness, or performance, of EDF aid emerged. Aid for infrastructure had generally been more successful than 'people-centred' activities. Road projects had been effective in implementation and achieved positive impact, though not necessarily sustainability. Large energy projects, though more variable in the quality of their implementation, had positive impact and sustainability. Integrated rural development programmes were found to be weak in implementation and cost effectiveness, and only partially effective in their social and economic impact and sustainability. Other agricultural and agro-industrial projects had a satisfactory effectiveness recorded. For the rest, evaluation evidence was too limited to provide a firm judgement.

World Bank projects and activities

The donor which evaluates its projects and other activities the most carefully is the World Bank. It undertakes regular evaluation of its operations at two levels: (a) self-evaluation by the managers responsible for particular activities, (b) independent evaluation by the Operations Evaluation Department (OED).

A key report written by a task force led by the retiring World Bank vice-president Willi A. Wapenhans noted in November 1992 that the performance of the bank's portfolio - meaning the stock of lending operations under implementation - had been declining during the 1980s.[6]

Among operations in progress, the ratings provided by operational staff indicated that the proportion with 'major problems' had risen from 11 % in 1981 to 20 % a decade later. Performance varied among types of operation: economic adjustment operations and industrial projects were the best performers; in agriculture, 25 % of projects were in difficulty.

Looking at completed operations, the Bank's Operations Evaluation Department (OED) had confirmed the decline in performance. Comparing the groups of completed operations that were evaluated in 1981 and 1991, the proportion judged satisfactory had fallen from 85 % to 63 %.

The World Bank also stated that its African projects were performing much more poorly than Asian and Latin American projects.

Looking at the reasons for the declining performance, the task force found that the Bank had focussed successfully on technical soundness and technical issues rarely caused difficulties in the operations it supported. The reasons were found elsewhere, and the control of the Bank over them was found to be variable.

Many of the problems affecting the portfolio under implementation were found to have been due to world economic conditions. One of the studies conducted by the task force showed that a decrease in the terms of trade, meaning that a country had to export more to maintain a previous level of imports, was reflected in a significant drop in project performance. For each percentage point that international interest rates rose, the likelihood of project success fell two percentage points. For each rise of a percentage point in international inflation rates, project success rates fell by three percentage points. In much of Africa, the collapse of commodity prices was found to have had delibitating effects on the implementation of agricultural projects.

---

[6] Willi A. Wapenhans et al., 'Effective Implementation: Key to Development Impact'. Mimeo, World Bank, November 1992.

Other reasons were more country-specific, such as resistance to change within agencies implementing projects, or shortages of funds to pay local currency costs of projects. Obviously, the state of borrowers' domestic economies strongly affected project performance.

However, the Wapenhans report argues, there was also substantial scope for the Bank to improve the performace of its portfolio through changes in its own policies and practices. Although the technical side was felt to be under control, less attention had been given to the commitment of borrowers and their implementing agencies to these operations, and to the degree of 'ownership' assumed by borrowers. At the project level, a major problem in design was identified in that projects had grown too complex, having more project goals, components and sponsors than allowed by the borrower's capacity.

Some comparisons

It is difficult to directly compare the Finnish projects evaluated during the years from 1988 to early 1995 with the other projects discussed in this chapter, because of the differences in materials, methodology, terminology etc. Some observations can be made, though.

Compared to earlier Finnish projects in the 1980s, major changes seem to have happened with respect to sustainability and what are called cross-cutting issues such as gender and environment. In our sample, these were given much more explicit attention both in evaluation reports and in project activities themselves. It also appeared that the degree of sustainability, if understood as a process, was actually increasing in a number of projects. The worst practices of top-down planning and parallel implementation structures had been discontinued. Integration, institution building and local participation and ownership had become the watchwords of the day, and were being implemented to varying degrees. Concerning gender and environment, it was often more difficult to figure out what the 'increased attention' to them entailed in practice, but awareness had certainly been raised both among project implementors and recipient administrations.

However, many - too many - statements from the 1990 synthesis could be reprinted here without much modification. In the evaluation and review reports examined, the main emphasis, both then and now, was on the implementation and performance of various project activities and the problems encountered there. Few reports went any further, to analyze how significant the output

of these activities was for achieving immediate and long-term objectives of the project. The reports had very little to say on impact, and what was said commonly amounted to broad predictions in vague terms.

In the projects and programmes themselves, then and now, the immediate objectives were often found to have been put in too narrow terms, considering the nature of the changes aimed at. It still appeared that the criteria used were often related not so much to the impact officially sought as to the availability of Finnish expertise and technology, and to the manageability of the project by the Finnish executing agency. The relatively high degree of technical effectiveness of most projects and programmes was not producing much visible impact.

Factors decreasing effectiveness, efficiency and impact continued to be much the same: unrealistic assessment of the socio-economic, political, technical and cultural conditions in the recipient country; insufficient appraisal of national policies and resources available in the sector and country concerned; and insufficient assessment of the needs of the target groups. If policy environment was now emphasized much more than before, the insight was not new as such.

Compared with international experiences, both similarities and differences emerge. All donors are now emphasizing sustainability, environment and gender; Finland was clearly following the lead, but was perhaps lagging somewhat behind those at the front.

How the performance of Finnish projects in general compares with that of the other donors cannot be said on the basis of our study. We found our source material so fragile and uneven that we were forced to refrain from any attempts to formally rate the projects along any dimension. Thus, no direct quantitative comparisons could be made. However, our overall impression was that the difference between Finnish projects and the others was not very great.

The Finnish projects had in common with the others a strong emphasis on - and relative success in - implementation, especially in that of projects of a predominantly technical nature. One significant difference here was that while most of the others (Norway, World Bank) reported industry and manufacturing as among the good performers, among Finnish projects they belonged to the most troubled category.

Problems which all the donors that are reviewed here appeared to share were related to project design and planning. Both Finland and the EU had met with difficulties in definition of objectives, while the projects financed by the World Bank were growing too complex to control.

How the Finnish evaluations compared with those of the other donors we cannot tell, because we did not acquaint ourselves with any other primary reports than our own, but only with synthesis studies of them. Other synthetizers dared to make ratings of the projects on the basis of their materials; whether that indicates a difference in the quality of the reports or in that of the synthetizers, we are not in a position to say.

Our view of Finnish evaluation reports has been relatively critical; somewhat in contradiction to that, a recent comparative study on EU donors found the quality of Finnish evaluations to be fairly good.[7] The Danish evaluations were deemed the best, with those of Finland and the Netherlands coming next. This assessment was obviously due to the fact that the reports included in that study were mostly broader thematic and ex-post evaluations, which are generally of a higher quality than the management evaluations of on-going activities.

On the basis of the more detailed studies reviewed here, Finnish evaluations - both the earlier ones and those reviewed in this study - had significant weaknesses in common with Norwegian and EU evaluations. Major faults included the relative neglect of economic efficiency and long-term impact; the World Bank, for its part, made very thorough economic assessments and also systematically conducted ex-post impact studies. The apparently higher quality of World Bank evaluations in these respects may not be unrelated to the fact that the Bank does not give any grant aid, but insists on recovering its investments.

[7] Paul Hoebink, The Comparative Effectiveness and Evaluation Efforts of EU Donors. Mimeo, National Advisory Council for Development Cooperation of the Netherlands, March 1995, esp. p. 9.

12. TECHNICAL ASSISTANCE PERSONNEL

A considerable part of Finnish - and most other - development aid has consisted of what is called technical assistance personnel (TAP) component, that is the employment of Finnish and other experts and volunteers in various tasks in developing countries. The numbers of such expatriate personnel have been significantly reduced during the period of shrinking appropriations; but, in terms of costs, they still represent a major resource in most Finnish development projects.

An overall evaluation of the work of TAP has been undertaken only once. This took place in 1987-88 as a pan-Nordic exercise in three African countries - Kenya, Tanzania and Zambia - in which a total of some 900 Nordic TAP were working.[1] Eight years later, this evaluation may seem rather outdated. Several changes have happened during this time, not least because of the criticisms made by this evaluation. Not only have the numbers of TAP been drastically reduced, but their backgrounds and, in particular, their functions have been changed. They work less and less in directly executing and implementing roles, and concentrate more on what is called process consulting - not solving problems themselves, but trying to help their developing country colleagues to find their own means to solve problems.

In spite of such very real changes, many points made by the evaluation have lost little if any of their validity. This can also be seen from subsequent, more partial evaluations such as that of Finnish personnel as volunteers undertaken in 1994-95. The evaluation of Finnish personnel as volunteers covered a much smaller and restricted group, the Finns working as volunteers sent out either nationally by KEPA/FVS (Finnish Volunteer Service) or by single NGOs. The FVS volunteers worked in Mozambique, Nicaragua and Zambia, and numbered 47. Of the other volunteers, only those working in Tanzania were included in the evaluation; they amounted to 24 and were sent out by 10 different Finnish NGOs.[2]

---

[1] Evaluation of the Effectiveness of Technical Assistance Personnel Financed by the Nordic Countries. A study commissioned by DANIDA, FINNIDA, MCD/NORAD and SIDA. Kim Forss et al., March 1988.

[2] Evaluation of Finnish Personnel as Volunteers in Development Co-operation. Netherlands Economic Institute and Matrix Consultants. Final report to Finnida, July 1995.

Relevance

Expatriate technical assistance personnel, with their high economic standard of living, continue to be one of the most visible components in almost all development projects. It is no wonder that their presence has given cause for considerable controversy, especially as the original rationale of employing such personnel - filling gaps for which qualified local personnel are for the moment not available - has been much weakened with the increased availability of highly educated local people.

The TAP are particularly visible where they are present in great numbers, as in many African countries. The size of the TAP component in an average project in Tanzania, for instance, was more than twice that in India (p. 58). The 900 TAP included in the evaluation discussed here represented some two-fifths of the total Nordic TAP of 2,200. Still, they constituted only a small part of the overall number of TAP in these three African countries, which was believed to be some 30,000. (Effectiveness of TAP, p. 1)

The Nordic evaluators recognized that it was not the recipient countries who mainly expressed a need for Nordic TAP. In more than half of the cases (56 %), the need for TAP was identified by the Nordics themselves. Only in 45 % of the cases had the donor in fact investigated the availability of local manpower.

Also the functions of Nordic TAP were different from the original rationale. In some two-thirds of the 58 projects included in the evaluation, Nordic personnel were found to work in the capacity of implementors, while 17 % they functioned as controllers on behalf of the aid agencies. Only in 11 % and 7 % were they trainers and institution-builders, respectively. This was 'far from the real and expressed needs of the recipient countries'.

Thus, it appeared evident that the actual reasons for sending and receiving Nordic TAP in Kenya, Tanzania and Zambia were somewhat different from those originally expressed.

On the side of the donors, the evaluators recognized two major additional reasons for having TAP even if local manpower was available. The first was the desire of a donor to ensure 'efficient implementation under his full control and accountability of his "own staff"'. The impression of the evaluators was that tasks involving control of the use of funds and

procurement of supplies had been increasing over the years. The other reason was that in projects implemented by private companies or institutions, the administration fee (overhead cost factor) going to the company was directly related to the number of TAP rather than to the fulfilment of overall project objectives. In some cases, this had even led to the employment of 'many unnecessary TAP'. (ibid., pp. iii, 37-42)

For the recipients, the problem was no longer the availability of local manpower for a number of the jobs filled by TAP, but the lack of material resources of the state and a low purchasing power of the government salaries. In such a situation, the reason why TAP were requested by the recipient was no longer because there were no qualified local people available, but simply because it was hoped that expatriates would bring with them 'all those things needed to continue business as usual, i.e. vehicles, equipment and funds for recurrent costs and maintenance'.

When Nordic TAP were accepted by the recipient government - and it did not always happen - the evaluators found three basic reasons for this. First, 'simply because otherwise there would be no project'. This was the case of the TAP as controller. He was a conditionality for the whole project. Second, TAP were welcomed because of what they brought with them - photocopying facilities, typewriters, PCs and vehicles. Third, African authorities were found to be open-minded and hospitable people. Why should they have objected? After all, Nordics were generally more experienced than their African colleagues; some transfer of knowhow might always occur. (pp. 28, 45)

Similarly, it was found in the evaluation of Finnish volunteers that the receiving institutions saw the provision of volunteers as closely linked to the related, material advantages, especially vehicles. The outcome of volunteers' work was interpreted more in terms of inputs than outputs. Many hosts felt that, had it not been for limited national resources, national staff would have been available and could have done the same jobs (though the latter conclusion was not shared by the majority of the volunteers themselves). (pp. xii-xiii, 72 ff., 94-96)

Whereas the evaluators of Finnish volunteers in 1995 grew doubtful as to the overall relevance of a national volunteer programme, the Nordic evaluators in the late 1980s thought that there *was* a need for some technical assistance personnel in gap-filling functions in certain fields. Kenya, Zambia and Tanzania were short of trained and experienced engineers and trainers, and innovative managers with experience in staff development and institution-building. In fact, gap-

filling - understood as TAP doing a job for which local professionals were (for a number of reasons) not available at the moment - had been 'an important element of the functions of TAP in almost all 58 cases evaluated'.

Themselves critical of the other major function of expatriate personnel - to control proper use of funds in order to avoid misappropriations - the Nordic evaluators also noted that representatives of recipients 'understood and even sometimes appreciated control'. The evaluators demanded, however, that such TAP positions must be given correct labels, and the actual functions must be mentioned in project documents. (pp. 47-48)

Effectiveness

The difficulties in assessing the effectiveness of any technical assistance are commonly acknowledged, and it hardly comes as a surprise that the views recorded by the evaluators were rather mixed concerning the effectiveness both of Nordic expatriates in Kenya, Tanzania and Zambia and of Finnish volunteers in Mozambique, Nicaragua, Tanzania and Zambia , as were their own conclusions.

There are four major problems of methodology, as listed in the study by Elliot Berg, which stand out in particular when trying to assess the effectiveness of any form of technical cooperation: (i) unweighted multiple objectives, (ii) unclear and intangible measures of output, (iii) use of proxy indicators, and (iv) multiple determinants of performance.[3]

In other words, here, too, effectiveness is to be measured against objectives, but few technical cooperation projects and personnel have single and precise objectives; there are no objective standards to measure the quality of work of many TAP; evaluators are often forced to apply indicators based on immediate inputs as proxies; and even if usable indicators are found, it is normally impossible to differentiate the effects of technical aid among all other variables that contribute to the ultimate outcome.

[3] Elliot J. Berg (ed.), *Rethinking Technical Cooperation*. New York, 1993, pp. 15 ff.

It is with these methodological reservations in mind that one has to approach the assessments of Nordic and Finnish technical assistance personnel by the evaluation teams.

On average, the Nordic evaluators estimated, 5% of Nordic expatriates failed radically on their assignment and had to be sent home; another 5% did not have their contracts extended for the same reason; around a quarter had their working capacity reduced because they did not speak English well enough; around another quarter were not in fact really needed; the full effectiveness of almost 75% was hampered because of a lack of other inputs; and the counterpart system failed to lead to a transfer of knowledge.

Although the above categories obviously overlapped to a large extent, they still indicated a fairly low general 'achievement ratio'. This general ratio, however, belied the excellent performance of several Nordic expatriates. (p. 150)

Success or failure did not necessarily have to do with the qualifications of the individual Nordic TAP, but was a much more complex question (p. 68). Personal characteristics, training and so on were important, the evaluators argued, but as long as the need for TAP had not been correctly identified, they had no basis for being effective.

There were functions in which Nordic TAP were clearly more effective than in others. They were found by the evaluators to have been most effective in contributing towards achievement of operational project goals. Those working in controller functions were found to be especially effective in their role of being responsible for procurement of equipment, spareparts etc., which took place 'more often than not' from the donor countries. The institution-building and training objectives, on the other hand, had not been generally met.

Also local officials generally accepted that TAP were very effective in the implementation of their projects. The reason was not seen in their personal or professional qualities, however, but in the good facilities that they had. Many local officers claimed that they could have achieved the same, given the same facilities. (pp. 77-78)

The qualifications of Nordic TAP evidently varied. Unqualified people were found to have been recruited especially in Finnish projects; a horrific example mentioned was an 'expert' at

Fibreboards Africa Ltd in Arusha, Tanzania, who had to give instructions - in English - via an interpreter (p. 100).

A bigger problem was that the actual functions filled by Nordic expatriates deviated a lot from the officially assumed ones, and the background of the personnel did not always match their tasks. Most Nordic TAP were implementors, i.e. technicians and engineers at diploma level, with not very relevant theoretical or practical experience to fill the actually existing gaps in the occupational structure of the recipient countries. Among the second most important category of TAP, controllers, most were highly skilled professionals - who, however, in their TAP positions were found to spend part of their time as messengers, typists, accountants and administrators. Although the TAP often had the title of project team leaders or project coordinators, they were in fact project administrators tied up in routine work with little time for strategic thinking and institutional development. (p. 42)

Given that TAP were needed, the Nordic evaluators argued, the most important factor determining their success or failure was not so much their immediate effectiveness as the personnel development of local staff. Yet in less than one-third of the cases were such systems functioning well. Only 58 of the 324 TAP included in the evaluation were involved full-time in training, staff development and institutional development. (pp. 37-38, 42)

As TAP were considered as a free extra gift or a necessary evil, it was normally easy for donor and recipient to agree on persons and their functions (p. 94). The recipient countries seldom had any say in the screening and selection of candidates. They did normally have a chance to veto the agencies' choice, but the right was only exercised in extreme cases. (p. 102)

During the time of the Nordic evaluation, Finland had more TAP on the payroll of consultancy companies than did the other Nordic agencies, who mainly employed their TAP directly. The trend was, however, that the number of consultant TAP was growing also in the cooperation of the other countries, especially Denmark and Norway. The lack of manpower at donor agencies was given as one important reason (p. 83).

Relationship between 'agency TAP' and 'consultant TAP'

	Agency	Consultant	Total
Finland	31	118	149
Sweden	120	162	282
Denmark	175	24	199
Norway	185	27	212

Different programmes were found to require different modes of assistance, and no standard recipe could be found. 'Consultant TAP often have a good record of reaching operational goals but were not effective in training and institutional development... However some of the 'best' cases in all respects were consultant employed TAP, so there is no general rule. There is a need for aid agencies to strengthen their capacity to monitor and evaluate project performance whatever the means of implementation...' (p. iii)

As for the Finnish volunteers, more than half of the hosts thought that they were qualified and their 'developmental contribution' was positive. Also a clear majority of the volunteers themselves felt that they contributed to development. It remained unclear, however, what the actual contribution was. The hosts put more emphasis on the technical and implementing roles of the volunteers; while volunteers saw themselves more as advisors. In addition to the professional qualities of the volunteers, the hosts also saw their contribution as related to access to resources, especially transport facilities.

The developmental contribution of the volunteers had not been limited so much by their talents or commitment but by the diversity of their functions and roles, which had not been fully analyzed to accord with the institutional context in which they were sent to work. Particularly in Nicaragua and Zambia, host organizations had been insufficiently involved in the process of accommodating volunteers. They had been left to themselves to adjust to local realities. (pp. xii-xiii, 72 ff., esp. 77, 83, 86, 95-96, 212-213)

Efficiency

Much of the criticism concerning TAP was due to the high cost of employing them, both in terms of absolute and opportunity costs. Even the humblest volunteer often earns several times more than a government minister. 'Nordic and European TAP are in some cases 100 times more expensive than local professionals, and always several times as expensive,' noted the Nordic evaluators. '(U)nemployment is and will become a growing problem for many Africans with higher education... (Yet) we have seen very few projects involving TAP where systematic work has been done in an effort to try to identify all available local personnel resources.' No systematic attempts had been made to replace Nordic TAP with cheaper TAP from Third World countries. (pp. 95-96)

Estimations of the costs of an 'expert' varied from agency to agency. Although the calculations presented by the Nordic evaluators are now old, they are worth repeating here because no more up-to-date figures have been available.[4] According to them, agency-employed experts were less costly than consultant-employed.[5] For Norad, the cost of a man-ear in Kenya in 1987 was NOK 632,000. SIDA estimated slightly more than SEK 600,000 and DANIDA DKR 520,000. For Finnida, the corrected figure was FIM 350,000.[6] Combining these with rough estimates of the costs of consultant-employed TAP, the evaluation team arrived at an estimated average cost of about SEK one million per person-year in 1987-88.

Expatriate salaries were often criticized by the locals, but the salary was only a small part of the total cost; things like administration, logistics, etc. constituted the major part of this. In Norad, for instance, 'distributed costs' (meaning recruitment, preparatory courses, travel and freight, school fees etc.) amounted to NOK 300,000, almost as much as the salary. When the

---

[4] Internationally, some bilateral donors were in the early 1990s reported to budget USD 150,000 for the annual cost of one foreign expert, Robert Cassen et al., *Does Aid Work?* 2nd ed., Oxford, 1994, p. 157.

[5] It is possible, however, that the category of agency-employed does not include all the same costs as that of consultant-employed does.

[6] This was given in a correction slip attached to the report. In the report itself, the amount given was FIM 699,000 (p. 143), but this apparently represented total costs for the whole two-year contract period.

administrative costs of the agency were added to this, the total estimate for Norad was NOK 747,000 per man-year. (pp. 142-143, 149)

In addition, there were costs accruing to the recipient; their value was difficult to isolate: offices, housing etc. TAP were also bound to influence local spending patterns. Their presence demanded the creation of institutions which could not be maintained without further assistance. As the evaluators noted, the opportunity costs could not be guessed, but they were likely to be high (p. 149).

Some idea of opportunity costs may be gained from the following calculations, presented as cost estimates for alternatives (p. 148):

One person-month of effective work in 1987 (in SEK):

Agency TAP: 85,000
Consultant TAP: 111,000
Short-term consultant: 111,000
Scholarship for academic programme: 10,000
" technical course: 50,000
" in-plant training: 35,000
Technical courses in the recipient country: 25,000
Volunteers: 34,000
Third-country experts: 10,000 - 135,000
Local project management: 4,000 - 20,000

As can be seen from the table, although volunteers were much less costly than experts or consultants, they could by no means be considered a cheap form of development cooperation. The evaluators of Finnish volunteers estimated that the average cost of a Finnish volunteer-year in the 1990s was FIM 300,000. Roughly two-thirds of this consisted of costs directly related to the volunteer (salary, travel, housing etc.), while the rest comprised field administration and headquarters costs. In international comparison, the costs related to the volunteer were at the common level, but the administrative costs were apparently lower than elsewhere. (pp. 197 ff.)

The Nordic TAP evaluators also noted an interesting anomaly. Whereas Nordic consultant engineering companies running commercial subsidiaries in Africa were able to do this with relatively few expatriates and many national professionals, this was not the case when companies were involved in agency assistance. One reason, it was surmised, could have been 'traditional donor thinking, another that agreements between companies and agencies are often based on overhead calculations, which makes it more favourable for the company to use expensive Nordic TAP instead of cheaper local professionals'. (p. 85)

Especially for Finns relying on consultancy companies, it was argued that as the fees received by Finnish companies/institutions for administration of Development Assistance Projects were often related to the number of TAP, they had no incentive to reduce this. (p. 34)

It was also felt, especially by the local officials interviewed by the evaluation team, that TAP did not always use the resources at their disposal in the most cost-efficient manner. They did not always respect working hours, and took their holidays when it suited them. Open conflict was concentrated on the use of project vehicles. Local officers were aware that they were suspected of misusing the vehicles; but as they saw it, also Nordic expatriates misused the vehicles for private driving and holiday trips. (p. 77)

The conclusion of the evaluators about the overall efficiency of Nordic TAP in Kenya, Tanzania and Zambia was rather gloomy (p. ii):

> Looking at the 900 man-years of assistance we must conclude that the institutional framework that should lead to a transfer of knowledge was non-existent or crippled. In several positions there was no need for foreign personnel. A limited number of persons did not have the necessary competence and training for working on aid programmes. In sum, the impact does not stand in any favourable relation to the cost.

The Nordic evaluators claimed to be undecided as to whether the money could have been more wisely spent on other projects or other personnel, but they clearly thought so. Some activities could have been carried out at a lower cost, as some of the expatriates were not very effective and the same impact could have been reached with fewer TAP. No reason was found to believe that TAP from any other country would have done a better job, but they would have been

cheaper. If that had meant that more money would have been allocated for training of indigenous personnel, then 'it is quite possible that the overall impact [would have] been better'. (p. 151-152)

Also the evaluators of Finnish volunteers doubted whether the FVS programme was good value for the money invested as far as the recipient countries were concerned. Its relevance was found to be limited, and the present form of the programme was found to detract from potential benefits. On the other hand, the evaluators assured, the programme 'makes an appreciated contribution at the micro level and does provide a worthwhile experience for the volunteers'. A serious rethinking, and a possible phasing out, of the whole programme was recommended. (p. 216)

Sustainability

The contradiction, approaching mutual exclusiveness, between effectiveness and sustainability surfaced clearly in the evaluations discussed here. It was argued in the Nordic evaluation that, in fact, the effectiveness of TAP may turn out to be detrimental to national development objectives.

It was found by the Nordic evaluators that the job descriptions of TAP often put emphasis on achievement of operational project goals, but were vague and general concerning institutional development and training. As a consequence, such objectives as these were seldom met. On the contrary, it was concluded, many aid projects had had a negative impact on institutional development, for example by creating oversized organizations that were not sustainable without assistance. (p. 31)

> As a consequence of the project approach... donors have felt that it was necessary to establish special procedures and ... even special institutional set ups in order to secure efficient implementation... (I)n [an] extreme version the donor has taken over the full responsibility of implementation.

In such projects, TAP had become not just implementors but also controllers, and they performed administrative and support functions as procurement officers, store keepers, accountants, copy typists, automobile mechanics and even drivers. (p. 32)

It was found that development of training systems, and early planning of integration of projects into the national systems, had often been given much too low priority, which had made phasing-out of expensive TAP more difficult. Parallel donor systems had developed in unsustainable ways. As a result, a substantial TAP assistance in projects tended to continue much longer than anticipated at the planning stages. (p. 75) The largest project included in the evaluation, the Nordic Cooperative Project, had been running for twenty years and had so far consumed some 600 person-years (p. 35).

The risk of putting more emphasis on visible short-term results, sometimes with the consequence that long-term sustainability, training and institution-building are neglected, was found to be particularly acute when private companies acted as project implementors. (p. 72)

In the case of Finnida, it was found that with its small staff it was not able to identify TAP needs. This was left to appraisal missions undertaken by private companies or institutions, which were often later entrusted with the implementation of the same projects. This procedure resulted in projects implemented outside of the local structures, with Finnish TAP in functions for which local manpower would have been readily available (as an example, the Western Kenya Rural Water programme was mentioned).

On the other hand, some Finnida-assessed programmes, such as the Rural Dairy programme in Kenya, were praised for having devised innovative ways of retaining qualified local people trained by the programme. (pp. 40, 95)

A major snag for sustainability was seen in the counterpart situation. This was discovered to be a problem in around two-thirds of the projects. About half of the TAP who were supposed to have counterparts did not in fact have any. The old combination of on-the-job training and counterparts was no longer working (pp. 50-51).

A major reason for this was that counterpart positions were not concidered attractive by the recipients, and national authorities were not ready to post their best people as counterparts. The counterpart positions were subordinate and low paid, and it was often very unclear which career possibilities they gave. They were regarded as dead ends for more senior people.

Very many counterparts interviewed by the Nordic evaluation team made the criticism that their positions were very unclear. It was not uncommon for counterparts to have been in the job already for many years and/or be much older than the advisor. They did not know if and when they were going to take over (p. 51):

> We are not given responsibility, we do not know if we are ever promoted, and we are paid [a] fraction of the salary TAP gets. Why should we then be very dedicated?

Some counterparts criticized the TAP's lack of skill or experience in training. 'This is not learning-by-doing but learning-by-looking.' It often added to the frustration that the TAP in a workshop or plant was the only person with access to funds for procurement of spare parts, etc., sometimes with a 'direct line' to the Nordic exporter. Such a situation made it impossible for counterparts to think that they would ever be able to take over. Often, TAP seemed to be of the same opinion.

How the counterpart system functioned in the case of Finnish volunteers remained rather unclear in the volunteer evaluation. Most volunteers apparently worked with a counterpart; some of the counterparts were seen to be motivated and enthusiastic, while some were not. In several cases, the volunteers said that they were working in a team consisting of persons other than official counterparts. (pp. 119 ff.)

The whole sustainability issue was given very little attention in the report by the evaluators of Finnish volunteers. The evaluators noted that different aspects of sustainability had occasionally been discussed, but the issue had not been systematically dealt with. (pp. 120, 128, 135).

Reference was made by the Nordic evaluators to a report on Zambia which had recognized the danger that technical cooperation could create unsustainable 'islands of efficiency' (p. 63):

> Our evaluation does not in all respects confirm that 'islands' created by Nordic technical assistance are efficient, but it confirms that it is very difficult to reach sustainability.

The Nordic evaluators concluded that there was a clear trade-off between a more highly integrated but slower (and seen by many TAP as less effective) development of the project on the one hand, and a more construction and short-term result oriented, but less integrated project on the other. (p. 69)

Compared with financial and administrative concerns, environmental issues were given very little attention. The Nordic evaluators, working in the same year as *Our Common Future* was published, had practically nothing to say on the environment. In the Finnish volunteer programme, growing environmental awareness had evidently affected some specific decisions, such as the termination of posting sawmill volunteers in Zambia, but no systematic attention had been given to the issue.

WID and gender

That environmental issues, in the limited sense of the term, did not figure in evaluations of personnel assistance was perhaps not surprising. More surprising was that neither did gender issues elicit much discussion in the evaluations of Nordic TAP and Finnish volunteers.

Only some basic information concerning the sex of TAP could be found in the reports. Among the Nordic expatriate personnel, women were noted to be a minority, whereas among the Finnish volunteers, females were counted as being the clear majority. The significance of these figures was not discussed, however, beyond noting that most female Nordic TAP were working with what was called software components of projects. (p. 100)

Critical issues

A major factor affecting the work of Nordic TAP in Kenya, Tanzania and Zambia, and their impact, was that the social relations between local people and TAP were in most cases strained. It was obvious that, in the view of the local officers, there were far too many TAP. Many TAP, however, failed to understand how they were perceived (p. 80).

The large salary differentials between the nationals and TAP were viewed negatively by the locals, especially government staff. This was one reason for the poor social contact. (p. 79)

Other reasons for strained relations included the following: local officers thought they were not given equal opportunity to do their job well. TAP may have been younger and had lower academic qualifications. TAP may have been imposed on the local institution and only reluctantly accepted, as unavoidable. TAP were seen as personally extremely rich and having inexhaustible resources for their work.

A particularly acute problem was the use and abuse of project vehicles, which caused frequent problems and mistrust. Although the evaluators thought that this was among the 'seemingly trivial issues', cases were encountered where cars included in TAP assistance may have been more important than the TAP. It was common for both sides to perceive the other as using the cars for illegitimate purposes: expatriates using them for vacations, locking them when they went on home leave, and local staff for private transport and family purposes. The evaluators believed that both groups often had valid reasons for complaint. Basically, the problem arose from the fact that in countries where access to transport was a privilege, the expatriate always had much easier access. (p. 120)

> (T)he local officers feel that TAP has established double standards in the use of project facilities. In particular this is the case in the use of project vehicles for private purposes.

The relationship between local and foreign staff was often found to be friendly enough, but each side went about their own business. 'If we conclude that around 20 % of the expatriates in our cases have a good and close professional working relationship with the local staff, we have not exaggerated.' (pp. 119-120)

It was emphasized much more was at issue than the individual characteristics of the persons involved. 'The most fundamental condition for a good working atmosphere between TAP and local staff is that there is a real and articulated need for TAP.' (p. 81)

Generally, the relations between TAP and the directly employed local people were found to be better than the relations between TAP and government employees. In such areas where the local

officers did not enjoy the full confidence of the people, TAP were viewed rather positively, not by the people they worked with but by the people they worked for. They were known to be hardworking and outside of the local politics and patron-client systems. (p. 81)

Yet it was noted that when big projects with a large TAP component became 'islands of plenty in countries of scarcity', new barriers were created: between projects and the surrounding society, and inside projects between the big expatriate group and the local staff. (p. 121)

Another problem was the poor institutional learning capacity of the aid agencies. All Nordic agencies had some form of debriefing procedures, but it was a 'sad fact' that the potential for learning from the experience of the individuals was seldom realized' (pp. 126-128). Almost nothing had been done to coordinate or exchange professional experiences between different (Nordic) projects. (p. 71)

Conclusions

Although the number of expatriates working in Finnish development cooperation has been greatly reduced during the years of falling appropriations, and their functions have been transformed, they still play a vital and visible role in several endeavours. Some observations and points made concerning them in the Nordic evaluation in the late 1980s have lost most of their validity, but others can still be taken as broadly valid.

As should be evident from our discussion in the previous chapters of this report, the dangers of parallel expatriate structures have been well recognized, and most of them have been dismantled. In Finnish bilateral projects, the construction and short-term result oriented approach has given way to a more integrated and sustainable approach, with the full cognizance that the latter will be much slower. The number of expatriates has been considerably reduced, and most probably the level of their professional competence has simultaneously risen.

However, the fact that the roles of the expatriates have changed does not mean that a considerable ambiguity could not still linger at the grass roots. In fact, the situation in which most expatriates are formally advisors and process consultants may be conducive to even greater

ambiguity in their position than before, at least as long as they continue to actually control the use of foreign funds.

What has certainly not disappeared is the high unit cost of expatriate humanpower, and the fact that the remaining expatriates bring with them access to an array of material resources such as vehicles, PCs, etc., of which few local organizations could conceive without the presence of the expatriates. The gulf in living standards between the expatriates and their local colleagues continues to perpetuate the complex relationship between them.

There are several ways of 'delivering' technical assistance, the Nordic evaluation argued, and different objectives will call for different modes. (p. 154) At the time of evaluation, Finnida and the other Nordic aid agencies had for several reasons been rapidly moving away from the traditional approaches whereby the agency itself was in charge of all aspects of implementation, and were increasingly relying on other organizations - such as consultancy companies or, later, NGOs - for delivering assistance.

The consultancy mode was not discussed in our sources and would be worth a thorough evaluation of its own. The volunteer mode was considered doubtful by the evaluators of FVS. Its developmental contribution was assessed as positive, but very modest, 'a drop in the bucket'. The Finns involved had apparently benefited from their time abroad and found it personally enriching, but the lack of mutual exchange between Finland and the recipient country had made the relationship one-sided.

Still, one can agree with the conclusion of the Nordic TAP evaluators that a basic need for some technical assistance personnel continues to exist, but the structures of cooperation have to be reformed. The evaluators in the late 1980s also presented a number of good recommendations which would still be worth executing. TAP should not be connected with other forms of assistance, and they should be made answerable first and foremost to the local authorities. The activities of private companies should be monitored more closely and their remuneration should not be based on the costs of the personnel they employ. The recruitment base must be enlarged so that there will be more extensive utilization of local personnel. Recipient government financial systems should be used, and the cost of TAP should be made visible. (pp. 57, 45)

13. NGOs - BETTER SAMARITANS?

It has become conventional wisdom among the general public and the development community alike that non-governmental organizations, or NGOs, have several advantages over more official donor agencies. As was stated in the terms of reference for the evaluation of the Finnish NGO support programme, the assistance by NGOs is assumed to be flexible, innovative, participatory, cost-effective and directed to the poor. However, very little actual evaluative work has been done to examine whether these points of view are in fact justified. Finnida has recently begun to remedy the situation by seeking more actively to evaluate the NGO work that it is supporting.

A major evaluation of the rationale and mandate of the Finnida NGO Support Programme (SP) was undertaken in 1993.[1] It focussed on the efficiency and effectiveness of the programme as a whole, the impact of the initiatives supported, sustainability and replicability of the activities, and participation - especially that of women -n them. A major part of the time allocated was devoted to country-study work in Ethiopia, Nepal, Nicaragua and Uganda.

Another important evaluation concerning the work of NGOs was the one on Finnish personnel as volunteers, undertaken in 1994-95.[2] In addition, there have been more limited evaluations, such as the impact evaluation carried out by a Tanzanian team on the activities of Finnish NGOs in Morogoro District in Tanzania.[3]

Also these evaluations left the underlying big question about the assumed superior quality of the developmental work of NGOs largely unanswered, although little systematic evidence was found to support it. The evaluation of the NGO support programme for Finnida did not endeavour to systematically compare NGO activities with those of official Finnish, or any other, aid. It merely ventured to make some limited comments on cost-effectiveness and the degree of participation

---

[1] *Strengthening the Partnership. Evaluation of the Finnish NGO Support Programme.* Overseas Development Institute, London, and Institute of Development Studies, University of Helsinki. Roger C. Riddell et al. Finnida Report of Evaluation Study, 1994:1.

[2] *Evaluation of Finnish Personnel as Volunteers in Development Cooperation.* Netherlands Economic Institute and Matrix Consultants. Final report to Finnida, July 1995.

[3] *Finnish NGO's Development Co-operation Projects in Morogoro Area (1989-1994). Impact Evaluation Report.* By Lucy S. Nkya, Audace I. Kanshahu and Angela M. Chailla. Draft report, April 1995.

in different modes of aid. The volunteer evaluations focused on the activities of volunteer personnel only. The main Finnish volunteer programme was found to suffer from limited relevance and modest results.

Activities

Finland is occasionally called the promised land of popular associations and other NGOs. This is evident also in the field of development. In 1992, there were some 180 NGOs receiving government support for their development work. For the great majority of them, involvement in development activities was of relatively recent origin. Before the 1960s, only a few worked in developing countries, mostly missionary societies. During the 1960s, non-church related organizations, especially student and youth groups based on solidarity thinking, began to engage in Third World issues. Since then, the development interest has engulfed also the more traditional type of Finnish NGOs.

By now, Finnish NGOs involved in development work represent different ideological perspectives, orientations and working methods, and have very differential access to resources. Over half of them are small, with an annual budget of less than FIM 1 million. These are solidarity organizations, friendship associations, and educational and cultural NGOs; they often implement only one small project each. At the other end of the spectrum, there are half a dozen sizable NGOs with an annual budget of FIM 50-100 million, and an equal number with a budget of over FIM 100 million. These comprise missionary and church-related organizations, trade union affiliates, humanitarian NGOs, and NGOs for health, education and culture. Some of them are implementing up to 10-20 projects each.

Finnish NGOs active in development can be divided into three rough groupings in regard to their objectives and development orientation.

(i) Organizations for which development and other international activities are the main field of work. These may include more establishment-oriented NGOs, such as the Finnish UNICEF Association; but mostly they are smaller groups, such as solidarity and Third World Shop organizations and friendship associations.

(ii) NGOs for which development work forms part of their overall activities. These include well-established organizations related to churches and other religious institutions and to trade unions, as well as women's and youth organizations, and NGOs helping the disabled. Such organizations usually represent different ideological orientations and expertise, and replicate their differences in their development work. Thus, church-related NGOs usually do development work in their traditional mission fields simultaneously with evangelization work and in cooperation with a Southern counterpart church, often one which they themselves helped to establish. Likewise, trade unions train and support Southern trade unionists; organizations assisting the disabled aim to help the disabled in developing countries; and women's organizations strive to improve women's life and position. For many of these organizations, development work is a relatively recent addition to their repertoire.

(iii) NGOs concentrating on raising public awareness in Finland. The Finnish UN Association and some educational organizations are examples of these. Recently, the difference between this and the first group has begun to narrow, as all NGOs are increasingly involved in informational activities.

The Finnish NGOs engaged in development work have established an umbrella organization, called KEPA, the Service Centre for Development Cooperation - Finnish Volunteer Service (FVS). This slightly awkward name reflects the duality of the functions of Kepa. In addition to its role of supporting and coordinating different aspects of NGO development activities, it was also accorded responsibility for running the government-funded Finnish volunteer programme.

In this situation, most NGOs, whether religious or secular, have not conceived of their development work as separate from the promotion of a broader set of ideas and commitments close to their hearts, such as evangelization or trade unionism or women's rights. The motivation which derives from this broader commitment was seen by the evaluators as one of the greatest strengths of NGOs, and often, by the same token, one of their greatest weaknesses.[4]

The growth of development activities and proliferation of Finnish organizations involved in them has coincided with the growth of support from Finnida. NGO support presently forms a significant part of Finnida's activities. It has been supporting the development work of NGOs

[4] *Partnership*. Main report, p. 130.

since 1974, but the rapid increase of funds is a post-1984 phenomenon. By 1992, Finnida was funding over 400 separate NGO projects across 69 developing countries. The contribution amounted to almost FIM 130 million. When Kepa is included, the total NGO appropriations in 1992 were FIM 158 million, which represented 5.5 % of the total Finnish ODA. In allocations for 1995, the respective figures were FIM 120 million (a little less than 100 million for NGO projects, and 20 million for Kepa) and 6 %.

The bulk of the funds (over 90%) that Finnida provided to support the development work of NGOs was channelled to Finnish NGOs (FNGOs). Yet the funds from Finnida were ultimately used by a variety of different organizations. Some projects were implemented by the same FNGOs which received the funds, but other FNGO-funded projects were implemented by international NGOs (INGOs) or indigenous NGOs (INDNGOs), and, sometimes, by agencies or ministries of host governments. In some cases, the Finnish NGO acted basically as no more than a mailbox, receiving and forwarding applications and reports.

Some projects supported by Finnida have been large, and some small; but it is fair to say that the favouring of big organizations which was so typical of Finnida in the period under review can be seen as manifested in the NGO support as well. About half of the total funds were channelled to just six of the largest FNGOs:

1) the Finnish Evangelical Lutheran Mission, that is the missionary society of the Lutheran state church,
2) the Finnish Free Foreign Mission, which is of Pentecostal orientation,
3) Finnchurchaid, the humanitarian aid organization of the Lutheran Church,
4) the Trade Union Solidarity Centre,
5) the Finnish Red Cross, and
6) the International Solidarity Foundation, linked to the Social Democratic party.

When the support to Kepa-FVS is added to this, it can be seen that some two-thirds of the Finnish NGO assistance is channelled through these seven organizations.

Through NGOs, Finnida has extended its support to cover social sectors. Between 70 and 80 % of the NGO development projects funded by Finnida support work in the health, education and

other social sectors. Other projects cover mainly agricultural and rural development, water and sanitation, environmental, income-generating and urban-based endeavours.

Within Finnida, funds are channelled to NGOs through the NGO Support Programme (NGO-SP). This is administered by the Division for NGOs. The division is also responsible for funding information work by FNGOs, and the volunteer service implemented by Kepa.

Impact

The assessment of the overall impact of developmental activities of NGOs remained undecided in the evaluations of the NGO support programme and Finnish volunteers. This was mainly due to lack of data and methodological difficulties. The evaluators of the NGO support programme complained that although Finnida had provided NGOs with funds for projects, it had allocated few resources (especially its own human resources) for assessing the impact of the activities.[5]

The evaluation of the Finnida NGO-SP highlighted both strengths and weaknesses. The overall impact of Finnish NGOs in the four case countries was deemed small and a number of weaknesses were detected at the programme level. Also the NGO performance at project level was found to vary - sometimes greatly - from case to case. The general conclusion of the evaluators was that the overall development impact of the programmes could have been considerably enhanced. Yet it was also argued that the impact of the projects was enough to justify Finnida's continued financial support to such initiatives.[6]

Also the findings on the impact of the Finnish volunteer service programme were mixed, but a critical undertone was clearly discernible. Most hosts were not very satisfied, nor highly disappointed, but were generally politely appreciative. In addition to the professional qualities of the volunteers, the hosts also saw their contribution as related to access to resources that they brought with them, especially transport facilities. Most volunteers themselves were not very enthusiastic about their achievements, but the majority believed that they had been able to contribute to development.

---

[5] Ibid., pp. 172.

[6] Ibid., pp. vi-vii, 127 ff.

The developmental contribution of the FVS programme was deemed by the evaluators to be positive but very modest, 'a drop in the bucket'. Most of the Finns engaged were obviously doing a good job, and had benefited from their time abroad and found it personally enriching, but their relationship with their local colleagues had mostly remained one-sided.[7]

A general pattern was discerned in the evaluation of the NGO-SP. Whereas the *social* impacts of Finnish-supported NGO projects had often been significant, there was little evidence of significant *economic* impact on the livelihoods and income-generating capacity of beneficiaries. This was hardly unexpected, given the concentration of FNGOs on social rather than productive projects.

The focus on the social sector reflected the fact that FNGO-supported activites had in large measure been gap-fillers: they had delivered social services which the state, for a variety of reasons, had been - and would for a considerable period remain - unable to deliver. Only some of the projects had been genuine development projects with prospects for sustainability, whereas other projects did not even try to go beyond humanitarian and welfare interventions.

Within this framework, a number of FNGOs were found by the evaluators to be doing work, or supporting work, of a very high calibre, which could be grouped among the best initiatives by NGOs. The most notable social impact was seen to derive from the provision of improved health care services, drinking water, maternal and child assistance, and educational opportunities.[8]

For instance, the Mannerheim League for Child Welfare (MLCW) health project in Kiyeyi, Uganda, had recorded a significant positive impact on child mortality and rates of infection for various diseases. Its impact was seen to extend far beyond its restricted target area, as its aim had been to demonstrate the validity of community-based approaches to health care, and to introduce a primary health care focus into the education of Ugandan medical students.

Also in Ethiopia and Nepal, FNGOs were either implementing or funding primary and curative health programmes and educational projects which had gained a national reputation for quality of service, innovativeness and/or impact. Among the high-quality projects were mentioned, in

---

[7] Evaluation of Finnish volunteers, pp. xii-xiii, 72 ff., 94 ff., 212.

[8] Ibid., pp. 127-129, 132 ff.

Ethiopia, the Shebe health project, supported by the Finnish Free Foreign Mission (FFFM), and the Mishigida School, supported by the Finnish Evangelical Lutheran Mission (FELM); and in Nepal, the Anandaban Leprosy Hospital, supported by the Finnish Leprosy Mission, and the Amp Pipal hospital in Gorha district, supported by FELM.

Examples of successful projects were also found in other sectors. In Ethiopia, the Lutheran World Federation was managing, with some support from Finnchurchaid, a small-scale river diversion scheme to provide irrigation for agriculture in an area with insufficient and erratic rainfall. The project combined advanced indigenous water engineering skills with local knowledge and labour. In Nicaragua, a local NGO called Solidez, had with very modest support from Emmaus-Kanava developed a way of working with the disabled which eschewed paternalism and identified and developed enterprises managed by the disabled themselves.[9]

Still, the NGO evaluators emphasized, it would be a serious misreading of the development process to expect either the FNGOs or even the combined impact of all NGO projects to be able to *solve* the problems of poverty and underdevelopment. The organizations remained simply too small and their activities were too localized. Strategically, FNGOs had focused on implementing discrete projects rather than aiming to influence policy more widely.

Yet, the evaluators added, small did not necessarily mean irrelevant. The strength of the NGO-SP was found to lie in the assistance it gave to FNGOs, who were then able to make a difference to people at the local level.[10]

> When successful... many initiatives clearly do have a significant development impact. For those people who are assisted, these NGO projects can make an important difference to their lives.

This impact was apparently often achieved. Also in the evaluation of Tanzanian projects in Morogoro, the majority of beneficiaries interviewed by the evaluators assured them that primary

---

[9] Ibid., pp. 132-135; Uganda case study, pp. 21-27, 49-50; Ethiopia case study, pp. 23-32, 41-45; Nepal case study, pp. 17-21, 45-49; Nicaragua case study, pp. 29-30, 50-51.

[10] Ibid., p. vi.

health care projects had 'brought a positive change into their life', although with some other projects the impact was still to be seen.[11]

However, addressing symptoms of poverty was one thing, the NGO-SP evaluators noted, and addressing its causes was quite another. In the latter respect, FNGO-supported projects - like those of most other NGOs - had 'not performed so well'. This was seen to be partly because their distance from decision-making centres prevented them from influencing policies; but even more critically, because of their limited impact on relationships that cause political and social marginalization.[12]

Effectiveness

At the programme level, the NGO-SP appeared in general terms to be achieving its main objectives. To be sure, it was found to suffer from a number of problems, such as organizational weaknesses and too loose and open-ended a view of what is entailed in 'supporting NGOs'. Still, the programme was deemed to play a critically important role in supporting NGO development activities and to have directly contributed to their expansion, enabling NGOs to reach probably tens of thousands of poor people.

At the project level, the problems of methodology in assessing the effectiveness of technical cooperation surfaced, but in general the performance was found to vary. A proportion of projects visited had experienced or were experiencing some major problems. In some cases project objectives had not been met, sometimes because of poor planning or a failure to understand the environment in which the poor people lived, and sometimes because of unexpected outside events. In other cases, it had taken far longer than expected to achieve the results anticipated, and the cost had been higher than initially expected. In yet other cases, the poor remained extremely dependent upon the NGOs providing the service; if and when the NGO left the project would be likely to collapse.

---

[11] Morogoro Impact Evaluation, p. 13.

[12] *Partnership*. Main report, pp. 133-134.

Also here, a general pattern emerged. It was that those (frequently smaller) projects with more clearly defined and less complex objectives, and with more closely targeted beneficiaries, had been more effective. The more diverse and complex the objectives, the greater difficulty the implementors had faced in meeting them.

The findings were not unexpected: many FNGOs were working in a harsh environment. In comparison with wider international experience, it was argued, FNGO-supported projects had performed no worse than other similar projects in the four countries. In particular, the share of projects which exhibited substantial problems was no higher than that revealed by similar evaluations of other donor NGO programmes.

At the programme level, one thing adversely affecting effectiveness was that very little had been done to attempt to link the development work of NGOs with the rest of the Finnish aid programme: NGO work had tended to remain isolated from the 'mainstream', - something which was seen not only to lead to a loss of efficiency and effectiveness, but also to have an adverse effect upon impact. Mutual gains could be achieved by drawing the two groups closer together, the evaluation team argued.

However, the team was at pains to stress that these sorts of gains would only accrue if care was taken to respect and preserve the identity and the characteristics of NGOs and their interventions. In theory, Finnida funding of NGO projects is based on notions of 'consistency and complementarity with' the official aid programme. In practice, the most stress has been given to consistency with broader objectives of the Finnish aid programme. When the question of complementarity has been raised, it has been understood mostly in the sense of 'extending the influence' of the official aid programme. This kind of attempt at one-sided influence should be avoided in efforts to encourage further 'complementarity', the evaluators argued.[13]

The effectiveness of the Finnish volunteer service was found difficult to assess, because the programme was seen to suffer from a mix of vague objectives and to lack a definitive focus. What the evaluators were willing to say was that functioning of the Kepa organization in the implementation of the programme had not been 'sufficiently satisfactory'.[14]

---

[13] Ibid., pp. vi-ix, 132 ff., 153 ff., 175, 180-181.

[14] Evaluation of Finnish volunteers, pp. xv, 190-193.

Efficiency

The NGO-SP evaluators emphasized that their project assessments had been very rapid and had left little time to analyse the efficiency and cost-effectiveness of the activities in depth; and the problem had been made worse in many cases by the total lack of critical quantitative data. Nonetheless, they felt able to make two important points.

First, there was a very wide variation in the costs of different projects, which could not be seen to be paralleled by similar variations in the benefits that derived from them. The contributions to single projects ranged from a few thousand FIM to several millions.

Secondly, in cases where comparison with bilateral projects was possible, NGO projects appeared to be low-cost ones. The NGO projects were not only far smaller, but it was very rare that their costs for salaries, administration and capital goods approached the levels common in bilateral projects. Yet there were FNGO projects where costs had been pushed up as a result of expenditure on technology and Finnish staff which by no means always led to 'proportionate impacts on beneficiary welfare'.[15]

The evaluators of Finnish volunteers complained that they could not measure cost-effectiveness of volunteers because specific objectives, expected outputs and baseline information were not available; but they apparently thought that it could have been much higher. They also presented a comparison between FVS and other NGOs sending volunteers. They estimated that the average cost of a Finnish volunteer-year in the 1990s was FIM 300,000, which compared quite favourably with relevant cases from other sending countries on which information was available. The costs directly related to the volunteer (salary, travel, housing etc.) appeared to be at the same level as elsewhere, while administrative costs were apparently lower.[16]

---

[15] Ibid., pp. 104, 135, 148.

[16] Evaluation of Finnish volunteers, pp. xvi, 194-208.

Sustainability

Environmental sustainability was not much of an issue in most of the NGO projects discussed here. Although there were some environmental projects that had been successful, such as the project for soil and water conservation through river diversion in North Omo in Ethiopia, otherwise the theme of environment did not arise very often. This was not unnatural, as the focus of FNGOs had been not on production but on health, education and humanitarian activities, which had less environmental impact However, at least in one project in Ethiopia - the Gatira water project of the Finnish Red Cross - the expected environmental influences that could be expected had not been properly assessed beforehand, and they were found to disturb the project.[17]

The overall sustainability of FNGO initiatives was regarded in two dimensions: (i) sustainability of the impact and (ii) sustainability of the processes and institutions supported.
Both of these closely interrelated dimensions were seen as highly dependent on the wider political environment.

In general, it was found that many FNGOs had not given sustainability much attention. In some cases, they had obviously felt that it was not 'their' problem. In a number of instances, most acutely in Nicaragua under the Sandinista regime between 1979 and 1990, FNGOs believed that the government would ensure the sustainability of the initiatives by providing financial, technical and administrative support. Consequently, FNGOs only began thinking seriously part-way through the project about how to sustain the processes they had initiated or supported - by which time, often, a number of unsustainable practices (e.g. wage subsidies to project staff) had been established and entrenched.

Related to sustainability is the issue of popular participation. The evidence from case studies suggested that though NGOs in general were probably more participatory than public sector institutions, they were not in fact as participatory across the range of potential areas of participation as they themselves claimed to be. In particular, little participation of the beneficiary groups in project identification was found. Counterpart institutions were usually more involved

[17] *Partnership*. Main report, p. 141.

in project preparation and planning, but the participation of local people was commonly limited to the implementation phase.[18]

WID and gender

Concerning the issue of gender sensitivity, the NGO-SP evaluation argued that the situation was much the same as with sustainable development: the ability of the FNGOs, like that of other NGOs, to articulate concerns for gender and sustainability had exceeded their ability to put the concerns into practice.

Gender aspects had been given quite considerable attention, to be sure. But as was argued by the evaluation, the gender sensitivity of the projects could be assessed in two ways: first, in respect to their orientation towards women as preferred target groups in projects; second, and more fundamentally, in relation to the way they challenged the underlying structural problems which marginalized and disempowered women faced. The relationship between these two is not straightforward: as noted by the evaluation report, women can be targeted as beneficiaries in a project that ultimately reinforces the factors that keep women disempowered, for instance by perpetuating typical women's roles in households.

In relation to the first dimension, a number of the FNGO projects were found to score quite well. This partly reflected their sectoral focus: maternal and child care programmes, for instance, are by nature more oriented toward women than men.

Far fewer projects were found to really address the relationships that kept women disempowered or to aim at strengthening women's own organizations. There were exceptions, however. In Uganda, the Trade Union Solidarity Centre SASK supported education of women trade union members. In Nicaragua, an InterSolid project had worked directly with the women's wing of the Sandinista Workers' Union Confederation to support clinics managed by women and another programme directed towards conscientizing women of their rights.[19]

---

[18] Ibid., pp. 136 ff., 149.

[19] Ibid., pp. 142-143; Uganda case study, pp. 27-31; Nicaragua case study, pp. 41-43.

Conclusions

In general, the Finnish NGOs in development and the Finnish volunteers were found to share the same virtues and vices as most other NGOs. Their development impact was regarded as modest and their effectiveness as mixed, but in many cases they had been able to reach poor people whom the governments concerned were unable or unwilling to support. Their cost-effectiveness varied greatly, but was by and large better than that of official agencies.

At the programme level, Finnida differed from other donors in two ways. Firstly, in comparison with many other OECD donors, especially its Nordic neighbours, Finland channelled a comparatively low share of its total aid budget to NGOs. Secondly, it was argued, the trend was such that unless decisions were taken to reverse it, the difference between the relative share of official aid given to NGOs by Finnida and the share provided by most other leading donors was set to widen further.

Although the development impact of the NGO activities was found modest, it was judged significant enough to justify a continued support programme. The team recommended that 'as far as available resources permit, Finnida should strive to increase the share of total aid funds which it allocates to supporting' NGOs in their development activities. Funding applications to be implemented in core programme countries should be looked upon particularly favourably, but also further concentration in a smaller selection of countries beyond these should be encouraged (because a large number of countries constitutes a weakness).

Criticism was also directed towards the project focus of the NGO-SP. By widening its focus to embrace the funding of NGO initiatives beyond particular target groups, it was believed that the NGO-SP could increase and extend the impact of NGOs.[20]

The Finnish volunteer service programme was judged to be of limited relevance. The present form of organization was found to detract from potential benefits. Although the programme was seen to make an appreciated contribution on the micro scale, its cost-effectiveness was doubted. The evaluation team could not hide its doubts about the value of continuing with the volunteer programme. It suggested that the purpose, objectives and modality of the programme had to be

[20] Ibid., pp. ix ff., 176 ff.

determined and agreed on anew between Finnida and Kepa, and that the latter should concentrate on its strong areas of information and campaigning in Finland.[21]

A major problem affecting the development work and impact of NGOs, identified explicitly for the ones included in the NGO support programme but equally valid for Kepa-FVS, was that the NGOs had been weak in systematizing and learning from their experience, which at times had been quite innovative. Most of the NGOs, Finnish and international alike, had no system to foster learning even inside the organizations, not to mention dissemination of experience to other agencies. Yet, it was argued, one of the major contemporary challenges is to find new mechanisms for the delivery of social development services in political contexts where states cannot, or will not, bear the main share of costs. By experimenting with new approaches, the NGOs could here contribute to policy changes much beyond their limited target areas.[22]

[21] Evaluation of Finnish volunteers, pp. xvii-xix, 216-222.

[22] *Partnership*. Main report, p. 144.

14. AID AND EXPORT: A CONTROVERSY

Finnish development cooperation appropriations have in recent years been increasingly allotted to activities whose stated purpose is not only to further economic development and welfare in the recipient countries but also to promote Finnish exports and the internationalization of Finnish capital. Three such sets of activities are discussed in this chapter: Finnfund, which supports industrial and other private sector activities in developing countries; the premixed concessional credit scheme (PCCS), or interest subsidy scheme, whose main objective is to increase private financial flows from Finland to LDCs for projects with assumedly high development effects; and the Finnida Consultancy Trust Funds in four major international development financing institutions, meant to enhance the utilization of Finnish expertise in the assignments of the institutions and help the Finnish consulting industry improve its international competitiveness.

These programmes and schemes have not only been able to withstand the effects of the cuts in aid appropriations much better than most other Finnida activities, but also the absolute amounts allocated to them have until recently been increasing. This is so especially with interest subsidies, which have an inbuilt tendency to grow as the amount of credits assigned has been increasing and more and more of them are being disbursed. Whereas the appropriations for Finnfund have been fluctuating greatly from the level of FIM 51 million as the annual average in 1990-92 and substantially reduced in the last two years, those for the interest subsidies almost tripled from FIM 63 million in 1990-92 to 180 million in 1995, after which they also took a downward turn (150 million in the 1996 budget). The change was even more dramatic in relative terms. The collapse in the overall level of Finnida appropriations implied a rise in the share of interest subsidies and Finnfund in promoting the internationalization of Finnish companies with the help of development aid, from some 3% in 1990-92 to about 10% in 1995 and 8% in 1996 (see Table 1, p. 12).

Programmes that combine commercial aims with aid funds are controversial because of their dual character: development of the recipient country is claimed to be the central issue, while the programmes also openly acknowledge export promotion or other benefits for the donor economy to be among their aims. The duality also makes the evaluation of these activities complicated: their rationale and relevance, effectiveness, impact etc. should be assessed from both the development and the export promotion point of view; and, in addition, the issue of compatibility

between these two aims should be discussed. The evaluation reports discussed here clearly displayed differing emphases in these respects.

Activities

Finnfund, or the Finnish Fund for Industrial Cooperation Ltd., is much the oldest of the ventures discussed here. It was established in 1979 as a limited liability company with the Finnish state as practically the only shareholder.[1] The company is not expected to yield profit, but to promote the development of LDCs through support to industrial and other private sector activities. In the justifications of the Finnfund Act it was also spelled out that the activities of the fund were expected to support the internationalization of Finnish firms and thus have a positive impact on employment and economic development in Finland.

Recently, Finnfund has itself increasingly emphasized its role as the spearhead of the internationalization of Finnish capital. It says it exists to finance what it calls profitable enterprises in emerging countries. In cooperation with Finnish and other companies, it promotes dynamic, developing and innovative private enterprise.[2] The Managing Director put it in these terms:[3]

> The mission of the Corporation is to promote investments of international Finnish enterprises by participating in risk sharing and by offering related competitive financial and advisory services.

---

[1] Finnfund is itself keen to emphasize that also 'Finnish industry' and the Finnish Export Credit (FEC) are its shareholders (*Annual Report 1994*, p. 5), but does not disclose in its Annual Report that the share of the Confederation of Finnish Industries is 0.2 % and that of the entirely state-owned FEC 3.0 %.

[2] *Annual Report 1994*, p. 5. See also *Suomi ja kehittyvät maanosat. FINNFUNDin toiminnan kehittäminen suorien investointien vuosikymmenellä. FINNFUND-2000.* Helsinki, 1993.

[3] Markku Pekonen, *Annual Report 1994*, p. 9.

Finnfund is discussed here on the basis of the evaluation which was undertaken by a team from the Netherlands Economic Institute (NEI) in 1992.[4] Some factual information has been updated from Finnfund's *Annual Reports* and other documents.

When Finnfund was established, the case for it was found in the fact that Finnish companies held much smaller investments in developing countries than their Nordic neighbours did. In 1975, firms in Sweden, Denmark and Norway invested USD 82.2, 20.0 and 16.8 million respectively in developing countries, but Finnish companies only 2.6 million. Among the reasons for the low Finnish participation were mentioned weak market know-how and the lack of risk finance, and it was thought that a fund modelled on the example of other Nordic countries would help to overcome such obstacles.

The main instruments that Finnfund employs are (i) to participate in joint ventures in LDCs with equity, and (ii) to extend loans and guarantees to them. Its preference has clearly been for extending loans: of the total commitments of the projects in operation, 70 per cent were in the form of loans by August 1992, and their share has since only increased. The rest were in the form of equity. In addition, the Fund supports feasibility studies, and training and technical assistance. Since 1991 Finnfund has also operated in Eastern and Central Europe, which has become a major growth area for it.

Finnfund's financing is not tied to procurement from Finland, but in principle each project should have a Finnish company as a partner (except in cases of 'exceptional development impact'). The interest rates of FIM loans to LDC vary between 3.5 to 6.5 per cent, grace periods between 2 and 14 years, and the loan terms from 8 to 14 years. The average interest rates for loans in USD are lower. The average grant element calculated as a weighted average on the total loan portfolio is about 25 per cent, which meets the requirement for qualifying as ODA. Loans for projects in Eastern Europe are accorded on commercial terms.

At first, Finnfund's investment portfolio showed a modest growth. It reached the value of FIM 100 million by the end of 1989. Since then, the growth had accelerated. By August 1992, FIM 430 million was committed to 47 projects. A large share of the Fund's liquid assets, FIM 193.3

[4] *Joint Ventures and Aid. Evaluation of FINNFUND.* N. van der Windt et al. Finnida Report of Evaluation Study, 1992:3.

million, was invested in high-risk, short term deposits in various financial institutions. At the end of 1994, the total commitments were FIM 780 million to 85 projects.

Total investments in companies with Finnfund's funding were around FIM 3 billion in 1992. Most of these were directed to the modern sector in more well-to-do developing countries. Some 70% of Finnfund's commitments were in joint ventures producing capital or intermediate goods. Over 56% was allocated to countries with GNP exceeding USD 1,500.

Finnfund also finances development banks in LDCs through equity investments or loans. By the time of the evaluation, the current commitment was FIM 49.9 for three institutions: IFCI in India, Zimbabwe Development Bank, and SIFIDA for the African Region. Through these, the Fund could indirectly participate in a large number of investments without getting involved in the time-and money-consuming processes of project preparation and follow-up. At the same time, Finnish joint ventures could be served indirectly through these institutions.

In addition to equity investment and loans, Finnfund had allocated FIM 26 million to financing feasibility studies and FIM 9.25 million to technical and training assistance for the joint ventures.

The premixed concessional credit scheme (PCCS - *korkotukiluottojärjestelmä*) became operative in 1987. Its main objective was to increase financial flows from Finland to LDCs for projects with high development effects. The authorization of the Finnish government for the mixed credit agreements in 1987-1994 was altogether FIM 3,400 million. By March 1995, credits amounting to approximately FIM 3,000 million had been assigned out of this.

Until 1992, most of the projects financed under this facility were in the sectors of industry, energy, telecommunications and water supply (including sewerage). Their geographical focus was Asia, in particular China and Thailand. These were considered as 'spoiled markets', in which the use of concessional terms was customary. In Finland, the distribution of the credits was very uneven. Almost 40 per cent of the finances under the scheme were supplied by only three exporters.

The inauguration of the new OECD arrangement concerning Officially Supported Export Credits, called the 'Helsinki Package' because Finland was the chairman of the negotiations, limited the use of concessional credits to commercially non-viable projects. This was likely to affect the

sectoral and geographical distribution of the Finnish concessional credits, but the exact trends are not yet known. The only overall evaluation discussed here, that undertaken by the team from the Netherlands Economic Institute (NEI) in 1992, covers a period roughly up until the Helsinki Package;[5] the more recent evaluations were more partial in character.[6]

The NEI evaluation found out that project ideas had often been developed on the initiative of the Finnish exporter. Finnida's role in decision-making seemed limited. More important had been the Associated Financial Group (AFG), consisting of representatives of Finnida, the Foreign Ministry, the Ministry of Trade and Industry, the Ministry of Finance, the Finnish Export Credit (FEC) and the Finnish Guarantee Board (FGB). If the recommendation by the group was positive, FEC made an application for an F-guarantee (coverage 100 %) to FGB. In most cases, FGB requested that the client should organize a counter guarantee from a financial institution in the recipient country. Simultaneously, Finnida appraised the project for interest subsidy.

In FEC and FGB, PCCS loans were processed and administered practically according to their normal criteria. In Finnida, PCCS seemed to have remained to some extent an 'outsider', and the responsibility for it had been divided between many officials. Also, procedures for monitoring had not yet been developed.

As a response to these criticisms, Finnida has raised its profile in the application procedure and intensified attempts to develop appraisal and monitoring. Nowadays, applications are subjected to more careful scrutiny than before. The AFG no longer handles individual applications, with some exceptions. The 1995 evaluation missions were partly meant to compensate for the absence of monitoring reports.

---

[5] *Export Credits and Aid. Evaluation of Finnish Premixed Concessional Credit Scheme.* The Netherlands Economic Institute, N. van der Windt et al. Finnida Report of Evaluation Study, 1992:1.

[6] A set of four evaluation reports by Matti J. Salimäki et al. on: Phoenix Pulp Mill Project and Siam Kraft Power Plant Expansion Project in Thailand, South East Asia Lumber Incorporated Bhd (SEAL) Plywood Project in Malaysia, and Philippine Associated Smelting and Refining Corporation (PASAR) Expansion Project, March-April 1995; and 'A Review of Four Mixed Credit Scheme Water Supply and Waste Water Projects in the People's Republic of China', Planpoint and Sergon, April-May 1995.

The FINNIDA Consultancy Trust Funds had been held in four major development financing institutions (DFIs) since the late 1980s: the World Bank, the International Finance Corporation (IFC), the African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD). The objective of the funds was to enhance the utilization of Finnish expertise in the assignments of the DFIs (TORs). They were to help the Finnish consulting industry improve its international competitiveness: to gather experience, and to make themselves familiar with DFI policies and known in the institutions, etc. - 'to serve as an entry point to further assignments and international biddings arranged/financed by the DFIs', as stated by the terms of reference of the evaluation.[7]

Most major bilateral donors have similar funds. These were meant to be used for short-term assignments supplementing the institutions' own resources for project preparation, implementation and supervision. For example in the World Bank in 1993, as much as 27 % of all consultancy fees were paid from these sources. In Nordic comparison, Sweden was found to put a lot more money into consultancy trust funds than the rest.

The administration of the funds, including the recruitment of consultants, was the responsibility of the DFI concerned. With IFC and the African Development Bank, Finnida concurrence had be sought for the project and consultant; with the World Bank and IFAD, this was not necessary.

The use of these funds is generally tied one way or another to consultants from the respective country. This is so even at the World Bank, which strives to do away with all tying restrictions; Finnida agreed in 1990 that 10 % could be used for local consultants, and has attached no other restrictions and priorities to the use of its funds.

Relevance

The duality of **Finnfund**'s activities was reflected in the way its objectives were to be evaluated. As the evaluators saw it, Finnfund had two basic types of objectives: those related to (i) its

[7] Annex 6 to 'Review on the use of FINNIDA Consultancy Trust Funds in the World Bank, International Finance Corporation, the African Development Bank and the International Fund for Agricultural Development', Draft report, Tertium, Liisa Tervo Consulting Ky, November 1993.

contribution to overall objectives of Finnish aid; and (ii) its performance in the light of its own goals. Moreover, the latter were also divided into two: (a) developmental targets (to speed up industrialization in LDCs and have a favourable impact on employment, the foreign exchange position and raw material utilization in the recipient countries); and (b) objectives related to the Finnish economy. The operations of the fund were meant to contribute to the development of Finnish companies, and according to justifications of its by-law, to 'have positive impact on employment and economic development in Finland'.

The objectives of all Finnida-supported activities were supposed by the evaluators to have remained relatively unchanged throughout the 1980s and to include alleviation of poverty, combating global environmental hazards and fostering equality, democracy and human rights.

In this respect, the role of Finnfund as an instrument of development aid was found problematic. 'As can be expected, sometimes the operations of FINNFUND are well in line with the objectives of the Finnish development assistance, sometimes the connection is more difficult to observe.' The projects of the Fund were on average both capital and high technology intensive, and located in a majority of cases in urban areas of better-off developing countries. They operated without exception in the modern sectors. Whether they had had a general impact on the alleviation of poverty was considered doubtful. There was nothing to show that the rationale of reducing poverty by indirect means (the 'trickle-down' effect) would have worked better in these cases than others.[8]

Project appraisals by Finnfund were found satisfactory, but it was pointed out that a viability test appeared to have been sufficient for the approval of a project. Criteria related to development impact had 'not played a major role' in actual project selection. Two reasons were presented for this: (i) to have a long-term developmental impact, any industrial project has to be viable as a business unit, and (ii) based on the low demand for the Fund's services, the number of projects that were considered viable had been so limited that a stricter policy on developmental criteria would have reduced the Finnfund's portfolio to a very small level.

Also the list of Finnfund's partner countries looked very different from the recipient country list for overall Finnish development assistance, which was dominated by low-income countries

[8] *Joint Ventures and Aid*, p. i-ii, 2-3, 19 ff., 60, 84.

(especially in Africa). This was so, the evaluators noted, even though justifications of the Finnfund Act stated that when selecting target countries and sectors, Finnfund should follow the same criteria as applied in Finland's bilateral aid.

Asia was the main host region of the Fund's investments (with 58 % of the commitments), followed by the Mediterranean area. Of single countries, Malaysia was by far the most important (8 projects, 26.5 per cent of the current commitments - including the biggest one, a highly capital-intensive petrochemical venture with Neste as partner, representing some 20 % of Finnfund's total commitments). After Malaysia, the number of projects was highest in India (7) and Turkey (6).

When making the decision on the investment in the Industrial Finance Corporation of India (IFCI) in 1988, the Finnfund management saw India as 'probably the best LDC environment for Finnish joint ventures', with a large home market, abundant and competent manpower, and improving industrial policies.[9]

By the time of the evaluation in September 1992, finances to two projects in Central and Eastern Europe had been approved, but the pipeline was long. At the end of 1994, Finnfund had 20 effective financing commitments in the Baltic states (17 of them in Estonia), seven in Russia, and eight in central Europe.

However, as pointed out by the NEI mission, quite another question was the degree to which Finnida and other government departments involved had actually expected Finnfund to excel in poverty alleviation. Its establishment had been predominantly justified by issues of another type. When set against targets of other kind, support to Finnfund from Finnida's funding 'had been more understandable'.[10]

The distribution of the Fund's investments was seen largely to stem from its strategy of close co-operation with large Finnish companies. Big, often multinational companies were Finnish partners in 24 projects, covering 76 % of the Fund's investments in equity and loans. In total,

---

[9] Ibid., p. 46.

[10] Ibid., p. ii.

over 95 per cent was invested together with large companies whose turnover exceeded FIM 500 million.

Virtually all the projects - with one exception in India - had been initiated by Finnish companies (although in several cases the host country partners had taken the initiative to contact the Finnish partners). Their main motive had been market entry and expansion. Other dominant considerations included the availability of cheap raw materials or labour, and equipment and machinery sales (though the dangers inherent in the last were well recognized by Finnfund).

The evaluators pointed out that Finnfund's by-laws and policies did not restrict its country selection as was the case with some other similar development financing institutions. Consequently, as 'Finnish companies have been interested in countries with promising home markets and better developed operational environment... Finnfund has followed their internationalization drive'.[11]

'Experience has shown that [a] customer-oriented approach is not enough but activities must be customer-driven', was how Finnfund put it itself. 'The best projects will be created when the investment project is in the long-term strategic interest of the Finnish company. Delivery of machinery or other short-term interests must not dominate or provide the basic motive of the project.'[12]

Most host country partners were firms with local market experience, but the policy concerning the host country partner had been very flexible. In 10 projects, i.e. some 20 % of the cases, there was no local shareholder at all. The lack was seen to have little to do with the 'exceptionally good development impact' (for which a provison had been made in the statutes), but it stemmed from the fact that (a) the local partner had been bought out because of some problems; or (b) some Finnish partner companies had a policy of insisting on 100 % Finnish ownership. In the latter cases, Finnfund was actually investing in a Finnish subsidiary, not a joint venture.

---

[11] Ibid., p. 31.

[12] *Suomi ja kehittyvät maanosat*, p. 33.

The evaluators recognized the dilemma of an institution like Finnfund: continuity required investments in relatively 'safe' projects in 'safe' countries, whereas developmental objectives would mean direct investments to poorer countries with a riskier business environment.

Other similar institutions visited by the evaluators had chosen different strategies for living with this dilemma. IFU in Denmark had made high-risk investments, mainly in equity. The involved high losses were covered by high returns on money market investments in Denmark. Swedefund's losses from high-risk investments were fully compensated by the Swedish government. FMO in the Netherlands only provided loans with good securities, and invested a lot through DFIs in LDCs with guarantees by the host governments.

For Finnfund, an additional complication was the lack of interest on the part of the Finnish business community in investing in high-risk countries at all.[13]

The **premixed concessional credit scheme** had largely been created as a reaction to the use of soft finance by other exporting countries competing with Finland. Not surprisingly, export support was found by the NEI evaluators in 1992 to have been the dominant criterion in the choice of projects. Especially since the onset of recession in Finland in 1990, the export motives had become more overt. Development criteria had been of secondary importance in selection, and information on them was vague. Other issues such as balance of payments effect, employment, poverty alleviation and gender were found to have played practically no role in project selection and design.

There had been no particular search for the kind of marginal projects in which finance from other sources would have been particularly difficult. In some projects, PCCS credits had benefited financially strong enterprises having good connections with local and international financial markets.[14]

To what extent the situation had changed after the introduction of the Helsinki Package could not be determined from the reports made available to this study. In any case, because of the set-

[13] Ibid., pp. v, 28.

[14] *Export Credits and Aid*, pp. i-ii; ch. 7; and p. 88.

up of the scheme, it was clear that a major part of the interest subsidies actually paid out by Finnida would for a considerable period of time be on credits committed before 1992.

While the 1995 all-Finnish evaluations on projects in Thailand, Malaysia and the Philippines greatly emphasized what they saw as beneficial social impact effects of most of the projects, there was little substance in the reports to basically challenge the above assessment by NEI evaluators. What these reports, and that on water supply and waste water projects in China, showed was that the relevance of projects included in the concessional credit scheme also varied greatly according to the project.

Undertakings such as waste water treatment projects in Wuhan and Baoding in central China, or the Phoenix Pulp Mill in north-eastern Thailand, could be justified also from a developmental point of view. This same was not the case with, for instance, with the South East Asian Lumber (SEAL) veneer and plywood project at Ipoh, Perak State, Malaysia, or water and waste water projects in China's southern Guandong Province. The basic idea of the SEAL project at Ipoh, to install a plant using ageing rubber wood as raw material, was found untenable. In Guandong - a Special Economic Zone with overheated economic growth manifested in mushrooming 40-60 storey skyscrapers - the evaluators found it 'very contradictory that... the area receive[d] development aid for infrastructure development when private risk money earn[ed] high yields and benefit[ed] from tax concessions and practically free infrastructure'.[15]

The case for the **consultancy trust funds** was argued primarily in terms of the commercial needs of the Finnish consultancy industry and the Finnish economy more generally, although also the 'benefiting countries' and sectors were mentioned in passing. Securing the objectives of Finnish development cooperation was seen to take place not through consultancy activities but through participating in the formulation of the strategy and policy of the DFIs in their decision-making bodies.[16]

The backdrop for the establishment of these funds was that the participation of Finnish consultants in the assignments of DFIs had been 'rather modest', and did not seem to improve on its own. Still in 1990, some 70 % of Finnish consulting export was funded by Finnida (called

[15] Mixed Credit Water Projects in China, p. 18.

[16] Review on Consultancy Funds, pp. 17, 32.

'"easy" money' by the evaluator). In the World Bank group in 1992, Finland's share of individual consultants was 0.32 % and of consultancy companies 1.25 %. When compared with the capital stock and voting power (0.62 % in the Bank and 0.72 % in IFC), it can be seen that the performance of companies had been fair but that of individual consultants poor. 'In the World Bank,' it was noted in the review report, 'personal contacts with the users of consultants count more than anything else, apart from the consultant's professional reputation...'[17]

The IFC fund differed from the others in that it was designed not only with the consultancy industry in mind, but also 'to serve more directly and openly the commercial interests of Finnish companies... to initiate and develop potential downstream benefits such as sourcing of technology, equipment and technical services from Finland (and) joint ventures ...'[18]

Effectiveness

Measured by the rate of success of the joint ventures established with **Finnfund**'s support, the effectiveness of the Fund's activities was deemed reasonably good.

Since 1980 up until the NEI evaluation, 40 projects with some financing from Finnfund had started operations. Of these, five had been terminated because they were not viable; and Finnfund had sold its shares to the Finnish partner in one case. Out of the remaining 34, 18 performed normally according to Finnfund's own view. These represented almost 80 per cent of the portfolio. The others faced minor or major problems. However, the evaluation team added, for several projects labelled as having 'major problems', the problems were so severe that discontinuity of their activities in the near future had to be feared.[19]

The success or failure of a joint venture could not in most cases be explained by only one single factor, the team pointed out. For several projects, the problems were related to deteriorating macro-economic circumstances, e.g. in Turkey since the late 1980s. In a large number, the market potential had proved much smaller than expected.

---

[17] Ibid., pp. 2-3, 31.

[18] Ibid., pp. 31-32.

[19] *Joint Ventures and Aid*, p. 52.

The commitment to the joint venture on the part of both the local and Finnish partner emerged as a very important determinant of its success. Some projects faced problems because the Finnish partner lacked the experience to run a company abroad. In several cases the Finnish partner's main interest lay narrowly in the supply of equipment. Good contacts with the local bureaucracy and knowledge of markets proved to be essential determinants of success. They were largely the responsibility of the local partner.

Also the size of the project and the period when it started seemed to matter. Relatively large projects in which the Finnish financial participation (Finnish company plus Finnfund) was considerable, were found to perform significantly better than others. Projects which had started in the early eighties faced more problems than those which had started during the second half of the decade. This was explained by the growing experience of Finnfund's staff and the improvements in the project appraisals.

A positive trend was also visible in the average returns. The average returns on investment of the joint ventures had increased continuously to a level of 3.5 per cent in 1991. Most projects which started after 1988 showed a profit before depreciation. As to those started earlier, this was the case only for about 40 per cent.

For the **premixed concessional credits**, it was found that the demand for credits had been high and the scheme had generally been smoothly implemented.[20] Beyond that, it was very difficult to assess the effectiveness, and further, the impact of the scheme at the general level, because of the considerable methodological difficulties inherent in the endeavour.[21] At the level of individual projects, assessment was easier.

---

[20] *Export Credits and Aid*, pp. 54, 87.

[21] The main problem was that an export transaction like this could be interpreted either as a project or as a form of import support; but whichever was chosen, the methods proved deficient. If it was seen as project, cost-benefit analysis would have been a most suitable instrument for systematically assessing the impact, but it could not be applied for various practical reasons (scanty data, short time). Import support should have been evaluated at the macro-economic level, but this was complicated by the fungibility inherent in the scheme (meaning that the projects would have been implemented even without PCCS). See *Export Credits and Aid*, p. 2.

The amount of concessional credits authorized was FIM 3,300 at the end of 1991 and FIM 3,400 at the end of 1994, but the amount of loans actually assigned grew at the same time from FIM 2,175 million to FIM 3,000 million. The importers in the recipient countries, almost without exception, stated that they would not have bought from Finland without a soft credit. An obvious conclusion from these facts would be that the scheme as a whole had fulfilled one of its major objectives and increased financial flows from Finland to creditworthy LDCs.

However, the NEI team had difficulties in making up their mind as to whether the scheme had created additional exports, and to what degree, by early 1992. In their overall conclusion, they reported that no strong evidence had been found that exports and financial flows from Finland to LDCs had actually increased as a result of the mixed credits. Data rather suggested that a shift had occurred from commercial export credits to the PCCS window. Elsewhere in the report, they argued that statistically it was impossible to prove that the scheme would have contributed to an expansion of Finnish exports to LDCs, and that the impact of the scheme as an instrument of export promotion seemed 'very marginal'. Yet after their case studies on projects in China and Thailand, they said that 'it could be concluded that the scheme ha[d] contributed to the financial and trade flows from Finland to these specific countries'.[22]

Very few projects financed by mixed credits were operative at the time of the 1992 evaluation, and little could be said about their effectiveness. The 1995 evaluations found that the effectiveness of the individual projects in terms of achieving their stated objectives varied greatly. Some - such as the Wuhan waste water treatment and the Phoenix pulp mill - were found to be proceeding very well, experiencing only minor difficulties, while others - such as the Shenzen waste water treatment or the veneer and plywood plant at Ipoh - were badly delayed and/or suffered from serious technical and institutional problems.

Of the four **Finnida consultancy trust funds**, a total of 190 assignments had been financed by the end of October 1993, with total cumulative commitments of about USD 5 million. Most of the assignments - 164 - had been with the World Bank, whereas the 'tiny' IFAD fund had remained unknown and underutilized. Also the utilization of IFC had been sluggish, although it was seen to hold the greatest potential for downstream benefits to the Finnish economy.[23]

---

[22] Ibid., pp. ii, 52-53, 82, 84, 87.

[23] Review on Consultancy Funds, pp. 10 ff., 30-32.

No major problems in relation to the utilization of the funds were reported, but some minor inefficiencies were identified in their administration. Reporting by DFIs was not found satisfactory, with the exception of the World Bank; and monitoring by Finnida was criticized for not having been efficient enough.

27 Finnish companies had participated in the utilization of the consultancy funds, most of them large and medium-sized (Pöyry, Ekono, HUKS and FinnRA were among those who had had more than one such job).

The number of beneficiary countries was 57, China being the main one. Benefiting sectors had been: agriculture including rural development (16.3 %), industry, and education. In the World Bank, project preparation had been the most common activity, followed by sector and economic work. In IFC, half of the work had related to project identification. The funds in the AfDB had been used mainly for studies; whereas in IFAD the utilization had been versatile - poverty alleviation had been relatively well covered, promotion of democracy etc. less so.

All consultants included in the review were of the opinion that the trust funds could serve as an entry point for further assignments, although actually less than a third (27 %) reported gaining further assignments in the DFIs. In addition references, contacts, new skills and experience were reported as the main objectives of the consultants' participation in the trust fund financed assignments. The long-term benefits were discernible in the form of contacts, improved knowledge, etc. 'A network of contacts is the basic "tool kit" of a successful consultant.'[24]

Impact

Finnish investments in developing countries had considerably increased during the time of **Finnfund's** operation, the evaluators noted. Yet they argued that the catalytic value of Finnfund in Finnish investment in LDCs must have been rather limited. All the interviewed large firms responded that they would have taken the projects in any case, even without Finnfund's participation. For medium and smaller-size companies, to be sure, the case was different. Here the catalytic value of the Fund was found to have been more real, as the funding from Finnfund

[24] Ibid., pp. 19-20, 30.

appeared to be either a critical factor or at least an element in speeding up the foreign investment process for the smaller Finnish firms.[25]

In addition, three considerations were found to raise the value of Finnfund in the internationalization of Finnish capital:

1) After the joint venture had been established, Finnfund helped it to survive.

2) Feasibility studies financed by Finnfund reduced the number of failures. The Fund had financed 151 preparatory; i.e. or feasibility, studies, but undertaken less than 50 projects. This difference in number reveals that these studies have stopped many unrealistic, unviable projects.

3) Through the establishment of a production facility in a developing country, a Finnish company can create additional business also for its factories in Finland and other countries.

The impact of Finnfund on the host countries economies was deemed 'generally positive but modest and in many cases very indirect'. The investments had supported the establishment of an industrial base, but they were also seen to have relied too much on the indirect 'trickle-down' effect, which seldom if ever reaches the poor.[26]

The economic impact of individual investments appeared very difficult to quantify. The Fund appraisals had provided economic rates of return in a number of cases; 'for on-going projects the calculation of the ERR proved to be impossible due to data constraints'. An additional complication was the fact that in comparison with total investments in host countries, the volume of investments in which Finnfund participated was very small. 'Therefore, it was impossible to trace significant effects of Finnfund's investments on the host country economies.'[27]

---

[25]Ibid, pp. vi-vii, 60-62, 82-83.

[26] Ibid., p. 60.

[27] Ibid., p. 56.

The direct employment impact of Finnfund activities was found to be relatively small and sometimes negative. The total employment in companies with Finnfund's funding was around 7,500 people. In several cases, substantial reductions in the work force had taken place after the Finnish partners joined the local companies, when this was considered necessary in order to create a viable venture.

As to foreign exchange impact, there was argued to have been a modest net effect on average in the case of those companies which produced for the domestic market, as most of the joint ventures actually did. This impact was mainly through import substitution. However, quite a number of companies were found to rely heavily on inputs from outside the country.

What developmental impact the joint ventures had, was often related to their contribution of product improvement, technology development, skill training and the transfer of management techniques. 'Most companies have indeed introduced the better quality product in the market ... and key personnel were trained...'

However, Finnfund's participation may also have introduced some market distortions. As the funding was generally on concessionary terms, certain firms were seen to benefit from interest subsidies or other cheap funding arrangements, while others were not. According to the evaluators, lending on commercial terms was preferable. Lending through local development institutions, for instance, limits preferential treatment of some companies, since all have, in principle, equal opportunities to apply.[28]

As to the **premixed concessional credit scheme**, a likely impact of the scheme was a diversion of Finnish development aid funds from Africa to Asia. However, it was also clear that if concessional credits had not been available from Finland to countries such as China or Thailand, other countries would have provided the equipment on soft terms. Thus, PCCS could not be seen as having contributed to an increase of overall financial flows to these countries.[29]

---

[28] Ibid., pp. vii-viii, 56-60, 83-84.

[29] *Export Credits and Aid*, p. 87.

At the level of individual projects, the assessments by different evaluators were somewhat conflicting. This may have been due to the difference in the projects, in the period in question, or in the starting assumptions of the evaluators - or in all of these.

According to the NEI team, the selection of individual projects had relied heavily on the exporters' and buyers' opinion as to their development impact, which did not necessarily reflect Finnida's or the recipient country's views of developmental priorities. The Finnish Export Credit (FEC) and the Associated Financial Group (AFG) were found to have relied too much on feasibility studies prepared by the buyer. These were very limited in scope and depth, and often too optimistic. Finnida appraisals came only after the AFG recommendation. They, too, were often over-optimistic. Technical issues tended to dominate; though in the course of time, appraisals showed an increasing emphasis on environmental issues.[30]

The Finnish evaluators of the projects in Thailand, Malaysia and the Philippines had a tendency to emphasize what they saw as the social impact effects of the projects. The Phoenix Pulp and Paper Mill, a highly capital-intensive venture, was commended for the 'social responsibility' it had shown by setting up a scheme in which 124 local farmers grew eucalyptus for the mill by means of irrigation using treated mill effluent. The new power boiler at Siam Kraft was seen to beneficially contribute mainly to the 'well-being... of the people' living around the complex, although also the owners of the mill were mentioned among the target groups.[31]

For the water and waste water projects in China, most impact effects could not be assessed as yet. The most significant development impact was expected to accrue from the Wuhan project. Despite its modest immediate impact, it seemed to provide a development model for further expansions in the city's waste water treatment capacity.[32]

Although it was found virtually impossible to assess statistically the scheme's total impact on Finnish exports in general and those to LDCs in particular, it was apparent from the reports that the projects financed under the scheme had helped many of the Finnish companies involved to develop a good image, and had provided them with 'very important' references for future

---

[30] Ibid., p. i, ch. 7.

[31] Evaluations of Phoenix, pp. 4-5, 16-17; and of Siam Kraft, pp. 6, 13, 3.

[32] Review of mixed credit water projects in China, p. 42.

competition in South East Asian and Chinese markets involving concessional financing.[33] However, in some other projects the impact could not yet be determined. There were also cases in which it was feared that the participation might turn out to be counterproductive, due to technical and other problems that had cropped up.[34]

The NEI evaluators were also here concerned that the benefits were spreading unequally at the receiving end and causing market distortions. In all projects studied by them in Thailand and China, the subsidies hadbeen transferred to individual companies, many of which were already relatively strong from a financial point of view. It was feared that this might have introduced serious distortions in the sectors concerned. 'Some firms, mainly the large ones, grasp the benefits and others, most likely the small ones, do not benefit.'[35]

The impact of the **consultancy trust funds** was favourably assessed by the evaluator. They were seen to 'have proved indispensable outlets for Finnish consultants to develop their image in the international consultancy market and to create the network of international contacts'. Benefits were seen to be widely spread in terms of consultants and beneficiary countries.

There were also important 'downstream benefits', i.e. those that arise from an assignment for the benefit of someone else - technology, machinery and equipment supplies, or consulting services. 57 % of individual consultants were able to identify possibilities for other Finnish consultants or suppliers; in a few cases, these were known to have been realized.[36]

---

[33] E.g. for YIT in the Wuhan waste water project (Review of mixed credit water projects in China, p. 43), for Outokumpu Engineering Contractors in PASAR in the Philippines (Evaluation of PASAR, pp. 9-10) and for Ahlström boilers in Siam Kraft power plant (evaluation of Siam Kraft, p. 13).

[34] E.g. in the Shenzen waste water project and Taishan water supply project, Review of mixed credit water projects in China, pp. 21-22, 33. For a more evasive opinion on SEAL at Ipoh, see Evaluation of SEAL, p. 10.

[35] *Export Credits and Aid*, pp. 82, 87-88.

[36] Review on Consultancy Funds, pp. 30-32, 20.

Efficiency

The evaluators did not take a clear stand on **Finnfund**'s cost-efficiency, but they apparently thought that it could have been somewhat higher. The Fund's largest source of income was short-term investment on the Finnish money market, but the revenues from investments were not nearly enough to cover the Fund's investment costs. The difference had been financed from state contributions. These were so generous that the financial position of the Fund was found to be favourable.

Although Finnfund's overhead costs had decreased considerably in relation to the investment volume, they were, as the time of the 1992 evaluation, still in the range of 5 to 6 % of the portfolio. This was seen mainly as a reflection of the relative smallness of Finnfund's investment operations and the relatively high administrative costs. The Fund's staff comprised 26 employees, and it had an office also in Kuala Lumpur. The reporting standards of the Fund were criticized.[37]

The Fund's largest source of income - short-term investment on the Finnish money market, having no relation to development activities as such - accounted consistently for more than half of gross income during the 1980s. Finnfund's investment portfolio yielded a return of 4.2 % per annum on average during 1986-92. This was a low return because of the concessional element in the lending, and because of minimal returns on equity investments.

The financial backbone of the Fund was still provided by the Finnish state. The state provided the Fund with share capital and low-interest loans to finance its investment operations. When the Fund borrowed on the capital market, the state guaranteed the loans, compensated for potential exchange rate losses, and paid Finnfund an interest subsidy that in practice covered the difference between the market rate and 2 per cent. The state also provided compensations for any losses incurred in the Fund's financing activities (equity loans, guarantees) and reimbursed expenses related to studies, training programmes, and administration.

Between 1980 and June 1992, Finnfund received from this source FIM 257.3 million in share capital and FIM 96 million in 2 per cent interest loans. The state support for other expenses

[37] *Joint Ventures and Aid*, pp. 66, 24, 70, 82, 48.

amounted to FIM 105.7 million. These public funds were used both to finance the operational costs of the company and to cover the capital needs for investment operations (the company did not borrow from commercial markets until December 1991). The latest increase in the share capital, FIM 33.6 million, took place in 1993.

Finnfund's funding costs were made low by the low interest rates and other grant elements in loans from the Finnish government (15 years, 3-4 years' grace, 2% interest) and the equity provisions, for which no dividends were paid.

Losses for Finnfund were found to be limited and were expected to remain so. Since the start of the Fund, the actual write-offs, meaning losses, had been equivalent to about 5 % of its total portfolio. Despite the relatively large number of 'problem' companies in the portfolio, future losses were expected to remain limited, for two reasons: 1) several of the problem ventures were currently restructuring; and 2) due to strict security policies and to clauses included in the equity arrangements, Finnfund was relatively well protected against big losses.

While considerable risks had been taken during the first few years, the Fund had tried to minimize the risks since the late 1980s through contractual arrangements before the release of funding. The majority of contracts related to equity investments included a clause according to which the Finnish partner committed itself to buying the Fund's share in the joint venture either at a fair market price or at the investment price plus an agreed annual interest. Some Finnish client companies complained that the Fund had changed from risk-taking to risk aversion, transferring much of the risk burden onto the Finnish partner.[38]

Also the efficiency of the **premixed concessional credit scheme** must be assessed from both export promotion and developmental points of view.

How much the scheme will finally cost for Finnida is not clear, because it will depend on how the uncertainties and risks inherent in operations are realized. The major Finnida uncertainties concern the disbursement schedule and the risks related to interest rates and exchange rates. Its contribution will increase if domestic and/or international interest rates rise. It will also increase if the value of the Finnish Mark declines. That these factors are difficult to forecast can also be

[38] Ibid., pp. 44-45, 65 ff., 80-82.

seen from the estimate in the NEI evaluation itself. The team estimated that the annual interest subsidies would reach some FIM 200-250 million in the mid-1990s, but the actual amount remained somewhat less (FIM 180 million in the 1995 budget).[39]

Another risk was related to potential future claims in cases of non-payments of loans. Here the risk was born by FEC and especially FGB. Theoretically the risk appeared quite small, as PCCS loans were covered by FGB with a 100 per cent guarantee and FGB's policy had been to transfer the risk to the recipient countries by demanding a 'repayment guarantee' from a local institution. In practice, the NEI team feared, it might turn out differently. The two already materialized non-payment cases indicated that due to the weakness of repayment guarantees and especially due to debt rescheduling by the Paris Club, the cover for FGB was much less than 100 %. Economic crisis and rescheduling of loans in one of the major PCCS recipients would mean large losses for FGB and its owner, the Finnish Government. In such cases, the evaluators argued, also Finnida might be pressured to continue to extend the duration of the interest subsidy in order to avoid the total collapse of a project.[40]

In any case, the NEI team stated, the large amount of subsidies involved and the relatively marginal impact of the scheme made it 'an expensive instrument of export promotion'[41] - a significant argument which, however, had not found its way into the executive summary or the concluding remarks of the study.

At project level, the crucial issue is whether the subsidy granted is passed to the recipient, or appropriated by the exporter in the form of higher export prices. As the rules of the scheme require that procurement must be for at least 80% from Finland, where some firms may be in a monopoly position or near it, the danger of excessive export prices was seen to be looming. While the NEI evaluators, in their field studies on China and Thailand, found 'no strong evidence' of overpricing, they noted that the initial offers of Finnish exporters were often very

---

[39] See Table 1 above, p. 2.

[40] *Export Credits and Aid*, pp. iii, 89-95, 101-102.

[41] Ibid., p. 54.

much above world prices and came down during negotiations when also other offers were asked.[42]

In the 1995 review on projects in China, one rather startling case was encountered. A Finnish company had been awarded a contract with an extremely high calculated profit margin of 48 %. Yet the company had no process or design responsibilities; rather these were the responsibility of the company's non-Finnish partner. '(I)f the buyer ever finds out that it has bought very little at [an]extremely high price the favourable general image may disappear.'[43]

The best safeguard against excessive export pricing would have been adherence to international competitive bidding (ICB), the NEI evaluators argued. Thus far, this had been overlooked in 30% of loan memorandums, and its seriousness was doubted in many of the remaining 70 %. In some cases, exporters themselves had played a significant role in project formulation, including specification of goods to be supplied.[44]

> While the active presence of Finnish export companies in LDC markets is only good from the trade point of view, in aid programmes of PCCS type it should call for serious price evaluation before approving credits... Finnida should insist on ICB much more systematically and Finnida appraisals should pay specific attention to the pricing issue, to avoid [a] situation in which the whole subsidy is captured by export firms. Finland should (also) work... towards general untying of concessional export credit schemes...

For the **consultancy trust funds**, no attempt was made to discuss the relationship between inputs and outputs. It was noted that among the funds, the World Bank Consultant Trust Fund (CTF) Programme was by far the largest. Its total cumulative contributions by 26 donors to 43 funds

---

[42] Ibid., pp. 70, 82, 86-87, 100.

[43] This was the water supply project in Taishan city in Guangdong. The role of the Finnish company was to ensure that the requirements of FEC were met (in particular, the share of purchases from Finland), to acquire concessional credit which could not be acquired from Austria for its Austrian partner company, and to coordinate foreign deliveries and services. The project did not seem to have much value for Finnish export promotion. Outwardly it appeared all-Austrian; and the deliveries from Finland were not very large, by far the largest item on the list of Finnish components being the computed profit for the company. Review of mixed credit water projects in China, pp. 6, 24, 32-33.

[44] *Export Credits and Aid,* p. ii, 70-72, 100, 104.

amounted to USD 163 million. The Finnida Trust Fund agreement was signed in October 1986, and its cumulative contributions amounted to FIM 15.5 million by the date of evaluation.

Other funds were much smaller, and also Finnida's contribution to them was less: FIM 6.4 million to the Technical Assistance Trust Funds Programme of IFC initiated in 1988; over FIM 5 million to the African Development Bank; and FIM 2.0 million to the fund at IFAD.

Sustainability

High yields on invested liquid funds and government appropriations had allowed **Finnfund** to make reservations for future losses of around 7 % on average per year. This had brought the Fund to a financial situation as regards liquidity, solvency and solidity in which, it in principle, it had the capacity to expand considerably without additional injections of equity. The target of making Finnfund a self-financing institution after a heavily supported 'infant' period of over 10 years could in the view of the evaluators, be achieved by the end of the decade.

Yet the Fund, was in the early 1990s, envisioning the possibility of attracting equity funds from the private market in case the 'main shareholder', i.e. the Finnish state, was unable to do it.[45]

It was recommended by the evaluation mission that the Fund should extend its future loans to LDCs on terms which were similar to commercial rates; this was already so in the case of Eastern Europe. Experiences of the Danish IFU and the Dutch FMO indicated that commercial terms did not have much impact on the demand for loans, because many advantages would remain: provision of risk capital in the form of equity, longer repayment and grace periods, assistance to feasibility studies, and experience and status provided by the Fund.[46]

For the **premixed concessional credit scheme**, it was calculated by the NEI team that if the then existing limit of FIM 3.3 billion for concessional credits had been adhered to, the amount of

[45] *Suomi ja kehittyvät maanosat*, pp. 30-31, 40. See also Pekonen, *Annual Report 1994*, p. 9.

[46] *Joint Ventures and Aid*, pp. 85-86.

interest subsidies would have peaked in the mid-1990s, after which the subsidies would gradually decline to almost zero in 2005. The introduction of the Helsinki Package was expected to slow down disbursements, because several types of projects formerly subsidized were no longer eligible for concessional credits. Only such projects qualify that lack capacity to generate cash flows sufficient to cover the project's operating costs and to service the capital employed, or projects for which it is unlikely that they can be financed on market terms.[47] Thus, the interest subsidies would tax the Finnish ODA for most of the 1990s, but then recede - a scenario which still seems possible, despite the raising of the ceiling to FIM 3.4 billion.

The sustainability of the individual projects financed under the scheme will depend on so many factors that it is bound to vary widely. The institutional sustainability would seem in most cases to be good, because the institutions - the borrowing companies - exist and have been willing to apply credit. Yet it was found in the 1995 evaluations that at least one company had been so poorly managed that the project had to be seen as a failure.[48] In Chinese water and waste water projects, the lack of local financing was creating delays and other problems, some of them serious. The income of the municipalities was lagging behind their galloping expenditures. Yet often no tariffs had been imposed for waste water, or they were very marginal. Another problem area was training, which generally speaking was felt to be inadequate.[49]

Many projects financed under the premixed concessional credit scheme were for environmental purposes, and could be justified with reference to this. This was evident for the Chinese waste water projects, the expansion of the PASAR plant at Leyte by using an Outokumpu flash smelting process, and the installation of a new Ahlström power boiler at the Siam Kraft Industry Company in the Ban Pong complex. Also the modification of the old Phoenix I plant and the construction of the new Phoenix II were claimed to have an 'extremely beneficial effect on the environmental performance of the mill' by making it possible to use treated effluent for irrigation of adjoining eucalyptus plantations. The environmental impact of the plantation activities was

[47] Ibid., pp. iv, 90-91.

[48] Evaluation of SEAL.

[49] Review of mixed credit water projects in China, pp. 7-8.

seen as 'positive, since grass waste land has been converted to areas with tree cover on a sustainable basis'.[50]

Such arguments should alert one to ask questions like these: under which conditions can projects having an environmentally discernible impact also claim to be environmentally sustainable projects? or what will be the ultimate environmental sustainability of projects which are likely to accelerate one-sided economic growth by providing palliatives for some of the worst damaging effects inflicted by it? These questions were not asked in the evaluations and reviews under discussion here.

The issue of technological sustainability re-emerged in connection with projects financed under concessional credits. A considerable proportion of the projects reviewed in 1995 had experienced problems with inappropriate imported technology of various kinds. In two water projects in Guandong, the sophisticated remote-control automation systems did not work, due to strong interference by other radio transmissions. A main pump had been burnt after a short period of use. One of the main problems at the SEAL veneer and plywood plant at Ipoh, Malaysia, was the unevenness of veneer produced by Finnish equipment.[51]

It was recommended that the **consultancy trust funds** be continued and strengthened, giving priority to countries of obvious commercial and development interest to Finland. The traditional Finnida programme countries were to be given non-priority (or left out completely). Non-Finnish and female consultants could be included, e.g. by setting up special windows or funds for environment and poverty assessment with the World Bank. The use of local consultants ought to be permitted up to 10 or 20 %, but only in conjunction with Finnish consultants.

> As the Finnish development assistance funds are diminishing today, investments in activities with future return prospects should not be neglected and facilities such as the consultancy trust funds be killed.[52]

---

[50] Evaluation of Phoenix, pp. 12-13, 15, 16-17. The question to what extent the plantations would suffice to provide the raw materials needed by the mill was not discussed in this report.

[51] Review of mixed credit water projects in China, pp. 5-6, 16-17, 26-27; Evaluation of SEAL, pp. 3-4, 8, 10.

[52] Review on Consultancy Funds, p. 32.

WID and gender

The notions of WID and gender were occasionally met in the evaluation and review reports, with the remark that they had not been given much attention. More gender awareness of its kind was shown in the report on the consultancy trust funds, written by a female consultant. She noted that among the Finnish consultants benefiting from the funds, there had been relatively few women (of 160 persons involved, only 11 individual consultants were women; there was no information on the number of females in company teams). She recommended that engagement of female consultants be encouraged - e.g. by earmarking a certain amount of funds for women consultants only, and/or tying the recruitment of non-nationals to females. It was also noted than in Nordic comparison, Sweden put more emphasis on female consultants, especially from developing countries.[53]

Conclusions

The repertoire of Finnish development cooperation has increasingly embraced activities whose stated purpose is not only to further economic development and welfare in the recipient countries, but also to promote Finnish economic interests abroad: Finnfund, the Premixed Concessional Credit Scheme and the Finnida Consultancy Trust Funds. In recent years, these have more and more openly displayed their commercial functions.

The duality of their functions makes the evaluation of their activities complicated: not only should their rationale, relevance, effectiveness, impact, etc. be assessed from both development and export promotion points of view, but, in addition, the issue of compatibility between these two aims must be discussed. The assessments discussed in this synthesis differed in nature, but a few more general points seem to emerge.

From the developmental point of view, few of these activities were found to be very effective or to have much impact. Especially if seen against the present overall Finnida objectives such as alleviation of poverty, combating global environmental hazards and fostering equality,

[53] Ibid., pp. 16, 36.

democracy and human rights, their role as instruments of development aid was found to be problematic.

An obvious impact of the schemes was a diversion of Finnish development aid funds from Africa to Asia, and from poorer countries to those that are called emerging economies. Yet they had not contributed to an increase of overall financial flows to the Asian countries concerned, because it was likely that if Finland had not financed the investments, someone else would have done so.

The most thorough discussion was provided for Finnfund, which is much the oldest of the sets of activities discussed in this chapter. The impact of the Finnfund-supported projects on the host countries' economies was deemed 'generally positive but modest and in many cases very indirect'. The investments had contributed to the establishment of an industrial base, but they were also seen to have relied too much on the indirect 'trickle-down' effect, which seldom if ever reaches the poor. The projects were, on average both capital and high technology intensive, and were located in a majority of cases in urban areas of better-off developing countries.

It was more difficult to assess the effectiveness and impact of the projects financed under premixed concessional credit schemes because most of these were of recent origin and not yet fully operative. Moreover, the actual assessments made by different evaluators varied a great deal. Some projects were argued to have a positive development impact; but the grounds for judgements were not always clear, and for most projects it was too early to provide any coherent assessment.

Many of the projects financed by concessional credits were for environmental purposes, and could be justified with reference to this. However, the underlying big question of the ultimate environmental sustainability of projects which could be seen as providing palliatives for some of the damaging effects from one-sided economic growth rather than preventing them was left undiscussed. Also the issue of technological sustainability re-emerged in connection with projects financed under concessional credits. Some were seen to suffer from inappropriate imported technology.

That the development impact of activities promoting Finnish exports through development aid was not seen to be very profound was perhaps not surprising. More interesting was that most evaluators were not convinced of the validity of these activities for the promotion of Finnish

economic interests in developing countries. In particular, the evaluations of Finnfund and the PCCS by the Netherlands Economic Institute were critical in this respect, whereas the Finnish evaluations of concessional credits were more optimistic.

As to Finnfund, Finnish investments in developing countries had considerably increased during the time of Finnfund's operation, the NEI evaluators noted. Yet they argued that the catalytic value of Finnfund in Finnish investment in LDCs must have been rather limited. This was so especially for larger firms which would have taken the projects even without Finnfund's participation. For medium and smaller-sized companies, the catalytic value of the Fund was more real. Finnfund's contribution had rather been that by financing feasibility studies, it had reduced the number of failures; and once joint ventures had been established, it had helped them to survive.

For PCCS, it was difficult to determine whether the scheme had created additional exports and to what degree. No strong evidence was found that exports and financial flows from Finland to LDCs had actually increased as a result of the mixed credits. The data rather suggested that a shift had occurred from commercial export credits to the softer window. Yet it was apparent from the reports that the projects financed under the scheme had helped many Finnish companies to develop a good image and provided them with important references for future competition, especially in South East Asian and Chinese markets involving concessional financing.

The NEI evaluators did not find any strong evidence of overpricing of supplies, but they were concerned that the benefits of the schemes were spreading unequally, both at the giving and the receiving end, and causing market distortions. In Finland, a handful of large, often multinational companies were Finnish partners in major projects under PCCS. In the recipient countries, as the funding was on concessionary terms, certain firms were seen to benefit from interest subsidies or other cheap funding arrangements, while others were not.

The impact of the consultancy trust funds was more favourably assessed by the evaluator. They were seen to 'have proved indispensable outlets for Finnish consultants to develop their image in the international consultancy market and to create the network of international contacts'. Benefits were seen to be widely spread in terms of consultants and beneficiary countries.

In general, it was suggested that development aid arrangements such as those discussed here were an expensive instrument for export promotion. This argument was put forward explicitly by the NEI team concerning the premixed concessional credit scheme. This was seen as expensive due to the large amount of interest subsidies involved and its relatively marginal impact. For Finnfund, no clear stand was taken on cost-efficiency.

15. THE ROLE OF EVALUATION IN FINNISH AID

As should be evident also from what has been said in this report, the contents and modalities of Finnish development cooperation have undergone many changes during our study period from 1988 to mid-1995. In this chapter, we raise the question of the role of evaluation in this process: has it contributed to the process of change, and what have been its possibilities and limitations in this respect. The discussion will be based, in addition to the reports which we have examined, on selected case studies from Finland's two main cooperation countries, Tanzania and Nepal, and on a number of interviews.

A second look at evaluations

The evaluation reports used in this study have been subjected to a considerable degree of criticism. They were found to be of highly varying quality. Generally, they focused on the completion of activities and the achievements of physical and institutional outputs rather than on the attainment of impact or efficiency, and lacked internal coherence in argumentation. At this stage, however, this sweeping statement needs some qualification.

It should be stressed that there was a distinction between project- and programme-specific mid-term and final evaluations on the one hand, and ex-post evaluations, thematic and other broader evaluations on the other. Our criticisms concern mainly the former group; the latter, conducted since 1991, were consistently found to be of higher quality: more methodical in their approach and better disciplined in their argumentation.

It should also be appreciated that mid-term reviews were purposefully of limited scope and focused on selected areas which were assumed to be problematic; if we found them wanting for our purposes, it does not mean that they could not satisfactorily fulfil their original function.

Another question is whether the general quality of evaluations has improved with the passage of time. While for our part we must leave the answer open, it is not impossible that some improvement has indeed happened.

The Tanzania country evaluation - itself one of the best among Finnish evaluations and also of its kind more generally - arrived at a broadly similar list of weaknesses in the evaluation reports studied in it, partly overlapping with ours. Yet the evaluators also argued that there had happened a remarkable improvement in the general quality of evaluation reports since the 1970s. This was seen partly as an outcome of improved competence within Finnida in the preparation of terms of reference; but also the international progress made in evaluation methods, mediated through exchange of experiences within the DAC framework, was believed to have had an effect.[1]

We, with our much shorter time framework, were unable to recognize a comparable leap forward in the quality of the reports. Yet it cannot be excluded that the tendency might well have been there, as the majority of the better reports included in our study appeared in the 1990s.

Factors affecting evaluations

When conducting our study we realized that evaluation does matter, but, if taken seriously, is a difficult and unenviable task in the present circumstances. Whatever shortcomings we have identified in evaluation reports should not be primarily blamed on the individual members of the teams. The conditions under which they work do not give them much scope for exercising their creativity.

It can be argued that many problems with evaluation stem from its apparently dual nature as both 'insider' and 'outsider' to the development cooperation process, and from its inherent endeavour to embrace demands from both directions.

Evaluation has become part and parcel of the normal life of a development project or programme. Although evaluation fits somewhat awkwardly into the idea of the project cycle, because it can be undertaken both during and after the implementation, in principle each project or programme should be subjected to evaluation at least once.

---

[1] *Tanzania and Finland*, p. 163.

On the other hand, it is a basic requirement of evaluation, according to the present norms of DAC, that it must be impartial and independent of the delivery and management of the activity to be evaluated. That is, evaluators should be outside professionals who are not dependent on aid agencies or other organizations involved in the process.[2]

The duality is reflected in the functions of evaluation. Here, again following DAC, we have distinguished two: (i) the management function, which sees evaluation as a means to improve future aid through feedback of lessons learned, and (ii) the accountability function, which refers to developmental results and impact of development assistance, and includes the provision of information to the public.[3]

Being an outsider to the activity under scrutiny brings a promise of objectivity, but also affects the design and execution of the evaluators' work as well as the feedback of its results into the development cooperation process.

There cannot be much doubt that the conditions under which evaluations take place are set by aid agencies. Outside evaluators are hired to carry out tasks which the aid agencies find important, and the resources granted to them are assigned according to the needs of the agency. Besides their publicly stated aims, evaluations can also be used for various types of covert purposes.[4]

---

[2] *DAC Principles*, p. 133.

[3] As discussed above (ch. 2, p. 6).

[4] The Finnida guidelines on project evaluation quote a writer who argues that evaluation may also aim at the following purposes (pp. 27-28):

* *Eye-wash* - an attempt to justify a weak project by deliberately selecting only those aspects that 'look good' on the surface.

* *White-wash* - effort to cover up project failure by using subjective appraisal.

* *Submarine* - the use of evaluation to purposefully destroy a project, regardless of its effectiveness.

* *Posture* - an attempt to use evaluation as a gesture of objectivity or professionalism.

* *Postponement* - delay of immediate action by pretending to wait for facts.

Also the independence of the evaluators must be seen as relative. While they are expected to be, and in the Finnish case commonly are, independent of the particular activities under scrutiny, they are linked in many ways to the development cooperation establishment and must share many of its underlying assumptions of the day.

On this basis, the factors affecting evaluation of development cooperation activities can be grouped as follows: those related to (i) larger frameworks of development cooperation, (ii) the design of evaluation missions, (iii) the execution of missions, and to (iv) feedback of evaluation results into the planning and management of future aid.

Larger frameworks

Now if evaluation, despite its apparent outsider quality, has become such an integral part of the development cooperation process as we argued above, it is understandable that it cannot be left unaffected by the way the whole process as such works - how it has been designed and implemented. This obviously means that most of the problems inherent in the process will also surface in evaluation.

Throughout this study, and more systematically in the chapter on critical factors, we have identified a number of problem areas experienced in Finnish development projects, ranging from multiple and over-ambitious objectives with relative weighting, to shortage of baseline data; and from poor impact monitoring to the lack of fuel and spare parts.

Among the great variety of problems, the following two - which underlie most of the rest - can be singled out:

* Deficient logical frameworks which allow concentration of the activities on the achievement of output targets; and

In our material, we found indications that the list may not be as fancy as it appears, but with our time frame and methodology it was impossible to go into closer inspection.

* An insufficient and slender knowledge base concerning the basic political, social and cultural factors affecting the workings and outcome of the development activities.

It is evident that such factors are bound to adversely affect the work of the evaluators. While the evaluators can and do present critical comments and suggest improvements in many of the areas found problematic, it is difficult for them to tackle some of the most basic problems. This is because of the way their work is presently designed and organized.

Planning and design

Lack of up-to-date guidelines. In Finnida, the existing guidelines for evaluation date from the mid-1980s, i.e. from a working environment very different from that of today. They emphasize the management function of evaluation and give little attention to the accountability function: 'Evaluation's primary purpose is to assist management and planners to fulfill their decision-making responsibilities.'[5]

Some guidelines are necessary in order to determine what evaluation reports should include and how the material should be handled. As stated by Berlage and Stokke, 'the approaches and tools chosen for the purpose of evaluation are seldom neutral; they imply values in many respects not the least through the inclusion or the omission of various aspects to be addressed'.[6]

At the moment, there is an obvious need to rewrite the present Finnida evaluation guidelines. The project set-up has been thoroughly changed during the last ten years. Also evaluation methodology has been improved, not least due to the introduction of participatory methods.

However, as we have been arguing in this study, many other Finnida guidelines need improvements as well - in particular, the presently normative 1991 Guidelines for project design and planning. It is questionable whether the rewriting of the evaluation guidelines alone will

---

[5] Finnida, Project evaluation, p. 8.

[6] Berlage, L. and Stokke O. (eds), *Evaluating Development Assistance: Approaches and Methods.* London: Frank Cass with EADI (EADI Book Series 14: Series on Evaluation Aid), 1992, p. 3.

help much, if the logical frameworks on which the projects themselves are based remain flawed in some major respects.

Varying TORs. Perhaps the single factor most affecting the quality of evaluation is the quality of their terms of reference (TORs). We found that those issues mentioned in TORs were usually covered well. But there was much variation between different TORs and it is evident that they had been determined separately for each report.

The structure of TORs was fairly standardized, though there obviously was a 'longer formula' and a 'shorter formula' (the longer one being unusually popular in Finnish projects). However, the use of terminology in the TORs was far from systematic. Sometimes the 'purposes' given were very vague.[7] More often the 'purpose' referred to what we have called effectiveness or relevance of the project, or to facilitating and constraining factors affecting implementation. All the TORs referred to effectiveness in one way or another, using expressions like 'progress', 'achievements', 'results', or even 'present and expected development impacts on the benefiting individuals and institutions are to be assessed'. Impacts were usually only expected to be assessed in the sense of immediate development impacts on target groups.

There was little logic discernible in the order in which the evaluated issues were presented in the TORs, or in what were the aspects emphasized. This apparently depended on the writer of the TORs, and on the particular issues which were found problematic in the project concerned. This led to a lack of consistency which made it difficult to compare the reports with each other.

None of the above is surprising, perhaps, considering the fact that project and programme evaluations have been the responsibility of operational desks, and that commonly the officers in charge of projects have drafted the terms of reference for evaluation missions, negotiating with embassies and relevant professional advisers if available. Between 1986 and 1991, there was no coordination in this process. Even after that, operational officers have continued to be responsible for the management evaluation of the activities under their control, although presently the evaluation unit coordinates their activities in this respect and tries to influence the terms of reference.

---

[7] An example: 'Generally, the mission should feel free to review all steps in the formulation and implementation of the project and make such recommendations for the future as it deems appropriate.'

Intriguingly, we were able to discern few major differences in the TORs of project evaluations over the years included in the study. Not unexpectedly, issues like sustainability and women received more emphasis in recently written TORs compared with older ones, but the difference was not striking. Throughout, sustainability, environment and women were more emphasized in the TORs than in the actual reports.

Execution of the missions

Composition. The size and the composition of the evaluation and review missions in our sample varied greatly. Most of them combined Finns, non-recipient foreigners, and representatives of recipient countries in varying mixes. The number of locals was increasing as time passed. Genderwise, male representatives formed an overwhelming majority, although attempts had clearly been made to include women, and there were also a few female team leaders. As to the professional and disciplinary background, technological or administrative areas of competence and economics clearly dominated over social and cultural fields (see Table 2 above, pp. 16-24).

The missions consisted mostly of professionals independent of the management of the particular activity concerned, although otherwise they were people actively engaged in development cooperation as private, public or commercial consultants. The priority of the management function of evaluation was revealed by the fact that in our sample, we had quite a few cases partly contradicting the basic requirement that evaluation should be impartial and independent of the delivery and management of the activity - in the form of responsible Finnida officers accompanying the evaluation team as 'resource persons'. There were also some borderline cases in which missions included people from organizations involved in the implementation of the activity. Among the local members, the great majority were government officials.

Resources and methods. Perhaps the scarcest resource allocated to the missions was time. The total time they spent in the project country ranged from two to three weeks, during which time a draft report had to be produced. This meant that the actual field study was often limited to a few days. Such a time frame necessarily made the missions very dependent on the schedule arranged in advance and on the materials provided by the project.

The methods employed by the missions were of a fairly common-sense kind. As a rule, these consisted of studying documents provided by the project, holding meetings and interviews with project personnel and various administrators (government officials, regional and district level administrators, community members), and short field observations. Workshops and seminars were also arranged.

No participatory evaluation methods had been used in our sample. The contribution of target groups was limited to occasional, and scarcely very thorough, interviews.

All this implies that review and evaluation missions are crucially dependent on information provided by consultants and other implementation personnel. The missions commonly draw on written background materials prepared by the implementors, and complement it with interviews and discussions with the project personnel on the field.

Feedback

The observation is often made that the proposals and recommendations made by evaluation reports often have only a limited impact on project planning and implementation.[8] Although we shall argue below that the issue is more complex, the tendency to overlook a smaller or greater part of what evaluations say was apparent also in our materials, and raises the question of appropriate feedback mechanisms.

In management evaluations, feedback may appear a simple thing: if it is the responsible desk officer who initiates the mission and writes its TORs, she or he presumably also reads the mission's report and takes action on its proposals. In practice, this is not very unlike what happens in most cases, but there are more people involved. We shall discuss the matter below on the basis of the case studies we undertook.

Concerning 'broader' evaluations - whether ex-post, thematic, sectoral, country or otherwise - which carry a more pronounced accountability function and whose results cannot be directly

[8] E.g. *Tanzania and Finland*, p. 171.

incorporated into ongoing project activities, the whole issue of feedback is still more complicated. We can only make a few points on it here.

The first of these is the question of publicity. Finnida has, correctly in our view, chosen a relatively open line. In the 1980s, even major project and programme evaluations were published in a processed form.[9] In the late 1980s, this practice was discontinued. In the early 1990s broader evaluations began to be printed.[10] Evaluation results have also been exploited in Finnida's information work.

This is not to say that there would be no room for improvement. For the moment, the lessons learnt from project and programme experience have been buried in scattered reports and have not become common knowledge even inside Finnida for management purposes, not to mention accountability and the interested public at large. One way to try and improve this situation is, obviously, to commission synthesis studies like the present one. In addition to such bulky and time-consuming exercises, Finnida could also consider publishing more rapid and concise summaries of project evaluation reports.[11]

The second point is, that it is scarcely enough to promote feedback in the form of issuing new reports, and hoping that they would be read more carefully than the old. Also other methods should be developed. A good start has been made in the form of the seminars organized by the evaluation unit; also some more interactive methods should be available for experimentation.

The case studies: Nepal and Tanzania

The purpose of the case studies in Nepal and Tanzania was to elucidate the mechanisms of feedback of the project evaluation results. The specific questions asked included: to what extent and in which ways have the evaluation and review reports influenced and guided project

---

[9] In the series called *Documents of Ministry of Foreign Affairs, Finnish International Development Agency (FINNIDA), Helsinki, Finland, Reports.*

[10] Under the title *Report of Evaluation Study.*

[11] Some ideas and guidance may be gained from publications of the World Bank Operations Evaluation Department, such as *OED Précis* and *Lessons & Practices.*

planning and implementation? What kind of discussion, if any, was conducted concerning them? What was the role of the representatives of the recipient countries in making the evaluations and in the feedback of their results?

The field studies were carried out in late 1994 (in August-September in Tanzania by Juhani Koponen, and in November 1994 in Nepal by Päivi Mattila-Wiro). They were later complemented with interviews in Finland. The effects of the reports were studied at several levels. Data were collected at project implementation units, Finnish Embassies, local administrations, from Finnida personnel in Helsinki, and at consultant home offices in Finland.

In Nepal, the main target project was the Rural Water Supply and Sanitation Project (RWSSP) in Lumbini Zone. Also the Eastern Nepal Topographic Mapping project was briefly reviewed. The RWSSP was at the end of its first phase, and the planning for the second phase was at an advanced stage. The mapping project was due to end during 1995, and Finnida had already granted resources for the second phase, during which the project would move to Western Nepal. In Tanzania, the projects studied were the Zanzibar Forestry Development Project and the Mtwara-Lindi Rural Water Supply Project. Whereas the Zanzibar project was in its last, phasing-out stage, the Mtwara-Lindi project had already been terminated in 1993.

The methods of the study included reading the available documents, including some unpublished ones at the archives of the Finnish Embassies in Kathmandu and Dar es Salaam; and conducting interviews and discussions with project implementation personnel, local officials and project beneficiaries in villages (in Kathmandu, Patan and Butwal in Nepal, and Dar es Salaam, Zanzibar, Mtwara and Lindi in Tanzania).

It must be emphasized that the case study exercise was by necessity of a very limited nature. Although we were given good cooperation by most of the parties concerned and access to all documentation we asked to see, data remained a constraint. In a few days of fieldwork it was possible to familiarize oneself with only a limited body of evidence. Many of the relevant former project implementors and programme officers had scattered across the world and could not be reached for a short interview. Moreover, the results must be taken only as informed reflections of a large and complex issue.

Nepal

The Rural Water Supply and Sanitation Project in Lumbini Zone (RWSSP) was in the stage of finalizing the first phase and moving towards the second phase in 1995. The project started in 1990, and it was intended in the first stage to reach some 175,000 people in six districts. It was funded jointly by His Majesty's Government of Nepal and Finnida. The RWSSP emphasized the development of institutional capacity to provide a safe, sustainable water supply plus sanitation services through water service rehabilitation and extensions, excreta disposal facilities, health education, community participation and human resources development.

The RWSSP was still in 1994 mainly a construction oriented project with a fairly well-functioning community participation approach. The participatory approach had developed and increased in importance throughout the project's lifetime. It was anticipated that the 'step-by-step' approach adopted by the project would facilitate the involvement of communities at all stages of the project implementation. As an example, the communities were to take complete managerial and financial responsibility for the maintenance and repair of the finalized systems.

Decentralization was one of the major changes that had taken place in Nepal after the onset of the project. Strong policies had emerged towards economic liberalization and private initiative. Local authorities were given more power after the local elections in 1992. This shift of policies also greatly affected the implementation and administration of RWSSP. The project faced severe pressure towards change. In particular, cooperation with district level authorities increased.

Further changes in the government structure and policies were introduced as a consequence of parliamentary elections in November 1994. Their effects upon the project were still unknown.

The RWSSP was reviewed in 1992[12] and in 1994[13]. The **1992 review report** deemed the project as ' most important and profitable'.[14] The review report practically recommended the continuation of the project along the current lines and policies. The main recommendation aimed

---

[12] Rural Water Supply and Sanitation Project in Western Development Region, Nepal. Mid-term review report. March 1992.

[13] Rural Water Supply and Sanitation Project. Evaluation of Phase I. 1994.

[14] RWSSP, Mid-term review, 1992, p. 5.

at the integration of other ministries, education and health, into the project administration. This had been a problem at the beginning of the project. However, the actual outcome differed from the recommendation, since the decentralization process which had taken place in Nepal had led to a situation where collaboration with several ministries was felt to have lost its relevance.

The mission found many critical factors adversely affecting the success of the project. The implementation had been delayed, partly due to unclear division of responsibilities within the project implementation unit. It was further claimed that the project had not been organized entirely in accordance with the project document.

The list of critical factors was extended by claiming that the neglect of the sanitation component was in conflict with the objectives of the project. Likewise, the report drew attention to ethnic diversity in the project area, which it thought had not received enough consideration on the part of the project. Finally, the report accused the project of a lack of interest in women's participation. As a consequence of the small number of completed construction jobs, it was not possible for the mission to assess the quality of constructed schemes.

The value of the review report in 1992 was given somewhat contrasting assessments in interviews conducted in Nepal.[15]

The project personnel in Nepal were not particularly impressed. In their opinion, no new or radical ideas were presented in the report. The original project document had, anyway, lost much of its relevance due to radical changes in the administrative structures in Nepal. The main importance of the review report was seen by the consultants to be in informing Finnida officials in Finland and other interested parties about the progress of the project. The project was continued without major changes in any direction.

An opposite view was expressed, although in very general terms, by the Nepalese project manager. He saw the mid-term review of 1992 as a good effort which put forward very helpful suggestions. After the review, the project knew the actual situation of its implementation: the

[15] Interviews with Ms Maria Notley, 21 November 1994; Mr Kari Leminen, 22 November 1994; Ms Kalavati Pandey, 23 November 1994; Mr Gautam Prasad Shrestha, 23 November 1994.

stage which the project had reached. However, he also mentioned that the mission had visited only very limited area of the total project target region.

The staff of the consultancy company coordinating the RWSSP were wondering why they saw a change taking place in the attitude of the review mission of 1992. The mission and report were first very positive towards the project and its operations while in Nepal, but the comments took a more negative turn during the stage of finalizing the report in Finland.

The main findings of the **evaluation in 1994** were that the quality of the construction was good, the functioning and use of the shallow wells and gravity supplies was good, and project beneficiaries were seen to be willing to maintain the schemes. Likewise, the operation and maintenance set-up was regarded as sound. However, the report noted that the project was still predominantly of a 'hardware' nature, since only 14% of the resources were spent on the 'software' component.

The contact between district level decision-makers and line agencies had on the whole been satisfactory. The continuing decentralization will, however, in the opinion of the evaluation mission, demand a devolution of project planning responsibilities to the districts. This will change the role of the RWSSP and give it an advisory and monitoring role. In this scenario, information sharing will remain one of the key support functions of project.

The evaluation of 1994 had as a further important task the drawing up of guiding principles and the project document for the second phase of the project. These guidelines were needed to support the anticipated changes in the administrative and implementation structure of the project.

Some controversy developed around the draft project document. It was argued by some Finnish instances that instead of giving clear guidance for the second phase, the report concentrated on describing the achievements of the project. All seemed to agree that during Phase II the project activities should be more decentralized and privatized than they were during Phase I. There would be a demand-driven approach, with strong user involvement and a district focus. The project should concentrate on strengthening public, NGO and private capacity to support user committees in the villages and support implementation of water supply and sanitation for 120,000 people. However, there was some disagreement as to the institutional arrangements

needed to achieve these goals, and the project document was redrafted on the basis of an appraisal mission.

On the other hand, at the Nepalese District Water Supply Office (DWSSO, in the Ministry of Housing and Physical Planning), officials were more in line with the evaluation mission of 1994 than with the ideas presented by the other Finnish parties. The project had operated successfully during the first phase, they argued, and therefore they saw no reason for reorganization.[16] The officials at the DWSSO claimed that the district level institutions did not have the capacity needed for running a big project like RWSSP. However, some observers following the situation suspected that the Ministry of Housing and Physical Planning lacked interest in any aspects of the RWSSP project other than administrative ones.

The basic strategies of the second phase were still under discussion between the Nepal Ministry of Housing and Physical Planning and Finnida in mid-1995. Several options for the future implementation were debated, and Phase II had not started as yet.

The Eastern Nepal Topographic Mapping project is an ongoing project which started in September 1992. In mid-1995, the project operated in the Eastern and Central regions of Nepal. Finnida has granted resources for the second phase of the project for the years 1995-1998, when the project would move to Western Nepal, but the start of Phase II was somewhat delayed.

The relevance of the project was derived from the need for proper topographic maps in Nepal. The implementing agencies for the project are the Department of Survey of Nepal and the Finnish consultancy company FM International Ltd. The target groups for the project include user communities and producers of maps. The development objective is to 'develop the availability of land, water and environmental information and ensure that the development of a more complete land information network system will provide a solid and reliable basis for all land related evaluation, planning and implementation operations'.

[16] Interviews with Mr Gautam Prasad Shrestha, Mr Er. Dinesh C. Pyakuryal and Mr R. Dulta on 27 November 1994.

The project was evaluated for the first time in May-June 1994.[17] On the basis of the evaluation report, it can be concluded that the project had operated quite successfully. However, a number of factors adversely affecting it were identified. Some development objectives were seen to go beyond what the project was in practice designed for. Extra allowances which were paid to the Nepalese project staff were regarded as problematic in relation to long-term sustainability of the activities.

Nepalese involvement

Both evaluation missions for the water project included two Nepalese members, nominated by the government. During their field work, the missions interviewed all the relevant parties to the project, including the central and local administration officials in Nepal.

Usually, the evaluation or review reports are distributed in some form distributed to all interested parties, after which the recommendations as well as possible changes in the project and its implementation are discussed. In the case of the evaluations discussed here, the draft reports were delivered from Finnida to the Embassy in Kathmandu, and furthermore to line ministries, the project and district and local level authorities. Comments from all sides were collected and discussed.[18]

In the 1994 evaluation of the water project, the participant nominated by the Nepalese government agreed with the comments of the District Water Supply Office at the Ministry of Housing and Physical Planning on the changes planned for the project.

Influence of Nepal reviews and evaluations

It is not very easy to assess the impact of the review reports on the Nepalese projects discussed here. At first sight, the effects on the water project seem very limited. The second evaluation

[17] Eastern Nepal Topographic Mapping, Report on Evaluation Mission, September 30, 1994.

[18] Comments found amongst the documentary material at the Embassy of Finland in Nepal.

even failed to complete the formulation of plans for Phase II of the project. Nevertheless, it appears that many recommendations in these reports were taken seriously by the project personnel. For the mapping project, the initial reactions were fairly positive.

It was argued by project personnel in RWSSP that the review and evaluation reports were filled excessively with already known background data and gave little new information for project implementors. Many of the issues included in the reports had already been tackled before the missions were carried out, or the deficiencies in implementation were well known and corrections were under way.

Interviews and acquaintance with some correspondence showed that, especially concerning the RWSSP review of 1992, the views of the evaluators and the project staff were wide apart. For example, the report's arguments on the sanitation component and on the lack of women's participation were regarded unfair by project personnel. In 1992 the project was still in too early a phase to have any visible effects in these areas, they argued. After construction stages, the education and training components had actually been very successful. Women's participation was seen to be essential for the project's success. Also the argument that the project had neglected ethnic diversity was seen as incorrect, since the project operated through village committees who were supposed to take the diversity into account. The project took special action when some groups, such as lepers, were neglected by the village committees.

Finnida, for its part, would have liked to see a clearer prioritization of the recommendations made by the mid-term review report of 1992, given that the cuts in development cooperation appropriations were bound to affect the resources granted to projects.

However, it is obvious that at least the 1992 report of RWSSP also brought also some positive amendments to the project. The project moved in the direction recommended in the review report. Health education was emphasized more than earlier, and the Ministry of Health was officially integrated into project operations. Training programmes were started as an off-season activity. Training events during the construction season would pull the staff away from their sites and therefore slow down the progress of the work.

As for the evaluation of 1994, the Finnish project coordinator felt that considerable attention had been drawn to the objectives of the project, which he thought were too wide. In particular, the objective concerning target population was seen as exaggerated.

Concerning the mapping project and its evaluation in 1994, the views were mixed. Finnida officials considered the evaluation good. The criticisms levelled at the project document were felt to be justified. The recommendations given in the report had been followed, and Phase II had been planned for the Western Nepal area. The staff of the project saw the recommendations as justified, although some of them thought that they could not always see the direct connection between the recommendations and the project itself. It was also complained that the evaluation report included as excessive amount of general background information unrelated to the project.

Nevertheless, it appears that despite the alleged minor importance of the reports and notable deficiencies in them, many of the recommendations in these reports were taken seriously by the project personnel. During field interviews in Nepal, the personnel of both projects thought that the recommendations given in the reports were somewhat binding and that they were expected to operate on the basis of these recommendations. Some of the project staff felt that the reports had made them aware of many important issues which they had not seen before.

The views expressed in interviews suggest that the relevance of the reports and the weight given to their recommendations depend on the tasks and quality of the review or evaluation mission. Especially final evaluations, carried out at the end of each phase, were seen as significant for the following phases. It was regarded as important that evaluation missions be composed of high-class professionals with wide knowledge of the conditions in the country and long field experience of similar kinds of projects. Local members were warmly welcomed to the mission.

On the basis of the field research, it can be concluded that evaluations and reviews were seen to be needed for guiding the project and bringing amendments to it. As a general rule, evaluations were seen as important if they could point out relevant 'new' aspects for project implementation and administration. So-called routine evaluations, which only list achievements and performance of the project, were not considered of any value by the project personnel or consultants. Description of the activities and performance should done by monitoring procedures of the project. To be sure, one former water project staff member interviewed claimed that monitoring was unnecessary and just time-consuming.

Recommendations were seen as the most important part of the reports, but it was also argued that it was essential to include positive factors achieved by the project and not just to list negative issues.

Tanzania

In Tanzania, evaluations of two major and prolonged projects were reviewed: the Zanzibar Forestry Development Project, which began in 1980 and was in 1995 mid-way through its last, phasing-out stage, and the Mtwara-Lindi rural water project, which had been terminated in early 1993 after 21 years of operation.

Zanzibar forestry

The Zanzibar Forestry Development Project has experienced a thorough transformation during its 15 years of existence. It began as a tree-planting exercise with a parallel expatriate organization. Now it has become a multifaceted forestry programme fully integrated into the Zanzibar administration, with increasing emphasis on village forestry and conservation.

At the outset in 1980, the Zanzibar project aimed at quick afforestation to respond to the perceived environmental degradation. Another priority was to supply fuelwood for the rapidly growing population. In the second phase of the project from 1989 to 1992, the main emphasis was shifted to wood production. Institutional strengthening, people's participation and human resource development were also introduced. For the third phase, from mid-1993 to mid-1997, the emphasis of the activities of the Sub-Commission for Forestry (SCF) supported by the project was shifted towards village forestry, and attempts at conservation were introduced.

The project was evaluated three times, all the evaluations being basically mid-term reviews: in October 1983 by a Finnish-Swedish professor team;[19] in July-August 1991 by a multinational

[19] *Tanzania: Zanzibar Forestry Project. Report of the Evaluation Mission October 1983.* Document of FINNIDA, Report 1984: 2. Pentti Hakkila (team leader, Prof., Finnish Forest Research Institute), John Holmes (TWICO training manager), Nils Nykvist (Prof., Swedish University of Agricultural Sciences).

team led by a Finnida forestry advisor (including two women);[20] and by a Finnish-Zanzibari team in April 1995.[21]

The first evaluation was fairly critical. It found that the acreages planted had not been nearly as large as planned. It admitted, to be sure, that it was unfair to judge the project on the basis of acreages only, but the project was found to be suffering from 'certain constraints': the plan of operation was unclear; allocation of land for afforestation had to be improved; the demand for, consumption and production of the wood assortment in Zanzibar were not known; part of the project resources were used for logging and road construction; knowledge of soils was insufficient; spare parts for vehicles had to be ordered from Helsinki; and there was a shortage of trained counterparts. Yet the evaluators found the project to be worth continuing, and suggested that Project Documents should be formulated taking the project until 1989.

This evaluation does not seem to have elicited much discussion. Two senior forest officials interviewed in Zanzibar had very faint recollections of the mission, whose work they followed only from the outside.[22] The draft was distributed to the Ministry of Natural Resources of Zanzibar, which informed the Finnish authorities that the report could be endorsed without changes. The Ministry, apparently, was keen to enter into a new contract with Finnida.

In fact, a temporary project document was drafted, and the project was continued on the basis of it. Planning for Phase II was based on a Forest Management Plan, as had been proposed by the evaluation mission. The plan, the first of its kind for Zanzibar, was prepared by a big Finnish consultancy company in 1986-87 on the basis of inventories carried out in 1982-83 and older aerial photos. It anticipated a shortage of fuel wood in Zanzibar at the beginning of the 1990s. The estimates in the plan soon became suspect, but they decisively influenced the orientation of the project.

---

[20] Zanzibar Forestry Development Project, Tanzania. Report of a Review Mission, September 1991. Heikki Rissanen (team leader, Finnida), Ruth Finney (consultant), Rashid Masoud (Zanzibar forestry project), Hassan Mohammed (Ministry of Agriculture etc., Zanzibar) and Anna-Liisa Raunio (consultant).

[21] Zanzibar Forestry Development Project. Mid-term review report, Helsinki, April 1995, pp. vi, 5. Indufor.

[22] Interviews with Hilal Juma, 9 September 1994; and Rajab Taufik Mabruki, 8 September 1994.

The next evaluation, the review of 1991, indeed took the emphasis on fuelwood as misguided and suspected the extent of the 'fuelwood crisis' to be exaggerated. It also considered that plantations had been given too much emphasis. The mission advised the project to concentrate on rural poverty, especially village forestry in the coral rag areas, where existing livelihood strategies were found to be more diversified than elsewhere. The mission of 1991 also felt that one more four-year phase was necessary. The Zanzibari forest authorities were 'not yet in position to shoulder the responsibility over... sustained management of forest and tree resources....'[23]

The idea of sending a mission in 1991 was welcomed by the project itself, which was concerned about the continuation of the activities. The team for the evaluation included Zanzibari members, and its outcome does not appear to have raised much controversy, despite its partly critical tone. Copies of the draft were given to all senior Project and Forestry Department staff, but few comments were returned. Some Zanzibari officials felt that the focus on rural poverty and the coral rag people was too limited, as in Zanzibar the majority of urban people were also poor and dependent on wood.

The project coordinator thought that the report was well thought out, although many ideas presented in it had been among the concerns expressed by him and his colleagues before the mission was even proposed (sustainability, staffing assignments, responsibility and accountability, cost reduction and accounting, etc.)

> Key difficulties, which I haven't been able to answer, nor did the Review Mission, is how do we change existing systems, when change is viewed with suspicion, at best, by the people and institutions involved...

In the third phase, from mid-1993 to mid-1997, the core problems were indeed redefined as rural poverty and inadequate management of natural resources, as suggested by the 1991 mission - a focus which also the next evaluation mission in 1995 found relevant. The project document was formulated in a year-long process of participatory planning by local officials.

---

[23] Zanzibar forestry review 1991, pp. 49-50, 28-33, 37.

Mtwara-Lindi rural water supply

The Mtwara-Lindi Rural Water Supply Programme in Tanzania endorsed the national target that by 1991 all rural households should have access to safe water within easy reach of their homes. The programme set out to reach the target in Mtwara and Lindi regions in the south-eastern part of the country, with a population of more than a million. It went through the following nine phases:

* Feasibility study 1972-73
* Housing project 1973-74
* Water Master Plan 1974-1977
* Implementation Phase I 1978-1980
* Implementation Phase II 1980-81
* Implementation Phase III 1982-84
* Implementation Phase IV 1985-1987
* Handing over Phase V 1988-90
* Phasing out Phase VI 1991-1993

At the beginning, the project concentrated on constructing as many water supplies as possible as soon as possible. For this purpose, it established parallel implementation structures. Gradually, the emphasis shifted to management and maintenance, integration into local structures and community participation. The original targets were several times modified and redefined. The reorientation proved a slow and laborious process. Just shortly before the abrupt termination of the project, the progress on the reorientation was found to be 'still limited'.[24]

During its long lifetime, the project was evaluated five times: in 1981 by a Finnish-led international team;[25] in March 1984 by a Finnish-Tanzanian evaluation team;[26] in April-May

[24] Mtwara-Lindi rural water supply project, Tanzania. Mid-term review [of phase VI], 1993, p. 1.

[25] Mtwara-Lindi Regional Water Development Programme. Evaluation Report, May 1981. Team leader Ilppo Kangas, members P.M. Rugeiyamu (Maji, or Ministry of Water of Tanzania), S.H. Mkhandi (Maji), Cosmas Mogella (University of Dar es Salaam), Cooper Dawson (UNICEF) and Martin Jackson (WHO). A. Rantala and Ms Selma Honkanen accompanied the mission as representatives for Finnida and the Embassy of Finland in Dar es Salaam.

1987 by an international Evaluation/Appraisal Mission led by a Finnida adviser;[27] by another Finnish-led international mid-term review team in early 1990;[28] and by a Dutch-Tanzanian mid-term review team in October 1992.[29]

Although the evaluation teams were led and dominated by foreigners, all of them also included Tanzanian members.

The evaluations were generally positive in tone, and they always recommended the continuation of the project. But they also put forward some criticisms, albeit in very polite terms, of some major aspects of the project. From 1984 onward, particular criticism was directed at the expatriate-driven parallel structures which for a long time bypassed the organization of the regional water engineers (REWs); at the strong technical orientation of the project with the concomitant neglect of social and cultural aspects and community participation; and the poor functioning of some of the facilities constructed.

During the missions, the observations and findings of evaluators were presumably discussed between the members of the team and the project staff, but none of the reports seems to have aroused lively debate afterwards. The common procedure was that the drafts were sent for

---

[26] Tanzania: Mtwara-Lindi Rural Water Supply Project. Report of Evaluation Mission March 1984. Document of Finnida, Report 1984:7. Team leader Pertti Purhonen (National Water Board, Finland), members David Grey (hydrogeologist, UNDP/World Bank), M. Mtunzi (construction engineer, Maji), E.H. Mwangimba (geologist, Maji), Ahmed Nur (financial analyst, UNDP/WB), Taimi Sitari (human geographer, Academy of Finland), Tauno Skyttä (sanitary engineer, UNDP/WB). Ms Gunilla Kurtén, programme officer, accompanied the mission as Finnida representative.

[27] Report of the Evaluation / Appraisal Mission 20.4.-16.5. 1987. Team leader Heikki Wihuri, Finnida, members Urpu-Liisa Airaksinen (water engineer, Finntreat Ltd), Picaud (economist, UNDP/World Bank), Truneh (organization expert, UNDP/WB), Gumbo (chemist, Maji), P.M. Rugeiyamu (sanitary engineer, Maji).

[28] Tanzania: Mtwara-Lindi Rural Water Supply Project. Report of the Evaluation Mission January-February 1990. Team leader Urpu-Liisa Airaksinen (Finntreat Ltd), members Neil Carefoot (human resources, WHO), Osmo Purhonen (water engineer, UNDP/World Bank), Hilda Gondwe (economist, Maji), Jeremias Kobaliende (hydrogeologist, Maji).

[29] With a report submitted in February 1993, Mid-term review [of phase VI], 1993. IRC, team leader Jo Smet (sanitary engineer, IRC), Evelien Kammiga (sociologist), Michal Daffa (officer, National Environmental Management Council, Tanzania), Donatus M. Ishengoma (civil engineer, Maji).

comments to the Ministry of Water and to the regional water engineers in Mtwara and Lindi. After shorter or longer delay, these usually submitted some comments, most of which were confined to details.

Where the final reports were sent could not be determined from the archives of the Embassy of Dar es Salaam; only the report of 1984 is known to have been distributed widely. In addition to the Ministry of Finance, copies were sent to many other sectoral ministries such as Lands, Health and Labour, as well as to other donors.

One of the few substantial comments that has been preserved in the archives of the Dar es Salaam Embassy was that by the Ministry of Water on the 1984 report. The Ministry thought that the team had covered the areas of concern well, but that some points might have been emphasized more or added to. These included: poor cooperation with REWs; the absence of a monitoring mechanism; the number of expatriate staff, which the Ministry thought was unnecessarily high; a 'not very clear' institutional framework; and the fact that as the emphasis had been put on achievement of completed water projects, the project had chosen to operate in the areas where implementation was easy in terms of availability of water and transportation. 'In some cases critical areas as far as water is concerned have not been the first priority.'

The report of the Evaluation/Appraisal Mission in April-May 1987 was written in a spirit favourable to the project. The strategy chosen for the phase, dismantling of parallel structures, was seen as necessary and the proposed objectives were taken as justified. It was also argued that 'had the project been evaluated more frequently than what has now happened the correction of course from two parallel organizations would have taken place already earlier'. The comments which this report drew from the Ministry of Water were confined to details.

Also the Evaluation Mission of January-February 1990 was generally positive in tone, although the problems of the project were clearly discernible: the project was still production-oriented, and effective integration into local structures had not taken place. Only after 1989 had the project been able to successfully follow the strategy for community involvement.

That report is the first for which comments from the Regional Water Engineers in Lindi and Mtwara have been preserved. Both found the report generally well thought out and accessible - 'Probably the best of its kind in the history of the project' (Mtwara RWE) - and confined their

comments to details which they thought the evaluators had missed. They complained that though the mission had criticized the use of project vehicles in the districts, they had overlooked for instance the fact that Finnish advisors drove project vehicles back and forth between their residences and the office, or that the list of basic equipment in the workshop was available only in Finnish.

The evaluation mission of October 1992 found itself in a situation different from that of the previous missions. The mission had been commissioned as a mid-term review for Phase VI, which was to last until the end of 1994. In September 1992, however, Finnida decided to discontinue the project in February 1993. The TORs of the mission were rewritten; its main task became to review the status of the project and make recommendations for the government of Tanzania on the continuation of the activities after the handing over. The mission was informed of this major change just before it embarked on its task.

Despite Finnida's decision, the members of the last mission chose to recommend the continuation of the project until the end of 1994 in the form of low-key funding support for community participation, operation and maintenance, and training activities. Otherwise, they feared, 'the achievements... may not be sustainable'. (p. 6) The evaluators endorsed Finnida's attempt to gradually increase the share of Tanzanian financial contribution towards the project costs as being a legitimate endeavour, but thought that the one-sided manner it had been done had created considerable confusion.

The suggestion for the continued financing of the project was turned down. Representatives for the Finnish Embassy and Finnida argued in the ensuing correspondence that the mission had simply overlooked the decision to discontinue Finnish assistance and had left its work unfinished. The mission itself was accused of creating confusion within the Tanzanian administration through its unrealistic recommendations.

Tanzanian involvement

Tanzanians have been involved in evaluations in two main ways: first, as members of mission teams; and second, by commenting upon the reports, either in draft or final form, which were circulated within the Tanzanian administration.

The number of Tanzanians participating in evaluation missions has been increasing since the early 1980s. It is impossible, without further inquiry, to say whose views carried the day within the missions and what was the actual contribution of the Tanzanian members; it probably depended very much on the persons involved. Although the Tanzanians interviewed all thought that the presence of Tanzanian members in the evaluation missions had been extremely valuable, there were strict limits for Tanzanian influence. The TORs were written in Finland (though Tanzanians were occasionally asked to comment on them), the reports were finalized abroad, and the comments that the Tanzanians were asked to present at the draft stage were not always taken into consideration.

Concerning comments on reports, relatively few were ever received - and then only from sectoral ministries and regional authorities, not from major departments dealing with aid administration. However, it was not evident from the documentation where all the reports had been sent for comments. Especially the role of major Tanzanian institutions responsible for aid coordination and administration appears to have been passive.

In the Tanzanian administration, two main government departments are involved in aid administration: the External Finance and Technical Cooperation Department of the Ministry of Finance, and the Planning Commission of the Office of the President. The division of responsibilities between them is not completely clear, but in principle the External Finance at the Treasury deals with the practical aid management and has the main responsibility for continuous contacts with the donors, whereas the Planning Commission is in charge of development policies and strategies towards external cooperation. The sectoral ministries normally provide expertise for project preparation and monitoring.[30]

The resources of these departments are extremely limited considering the fact that there are some 50 donor organizations with programmes in Tanzania and about 2,000 projects funded by donors. The External Finance has a professional staff of 18 desk officers, and the section dealing with development cooperation at the Planning Commission has a professional staff of four.

The desk officer dealing with Finnish projects at the External Finance also has the responsibility for three to four other donors. She said in an interview that because there are so many reports

[30] The above applies to the mainland; Zanzibar has a government and structure of its own, which by and large resembles the mainland set-up.

coming to her office, she has little time to comment upon them. The task of commenting is usually left to the sectoral ministry concerned. The responsible officers at the Planning Commission did not remember receiving any Finnish evaluation report.[31]

The Planning Commission, however, sometimes provides Tanzanian members for evaluation missions, and also has its representatives on the steering committees of the projects and programmes. Obviously, they give these tasks priority over that of commenting on draft reports.

Influence of Tanzanian evaluations

In retrospect, the influence of the Tanzanian evaluations appears very variable. For Zanzibar forestry, the ideas presented in the 1983 and 1991 evaluations clearly gave considerable guidance for the planning of the subsequent phases. In the Mtwara and Lindi water project, the evaluations of 1984 and 1987 evidently contributed to a shift of emphasis in the project's approach, whereas those of 1981 and 1990 probably reinforced the existing trends; and the recommendations of the mission of 1992 were simply ignored.

Such variability raises the question of what factors condition and determine the success or otherwise of the evaluations. While no definite answers can be given here, some speculations may be offered.

A factor common to the more consequential reports was that they reflected some powerful currents of thought both outside and inside the projects concerned. They fitted well into the picture prevailing in Finnida as to the problems and needs of the project, and at the same time they had considerable support within the project, to the extent that the key project staff saw the ideas as their own.

'At least half the ideas always originate with the project,' was how one former project manager put it. 'But while there may be good ideas brewing inside the project as to what should be done, outside evaluators, if they are high-class professionals, are often in a better position to crystallize them.'

---

[31] Interviews: N. Massinda, 7 September 1994; N. Mboyi and Mbwabeza, 14 September 1994.

Others went even further and suggested that one of the skills of project management is the ability to manipulate the evaluation missions towards favourable conclusions. 'It is a poor project manager who cannot get an evaluation to his liking,' said another former project manager (not included in our cases).

Interestingly, in our interviews, the ones who most emphasized the role of the evaluation missions were former project managers or chief technical advisors, whereas the responsible Finnida officials and advisors were more guarded in their interpretation. They thought that while the evaluations had often given good guidance, the implementation of some of their key proposals had proved difficult in such cases where it would have required interference with and reshaping of old established patterns of action. One suggested that the project staff drew the greatest benefit from evaluators as 'discussion partners': most of the learning took place in discussion during the mission, and the reports were studied less.[32]

A high Tanzanian water official added another perspective. The evaluations had been instrumental in redirecting the projects with regard to policy development and institutional issues, he said, but their practical recommendations had been implemented only to a varying degree:[33]

> Normally the report is supposed to be discussed between the two governments and the recommendations agreed upon. But there is no evidence of this happening... What happens is that after the evaluation each party assumes that the report has been accepted and each party implements what it finds suitable to itself...

As an example, he said, if a report recommended the integration of locals, everybody would agree, but the implementation of the recommendation might still meet with resistance.

Summarizing what has been said above, one can suggest that the significance of evaluation reports in guiding project planning and implementation varied greatly in Tanzania. They were least successful if their proposals went against already established major policy decisions

---

[32] Interviews: Timo Tuominen, 8 September 1994; Matti Rantala, 19 August 1995; Matti Määttä, 20 December 1994; Gunilla Kurtén, 19 August 1995; Eero Kontula, 13 September 1995.

[33] Interview with C.N. Sayi, ag. Commissioner for Water, 7 August 1994.

(Mtwara-Lindi 1992). The best conditions for their success were in situations where their endeavours were running parallel with the thoughts and intents of the major parties concerned, and where the missions were professional enough to be able to encapsulate 'what everybody knew already' into tangible proposals as to how to proceed.

It is also apparent from our cases that the actors who are most influential in the process of redirecting projects are the Finnida officials and project implementors. There were several other actors involved, especially on the Tanzanian side, but in the decisive stages they were receding into background.

Conclusions

Our argument in this chapter has been that evaluation does matter, but within limits. The influence and usefulness of evaluation reports for project planning, implementation and management varies greatly. Some can be instrumental in redirecting the basic approach of a project, while many others just strengthen the prevailing trends, and some are totally overlooked. While a considerable part of this variation is due to the professional quality of the individual missions, much also depends on the situation in which they are undertaken.

Several factors were found to affect the quality of evaluations. They are undertaken under heavy time pressure, often with superficial methods. The existing Finnida guidelines for evaluation are outdated and need to be rewritten. Also the scope and the quality of the terms of reference (TORs) for evaluation missions vary greatly. New, more participatory evaluation methods and new forms of feedback must be developed.

However, we also argued that evaluation has become such an integral part of development cooperation processes that it is highly dependent on the way the whole process works. This means that evaluation cannot eschew the major problems underlying Finnish development projects and programmes, such as deficient logical frameworks and insufficient and slender knowledge bases.

These general trends were reflected in our case studies on Nepal and Tanzania. We found that rarely, if ever, were all of even the major recommendations of the evaluations fully

implemented. Evaluations could be fairly successful if the missions were of a high professional quality and took place in a situation in which the thoughts and intentions of the major parties were similar. They could not alter any major policy decisions already made.

The case studies also showed that though the role of the recipients in evaluation has been increasing, in practice evaluation is still predominantly a donor-driven process. It is initiated by Finnida, and the actors most significant in determining which parts of the evaluators' recommendations will be implemented are the Finnida officials and the project or programme implementors.

16. CONCLUSIONS

There are two sets of conclusions which emerge from this synthesis study of evaluations and reviews carried out for Finnida from 1988 to mid-1995: conclusions that concern Finnish development activities themselves, and those that concern evaluations of these activities.

The main conclusions concerning the activities can be summed up as follows. Finnish development projects and programmes have been fairly effective in the sense of reaching their stated short-term objectives, but very little is known of their actual longer-term impacts. Cost-efficiency and sustainability of the activities seem to have been improving, but there was also room for further improvement, and it is too early to predict where they will end up. Women have been given much more attention than before; whether this will lead to a sustained improvement in their position is less clear. Underlying all these aspects, there were revealed in the logical frameworks some structural weaknesses, which created a gap between the activities with their outputs on the one hand, and the long-term development objectives on the other.

As for the evaluation reports, they were found to vary greatly in scope, approach, and quality. Also their influence was variable. Mostly, they were concerned with what we called the management function of evaluation, and gave less attention to its accountability function - that is, they were undertaken more for the purposes of short-term design and management of the activities and less for critical discussion and long-term guidance. In general, they seemed to be able to influence the aid activities, but only under certain conditions and within fairly close limits.

Such conclusions may seem a little unfair with respect to Finnish development efforts in 1995. A common view, echoed in our materials by evaluations with some historical depth, such as the Tanzania country evaluation, is that Finnida has learnt many lessons from past problems and mistakes, and that in recent years considerable advancement has taken place in the way the projects and programmes are designed, conducted and evaluated. While we agree with this view by and large, we also think that a general complacency about the quality of Finnish development cooperation may be a little premature, and that the record of the general Finnish aid performance can still yield additional useful lessons for the further improvement of aid practices.

Discussion on conclusions relating to activities

When interpreting the conclusions of this study concerning Finnish development activities, two caveats have to be kept in mind. The first is that our source material is not only incomplete and deficient in many ways, but also biased towards discussing on the problems encountered by the projects and programmes. The second is that the picture a synthesis like this can give inevitably lags behind what is presently happening on the field, because it ignores the changes that have taken place in the activities and in their environment since the original evaluation reports were written.

Because of such methodological limitations, this study cannot be taken to represent the achievements, or otherwise, of completed projects and programmes. Rather, it mostly reflects the problems and prospects of ongoing processes which were still seeking their forms at the time when they were evaluated or reviewed. Thus, it cannot claim to be a comprehensive and coverage of Finnish projects and programmes to date. The purpose of the study is much more restricted: to give an overview of the main issues in Finnish development cooperation as reflected in the evaluations and reviews undertaken from 1988 to mid-1995, and to see what lessons can be learned from them.

It is also important to stress that this study is not concerned with the comparative performance of individual projects, programmes and other activities, but with the main issues and processes in Finnish development cooperation. Although some of the problems discussed in the study may be partly or wholly overcome in a number of individual projects, they may be repeated elsewhere in similar or different guises, or the underlying factors making them possible and leading to them may still be effective. And there were certainly many problems which were evident during our study period; some had been evident also before, but still continued to plague the activities.

Logical frameworks, rationale, and effectiveness

One factor whose crucial importance became manifest when this study was conducted is the logical framework within which the various objectives of a project are set and the relationships between objectives at different levels are perceived. How the rationale of a project is conceived

and how its effectiveness is evaluated are crucially dependent on how the objectives are formulated and how their interrelationships are conceived.

The projects and programmes in our sample were not very uniform or systematic in this respect. Many activities had been started before the introduction of the Finnida *Guidelines for Project Preparation and Design* in 1991, and there was a great diversity in how their objectives were conceptualized and how project documents and reports were structured. Even after the Guidelines, although terminology attained a higher degree of standardization, a considerable degree of confusion continued to reign in relation to substance.

The main problem was found to lie in the fact that the frameworks which had been used allowed the activities to be concentrated on the achievement of output targets and did not elaborate on the linkages leading from the attainment of the physical or institutional targets to the wider development objectives.

At the most general level, the overall justification for Finnish-supported development activities and the relevance of the objectives of individual undertakings were commonly taken for granted by the evaluators. Very seldom were any doubts expressed in this respect. Moreover, the Finnish aims were never discussed; rather, the rationale was discussed in terms of whether or not the projects and programmes followed the recipient governments' national policies and corresponded to their national priorities.

Effectiveness, defined as the degree to which the activities had reached or were reaching their short-term or immediate objectives, was found to be the strong side of Finnish development projects. In almost all sectors discussed, perhaps with the partial exception of industry and engineering, the overall effectiveness of the majority of Finnish projects was found by the evaluation and review reports to be reasonably or quite good: most projects had attained or were likely to attain most of their major immediate objectives.

However, effectiveness in reaching the stated objectives depends not only on the performance of the project but also on the way the objectives have been set. Although no firm conclusions were possible on the basis of our material, it appears likely that several projects were assessed as effective mainly due to the impressive number of outputs they produced in their own terms. Less attention was given to the question of how these outputs contributed to larger goals. That

is, the assumed relationship between outputs the objectives at different levels was left unanalyzed.

Impact

Impact was the major unknown factor. It was astonishing to find how little information on the impact of Finnish bilateral development projects was conveyed by the evaluation and review reports discussed in this synthesis. The term 'impact' was not infrequently mentioned, to be sure, but the reports contained very little carefully analyzed and solidly documented evidence. When something was said, it was usually confined to intended development impact. Other possible and unintended consequences were largely overlooked.

The assessment of impact is admittedly a difficult task. This is so even in the case of planned development impact. As was shown by the two major ex-post evaluations included in this synthesis, those on the Zambia practical subjects teaching project and the Pha Rung Repair Shipyard in Vietnam, views on development impact may change greatly as time goes by. The question of other, unintended and unforeseen consequences of development activities is still more difficult to tackle systematically. Very few reports paid even fleeting attention to them.

This was not only the fault of the evaluators. It appears that the projects themselves, in their planning and monitoring, had given relatively little weight to impact. In most of the projects, both baseline and up-to-date monitoring data were inadequate or missing. In such a situation, external evaluators can hardly be expected to produce profound impact analyses.

Efficiency

Efficiency, measured as the relationship between the inputs and the outputs of the project, was given low priority both in projects (and other activities) and in their evaluations. Yet it was evident from the reports that there was considerable room for improvement in this respect. Many Finnish projects, or their major phases reviewed here, had clearly been designed and implemented with other requirements than cost-effectiveness in mind. There were indications, though, that some improvement had more recently taken place.

This is not to say that all Finns have necessarily been on the losing side in this respect. In fact, high project costs were often due to overreliance on Finnish resources. There are two major components that raise the costs of an aid project: expatriate personnel and supplies from abroad. In our cases, both came mainly from Finland. All the most expensive Finnish projects have involved extensive use of both Finnish personnel and Finnish supplies.

However, the worst examples of wasteful approaches originated from the late 1980s - the time of rapidly rising appropriations and severe administrative constraints within Finnida. Since then, the expatriate contingents in development projects have been cut down to size, and also alternative local supplies have been sought.

Sustainability

Sustainability, in its environmental, financial, institutional and social dimensions, has become a major issue during the time covered by this study. It is now given serious consideration in all the activities, as their most vital component. Although all projects have not been able to keep up with the speed of the attitude change, it appears clear that sustainability of Finnish projects has considerably improved during our study period. Still, it is too early to give an assessment of the long-term success of the new approach.

What is now realized is that sustainability has to be planned right from the start of the activity, and that the beneficiaries must be included already then. New projects, and new phases of old projects, have been planned with sustainability requirements in mind. Their budgets are more modest and they rely much less on imported humanpower and equipment than before. When understood in terms of this kind of process, the degree of sustainability was clearly increasing in a number of projects. The ways to reach eventual sustainability remain open, however.

Gender issues

It is also evident that gender-sensitiveness, in the sense of 'attention being given' to women, has been greatly heightened in Finnish development projects during the time frame of our study.

Some major gaps remain, however (infrastructure and industrial projects); and what attention to women entails in practice is by no means unambiguous.

As far as orientation of the projects towards women as preferred target groups is concerned, a number of Finnish bilateral projects score quite well. Activities included in the agriculture, rural development, forestry, health, water and education sectors can no longer be conducted without special reference to and targeting of women.

To what extent this targeting from above has become a reality from below, at the grass roots - and how women have actually benefited from the projects - is a much trickier question, however. There were few projects really addressing the relationships that keep women disempowered or aiming to strengthen womens' own organizations. And where genuinely new employment opportunities had been created for women, the reports at hand did not consider very profoundly the actual effects of the women's participation in the project workforce.

Critical problems

A number of critical problems affecting the performance and impact of Finnish projects and programmes were identified in the study. They were roughly divided into two major groups: (i) those which stemmed from the design or organization of the project, i.e. they were predominantly internal to the project, and (ii) those which were related to the external environments in which the projects were operating and were caused by forces external to the projects. Underlying both these sets of problems was a poor knowledge base.

Among the major internal problems which had prevented the Finnish projects, or the phases of them discussed in this study, from attaining their maximum effectiveness and ultimate goals were: ambiguity of objectives and a poorly defined logical connection between longer and shorter term objectives and outputs; over-optimistic time frames; a donor-driven mode of cooperation resulting in top-down planning and parallel implementation structures; reliance on inappropriate imported technologies; complicated and cumbersome administrative structures; and gaps and breakdowns in communication.

Some of the external problems were related to macro policy environments, especially to unanticipated changes in them; while others were encountered in the more immediate micro environments in which the projects and programmes operated. The most visible of the latter sprang from inability or unwillingness of local partners to carry out their part of the commitment, due to a lack of funds, humanpower, or motivation. Yet, perhaps the most important - and most inadequately understood - factor was the social and cultural environment; and the most acutely felt need was for 'local ownership' of outside-induced activities.

Underlying all these problems was a poor knowledge base: insufficient, poor or missing data, especially a lack of socio-economic baseline and cultural background data, and poor monitoring systems; a lack of thorough understanding of social and cultural factors; and inadequate understanding of the implications of policies, as well as inflexibility in adapting to changes in them.

It is recognized that lessons have been learned and major changes have happened in the approaches of Finnish development cooperation during our study period. Phenomena such as donor-driven top-down planning, expatriate-dominated parallel structures and inappropriate imported technologies have been admitted as major mistakes, and practices leading to them have been given up. The factors whose importance is now being emphasized are the external ones, particularly policies and policy changes of the recipient countries.

Yet some major internal problems remain, and new ones may be appearing. Many problems related to logical frameworks, organization of the projects, knowledge bases, social and cultural understanding and microenvironments are obviously still there. Some of the older problems may be appearing in a new guise (parallelism in the form of setting up a structure of privileged local staff).

Comparative perspective

In order to put our results in a larger context, some comparative materials were presented from evaluations of earlier Finnish projects in the 1980s and a selection of projects of some other donors such as Norway, the European Union and the World Bank. Although direct comparison

between them and our materials was possible only to a limited extent, a number of broad similarities and as well as some significant differences were found.

Compared with earlier Finnish projects in the 1980s, major changes had happened with respect to sustainability and what are called cross-cutting issues of gender and environment. In our sample, these were given much more explicit attention both in evaluation reports and in project activities themselves. However, many of our findings pointed to problems similar to those found in the projects of the 1980s. Both then and now, the immediate objectives of the projects were often put in too narrow terms, considering the ambitious nature of the changes aimed at. The relatively high degree of technical effectiveness of most projects and programmes was not producing much visible impact.

Also, the factors decreasing effectiveness, efficiency and impact continued to be much the same, although they were formulated differently and the relative emphasis placed on them had changed. Factors such as insufficient appraisal of national policies and of the socio-economic, political and cultural environments were found to be problems already in the earlier projects.

Compared with international experiences, both similarities and differences emerged. The direction of changes in Finnish development cooperation was clearly following the lead of other donors and DAC, but it was lagging somewhat behind the front runners.

How the performance of Finnish projects in general compared with that of the other donors cannot be said on the basis of our study, but the impression gained was that the difference between Finnish projects and the others could not have been very great. No outstanding success stories could be found among Finnish projects and programmes in the phases examined, but dismal failures were also very few. A number of projects were doing quite satisfactorily and the potential for significant impact was there, but these were in the minority. The majority were experiencing problems of different kinds and degrees, and it was impossible to tell what the long-term impact would be.

The Finnish projects had in common with the others a strong emphasis on and relative succes in implementation, especially in that of projects whose nature was predominantly technical. One significant difference here was that while the others (Norway, World Bank) reported industry

and manufacturing as among the good performers, among Finnish projects they belonged to the most troubled category.

Problems apparently shared by all the donors reviewed here were related to project design and planning. Both Finland and the EU had met with difficulties in defining objectives, whereas the projects financed by the World Bank were growing too complex to control.

Technical assistance and NGOs

In addition to bilateral projects and programmes, also other modes of aid activities are discussed in this study. These include technical assistance personnel (TAP), i. e. expatriates coming from Finland to developing countries as experts or volunteers; and development work of various Finnish non-governmental organizations (NGOs).

Although the number of expatriates working in Finnish development cooperation as TAP has been greatly reduced during the years of falling appropriations, and their functions have been transformed, they still play a vital and visible role in several endeavours. Furthermore, they bring access to an array of material resources such as vehicles, PCs, and so on. of which few local organizations in many countries could conceive of without the presence of the expatriates.

TAP were found by the evaluators to be problematic in many respects. The original rationale for their employment - filling the gaps in the personnel structure in developing countries - was found to have lost its relevance, and their presence was seen as militating against sustainability (when they were effective, as they often were). They were also very expensive to employ and maintain, and the gulf in living standards between the expatriates and their local colleagues continues to make the relationship between them complex. Yet, to some extent, TAP were found to be indispensable.

Concerning NGOs, the evaluations discussed in this study left the underlying big question about the assumed superior quality of the developmental work of NGOs largely unanswered. They could neither confirm nor refute the widespread view that the assistance given by NGOs is more flexible, innovative, participatory, cost-effective and directed to the poor than that of larger development agencies. Little systematic support was found for the view, though.

In general, the Finnish NGOs in development and the Finnish volunteers were found to share the same virtues and vices as most other NGOs. Their development impact was regarded as modest and their effectiveness as mixed, but in many cases they had been able to reach poor people whom the governments concerned were unable or unwilling to support. Their cost-effectiveness varied greatly, but was by and large better than that of official agencies.

A major problem affecting the development work and impact of NGOs was that they had been weak in systematizing and learning from their experience, although this at times had been quite innovative. Yet, it was argued, one of the major contemporary challenges is to find new mechanisms for the delivery of social development services in the political context where states cannot, or will not, bear the main responsibility. By experimenting with new approaches, the NGOs could here contribute to larger policy changes.

Aid and export

Also some controversial forms of cooperation, combining development aid with the promotion of Finnish exports and other economic interests, are discussed in the present synthesis. They had been assessed in a variety of ways by evaluators. Technically, they were found to have been smoothly executed; but the most thorough assessments doubted their value, both from developmental and export promotion points of view.

Among activities meant not only to further economic development and welfare in the recipient countries but also to promote Finnish economic interests abroad, the following three are discussed: Finnfund, the Premixed Concessional Credit Scheme, and the Finnida Consultancy Trust Funds. The duality of their functions made the evaluation of their activities complicated: they have to be assessed from both development and export promotion points of view, and, in addition, the issue of compatibility between these two aims must be discussed.

From the developmental point of view, few of these activities were found to be very effective or to have much impact. Especially if seen against the present overall Finnida objectives such as alleviation of poverty, combating global environmental hazards and fostering equality, democracy and human rights, their role as instruments of development aid was found to be problematic.

The impact of the Finnfund-supported projects on the host countries' economies was deemed 'generally positive but modest and in many cases very indirect'. For the projects financed under the premixed concessional credit scheme, assessments varied. A number of them were for environmental investments, and could be justified by reference to this. For most projects, however, it was too early to provide any assessment on impact.

Intriguingly, there was some disgreement among the evaluators concerning the validity of these activities for the promotion of Finnish economic interests in developing countries. Although some Finnish evaluators argued that they had been successful in this respect, others were not convinced. Particularly concerning the premixed concessional credit scheme, the argument was put forward that it was an expensive instrument for export promotion, due to the large amount of interest subsidies involved and the relatively marginal impact.

An obvious impact of the schemes was a diversion of Finnish development aid funds from Africa to Asia, and from poorer countries to those that are called emerging economies. Yet they had probably not contributed to an increase in overall financial flows to the Asian countries concerned, because it was likely that if Finland had not financed the investments, someone else would have done so.

Discussion on evaluations

The overall quality of evaluation and review reports was found to vary greatly, but could not be regarded as generally high. None of the reports was assessed as excellent, a number were good, a much larger number satisfactory, and some were poor. In general, ex-post evaluations, thematic and other broader evaluations, conducted since 1991, were consistently found to be of higher quality: more methodical in their approach and better disciplined in their argumentation.

Whether or not the general quality of evaluations was improving could not be determined on the basis of our material, but it appeared possible that some improvement had indeed happened.

Two major faults were identified in the project-specific evaluations. Firstly, the attention was overwhelmingly focused on the achievements, performance and outputs of the project or programme and the various problems encountered there. Few reports went any further, to

elaborate on the links between achievements or outputs on the one hand and the objectives of the project on the other. The second fault was the lack of internal coherence in argumentation. The reports duly noted both positive and negative sides of the activities. However, they seldom indicated clear priorities, but rather interlaced their more and less appreciative or critical points in a seemingly random way, which gave considerable leeway as to how to draw the lessons to be learned. Whereas issues such as sustainability and gender were increasingly included in the evaluations, the analysis of economic efficiency remained weak.

It was acknowledged that evaluation is a difficult and unenviable task in the present circumstances. The conditions under which the individual members of the teams work impose close limits on the use of their creativity.

Many factors of a technical or methodological nature were found to affect evaluation. The composition of the evaluation and review missions was often dominated by technological and administrative competence and economics, to the detriment of social sciences. There was much variation in the terms of reference (TORs) of the missions. The existing guidelines for evaluation were outdated. The methods employed by the missions were of a fairly common-sense kind.

However, it was also argued that evaluation had become such an integral part of the development cooperation process that it was bound to be affected by all the factors affecting development cooperation as a whole, such as deficient logical frameworks or poor knowledge bases. Thus, while improving development cooperation requires more and better evaluation, improving evaluation requires better development cooperation.

Recommendations

This report has covered a vast field - most of the Finnish bilateral development cooperation activities from 1988 to mid-1995. A great number of recommendations were put forward in the evaluation and review reports examined in this study. We are not trying to repeat them, but will rephrase and reformulate those which we found to be the most urgent, and will add a few recommendations of our own.

Concerning the activities, the most urgent tasks are those of focusing on the attainment of impact and reducing the costs, by the following means:

1. Rethink the logical frameworks and their underlying assumptions. Revise the Finnida *Guidelines for Project Preparation and Design* from 1991, and write and rewrite other guidelines in the light of this revision. While a good starting point is provided by the EU integrated management approach, the necessary flexibility must be maintained. A logical framework must not become a straightjacket.

2. Improve and strengthen knowledge bases and their use. Include more research components in the projects and programmes. Insist on adequate monitoring. Especially social and cultural factors need much more detailed attention. Do not only produce more data, but also make sure that the existing data are used.

3. Continue and deepen participatory approaches and integration of Finnish-funded activities into recipient structures. Go beyond watchwords such as 'local ownership' or 'WID' and examine how local social, political and cultural structures work and how decisions are made within households.

4. Clarify the requirements for sustainability. Not every activity can be self-sustained institutionally, financially etc.

5. Give more financial responsibility to the partners in developing countries. Continue to reduce the number of TAP and change their functions. Make them answerable to the local authorities. Make their costs visible.

6. Focus more on cost-efficiency, even if it means less reliance on Finnish personnel and procurements.

Concerning evaluations, it is important to raise their quality by the following means among others:

1. Place more resources at the disposal of evaluation. Make the necessary reservations for them at the planning stage.

2. Rewrite evaluation guidelines (on the basis of the revision of planning guidelines). Make TORs more systematic.

3. Increase the involvement of the partners from developing countries in evaluations. Involve them from the stage of drafting the TORs onwards.

4. Increase the role of social and cultural expertise in evaluation also in other respects than WID.

5. Continue to initiate more broader thematic and other such evaluations, and ex-post evaluations. Undertake a major evaluation of the consultancy company mode of delivering assistance.

6. Make evaluation results more accessible in compact and timely publications. Develop other more interactive forms of feedback.

Appendix 1: BASIC INFORMATION ON ACTIVITIES REVIEWED AND EVALUATIONS USED

AGRICULTURE AND LIVESTOCK

PROJECT / PROGRAMME	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Finnish-**Egyptian** Sheep Breeding Project	I: 1981-1985 II: 1985-1987 III: 1988-1992 Consolidation: 1994-1995	Finnish Sheep Breeders' Association, Agricultural Research Center of Finland, Jokioinen	1.9 1.1 4.2 1.4 Disbursements (1981-1994) 7.7	Mid-Term Evaluation Report, June 1991
Arab Republic of **Egypt**, El Fayoum Milk Collection Project	(1982-) 1983-1988 (-1991)	Finnagro Ltd	6.6 Disbursements (1982-1991) 7.4	Report of the Evaluation Mission, June 1990
The **Kenya**-Finland Livestock Development Programme	1991-1995	Valio Engineering Ltd & FCC (Joint Venture)	23.6 / 25.5	Mid-Term Review, Final Report, May 1993
Satim: Support to Agricultural Training in **Mozambique**	1990-1993			Report on Mid-Term Evaluation, 1991
Sasakawa Global 2000 Agricultural Programme	1990-1992	Sasakawa	16.1 / 32	Mid-Term Review Mission, March 31, 1992; Evaluation / Observation Mission, June 30, 1992
Uyole Agriculture Center, Mbeya, **Tanzania**				Report of the Mid-Term Review Mission, February 24 - March 19, 1991

RURAL DEVELOPMENT

PROJECT / PROGRAMME	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Kalutara Integrated Rural Development Project, **Sri Lanka**	(1985-) I: 1987-1990 II: 1991-1994	Devecon Ltd	33 19.8 Disbursements 41.9	Mid-Term Review, November 1992; Final Report of the Impact Evaluation, December 1992; Review Mission Report, Finnida End-of-Project Review Mission, Sri Lanka, Final Report, March 1994
Rural Integrated Project Support Programme in Mtwara and Lindi Regions, **Tanzania**	(1986-) I: 1989-1992 II: 1994-1998	Finnconsult Ltd Finnagro Ltd (1994-1995)	80 63 Disbursements (1986-1994) 82.3	RIPS 1988-1992, Mid-Term Review Mission Report, March 1991
Luapula Rural Development Programme, **Zambia**	(1980-) I: 1989-1992 Planning: 1993-1994	Agriplan III Plancenter Ltd	69 4.7 Disbursements (1980-1994) 89.0	The Mid-Evaluation Mission Report, November 1990

FORESTRY

PROJECT / PROGRAMME	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Mechanised Nursery and Plantation Project in South Kalimantan, **Indonesia**	I-III:1981-1988 IV: 1989-1992 -1994	Enso Forest Development Ltd	16.5 Disbursements 49.9	Phase IV, Report of the Mid-Term Evaluation Mission, April 1992
Bura Fuelwood Project, **Kenya**	(1982-) I: 1985-1988 II: 1989-1993 (-1994)	Enso Forest Development Ltd, University of Helsinki	18.7 14.5 Disbursements (1982-1994) 29.3	Phase II: Mid-Term Review, January 1991
Kenya Forestry Master Plan	I: 1990-1994 II: 1994-1995	Jaakko Pöyry Ltd	23.5 2.9 Disbursements (1991-1994) 21.7	Report of the Kenya Forestry Master Plan, Mid-Term Review Mission, Final Report, November 1992; Report of a Review Mission, Joint Kenya / Finnida Review Report for the Preparatory Phase, April 1994
Zanzibar Forestry Development Project, **Tanzania**	I: 1978-1988 II: 1989-1993 III: 1994-1997	Finnish Forest and Park Service	20 10.8 Disbursements (1980-1994) 46.1	Report of a Review Mission, September 1991; Mid-Term Review Report (Draft), April 1995
Tanzania Wood Industries Programme	1989-1992	Jaakko Pöyry Ltd	17.2	Report on the Mid-Term Review, July 1990
East Usambara Catchment Forest Project, **Tanzania**	1990-1994	Finnish Forest and Park Service	11.5	Mid-Term Review, Final Report, September 1993

HEALTH

PROJECT / PROGRAMME	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Kenya-Finland Primary Health Care Programme	(1980-1984) I: 1984-1985 II: 1986-1988 III: 1989-1993 IV: 1993-1995	Kenafya (Finnconsult, YIT, University of Tampere) Plancenter Ltd Plancenter Ltd Plancenter Ltd	18 36 75 12.5 Disbursements (1980-1995) 131.9	Mid-term review, 2 volumes, October 1990; Training/Educational Activities, Impact Evaluation, June 1992; Report of an Evaluation Mission, July 1992
Hospital Equipment Maintenance, **Nicaragua**	1990-1995	Pan-American Health Organisation	6 / 14.5 Disbursements 13.8	Mid-term Review, October 8, 1991; The Report of the Finnida Evaluation Team, March 4, 1994
Somalia-Finland Tuberculosis Control Support and Training Project	I: 1980-1984 II: 1985-1987 (1988) III: 1988-1991	Finnish Anti-Tuberculosis Association	92.4 (I,II) 13.7 74.5 Disbursements 151.7	Mid-term Evaluation Report, 1990
Rehabilitation and Development of General Hospital Colombo, **Sri Lanka**	I: 1985-1991 II: 1990-1994	Devecon Ltd, Lemminkäinen Ltd, Mediconsult Ltd, Devecon Ltd, ARE Ltd	80 56 Disbursements 159.4	Mid-term Review, April 27, 1990; Rehabilitation, Phase 1, Project Evaluation Report, 1992; Finnida End-of-project Review Mission, Sri Lanka, Final Report, March 1994

WATER

PROJECT / PROGRAMME	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Kenya-Finland Western Water Supply Programme	I-II: 1981-1988 III: 1989-1993 IV: 1993-1995	KEFINCO	125 126 21.5 Disbursements 256.1 (1981-1994)	Mid-Term Review Report, February 1991
Rural Water Supply and Sanitation Project in the Western Development Region, **Nepal**	1988-1994	Plancenter Ltd	37.9 / 40	Mid-Term Review Report, March 1992; Review of Phase I, 1994
Harispattura and Udunuwara Water Supply and Sanitation Project, **Sri Lanka**	1980-1988		74.8	Report of the Post Evaluation Mission, October 1988
Mtwara-Lindi Rural Water Supply Project, **Tanzania**	(1971-1972) I-IV: 1973-1987 V: 1987-1990 VI: 1991-1994	Finnwater (YIT, Plancenter, Viatek)	117 45 21 Disbursements (1971-1993) 177.8	Report of the Evaluation Mission, January-February 1990, April 1990; Mid-Term Review, Final Report, February 1993
Hanoi Water Supply Project, **Vietnam**	(1984) I: 1985-1988 II: 1988-1990 III: 1991-1996	YME-Group (Maa ja Vesi, Ekono, YIT)	119.4 105 152 Disbursements (1984-1994) 342.1	Report of the Evaluation of Phase II, July 1991; Phase III, Mid-Term Review Report, November 1993

EDUCATION AND TRAINING

PROJECT / PROGRAMME	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Forestry Training Programme, **Finland ?**	(1971,1976-) 1991-1995	Forestry Training Programme / National Board of Education	39.5 Disbursements (1971-1994) 122.1	Evaluation of the Course and Seminar Programme of the FTP, November 23, 1993
PRODEC	(1970-1972, 1974-) 1989-1991 (-1994) 1994-1997	PRODEC / Helsinki School of Economics	38.5 9.5 Disbursements (1970-1994) 116.6	Evaluation, June 1989, 3 volumes
Practical Subjects Project for Upper Primary Schools in **Zambia**	1974-1990	University of Turku, Department of Teacher Training in Rauma	30	Ex-Post Evaluation of Finnish Support to PS in Zambia, 1994
The **Zambia** Educational Materials Project (ZEMP)	(1983-) 1985-1991	Weilin+Göös 1985-1989, Tammi Publishing Company 1989-1991	52 Disbursements (1983-1991) 53.7	Evaluation of Phase II, March-April 1991

INFRASTRUCTURE

PROJECT / PROGRAMME	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Beira Harbour, **Mozambique**	I: 1987-1990 II: 1988-1991 III: 1989-1992 IV: 1992-1995	Plantrans / Plan-centre, Viatek and Esko Poltto Ltd Giersing-Kampsax, Lemminkäinen Ltd Mari Center Ltd	59.8 23.3 18.3 Disbursements (1987-1994) 109.0	Phases II and III, Mission for Mid-Term Evaluation of Phase II and Appraisal of Phase III, Final Report, November 8, 1989
Eastern **Nepal** Topographic Mapping	1992-1996	FM International Ltd, National Land Survey of Finland	15.8 / 27.8	Report on Evaluation Mission, May 29-June 10, 1994, September 30, 1994
Hambantota Project and Tele-communication Sub-Project, **Sri Lanka**	1985-1989	Nokia Ltd	75	Evaluation of Telecommunication Projects in Sri Lanka. Final Report, January 1991
Dar es Salaam Port Rehabilitation Project, **Tanzania**				Mid-Term Project Review, November 1988; Mid-Term Review, November 1992
Road Maintenance Projects in the Mtwara and Lindi Regions, **Tanzania**	1990-1994	Finnish National Road Administration	24.9	Mid-Term Evaluation Report, November 1992
Road Maintenance Project, **Zambia**	I: 1988-1991 (1992-1993) II: 1994-1996	Finnish National Road Administration	50 23 Disbursements (1988-1994) 75.1	Evaluation Report, August 1991

INDUSTRY AND ENGINEERING

PROJECT / PROGRAMME	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Beira Exercise Book Factory Project, **Mozambique**	(1986-) 1989-1991 (1992)		29.9	Evaluation, February 1992
Tanzania Pharmaceutical Industries (TPI)	1973, 1976-1992	Orion Corp.	16.4 / 31.6	Strategic Assessment and Proposal for Restructuring, May 1989; Report of a WHO / DANIDA / FINNIDA Joint Mission, April 1988
Trama, **Tanzania**	1980-1992	Valmet Ltd	98.1	Macro and Micro Economic Study of Trama, October 1989
Pha Rung Repair Shipyard, **Vietnam**	(1974-) 1989-1991 (-1992)	Finnish National Road Administration	14.7 Disbursements (1974-1992) 270.0	Report of the Post-Evaluation Mission, 1992

OTHERS

ACTIVITY	PHASE	CONSULTANT	COST (budgeted)	REPORTS USED
Consultant Trust Fund				eview on the Use of Finnida Consultancy Trust Funds in the WB, IFC, ADB, and IFAD. November 1993;
Finnfund				Joint Ventures and Aid. Evaluation of Finnfund, 1992
Interest Subsidies				Export Credits and Aid. Evaluation of Finnish Premixed Concessional Credit Scheme, 1992; Evaluation of South East Asia Lumber Inc. Bhd (SEAL) Plywood Project, March 1995; Evaluation of Phoenix Pulp Mill Project, March 1995; Evaluation of Siam Kraft Power Plant Expansion Project, March 1995; Evaluation of Philippine Associated Smelting and Refining Corp. (PASAR) Expansion Project, March 1995; A Review of Four Mixed Credit Scheme Water Supply and Waste Water Projects in the People's Republic of China, April-May 1995
NGO Support				Strengthening the Partnership. Evaluation of the Finnish NGO Support Programme, 1994; Evaluation of Finnish Personnel as Volunteers in Development Co-operation, Final Report to FINNIDA, July 1995;
Technical Assistance Personnel				The Effectiveness of Technical Assistance Personnel. Evaluation, March 1988

MINISTRY FOR FOREIGN AFFAIRS
Department for International Development Cooperation

Appendix 2

TERMS OF REFERENCE OF A SYNTHESIS STUDY OF THE REVIEWS AND EVALUATIONS CARRIED OUT FOR FINNIDA DURING 1988 - 1993

1. BACKGROUND

FINNIDA has commissioned during the last five years about 130 evaluations and reviews on its development cooperation programmes and projects, most of them concerning bilateral project activities. Information from earlier conducted projects should be of concern to everyone who plans and decides how scarce resources are allocated between competing aims. However, evaluation reports usually do not reach to a sufficient extent those in charge of aid planning and decision making unless they are working directly with the reviewed project. This situation could be improved through more effective feed-back of evaluation results and lessons learned. A synthesis of existing evaluation results is one tool in this task.

The synthesis study to be carried out will follow the lines of the " Review of Evaluation Reports on Finnish Development Projects" published in 1991.

2. PURPOSE

The purpose of the study is to provide FINNIDA with a syntesis and an assessment of lessons learned on its development cooperation activities based on reviews and evaluations commissioned by FINNIDA during 1988-1993, to be used for improving the aid effectiveness and administrative efficiency of future activities.

Along the study process the results and findings of the study will be fed-back into FINNIDA organization by arranging workshops, seminars and meetings.

3.TASKS OF THE CONSULTANT

3.1. Aid Performance

Based on the existing evaluation and review reports from the years 1988-1993 the consultant has to determine what do the various evaluations convey on the following issues in Finnish development cooperation:

- rationale of the project objectives, relevance of the objectives in relation to the goals and aims of Finnish development cooperation and the aims of the recipient, as well as the realisability of the objectives
- to what extent the immediate objectives of the projects have been attained / are to be reached
- development impact and notions related to the possibilities of its assessment
- efficiency of the aid-operations

Previous Page Blank

- factors ensuring sustainability of the benefits
- treatment of risk and uncertainty in project planning and implementation
- inclusion and handling of cross-cutting issues WID and environment in the projects
- how do the findings in the FINNIDA evaluations compare with those of other aid donors

3.2. Aid managing

3.2.1. The Consultant has to assess what do the evaluations convey on the evolution of the managing of the development cooperation in FINNIDA as to
- logic of the project framework
- the eventual effects of adapting of various project planning and managing directions, especially a new formula for project planning and management in 1991

3.2.2. The Consultant has to discuss of the focus and quality of the reviews and evaluations as to e.g.
- the inclusion and handling the above in para 3.1. mentioned evaluation issues and cross-cutting issues, or other subjects of main concern
- to what extent the recipient country, organizations and target groups have been involved in the reviews and evaluations
- who has made the evaluations and what can be said of the used methodology

3.2.3. Through a few case studies using the primary data available the consultant has to examine in FINNIDA and in recipient countries the process of handling and using of evaluation results, and to assess what kind of effects the reviews and evaluations have had on decision making on planning, implementation, monitoring and management of the aid.

3.3. Feed Back

The consultant shall ensure that the results of the study are fed back into FINNIDA organization by arranging workshops, seminars and meetings as appropriate already in the course of the work.

4. MODE OF WORK

The approach and method of the study are aimed to be improved by investigating at the beginning of the study how the similar evaluation synthesis processes have been carried out in other countries.

In para 3.1., 3.2.1. and 3.2.2. above the review shall be based on existing evaluation reports, not on any primary data or personal observations of projects. When discussing the findings and conclusions relevant sectoral break-down shall be used.

In para 3.2.3. above case studies base on primary documentation and interviews.

The feed-back of findings in a form of workshops, seminars and

meetings shall be planned in co-operation with the FINNIDA training unit and started when valid findings are available, or as deemed appropriate.

The Consultant shall prepare a detailed workplan for approval by FINNIDA.

5. CONSULTANT

The Consultant for the assignment will be the Institute for Development Studies of the University of Helsinki, Ms. Päivi M. Mattila, M.Sc in Agriculture and Forestry and M.A in Development Economics as a main researcher, and Mr. Juhani Koponen, Director of the Institute for Development Studies as a reseacher and main supervisor.

6. THE SCHEDULE AND REPORTING

The duration of the study is from June 1st, 1994 to the end of December 1994 when the final report shall be ready. The report shall be given in two volumes, one covering aid performance and the other aid managing issues.

The first feed-back meetings and workshops will be arranged in October.

The synthesis reports shall include an executive summary, a profile of the activities studied and a description of the methods used. It shall give the main findings and conclusions as answers to the questions raised, as well as lessons learned and eventual recommendations for providing a link between the evaluation results and the developing of aid planning and management.

The report shall be given as a printed report and on discette using WP 5.1.

Helsinki, June 15, 1994

Mauri Eggert
Under Secretary of State
for Development Cooperation

REFERENCES

Appendix 3

1. OFFICIAL FINNISH MATERIALS

1.1. GENERAL

FINNIDA. (1989) Hankearvioinnin periaatteet. OECD:n kehitysapukomitean, DACin, hyväksymät hankearvioinnin, -valinnan ja -suunnittelun periaatteet. Helsinki.

(1990) Suomen kehitysyhteistyön perustilastot.

(1991) Review of Evaluation Reports on Finnish Bilateral Development Projects in 1980s. Helsinki.

(1991) Guidelines for Project Preparation and Design. Helsinki, June.

(1993) Guidelines for Project Reporting. Helsinki, January.

(1993) Hankeluettelo 1993. Suomen kahdenväliset kehitysyhteistyöhankkeet vuosina 1990-1992. Helsinki.

(1993) Finland's Development Assistance 1992. Annual Report. Helsinki.

(1993) Finland's Development Co-operation in the 1990s. Strategic Goals and Means. Helsinki.

(1993) Suomen kehitysyhteistyön perustilastot.

(1993) Suomen kehitysyhteistyö 1990-luvulla.

(1993) UM taustat 2, Helsinki. Ulkoasiainvaliokunnan mietintö 17 hallituksen kehitysyhteistyökertomuksesta vuodelta 1993. Helsinki.

(1994) Kansalaisjärjestöhankkeet 1993-94. Ulkoasiainministeriön tukemat kansalais- ja lähetysjärjestöjen kehitysyhteistyöhankkeet. Helsinki.

(1994) Kehitysyhteistyön tapahtumia kesäkuussa. FINNIDA-tiedote 6.

(1994) Kehitysyhteistyön tapahtumia marraskuussa. FINNIDA-tiedote 11.

(1994) Education Sector Development Co-operation Guidelines. Helsinki.

(1994) Finlands utvecklingssamarbete 1993. Regeringens berättelse till riksdagen om utvecklingssamarbetet 1993. Helsinki.

(1994) Finnish State Budget for 1995; Almost 0,4 per cent of GNP for International Development Assistance. FINNIDA lehdistötiedote, September.

(1994) G. BLUMENTHAL: Annual Review of Finland's Development Cooperation in the Health, Social and Population Sectors 1993. Helsinki: FINNIDA and HEDEC, November 8.

(1995) Ulkoasiainvaliokunnan suositusten huomioonottaminen kehitysyhteistyössä. Lähete 27.1.

(1995) Development Cooperation Between Tanzania and Finland. Report of Evaluation study 1995:1.

(1995) J. ILONIEMI: Suomen muuttunut kansainvälinen asema ja kehitysyhteistyö. Selvitys ulkoasiainministeriölle. Helsinki: March 13.

(1995) Kehitys, newsletter 3/95.

(1995) Kehitys, newsletter 6/95.

(1995) Hankeluettelo 1994. Suomen kahdenväliset kehitysyhteistyöhankkeet vuosina 1993-1994. Helsinki.

Pyhälä, M. Kulttuuri ja opetusala Suomen kehitysyhteistyössä. January 6, 1989.

Valtiontalouden tarkastusvirasto. (1987) 'Lähetysjärjestöjen kehitysyhteistyön tukemisen tarkastus', Tarkastuskertomus 134/54/87, September 3.

(1988) Harispattuwan vesihuolto- ja sanitaatioprojekti. Tarkastuskertomus 127/54/88.

(1990) 'Kansalaisjärjestöjen kehitysyhteistyön tukemisen tarkastus', Tarkastuskertomus 265/54/90, November 22.

(1991) Kahdenvälisen kehitysyhteistyön projektiavun toimeenpanon valvonnan tarkastus.

Previous Page Blank

(1994) Kehitysyhteistyömäärärahojen supistamisen vaikutus jo aloitettujaen kahdenvälisten hankkeitten toteuttamiseen. Tarkastuskertomus 45/54/94, September 15.
Valtiontilintarkastajain kertomukset vuosilta 1984, 1988, 1990, 1992. Helsinki.
Valtionvarainvaliokunnan mietintö 93 hallituksen talousarvioesityksestä vuodelle 1995. Helsinki.

1.2. EVALUATION REPORTS AND OTHER DOCUMENTS

AGRICULTURE AND LIVESTOCK

Finnish-Egyptian Sheep Breeding Project. **Egypt**.
Mid-Term Evaluation Report. June 1991.
Finnish-Egyptian Sheep Breeding Project. **Egypt**.
Consolidation Phase 1994-1995. Project Document. By Mäki-Tanila, Shehata, Ojala, Saastamoinen. November 1993.
Finnish-Egyptian Sheep Breeding Project. **Egypt**.
Phase III (1989-1993). Final Report. By Ojala, Mäki-Tanila, Shehata. Agricultural Research Centre of Egypt and Agricultural Research Centre of Finland. June 1994.
El Fayoum Milk Collection Project. **Egypt**.
Report of the Evaluation Mission. By Viatek Consulting Engineers Ltd. June 1990.
Mid-Term Review Mission on the **Egypt**-Finland Agricultural Research Project.
Egypt, January 12-24, 1993. Helsinki, April 2, 1993.
Sasakawa Global 2000 Agricultural Programme/ **Ghana**.
Mid-Term Review Mission. By Wiik, Pehu, Kuivila, Aho. Helsinki, March 31, 1992.
Kenya-Finland Livestock Development Programme.
Mid-Term Review. Final Report. Plancenter. May 1993.
Mid-Term Review of the Finland-**Kenya** Livestock Development Programme.
Interim Report. April 19 - May 6, 1993.
Kenya-Finland Livestock Development Programme.
Direct Continuation 1995-1997. Appraisal Report. January 1995.
Nepal-FINNIDA Fertilizer Programme.
Benchmark Survey. Agricultural Projects Services Centre, Kathmandu, Nepal. December 1991.
Mid-Term Review of the Fertilizer Programme in **Nepal**.
By Unto Äikäs. HMG/N and FINNIDA. April 1992.
PRODETEC. Phase II.
Support to Generation and Transfer of Agricultural Technology in **Nicaragua**. Mid-Term Evaluation Report. By Gutelman, Caballero, Tadmor. Managua, Nicaragua, November 11, 1993.

PRODETEC. Phase II.
Mid-Term Evaluation Inception Report. By Gutelman, Caballero, Tadmor. Managua, **Nicaragua**, November 11, 1993.
Support to Agricultural Training in **Mozambique** 1990-1993. SATIM and FCC. Maputo December 1991 and Helsinki January 1992.
Report of the Evaluation Mission February-March 1984 Uyole Agricultural Centre Mbeya **Tanzania**. By Hey, Katyega, Kazimoto, Kukkonen, Rwasa, Shao, Sundheim, Thomsen, Vuorela. Helsinki.
Report of the Midterm Review Mission Uyole Agriculture Center Mbeya **Tanzania**.

By McLean, Ikävalko, Jern, Wiketye, Ndauka. February 24 - March 19, 1991.
Kilimo-Sasakawa Global 2000 Agricultural Program/**Tanzania**.
Evaluation/Observation Mission. By Pehu. Helsinki, June 30, 1992.
Zanzibar Integrated Lands and Environment Management Project (ZILEM).
Final Report of Mid-Term Review Team. By Hunting Technical Services Ltd. March 8-20, 1993.

RURAL DEVELOPMENT

Integrated Rural Development Program. Region V.
January 1990 - December 1993. Mid-Term Evaluation. Volume I. Principal Report. **Nicaraguan** Government, FINNIDA, FINNAGRO. February 1992.
Integrated Rural Development Program. Region V.
January 1990 - December 1993. Mid-Term Evaluation. Volume II. Sub-Projects. **Nicaraguan** Government, FINNIDA, FINNAGRO. February 1992.
Kalutara Integrated Rural Development. Moderawila Industrial Estate.
Review Mission Report. End-of-Project Review Mission, **Sri Lanka**. Final Report. By Suonenlahti, Uosukainen, Montell, Wihuri. March 1994.
Rural Integrated Support Programme in Mtwara and Lindi Regions, **Tanzania** 1988-1992. FCC, March 1992.
Luapula Rural Development Programme, **Zambia**. Agrisystems, Sweden 1990.

FORESTRY

Indonesia: Mechanized Nursery and Plantation Project in South Kalimantan, Phase III 1985-1988. Helsinki October 1987.
Mechanized Nursery and Plantation Project in South Kalimantan, **Indonesia**, Phase IV.
FINNIDA, Helsinki and Ministry of Forestry, Jakarta April 1991.
Bura Fuelwood Project, **Kenya**. International Forest Science Consultancy, Edinburgh, April 1991.
Report of the **Kenya** Forestry Master Plan. Mid-Term Review Mission. Final Report. International Institute for Environment and Development, London. November 1992.
Kenya Forestry Master Plan. Report of a Review Mission. By Richardson, Williams, Inglis. Joint Kenya/FINNIDA Review Report for the Preparatory Phase. Helsinki University Knowledge Services Ltd. April 1994.
Kenya Forestry Beyond 2000. An Overview of the Kenya Forestry Master Plan. Ministry of Environment and Natural Resources. Nairobi 1994.
Kenya Forestry Master Plan 1995-2020.
Executive Summary. Ministry of Environment and Natural Resources. Nairobi 1994.
Report of the Mid-Term Review of the Integrated Watershed Management Project in **Nepal**. Helsinki, April 26, 1991.
Strengthening Forestry Planning and Development in **Mexico** 1987-1990.
Project Evaluation Report. Programme of Scientific and Techincal Cooperation in the Forstry Secrot Between Mexico and Finland.
Projet Reboisement Communautaire dans le Bassin Arachidier (Precoba). **Senegal.**
Phase III. Mission de Revue Tripartite. By Reunala, Bah, Cisse, Diop.
November 6-25, 1989.
East Usambara Catchment Forestry Project. Project Document 1990-1993. The United Republic of **Tanzania** and the Republic of Finland. Helsinki, February 1990.

Mid-Term Review of the East Usambara Catchment Forestry Project, **Tanzania**. Final Report. By Mikkola and Tengnäs (FINNAGRO). September, 1993.

East Usambara Catchment Forestry Project. Phase II: 1995-1998. Volume I: Main Document. Project Document. The United Republic of **Tanzania** and the Republic of Finland. October 26, 1994.

East Usambara Catchment Forestry Project. Phase II: 1995-1998. Volume II: Annexes. Project Document. The United Republic of **Tanzania** and the Republic of Finland. October 26, 1994.

Tanzania Wood Industries Programme. Mid-term Review. Helsinki, July 1990.

Zambia: Forest Research Project. Report of the Evaluation Mission. February 1990.

Zanzibar Forestry Development Project. Report of the Evaluation Mission. October 1983.

Zanzibar Forestry Development Project. Report of a Review Mission. September 1991.

Zanzibar Forestry Development Project. Phase II. Final Report. July 1989 - January 1993. By Leroy D. L. Duvall, Jr. Vantaa, 1993.

Zanzibar Forestry Development Project. Phase II. Semi-Annual Report. July-December 1992. Vantaa, 1993.

Zanzibar Forestry Development Project. Phase II. Work Plan. January-July 1993. Vantaa, 1993.

Zanzibar Forestry Development Project. Phase III
Participatory Project Planning: Experience of the Design of Phase III of the Zanzibar Forestry Development Project. Edited by: Paula J. Williams. Vantaa, 1993.

Zanzibar Forestry Development Project. Phase III: 1993-97. Project Document. Volume I: Main Document. The Revolutionary Government of Zanzibar and the Republic of Finland. February 15, 1993.

Zanzibar Forestry Development Project. Phase III: 1993-97. Project Document. Volume II: Annexes. The Revolutionary Government of Zanzibar and the Republic of Finland.

Zanzibar Forestry Development Project. Phase III: 1993-97. Project Document, Mid-term Review. Helsinki, April 1995.

HEALTH

Mid-Term Evaluation of the Primary Health Care Project, Rural Bani Suef, **Egypt**, October 15-29, 1990. Final Report of the Evaluation Mission. December 1990.

Evaluation of **Ethiopian** Red Cross Society Blood Transfusion Development Project. By McClelland and Linnakko. November 1989.

Kenya-Finland Primary Health Care Programme in Western Province, Kenya.
Report of the Mission for the Evaluation of Phase II and Appraisal of Phase III.
By Hillman, Klemola, Anttila, Hoppian, Ohyango, Waweru, Kirutti, Aalto. May 1-20, 1988.

Health Through District Focus: Phase 3. Mid-Term review, **Kenya**-Finland Primary Health Care Programme. Volume I: Main Report. By Haddon and Segall. Western Province, Kenya, October 1990.

Health Through District Focus: Phase 3. Mid-term review, **Kenya**-Finland Primary Health Care Programme. Volume II. By Health Management Teams and Programme Components for the Mid-Term Review. Western Province, Kenya, October 1990.

Kenya FINNIDA Primary Health Care Programme in Western Province, Kenya. Training/Educational Activities. Impact Evaluation. Breldan Consultants Ltd. Nairobi, June 1992.

Kenya Training/Educational Activities. Impact Evaluation. Breldan Consultants Ltd. Nairobi, June 1992. Kenya-Finland Primary Health Care Programme.

Kenya-Finland Primary Health Care Programme in Western Province, Kenya. Report of an Evaluation Mission. By Aitken, Barnish, Holley, Mossberg. July 1992.

Manica Province Integrated Health Project **Mozambique**. Review Mission Report. September 27 - October 10, 1993. November 1993.

Strengthening of Technical, Material, Human and Institutional Resources in Hospital Equipment Maintenance, **Nicaragua**, 1990-1993. Mid-Term Review. Helsinki University Knowledge Services Ltd. October 8, 1991.

Strengthening of Technical, Material, Human and Institutional Resources in Hospital Equipment Maintenance, **Nicaragua**. The Report of the FINNIDA Evaluation Team. By Temple-Bird, Braddock, Kenber. For Ministry of Health, Government of Nicaragua and Ministry of Foreign Affairs, Finnish International Development Agency, Finland. March 4, 1994.

Rehabilitation of the Disabled, **Nicaragua**, 1990-1993. Mid-Term Review. By Helsinki University Knowledge Services Ltd. October 8, 1991.

Upgrading and Standardization of Diagnostic Laboratory Services in **Pakistan** Through Phased Transfer of Technology, Training of Laboratory Technicians and the Establishment of Five Electromedical Repair and Maintenance Workshops. The Report of the FINNIDA Evaluation Team. By Lehtinen, Lahti, Temple-Bird, Valtonen. Ministry of Health, Special Education and Social Welfare, Pakistan and FINNIDA. March 30, 1990.

Somalia-Finland Tuberculosis Control Support and Training Project. Summary Report 1980-1990. Finnish Anti-Tuberculosis Association. Ministry of Health, Somalia, National Tuberculosis Control Programme and Ministry for Foreign Affairs (FINNIDA), Finland.

Somalia-Finland Tuberculosis Control Support and Training Project 1988-1991. Mid-Term Evaluation Report 1990. By Östermark, Larsen, Kivistö.

General Hospital Colombo (GHC), **Sri Lanka**. Mid-Term Review. April 27, 1990.

General Hospital Colombo, Rehabilitation: Phase 1. Project Evaluation Report. By Hopkinson, Hansen, Overholt, Huddart. Ministry for Foreign Affairs, Finland. 1992.

Rehabilitation and Development of General Hospital Colombo. Finnida End-of-project Review Mission, **Sri Lanka**, Final Report. By Suonenlahti (FINNIDA), Uosukainen (FINNIDA), Montell (HEDEC) Wihuri (IRC). March 1994.

Report of a WHO/DANIDA/FINNIDA Joint Mission on Local Pharmaceutical Production. **Tanzania**, April 1988.

Belief in Health. Finnish NGO Health Missions in **Tanzania**. Evaluation Report. January 1992.

Evaluation of Finnish Supported Non-Governmental Disabled Organisations' Projects in **Zambia**. A Commissioned Report. By Robie Siamwiza.

WATER

Kenya-Finland Western Water Supply Programme. International Water and Sanitation Centre (The Hague) and African Medical and Research Foundation (Nairobi). February 1991.

Beira Water Supply Project, Phase II. Mid-Term Review. Preliminary Draft Report. By Kontula, Petterson, Homanen. Ministry of Construction and Water Affairs, **Mozambique** and FINNIDA. July 24, 1992.

FINNIDA: Rural Water Supply and Sanitation Project. Lumbini Zone, **Nepal**. (Project Leaflet).

Rural Water Supply and Sanitation Project in the Western Development Region. Phase I 1990-1993. June 1989. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone. Inception Study - Area: Health and Sanitation. Draft Report. By Vijaya L. Shrestha. Kathmandu, December 1989. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone. Background Report for the Mid-Term Evaluation. NGM/N and FINNIDA. Butwal, September 1991. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone. Comments on Draft Report of the Mid-Term Review of Rural Water Supply and Sanitation Project. December 1991. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone. Consultant's Comments on Draft Mid-Term Review Report. January 30, 1992. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone. Consultant's Comments on Draft Mid-Term Review Report. February 6, 1992. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone. Mid-Term Review Report. NGM/N and FINNIDA. March 1992. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone.
Annual Report 1993. NGM/N and FINNIDA. Butwal, February 1994. **Nepal.**

Present Water Supply and Sanitation Situation in Lumbini Zone. Rural Water Suuply & Sanitation Project. Lumbini Zone. (HGM/N and FINNIDA) Compiled by Mr. Shikhar Vaidya. May 1994. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone. Phase II 1995-1998. Assessment of the draft project document and proposals for amendments. Appraisal Mission September 26 - October 9, 1994. **Nepal.**

Rural Water Supply and Sanitation Project. Lumbini Zone, **Nepal**. Project Document, Phase II, 1995-1998. Kingdom of Nepal and FINNIDA. November 17, 1994.

Rural Water Supply and Sanitation Project. Lumbini Zone, **Nepal**. Project Study. By Happonen, Hämäläinen, Rutila, Waismaa. The University of Helsinki; Lahti Training d Research Centre. December 1994.

Rural Water Supply and Sanitation Project. Lumbini Zone, **Nepal**. Evaluation of Phase I, 1994.

Nepal: Arun Hydroelectric Project. Joint Donors' Mission. May-June 1993. Aide Memoire.

Nepalin vesiprojektin tutkimuskäytäntö ja kultturinäkökohdat. By Auli Keinänen. Plancenter. Helsinki, February 14, 1992

Sri Lanka: Harispattuwa and Udunuwara Water Supply and Sanitation Projects. Report of the Post Evaluation Mission. October 1988.

Sri Lanka: Harispattuwa Water Supply and Sanitation Project. Project Document.
FINNIDA.

Sri Lanka: Kandy District Water Supply and Sanitation Project. Report of the Evaluation Mission. November 1990.

Sri Lanka: Kandy District Water Supply and Sanitation Project. Review Mission Report. FINNIDA End-of-Project Review Mission, Sri Lanka. Final Report. By Suonenlahti, Uosukainen, Montell, Wihuri. March 1994.

Synthesis Analysis of Nordic Project Evaluations within the Drinking Water Sector.
Centre for Development Research.

Tanzania: Mtwara-Lindi Regional Water Development Programme. By Kangas, Rugeiyamu, Mkhandi, Mogella, Dawson and Jackson. May 1981.

Tanzania: Mtwara-Lindi Water Supply Project. Report of the Evaluation Mission. By Purhonen, Grey, Mtunzi, Mwangimba, Nur, Sitari, Skyttä, Kurten. March 1984.

Tanzania: Mtwara-Lindi Rural Water Supply Project. Report of the Evaluation Mission January-February 1990. By Airaksinen, Carefoot, Purhonen, Gondwe and Kobaliende.

Mid-Term Review Mtwara-Lindi Water Supply Project. IRC, The Hague, February 1993.

Hanoi Water Supply Project, **Vietnam**. WS Atkins International, July 1991.

Hanoi Water Supply Programme Phase III 1991-1995. Mid-Term Review report. By Purhonen, Tiainen and Piirainen. Helsinki, November 1993.

EDUCATION AND TRAINING

Agricultural and Home Economics Training Programme in Eastern and Southern Africa. Evaluation. January 1992.

Evaluation of the Course and Seminar Programme of the **Forestry Training Programme** (FTP). Comments, Amendments and Corrections by FTP Staff. Report, September 27, 1993.

Evaluation of the Course and Seminar Programme of the Forestry Training Programme (FTP). Helsinki, November 23, 1993.

Forestry Training Programme Training Project. International Training and Technology Centre, Kotka, Finland 1991-1995. November 30, 1990.

Ealuation of **Prodec**. Volume I. Policy Issues and Recommendations. By CTA Economic & Export Analysts Ltd. June 1989.

Evaluation of Prodec. Volume II. Policy Issues and Recommendations. By CTA Economic & Export Analysts Ltd. June 1989.

Evaluation of Prodec. Volume III. Appendices. By CTA Economic & Export Analysts Ltd. June 1989.

Fiji Forestry Training Centre/Logging School. Logging Training Project, Phase III. Interim Evaluation Report. International Labour Organization. October 1990.

Vocational Training Center in Mechanical Wood Industry, Consultant Services Component. **Indonesia**. Report of the Evaluation Mission. March 1989.

Support to Agricultural Training in **Mozambique** 1990-1993. Satim. (FINNIDA project) Report of Mid-term Evaluation 1991. FCC The Finnish Cooperative Development Centre. Maputo, December 1991. Helsinki, January 1992.

Beira Harbour Project, **Mozambique**, Phase II, Ihme-Course for Management Training in Finland 1990. Evaluation Report. FINNIDA & SIDA. Center for Maritime Studies, University of Turku. September 1991.

Assessment of Training in FINNIDA Financed Projects. Final Report. Cambridge Education Consultants Ltd. Government of **Mozambique**, FINNIDA. March 1992.

1988 Evaluation of the **Zambia**-Finland Practical Subjects Project for Upper Primary Schools in Zambia, 1974-1990. By Oxenham (FINNIDA), Kananoja (FINNIDA), Wahlroos (FINNIDA), Chubhill (Ministry of Higher Education), Odin (FINNIDA-SIDA). June 1988.

Practical Subjects in **Zambian** Primary Education. An Evaluation of the Zambian-Finnish Practical Subjects Development Co-operation Project. By Väinö Kolehmainen. University of Turku, Rauma Teachers Training Institute. Publication Series B: 30 1990.

1993 Ex-Post Evaluation of the **Zambia**-Finland Practical Subjects Project for Upper Primary Schools in Zambia, 1974-1990. Report of Evaluation Study. By Cracknell (FINNIDA), Kaulule (Ministry of Education, Zambia), Kiiskinen (FINNIDA). January 1994.

Practical Subjects in Primary Schools. Ex-Post Evaluation of Finnish Support to PS in **Zambia**. FINNIDA. Report 1994:2.

Zambia Educational Materials Project (ZEMP). Evaluation of Phase I. By Leimu, Sedin, Tuukkanen. June 8-19, 1987.

Zambia Educational Materials Project (ZEMP). Distribution Study. By Bo Sedin Consultants Ab. December 1987.

Zambia Educational Materials Project (ZEMP). Evaluation of Phase II. By Kelly, Stoye, Lindahl, Banda, Phiri. March-April 1991.

Zambia Educational Materials Project (ZEMP). Field Study: Impact of Zambia Basic Education Course Books in Science, Mathematics and English at Grade 8 Level in Basic and Secondary Schools of Zambia. Final Main Report. By Sarvi, Hamaimbo, Kunda. Lusaka, December 1992.

Mid-Term Review of the Finnish Education Sector Support Programme in **Zambia**. By Takala, Boesen, Kaulule, Lwenje, Siacumpi, Österling. FINNIDA and Ministry of Education, Ministry of Science, Technology and Vocational Training - Government of the Republic of Zambia. March 1994.

Analysis of Financial Operations in the Textbook Industry. By Unto Äikäs. Lusaka, January 1994.

Distribution Review. By Arto Rissanen. Ministry of Education/Educational Materials Unit; **Zambia** Ecucational Materials Project. Lusaka, December 1993.

INFRASTRUCTURE

Upa-Zilla Telecommunications Project. **Bangladesh**. Mid-Term Evaluation Report. By Swedish Telecoms International Ab. July 1989.

Mongla Port Interim Container Handling Project. Mid-Term Evaluation. By Coode Blizard Ltd with Technopower, Dhaka, **Bangladesh**. Roads and Waterways Administration (RWA), Finland. 1990.

Bangladesh Mapping for Development 1:10 000. First Phase: Coastal Area. Report on Evaluation Mission. By Timo Linkola PhD. Eng (Lic.Sc.) FINNIDA & BIWTA. March 15, 1994.

Eastern Desert and Nile Valley Topographic Mapping 1:50000. Project Review Report. By Soil and Water Ltd. Consulting Engineers. Arab Republic of **Egypt**: Ministry of Public Works and Water Resources and FINNIDA. May 1992.

Review of the Power System Control Project, **Kenya**. Review Report. By V-M Jääskeläinen. Teollisuuden Voimansiirto Oy. December 18, 1990.

Beira Container Terminal Development Project, Phase II: Temporary Container Terminal, Project Appraisal. Finnida.

Beira Port Project, **Mozambique**. Phases II and III. Mission for Mid Term Evaluation of Phase II and Appraisal of Phase III. Summary of Findings. By Tilus, Söderbeck, Wallberg. FINNIDA & SIDA. Beira, September 18, 1989.

Appraisal of the present situation in Beira Harbour project for reassessment of objectives, scope and content of the project document for phase IV. Final report. Finnida, Sida.

Beira Harbour Project. Phase II, Ihme-Course for Management Training in Finland 1990. Evaluation Report. FINNIDA & SIDA. Center for Maritime Studies, University of Turku. September 1991.

Mozambique, Beira Harbour project phase IV. Project appraisal report, January 1992. By TecnEcon.

Beira Workers' Housing Project, **Mozambique**. Mid-Term Review. Report. FINNIDA. January 12, 1992.

Geological Mapping and Maps Project. Report, Evaluation Mission. By Westerhof, Diederix, Kapwanga. An Institutional Cooperation Project between Finnish Geological Survey and Directorate of Geological Survey, Ministry of Mines and Energy, **Namibia**. November 1992.

Eastern **Nepal** Topographic Mapping. Report on Evaluation Mission, May 29 - June 10, 1994. By Timo Linkola Ph.D.Eng. (Lic.Sc.) FINNIDA and Survey Department, Nepal. September 30, 1994.

Report of the Mission for Review of Electrification Projects in Cusco - **Peru**. October 15-29, 1989. September 1990.

Evaluation of Telecommunications Projects in **Sri Lanka**. Final Report. By Swedtel Ab. January 1991.

Dar es Salaam Port Rehabilitation Project. Mid-Term Project Review. Executive Summary and Main Report. Final Report. **Tanzania** Harbours Authority. November 1988.

Dar es Salaam Port Development Project. Phase II, Extension Project. Mid-Term Review. Final Report. November 1992.

Tazara 10 Year Development Plan. Mid-Evaluation Project. Draft Final Report. By Erik Gundersen. FINNIDA & TAZARA. November 1989.

Crushing Plants Assistance to the Roads Department 1988-1990 in **Zambia**. Evaluation Report. Helsinki, August 1990.

Zambia: Road Maintenance Assitance to Lusaka Province Roads Department. Evaluation Report. By Gibb Africa International. August 1991.

Zambia: Road Maintenance Assistance Project. Bridging Phase. By Gibb Africa International. July 1993.

INDUSTRY AND ENGINEERING

Evaluation of Beira Exercise Book Factory Project, **Mozambique**. By Graphium Consult Ab, Sweden. February 1992.

Macro- and Microeconomic Study of the Minjingu Phosphate Company, Ltd., Arusha, **Tanzania**. CSM Consulting Oy, Helsinki, Finland and International Fertilizer Development Center, Muscle Shoals, Alabama, USA. August 1988.

Macro and Micro Economic Study of Trama. By Paavo Harju, Anders & Kim Harju, Kyösti Kaitila. CSM-Consulting Oy.

Tanzania Pharmaceutical Industries (TPI). Report of a WHO/Danida/Finnida Joint Mission on Local Pharmaceutical Production. Tanzania, April 1988.

TPI: Strategic Assessment and Proposal for Restructuring. By Larcon. May 1989. **Tanzania**.

Report on the Mid-Term Review of the **Tanzanian** Wood Industries Programme Comprising Sikh Saw Mills Ltd., Tembo Chipboards Ltd., Fibreboards Africa Ltd. Final Draft. July 20, 1990.

Vietnam: Pha Rungin Korjaustelakka 2/92. Tietolehti kehitysyhteistyöstä 9.
Pha Rung Repair Shipyard. Report of the Post-Evaluation Mission. By Specker, Melissen, Dirkse. Regional and Sector Studies Department, Rotterdam. Report 1992:2. **Vietnam**.

TECHNICAL ASSISTANCE

Apulaisasiantuntijat kehitysyhteistyössä. Selvitys apulaisaisantuntijakauden kokemuksista ja ammattiurasta ulkomaankomennuksen jälkeen. Helsinki 1990.
Evaluation of Finnish Personnel as Volunteers in Development Co-operation. Netherlands Economic Institute and Matrix Consultants. Rotterdam, July 1995.
Forss, Carlsen, Froyland, Sitari, Vilby. Evaluation of the Effectiveness of Technical Assistance Personnel. Financed by the Nordic Countries. DANIDA, FINNIDA, MCD/NORAD, SIDA. March 1988.
Grünbaum, Pirkko. Asiantuntijastrategia. August 1990.
Kealey, Daniel J. Overseas Screening and Selection. A Survey of Current Practice and Future Trends. Technical Cooperation Directorate (CIDA). May 1993.
Kealey and Protheroe. Cross-Cultural Collaborations: Towards a More Effective North-South Cooperation. May 20, 1993.

NGO SUPPORT

Strengthening the Partnership. Evaluation of the **Finnish** NGO Support Programme. By Riddell, Bebbington, Salokoski, Varis. Overseas Development Institute, London & Institute of Development Studies, Helsinki. Report 1994:1.
Kansalais- ja lähetysjärjestöjen kehitysyhteistyöhankkeita **Tansaniassa**.
Evaluointiryhmän raportti - tammikuu 1989. By Slotte, Karttunen, Kuru.

FINNFUND

Joint Ventures and Aid. Evaluation of FINNFUND. Final Report. By van der Windt, Ruotsi, van Doorn. Netherlands Economic Institute. Department of Analytical Methods, Macro Economics and International Trade. FINNIDA. Report 1992:3.

MIXED CREDITS

A Review of Four Mixed Credit Scheme Water Supply and Waste Water Projects in the People's Republic of **China**. By Planpoint and Sergon. April-May 1995.

Export Credits and Aid. Evaluation of Finnish Premixed Concessional Credit Scheme. Final Report. By van der Windt, Ruotsi, de la Rive Box. Netherlands Economic Institute. Department of Analytical Methods, Macro Economics and International Trade. Report 1992:1.

Evaluation of the South East Asia Lumber Incorporated BHD (SEAL) Plywood Project, **Malaysia**. By Salimäki, Kyrklund, Junnila, Koskenniemi. March 1995.

Evaluation of **Philippine** Associated Smelting and Refining Corporation (PASAR) Expansion Project. By Salimäki, Kyrklund, Junnila, Koskenniemi. March 1995.

Evaluation of Siam Kraft Power Plant Expansion Project, **Thailand**. By Salimäki, Kyrklund, Junnila, Koskenniemi. March 1995.

Evaluation of Phoenix Pulp Mill Project, **Thailand**. By Salimäki, Kyrklund, Junnila, Koskenniemi. March 1995.

WOMEN AND DEVELOPMENT

Brydon, 'Gender and rural development policy'.

FINNIDA. Naisten huomioon ottaminen Suomen kehitysyhteistyössä.Toimintaohjeet ja suuntaviivat. 1988.

Role of Women in the finnish Development Co-operation. Guidelines and Programme of Action. 1990.

Guidelines for Gender Analysis and Forestry. Helsinki, August 1992.

Looking at Gender and Forestry. Operational Issues for Project Planners, Implementors and Administrators. 1993.

Looking at Gender and Water Supply & Sanitation. 1994.

Looking at Gender, Agriculture and Rural Development. 1995.

Härkönen, Riikka. Naiset ja kehitys kansalaisjärjestöjen kehitysyhteistyössä. Selvitys. July-September 1993.

International Labour Office. Empowering Women: Self-Employment Schemes for Female-Headed Households. Terminal Evaluation Report. 1989.

Jahan, Rounaq. Assessment of Policies and Organizational measures Women in Development Adopted by DAC Member Countries. Theme 2 of the Assessment of WID Policies and Programs of DAC Members. Provisional Working Draft. DDA, CDIE, USAID. February 1994.

Moser, Carolyn. 'Gender Planning in the Third World: Meeting Practical and Strategic Needs', in World Development, vol. 17. 1989. pp. 1799-1825.

-. (1993) Gender Planning and Development. Theory, Practice & Training. Lonmdon and New York: Routledge.

OECD. Women as Agents and Beneficiaries in Development Projects. Selected Issues in Aid Evaluation - 3. Paris 1989.

WID efforts of the DAC Member Donor Organizations. Case Study Finland. September 10, 1993.

Women in Development as a Cross-cutting Issue in Development and Evaluation. Expert Group on Aid Evaluation. Paris, February 28, 1994.

Organization for Economic Co-operation and Development. Review of the Integration of Gender Concerns in the Work of the DAC. Expert Group on Aid Evaluation. Paris, September 3, 1993.

Parpart, Jane. 'Who is the "Other"?: A Postmodern Feminist Critique of Women and Development Theory and Practice', in Development and Change, vol. 24, 1994. pp. 49-363.

Pearson, Ruth, 1992. In 'Poverty and Development in the 1990s', Allen Tim (ed.). Oxford University Press.

Rojas, Mary Hill. Several papers carried out for Finnida by Mary Hill Rojas.

Sala, Maija. Practical Women in Development Programme. Assessment. September 1992.

Schalkwyk, Johanna. Assessment of DAC Members' WID Policies and Programmes Overall Report. Final Draft. Audit and Evaluation Division of the Canadian International Development Agency. July 25, 1994.

World Bank. Gender and Economic Adjustment in Sub-Saharan Africa. Findings. Africa Technical Department. No 19, June 1994.

Gender Issues in Bank Lending: An Overview. Operations Evaluation Department. June 30, 1994.

Gender Considerations. Country Profile. **Kenya**. Division of Sectoral Services, WID Coordinator. July 15, 1992.

Gender Considerations. Country Profile. **Nepal**. Division of Sectoral Services, WID Coordinator. July 20, 1992.

Gender Considerations. Country Profile. **Nicaragua**. Division of Sectoral Services, WID Coordinator. August 14, 1992.

Gender Considerations. Country Profile. **Senegal**. Division of Sectoral Services, WID Coordinator. August 3, 1992.

Strengthening the Women's Bureau of **Sri Lanka** in Implementing Economically Viable Self-Employment Schemes for Poor Rural Women. Report of the Final Evaluation Mission. Oy Kosana Ltd. Consulting. International Labour Organization. September 1993.

Tanzania: Rapid Gender Analysis (RGA) on the Target Population of the Rural Integrated Project Support Programme in Mtwara and Lindi Regions. By Antila and Koda. February 1992.

Gender Considerations. Country Profile. Mainland **Tanzania**. Division of Sectoral Services, WID Coordinator. July 8, 1992.

Tanzania: East Usambara Catchment Forestry Project. Review and Recommendations: Gender Analysis. By Mary Hill Rojas. Division of Sectoral Services, WID Coordinator. August 1992.

Gender Considerations. Country Profile. **Zambia**. Division of Sectoral Services, WID Coordinator. July 28, 1992.

Gender Considerations. Country Profile. **Zanzibar**. Division of Sectoral Services, WID Coordinator. July 8, 1992.

ENVIRONMENT

Directorate-General for Development. Commission of the European Communities. Environment Manual. Environmental procedures and Methodology Governing Lomé IV Development Co-operation Projects. June 1993.

FINNIDA. Guidelines for Environmental Impact Assessment in Development Assistance. Draft. July 15, 1989.

Ympäristö Suomen kehitysyhteistyössä. 1992.

OECD. Environmental Impact of Development Projects. Selected Issues in Aid Evaluation - 2. Paris 1989.

OED. Environmental Issues in World Bank Projects. OED Précis. No 41, March 1994.

OTHERS

Review on the Use of FINNIDA Consultancy Trust Funds in the World Bank, International Finance Corporation, the African Development Bank and the International Fund for Agricultural Development. Draft Report. By Tertium. Liisa Tervo Consulting Ky. November 1993.

Support Programme for Preparing National Shelter Strategies. Programme Evaluation. By Development Planning Unit. FINNIDA and Habitat. January 1992.

OECD. Sustainability in Development Programmes: A Compendium of Evaluation Experience. Selected Issues in Aid Evaluation - 1. Paris 1989.

Evaluation of 4H Activities in Tanga Region **Tanzania**. Final Report. By Mollel, Rwambali, Meela. September 1992.

Mtwara Sport for All Project. 1987-1993. Sport Aid to **Tanzania** by Finland. An Evaluation Report. By Leirvaag, Nkongo, Hamisi. Dar es Salaam, March 1993.

3. SECONDARY LITERATURE

Action Aid (1993) The Reality of Aid.
(1994) The Reality of Aid 94.

BERLAGE, L. and O. STOKKE (eds.) (1992) Evaluating Development Assistance: Approaches and Methods. London: Frank Cass with EADI. (EADI Book Series 14: Series on Evaluation of Aid.)

BLANCO SEQUEIROS, M. (1994) 'Water Supply and Dearrhoea in an East African Community. A case-control study on the quality of water supplies and the occurrence of diarrhoea among small children in a rural area of Western Kenya', (Academic dissertation, Faculty of Medicine) Acta Universitatis Ouluensis D Medica 315. University of Oulu.

Commission on Global Governance (1995) Our Global Neighbourhood. The Report of the Commission on Global Governance. Oxford: Oxford University Press.

The Economist (1994), March 26, Schools Brief. Investing in People.
March 18 (1995) The Gift Relationship. The best way for rich countries to help poor countries is to tie their governments to sound policy.

FINNIDA/Training. (1994) Nepal, maakansio.

GILLIS, M., PERKINS D. H., ROEMER, M., SNODGRASS, D. R. (1992) Economics of Development. New York & London: W. W. Norton & Company. (First edition 1983.)

HARJU E., AALTONEN R., JÄRVINEN A. & TAKALA T. (1993) Evaluation of an Engineering Programme for Namibian Students. Serie A: Research Report 51, University of Tampere, Department of Education.

INGRAM G. and KESSIDES C. (1994) 'Infrastructure for Development', Finance and Development, September, 18-37.

International Social Science Journal (1995) 143, March. Measuring and Evaluating Development.

JUNTTI, M.: A Socio-Economic Approach to Land Degradation in the Third World: A Qualitative Analysis of a Conservation Project Document. Helsinki University: Department of Limnology and Environmental Protection.

KETTUNEN, A. (ed.) (1994) Euroopan Unioni - kehitysmaat - kansalaisjärjestöt. Helsinki: Kehitysyhteistyön palvelukeskus ry.

KIVIMÄKI, T. & Research Group (Aalto, Aarnio, Aunesluoma, Boxberg, Hakala, Hyvärinen, Kiviniemi, Koski, Räty, Saarinen, Valkosalo, Väänänen). (1995) 'Sanat ja teot Suomen kehitysyhteistyössä. Tilastollinen selvitys poliittisten tavoitteiden heijastumisesta kehitysyhteistyön raha-allokaatiossa', Ulkopolitiikan haasteita 7. Helsinki: Ulkopoliittinen instituutti.

MWANZIA, J. N. (1994) 'Primary Health Care in Africa: An Overview', Whydah Newsletter, March, Vol 3, 7, 1-5.

RUBUN, F. 1995. A Basic Guide to Evaluation for Development Workers. An Oxfam Publication.

SALMEN, L. (1994) 'Listening to the Poor', Finance and Development, December.

O. STOKKE (ed.) (1991) Evaluating Development Assistance: Policies and Performance. London: Frank Cass with EADI. (EADI Book Series 12: Series on Evaluation of Aid.)

TENDLER, J. and FREEDHEIM S. (1994) Trust in a Rent-seeking World: Health and Government Transformed in Northeast Brazil. Draft (Forthcoming: World Development, December 1994), July 5.

TISCH, S. J. and WALLACE, M. B. (1994) Dilemmas of Development Assistance. The What, Why, and Who of Foreign Aid. Boulder, San Francisco and Oxford: Westview Press.

WABULAKU, S. (1994) 'Ten Years on and a Province Transformed. Kenya-Finland primary health care programmes change the face of western Kenya', Kenya Times, Thursday, December 8, 12-13.

2. OFFICIAL INTERNATIONAL MATERIALS

AIDAB (Australian International Development Assistance Bureau)

(1991) 'Learning From Experience. A Synthesis of AIDAB Evaluations'. Evaluation Report, 5.

COMMISSION OF THE EUROPEAN COMMUNITIES

(1993) 1992 Report on the Evaluation of Development Aid. Evaluation Unit, Working Document. Brussels, September.

(1994) 1992 Report on the Evaluation of Development Aid. Commission Staff Working Paper. Brussels, January 4.

DENMARK

Center for Development Research. A synthesis analysis of Nordic project evaluations within the drinking water sector. A draft report for DANIDA prepared by Centre for Development Research.

DANIDA. (1988) Project Guidelines Evaluation, June.

GERMANY

Experience from the Past for Success in the Future. Analysis of the Evaluations carried out in 1990 and 1991, BMZ Aktuell, November 1993.

IFAD (International Fund for Agricultural Development)

(1986) Monitoring and Evaluation, Guiding Principles. For the Design and Use in Rural Development Projects and Programmes in Development Countries. Prepared and published under the auspices of The United Nations ACC Task Force on Rural Development, Panel on Monitoring and Evaluation. Rome: IFAD Publications.

(1992) I. JAZAIRY, M. ALAMGIR and T. PANUCCIO: The State of World Rural Poverty. An Inquiry into Its Causes and Consequences. New York University Press for IFAD.

ILO (International Labour Organization)

(1984) Suggested Outline: Report of Project Evaluation Mission. Annex. April.

NETHERLANDS

European Centre for Development Policy Management, Maastricht. (1994) Policy Management Brief. Number 3, December 1994. Partnership in the 1990's: How to make it work better.

National Advisory Council for Development Cooperation, Netherlands. (1995) The Comparative Effectiveness and Evaluation Efforts of EU Donors.

Netherlands Economic Institute & Matrix Consultants. (1995) Evaluation of Finnish Personnel as volunteers in Development Co-operation. First draft - part 1. Rotterdam, May 1995.

Netherlands Development Cooperation (1995). Evaluation and Monitoring. Summary Evaluation report 1995.

NORWAY

NORAD. (1993) Achievements, Effectiveness, Efficiency and Sustainability. An Analysis based on Norwegian Aid Evaluations 1986-92. By Christian Michelsen Institute: A. DANEVAD, A. OFSTAD, L. RAKNER and A. WIRAK. First incomplete draft, July 3.

NORAD. (1993) Evaluation of Development Assistance. Handbook for Evaluators and Managers.

NORAD. (1993) K. SAMSET, K. FORSS and O. HAUGLIN: Learning from Experience. A Study of the feedback from Evaluations and Reviews in Norwegian Bilateral Aid, Evaluation Report 1, Internal Learning from Evaluations and Reviews, Scanteam International as.

NORAD. (1994) Norwegian Development Aid Experiences as Assessed in Evaluations. By Christian Michelsen Institute: O. D. KOHT NORBYE, A. OFSTAD, A. DANEVAD, L. RAKNER and A. WIRAK. NORAD, August.

Norwegian Institute of International Affairs (NUPI). (1994) Forum for Development Studies No 1-2.

OECD (Organization for Economic Co-operation and Development)

(1986) Methods and Procedures in Aid Evaluation. A Compendium of Donor Practice and Experience. Paris: OECD.

(1988) DAC Principles for Project Appraisal Priciples for the Appraisal, Selection and Design of Development Projects, as Agreed in the Development Assistance Committee of the OECD. Paris: OECD.

(1991) Enhancing Policy Effectiveness and Choice. Policy and Research Conclusions for the 1990s from the OECD Development Centre Research Programme. Paris: OECD Development Centre.

(1991) Principles for Evaluation of Development Assistance. Development Assistance Committee. Paris: OECD.

(1992) DAC Principles for Effective Aid. Development Assistance Manual.

(1993) Challenges for the Mid-1990s. The Development Centre's Research Programme for 1993-1995. Paris: OECD Development Centre.

(1994) Framework for Evaluation of Programmes Promoting Participatory Development and Good Governance. Note by the Delegation of the United States Expert Group on Aid Evaluation, March 15-16, 1994. OECD/DCD/DAC.

(1994) Success Rating System as Used in the Overseas Development Administration's Evaluation Reports.

(1995) An Inventory of Systems for Rating Progress and Achievements of Development Projects.

OECD, Selected Issues in Aid Evaluation

(1989) 'The Environmental Impact of Development Projects', Selected Issues in Aid Evaluation. Paris: OECD.

(1989) 'Sustainability in Development Programmes: A Compendium of Evaluation Experience', Selected Issues in Aid Evaluation 1. Paris: OECD.

(1989) 'Women as Agents and Beneficiaries in Development Projects', Selected Issued in Aid Evaluation 3. Paris: OECD.

(1990) 'A Review of Donors' Systems for Feedback from Aid Evaluation', Selected Issues in Aid Evaluation 4. Paris: OECD.

(1991) 'Evaluation in Africa. Report on the Regional Seminar on Evaluation in Africa held in May, jointly sponsore by the African Development Bank and the DAC', Selected Issues in Aid Evaluation 5. Paris: OECD.

(1992) 'Regional Seminar on Performance Evaluation in Asia and the Pacific', Selected Issues in Aid Evaluation 6. Paris: OECD.

(1993) 'A History of the DAC Expert Group on Aid Evaluation', Selected Issues in Aid Evaluation 7. Paris: OECD.

SWEDEN

Svenska handelhösskolan i Helsingfors (1991). SVEN SCHAUMAN: Samhällsekonomiska effecktiverna av nedskärningarna i utvecklingsbiståndet i Finland i början av 1990-talet.

SIDA. (1993) Biståndet utvärderat. Årsbok 1993. SIDA.

Overseas Development Institute, Regent's College, London. (1994) The effectiveness of EDF development aid to ACP countries in the 1980s. A final report on EC evaluations. John Healey, Jeremy Rand.

SAREC. (1993) A. SAWYERR and G. HYDÉN: 'Sapes Trust. The First Five Years. An Evaluation Report Submitted to SIDA and SAREC', Evaluations, 2.

Ministry for Foreign Affairs: SASDA. (1994) H. HVEEM and D. McNEILL: Is Swedish Aid Rational? A Critical Study of Swedish Aid Policy in the Period 1968-1993, Report 2, May.

UNDP (United Nations Development Programme)
(1993) Nepal: Development Co-operation Report.
UNESCO (United Nations Education and Social Co-operation) Donors to Afican Education (DAE)
(1993) 'Improving the Implementation of Education Projects in Africa through Ownership', Proceedings of DAE Task Force Meeting, Angers, France, October 22-24. Paris: DAE.
(1993) 'Issues in the Implementation of Education Sector Programs and Projects in Sub-Saharan Africa', With reflections from the DAE Task Force Meeting, Angers, France, October 22-24. Paris: DAE.
UNITED KINGDOM
ODA (1995) Evaluations of Non-Government Organisations (NGOs) Development Projects Synthesis Report. By M.A. Surr.
USAID (U.S. Agency for International Development)
CDIE. (1994) 'Agricultural Credit Versus Rural Finance', Compendium of Evaluation Findings, Vol I (Economic Growth), 14, March.
CDIE. (1994) 'Agricultural University Development', Compendium of Evaluation Findings, Vol I (Economic Growth), 9.2, March.
CDIE. (1994) 'Capital Projects', Compendium of Evaluation Findings, Vol I (Economic Growth), 11.1, April.
CDIE. (1994) 'Child Survival', Compendium of Evaluation Findings, Vol III (Stabilizing Population Growth & Protecting Human Health), 6, April.
CDIE. (1994) 'Debt Conversion Programs', Compendium of Evaluation Findings, Vol II (Protecting the Environment), 10, March.
CDIE. (1994) 'Development Finance Institutions', Compendium of Evaluation Findings, Vol I (Economic Growth), 5, April.
CDIE. (1994) 'Economic Policy Reform in Africa', Compendium of Evaluation Findings, Vol I (Economic Growth), 1.1, April.
CDIE. (1994) 'Election Support', Compendium of Evaluation Findings, Vol IV (Building Democracy), 2, April.
CDIE. (1994) 'Endowments: A New Approach', Compendium of Evaluation Findings, Vol VI (Agency Operations & Management), 9, March.
CDIE. (1994) 'Export and Investment Services', Compendium of Evaluation Findings, Vol I (Economic Growth), 10, April.
CDIE. (1994) 'Microenterprise Development', Compendium of Evaluation Findings, Vol I (Economic Growth), 13.1, March.
CDIE. (1994) 'NGO Poverty Alleviation Efforts', Compendium of Evaluation Findings, Vol I (Economic Growth), 19, April.
CDIE. (1994) 'Performance-Based Budgeting', Compendium of Evaluation Findings, Vol VI (Agency Operations & Management), 3, March.
CDIE. (1994) 'Rule of Law Programs', Compendium of Evaluation Findings, Vol IV (Building Democracy), 3, March.
CDIE. (1994) 'Small Farmers and Development', Compendium of Evaluation Findings, Vol I (Economic Growth), 15, March.
CDIE. (1994) 'Social Safety Net Programs', Compendium of Evaluation Findings, Vol I (Economic Growth), 18, April.
CDIE. (1994) 'Sustainability of Health Care Systems', Compendium of Evaluation Findings, Vol III (Stabilizing Population Growth & Protecting Human Health), 9, March.
CDIE. (1994) 'USAID's In-Country Presence', Compendium of Evaluation Findings, Vol VI (Agency Operations & Management), 1.1, April.
USAID. (1994) 'Focus on Performance Measurement', USAID Evaluation News, Vol 6, 1.
WORLD BANK

(1984) Pioneers in Development. G. M. MEIER and D. SEERS (eds.). New York (etc.): Oxford University Press for the World Bank.
(1987) Project Monitoring and Evaluation in Agriculture. D. J. CASLEY and K. KUMAR (eds.). Baltimore and London: The Johns Hopkins University Press for the World Bank.
(1988) L. SQUIRE and H. VAN DER TAK: Economic Analysis of Projects. Baltimore and London: The Johns Hopkins University Press for the World Bank. (First published 1975)
(1988) The Collection, Analysis, and Use of Monitoring and Evaluating Data. D. J. CASLEY and K. KUMAR (eds.). Baltimore and London: The Johns Hopkins University Press for the World Bank.
(1991) Aid to African Agriculture. Lessons from Two Decades of Donors' Experience. U. LELE (ed.). Baltimore and London: The Johns Hopkins University Press for the World Bank.
(1991) Managing Technical Assistance in the 1990s. Report of the Technical Assistance Review Task Force. Washington: International Bank for Reconstruction and Development, World Bank.
(1991) Putting People First. Sociological Variables in Rural Development. M. M. CERNEA (ed.). New York (etc.): Oxford University Press for the World Bank. (First published 1985.)
(1992) S. KIKERI, J. NELLIS and M. SHIRLEY: Privatization. The Lessons of Experience. Washington: The World Bank.
(1992) Disbursement Handbook. Washington: World Bank.
(1992) Guidelines. Financial Reporting and Auditing of Projects Financed by the World Bank. Washington: World Bank.
(1993) Poverty Reduction Handbook. Washington: World Bank.
(1994) Assessing Development Effectiveness. Evaluation in the World Bank and the International Finance Corporation. Washington: World Bank.
(1994) Index of Publications & Guide to Information Products and Services.

World Bank Discussion Papers

(1991) M. C. CERNEA: Using Knowledge from Social Science in Development Projects, World Bank Discussion Papers 114. Washington: World Bank.
(1992) Participatory Development and the World Bank. Potential Directions for Change, B. BHATNAGAR and A. C. WILLIAMS (eds.). World Bank Discussion Papers 183. Washington: World Bank.

World Bank Technical Papers

(1990) E. van de VALLE and A. D. FOSTER: Fertility Decline in Africa. Assessment and Prospects, World Bank Technical Paper 125, Africa Technical Department Series. Washington: World Bank.
(1991) J. RIVERSON, J. GAVIRIA, and S. THRISCUTT: Rural Roads in Sub-Saharan Africa. Lessons from World Bank Experience. World Bank Technical Paper 141, Africa Technical Department Series. Washington: World Bank.

EDI

(1991) W. A. WARD and B. J. DEREN with E. H. D' SILVA: The Economics of Project Analysis. A Practitioner's Guide, EDI Technical Materials. Washington: World Bank.
(1989) V. AHMED and M. BAMBERGER: 'Monitoring and Evaluating Development Projects. The South Asian Experience, EDI Seminar Series. Washington: World Bank.

OED

(1988) Rural Development. World Bank Experience, 1965-86. Washington: OED, World Bank.
(1991) Evaluation Results for 1989. Washington: OED, World Bank.
(1991) Forestry. The World Bank's Experience. Washingtonn: OED, World Bank.

(1992) Population and the World Bank. Implications from Eight Case Studies. Washington: OED, World Bank.
(1992) Directory of OED Reports. Sixth Edition. September.
(1992) Evaluation Results for 1990. Washington: OED, World Bank.
(1993) Annual Report on Operations Evaluation (FY93), Report No 12389, October 8. Washington: OED, World Bank.
(1993) Annual Review of Evaluation Results 1992, Report No 12403, October 13. Washington: OED, World Bank.
(1993) Evaluation Results for 1991. Washington: OED, World Bank.
(1994) Evaluation Results for 1992. Washington: OED, World Bank.
(1994) R. G. RIDKER: The World Bank's Role in Human Resource Development in Sub-Saharan Africa. Education, Training and Technical Assistance. Washington: OED, World Bank.

OED Précis

(1991) 'Agricultural Extension and Research in India', OED Précis, April, No Rural Development.
(1991) 'World Bank Lending for Population', OED Précis, October, No 17.
(1993) 'Evaluation Results for 1991', OED Précis, March, No 40.
(1993) 'Adjustment in Sub-Saharan Africa', OED Précis, October, No 53.
(1993) 'Developing Human Resources in Sub-Saharan Africa, OED Précis, December, No 54.
(1993) 'Evaluation Results for 1992: The Agricultural Portfolio', OED Précis, November, No 56.
(1993) 'Support for Institutional Development', OED Précis, December, No 57.
(1994) 'Rural Finance: Time for a Policy Change?', OED Précis, February, No 60.
(1994) 'Transmigration in Indonesia', OED Précis, September, No 72.

Lessons and Practices

(1993) 'Area Development Projects', Lessons and Practices, OED, September, No 3.

INTERVIEWS

Finland:

Mr Markku Aho, Finnida
Ms Selma Honkanen, Finnida
Mr Tapio Järvinen, Forestry Training Programme
Mr Kari Karanko, Finnida
Ms Auli Keinänen, Plancenter
Mr Heikki Kokkala, Finnida
Mr Eero Kontula, Finnida
Ms Marja-Leena Kultanen, Finnida
Ms Gunilla Kurtén, Finnida
Mr Hannu Lehtikankare, Finnish National Road Administration
Dr Olavi Luukkanen, University of Helsinki
Mr Asko Luukkainen, Finnida
Mr Kalevi Mattila, Chairman of the Parliamentary State Auditors
Ms Regina Montell, Hedec
Mr Matti Määttä, Finnish Forest and Park Service
Ms Heidi Pihlatie, Finnida
Mr Antti Rantala, Finnida
Mr Matti Rantala, YIT
Mr Eero Reinius, Jaakko Pöyry Consulting
Mr Keijo Ruokoranta, Finnida
Mr Kimmo Ruuskanen, Telecon
Mr Olli Sotamaa, Finnida
Mr Karl Ström, Finnagro
Ms Leena Vallinkoski-Sipilä, Finnida

Nepal:

Mr R. Dulta, Director General, Department of Water Supply and Sewerage, HMG
Ms Helena Kyrönen, Embassy of Finland
Mr Kari Leminen, Project Coordinator, Rural Water Supply and Sanitation Project, Lumbini Zone
Ms Maria Notley, former Training Coordinator, RWSSP
Ms Kalawati Pandey, Health Training Officer, RWSSP
Ms Geeta Devi Poudel, Community Health Volunteer
Mr Er. Dinesh C. Pyakuryal, Deputy Director General, Department of Water Supply and Sewerage, HMG
Mr Kiran Upadhaya, Health Adviser, RWSSP
Mr Gautam Prasad Shrestha, Project Manager, HMG
Ms Sarswati Subedi, Community Health Volunteer
Mr Durga Bahadur Thapa, villager in Gajedi village, member of the village committee

Tanzania:

Ms Hilda Gongwe, Economist, Planning Commission
Ms Seija Kinni, Embassy of Finland
Mr Hilal Juma Mwene, Commissioner of Natural Resources, Zanzibar

Mr Rajab Taufik Mabruki, Head of Forest Production Section, Zanzibar
Mr Kassim Hamza Madeweya, Ag. Chief Forest Officer, Zanzibar
Mr C.M.W. Maheri, Regional Water Engineer, Mtwara
Ms N. Massinga, Desk Officer, External Finance Department of the Ministry of Finance
Mr N. Mboyi, Director, External Sectors, Planning Commission
Mr Yohana Monjesa, Regional Water Engineer, Lindi
Mr E.E. Mshanga, Assistant Director, Planning Commission
Mr Mwabeza, Desk Officer, Planning Commission
Ms Merja Mäkelä, Forester, Zanzibar Forestry Development Project
Mr Amour B. Omar, Forest Officer, Zanzibar
Mr Christopher N. Sayi, Assistant Commissioner, Ministery of Water, Energy and Minerals, Dar es Salaam
Mr Jorma Suvanto, Embassy of Finland
Mr Timo Tuominen, Chief Technical Advisor, Zanzibar Urban Water Supply Development Project
Mr Timo Vihola, Chief Technical Advisor, Zanzibar Forestry Project

Washington:

Mr Surendra Agarwal, Operations Advisor, Eastern Africa Department, World Bank
Ms Annette Binnendijk, Senior Evaluation Advisor, Centre for Development Information and Education (CDIE), USAID
Mr Graham Donaldson, Operations Evalution Department (OED), World Bank
Mr John Eriksson, Director, CDIE, USAID
Ms Armi Heinonen, Embassy of Finland
Ms Josette Murphy, OED, World Bank
Mr Tauno Skyttä, OED, World Bank