EVALUATION

Finland's Development Cooperation Country Strategies and Country Strategy Modality

2016/3e

Evaluation on Finland's Development Policy and Cooperation

2016/3e

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

Nepal Country Report

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2016/3e

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ASA-40	Unit for South Asia
AR	Annual Report
BPEP	Basic Primary Education Programme
CBO	Community-Based Organisations
CEP	Country Engagement Plan
CFUG	Community Forest User Groups
CPA	Comprehensive Peace Agreement
CS	Country Strategy
CSM	Country Strategy Modality
CSO	Civil Society Organisation
DDC	District Development Committee
DFID	Department for International Development
DPP	Development Policy Programme
GDP	Gross Domestic Product
GESI	Gender Specific Equality and Social Inclusions Strategy
GoF	Government of Finland
GoN	Government of Nepal
CSR	Corporate Social Responsibility
DAGs	Disadvantaged groups
DP	Development Partner
EC	European Commission
EFA	Education for All
EQ	Evaluation Question
ESC	Environmental Sub-Committee
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FCWG	Field Coordination Working group
FGD	Focus Group Discussion
FLC	Fund for Local Cooperation
FNBE	Finnish National Board of Education
FPA	Framework Partnership Agreement
FRA	Forest Resource Assessment
FY	Fiscal Year
HEI-ICI	Higher Education Institution Institutional Cooperation Instrument
HQ	Headquarters
HRBA	Human Rights-Based Approach

ICI	International Cooperation Instrument
IDEA	International Institute for Democracy and Electoral Assistance
IFAD	International Fund for Agricultural Development
INGO	International Non-Governmental Organisation
IPWA	Inter-Party Women's Alliance
IWRM	Integrated Water Resources Management
JICA	Japan International Cooperation Agency
KEO-30	Unit for Civil Society
LFLDP	Leasehold Forestry and Livestock Development Programme
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MFA	Ministry for Foreign Affairs (Finland)
MoE	Ministry of Education
MoFALD	Ministry of Federal Affairs and Local Development
MoFSC	Ministry of Forests and Soil Conservation
MoU	Memorandum of Understanding
MoUD	Ministry of Urban Development
MSFP	Multi-Stakeholder Forestry Programme
MTE	Mid-Term Evaluation
MTR	Mid-Term Review
NAO	National Audit Office (Finland)
NAP	National Action Plan
NASA	National Assessment of Student Achievement
NCED	National Centre for Development Education
NGO	Non-Governmental Organisation
NHRC	National Human Rights Commission
NPR	Nepalese Rupee
NPTF	Nepal Peace Trust Fund
ODA	Official Development Assistance
ODF	Open defecation-free
OECD	Organisation for Economic Cooperation and Development
OECD DAC	OECD Development Assistance Committee
OHCHR	UN Human Rights Office
PETS	Public Expenditure Survey
POs	Partner Organisations
PRS	Poverty Reduction Strategy
RBA	Rights-Based Approaches
RBM	Results-Based Management
RoHLR	Rule of Law and Human Rights
RSWM	Regional Solid Waste Management
RVWRMP	Rural Village Water Resources Management Project
RWSSP	Rural Water Supply and Sanitation Project

SDC	Swiss Agency for Development and Cooperation
SEAM-N	Strengthening Environmental Administration and Management at the Local Level in Nepal
SGBV	Sexual and gender-based violence
SSDP	School Sector Development Plan
SSRP	School Sector Reform Plan 2009–2016
SWAp	Sector Wide Approach programme
TASS	Technical Assistance for the Competence-Based Soft Skills Development
TA TSSP	Technical Assistance to Soft Skills Curriculum Development
TA TVET	Technical Assistance (TA) for Technical and Vocational Education and Training (subsequently TSSP)
TOC	Theory of Change
TOR	Terms of Reference
TYIP	Three Year Implementation Plan
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNSCR	United Nations Security Council Resolution
USAID	United States Agency for International Development
USD	United States dollar
VDC	Village Development Committee
WASH	Water, Sanitation and Hygiene
WATSAN	Water and Sanitation
WB	World Bank
WEE	Women's Economic Empowerment
WHO	Wold Health Organization
WPS	Women Peace and Security Agenda
WUC	Water User Committee
WWF	World Wide Fund for Nature

ABSTRACT

This evaluation of Finland's Country Strategy for Nepal 2013-2015 is part of an overall evaluation of Finland's Country Strategy Modality. The CS was relevant to the national context and policies, and to Finnish development policy priorities, and improved the focus of the Finnish development cooperation portfolio. However, the CSM directed the portfolio only partially, because the at the time it was introduced the programme was built around a group of ongoing interventions. Assessment of its effectiveness is hindered by the contribution gap in its logic model. The CS did contribute to more aid effective country programming because the number of sectors and interventions was reduced. However, decisions on new projects or the extension of existing projects were not clearly guided by the CS. Because of the rather abstract impact statements and vague analysis of the contribution path, the impact of the CS is hard to assess. Risk management was not included in the initial CS. Complementarity of the CS with other Finnish channels and mechanisms was inadequate. Coherence of the CS and its programme remains partial. The logic model and corresponding results monitoring framework should be revised to deal with the contribution gap.

Keywords: Nepal, Development, Aid, Evaluation, Effectiveness

SUMMARY

Background

Following its Country Engagement Plan for Nepal 2008–2012, Finland launched its first Country Strategy (CS) in 2013. In the CS, the existing portfolio of projects was organised under four sectors: education, water and sanitation, and forestry, with a plan to close the support to the environment sector. In addition, projects were supported under the theme of Peace Building and Human Rights. The total four-year budget for the CS was estimated at EUR 80.8 million, with an average annual budget of EUR 20 million. Further budget cuts have reduced the budget for the CS in the current year to EUR 13.0 million, and to 12 million in the years 2017–2018.

Purpose of the evaluation

This is part of an overall evaluation by the Ministry for Foreign Affairs (MFA) of its Country Strategy Modality (CSM) and accompanies similar country-level evaluations in six of Finland's other key bilateral cooperation partners. It is intended to provide evidence-based information and practical guidance for the next update of the CSM on how to improve the results-based management (RBM) approach in country programming and the quality of implementation of Finnish development policy at the partner country level. Its objective is to provide evidence on the successes and challenges of the CS. It covers 2008–2015, with focus on the CS period from 2013 onwards.

Approach and methodology

The study answers a series of evaluation questions on the CS and the CSM that were agreed with the MFA during the inception phase. Various sources of information were used. They included document review, analysis of financial and other statistics, semi-structured interviews based on the evaluation questions, focus group discussions and site visits. The evaluation took place from September 2015 to April 2016, with a visit to Nepal in November 2015 that was preceded and followed by interviews in Helsinki.

Findings, conclusions and recommendations

Country Strategy

Relevance. The Nepal CS was found to be relevant in view of Nepal's development policies and needs and Finland's development policy priorities. The selected sectors and key interventions are well aligned to the country context and development needs. The CS was developed in a collaborative manner and the Government of Nepal (GoN) and development partners were well aware of it. The relevance of the CS is constrained by the fact that it does not cover civil society organisation (CSO) support which complements the CS implementation.

Effectiveness. CS implementation has made contributions to education sector development and provision of access to water and sanitation as well as in establishment of forestry and environmental management in Nepal. The Finnish interventions have contributed to wellbeing of their beneficiaries through increased income and empowerment, and they have improved the access to education, water and employment, as well as to the improved forest management and coverage. Implementation of the CS has contributed positively to the presence of women and to some extent Dalits in decision-making at local levels. The CS has served in the MFA as a tool for creation of a more analytical approach to Finnish development cooperation in Nepal. It has furthered the results-based monitoring. The CS did not significantly influence the programming as most of the interventions were inherited from the previous period. The CS goal of working towards fewer interventions and towards a more coherent portfolio has been achieved. The stakeholders consider that the Finnish contribution in policy influencing has been significant.

Efficiency. There is evidence of achievement of intervention results, but delays in project implementation have also been reported. Many projects have been provided with no-cost extensions or new phases to complete planned activities, and as a sustainability measure. In many cases the decision on the extension has been made based on the findings of a Mid-Term Review (MTR) and not on the actual outcomes of the intervention towards the end of the project cycle. Therefore, the impacts of these measures remain unclear.

Impact. Finland's continuing long-term engagement in education, forestry, water and sanitation has made an impact. There are a number of external factors which need to be in place before sustainable impacts can be made, including the establishment of legal and institutional frameworks.

Complementarity, coherence and coordination. Cooperation in education, forestry, water and sanitation sector is well coordinated. However, the introduction of the CS has not had visible impacts on improving complementarity, coherence and coordination of Finnish development cooperation. There has been some internal coherence within the sectors but there is less coherence between the sectors.

Cross-cutting objectives and human rights-based approach (HRBA). Cross-cutting objectives, particularly gender, have been incorporated in project designs and reported on at CS level. Multiple means are used to promote gender and human rights, including targeted interventions, mainstreaming and policy dialogue. Little evidence is available on how social inclusion works in practice and whether discriminatory practices are still applied. Attention needs to be given to enhancing the competencies and self-confidence of women and persons from disadvantaged groups. The CS has targeted most rural areas as means of reducing inequality. Climate sustainability is less well addressed in the interventions.

Sustainability. The implementation of the Federal system significantly influences the sustainability of achievements. Education sector support is well integrated into the existing systems and the bottom-up approach starting from school level plans is applicable in the Federal system. Considerable efforts have gone into incorporating measures to ensure sustainability of water systems by working through GoN WASH systems and strengthening the capacity of WASH

Finland's contribution to policy influence has been significant.

institutions. Future sustainability will be primarily dependent on the functioning of water user committees (WUCs), and the continued collection of water user fees to allow operations and maintenance for district planning functions to continue.

Country Strategy Modality

Relevance. The CSM has contributed to the relevance of the country portfolio by contributing to a relevant multidimensional strategy and a good mix of projects and implementing agencies, as well as policy dialogue in coordination with other development partners that responded to the Nepal's development needs.

Effectiveness. The CSM format does not contribute to providing effective assessment of country portfolio effectiveness. The CS logic model contains too many layers of objectives. The monitoring framework contains indicators which are not relevant for tracking the achievement of CS objectives. At the same time, policy dialogue, which is a key part of achieving effectiveness and impact beyond direct intervention results, is not effectively targeted or tracked in practice.

Efficiency. There are concerns about efficiency for several reasons. CSM implementation has been constrained by staff turnover in the MFA. The result reporting is hindered by inadequate monitoring indicators. The CSM and the related CS planning process and country negotiations are not adequately linked with each other. Risk management of the CS is underdeveloped. The CSM is not fully integrated and institutionalised into the programme cycle, and vice versa. Evaluations usually do not make reference to the CS. The Embassy has initiated a reporting format which provides a narrative on each intervention.

Findings, conclusions and recommendations

Findings	Conclusions	Recommendations
The CS focus on improving good governance and rule of law, economic empowerment and service delivery, and natural resource management is essential to poverty reduction and relevant to Nepal and at the CS objectives level. Promoting social inclusion of women and vulnerable groups is a common result for both GoF and GoN. However, the background analysis to justify the target groups did not consider Human Rights issues.	Overall Finland's bilateral aid portfolio has been – and remains – relevant to Nepal. The CS responds to the priority needs of the GoN and priorities and policy goals of the MFA.	The MFA should continue supporting the existing sectors (education and water sectors) and the Rule of Law and Human Rights (RoLHR), with close monitoring of realization of Human Rights in the Finnish-supported interventions.
The CS was developed in a collaborative manner and the stakeholders were well aware of the Finnish portfolio and CS. The CS did not significantly influence the programming as most of the interventions were inherited from the previous period.	The CS(M) is a useful mechanism to engage different partners in analysing the development results. The CS(M) has served to create an analytical approach to Finnish development cooperation in Nepal. It has furthered the use of RBM. The goal of working towards a more coherent portfolio has been achieved.	MFA should continue the CSM in a participatory manner, engaging stakeholders at early stage of the development process.

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Findings	Conclusions	Recommendations
The CS logic model contains a complex set of results, linked to GoN developed results. Risks are defined at each result level for each sector but the definition of the risks is vague.	The CS monitoring framework contains too many layers of objectives and there is a contribution gap between the higher level objectives and Finnish objectives. Policy dialogue, which is a key part of achieving effectiveness and impact beyond direct intervention results, is not incorporated effectively in the monitoring framework. The narrative reporting format developed by the Embassy is a useful management and communication tool.	The MFA should simplify the logic model and monitoring framework. Policy dialogue should be included in the CS narrative reporting and monitoring framework. A risk management system should be included in every intervention and in the CS and used in CS level reporting.
The CS interventions have delivered most of their planned outputs with a few exceptions. Challenges have been faced when project designs were too complex and when there were limited implementation capacities. The contribution path to CS objectives is difficult to verify because limited outcome information is available. Significant inputs that are provided to policy dialogue have contributed to positive outcomes from this dialogue.	The Finnish interventions and the CS have contributed to wellbeing of the programme beneficiaries through improved access to basic services in Nepal, particularly in rural areas. There is sufficient evidence to suggest, specifically in the education sector, that policy dialogue has been an effective instrument in the CS. New development needs or gaps may be identified in the course of the implementation of the new Constitution.	The forthcoming CS period should be used to analyse the implications of the new Constitution and for preparation of the needed changes arising for instance from the Federal system.
Multiple means are used to promote gender and human rights, including targeted interventions, mainstreaming and policy dialogue. In particular, gender has been incorporated in the project designs and reported on at CS level. Less attention is given to Dalits and other marginalized groups, such as persons with disabilities. So far, little evidence is available on how social inclusion works in practice and whether discriminatory practices are still applied.	In addition to increasing the participation of women and Dalits, the MFA needs to pay attention to strengthening their competencies and self-confidence so that they can fully participate in and contribute to policy dialogue and development activities. Persons with disabilities should also be considered in all interventions.	The MFA should ensure and follow up that the HRBA is applied at all levels of CS implementation and that the objective of meaningful participation is realized.

Findings	Conclusions	Recommendations
There is evidence of efficient achievement of intervention results, but delays are also reported. No-cost extensions or new phases are used to complete planned activities, or as a sustainability measure. Overall the efficiency is good: according to the stakeholder interviews, review of meeting minutes and other documentation and the team's observations good staffing has contributed to it, though high turnover in the MFA has weakened this contribution. Not much experience exchange between the long term partner countries has occurred in terms of CS development.	There is little evidence either way as to what extent phasing extensions and additions have an effect on the achievement of impact or sustainability. High turn-over of staff in the MFA has had a negative impact on the efficiency of the programme. Clearer instructions are needed for the CS, including instructions on how the CSM will be used for learning.	The MFA should ensure that there are sufficient qualified staff available both in the Embassy and in the MFA. Sufficient capacity building relating to the CSM, RBM and HRBA should be provided. Disaster Risk Reduction should be included in the staff training agenda. The MFA should promote experience exchange between the long-term partner countries concerning CS and CSM.
Finland complements the support of other partners in all sectors where it is working The evaluation did not find obvious synergies between sectors and there seems little intrinsic advantage in terms of added value. While there is some degree of complementarity and coherence within the sectors, less coherence is observed across the sectors.	The CS instrument does not facilitate more complementarity or coherence between sectors. Synergy benefits are not sought.	The CS could be used more to establish synergies and complementarity within the CS portfolio.
Both the CEP and the CS emphasise the need to develop stronger synergies with Nepalese and Finnish NGOs towards common goals. Currently, the CSO support (both FLC and CSO) is not included in the CS, though it accounts for 22 percent of the Nepal portfolio. FLC (Fund for Local Cooperation) funding was ended in 2014.	The CS monitoring does not capture achievements made, or complementarity of the CSO (and FLC) work. As a result of ending FLC funding, the Embassy's direct contacts with civil society are limited.	The MFA should seek ways to recognize the CSOs in the CS (and CS monitoring framework) in a meaningful way and maintain contacts with civil society.

1 INTRODUCTION

1.1 Origin and context of the evaluation

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

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

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

1.2 Purpose and objectives of the country evaluation

This country evaluation has a double purpose:

- to evaluate, for both accountability and learning purposes, Finland's bilateral cooperation with Nepal since 2008. As such, this is a free-standing report, to be published separately, and it will elicit a separate management response from the country team;[1]

- to contribute towards the evaluation of the CSM, as part of a multi-country study (Ethiopia, Mozambique, Nepal, Tanzania, Vietnam and Zambia).

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

The **objective** of the country evaluation is

- to provide evidence on the successes and challenges of the CS portfolio of interventions[2] by assessing the relevance of the Finland's interventions and of the strategic choices made in the CS, as well as the performance of the CS portfolio against these choices;

- to provide evidence on the feasibility of the Country Strategy Modality for the purposes of the results-based management of the MFA.

The principal features of the evaluation are set out below.

- The **temporal scope** of the evaluation is the period 2008 to 2015. Although there is particular interest in the country strategy modality which was introduced only in 2012, it is necessary to consider a longer period (a) because many of the interventions taking place during the post-2012 period were designed and commenced earlier, and (b) as stated in the TOR, "in order to understand the strategies as they are now and to evaluate the change and possible results of current country strategies, it is essential to capture the previous period as a historical context".

- The **content scope** of the evaluation considers Finnish bilateral funding to Nepal in the context of Finland's development funding portfolio as a whole and Finland's role as part of the donor community. However, it focuses directly only on the instruments that come within the scope of the Country Strategy as set out in Chapter 4 below. The evaluation, however, is not an evaluation of individual components separately, but of the programme as a whole.

- **Summative and formative dimensions**. The evaluation aims to explain the strengths and weaknesses of past performance and to make forward looking recommendations at country level, as well as providing inputs to formative CSM recommendations.

- **Users.** The MFA country team and desk officers will be primary users of the country evaluation findings, conclusions and recommendations. Country teams comprise responsible persons both in the regional department unit in Helsinki and in the Embassies. The main audience for – in other words, the direct users of – the evaluation are the MFA Department for Development Policy, the regional departments and their units (for the Americas and Asia, and for Africa and the Middle East) overseeing the CSs in the long-term partner countries, and Finland's embassies in long-term partner countries.

The evaluation therefore looks separately at (i) whether the CS portfolio is performing given the target country strategy objectives and development results; and (ii) the contribution that the CS/CSM made to this performance. The second focus on the country strategy modality is in turn at two levels: the difference the introduction of the CS (country strategy) approach made to the content

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

and implementation of the Nepal programme; and the relevance, effectiveness, efficiency and sustainability of the CSM as an RBM methodology to manage the Nepal CS portfolio.

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

1.3 Approach and methodology

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

1.3.1 Evaluation instruments

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

The CS level theory of change (TOC)

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

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

i.   Assessing whether the CS objectives and the interventions to implement them in the CS portfolio represent the right choices, or were relevant given Nepal's context and Finland's development policy objectives. This is assessed in the relevance section (5.1);

ii. Assessing whether the CS interventions took place (inputs and outputs materialised), and whether they delivered their planned results (the intermediate outcomes of the TOC). This is assessed in the effectiveness section (5.2).

iii. Assessing whether these results can be argued to have contributed to Finland's specific objectives (the TOC outcomes). The evaluation examined Nepal-specific pathways for the contribution, which included both what the interventions were and how they were implemented; as well as leveraging through policy dialogue and uptake of models. The findings against this dimension are also presented in the effectiveness section (5.2)

The Nepal country strategy evaluation followed the same approach as the evaluations in other partner countries.

iv. Assessing whether there is evidence to support the CS logic framework hypothesis that the specific objectives as realised through the interventions, would contribute to the CS objectives (the second TOC outcome result) and target development results (the TOC Impact result). This is assessed in the impact section (5.3)

v. Assessing how well the CS portfolio achieved the results:

  – was it efficient in translating Finnish resources to results (assessed in 5.4)?

  – is it sustainable (5.5)?

  – is effectiveness and impact supported through complementarity with other Finnish aid instruments, internal and external coherence, and coordination with partners at country level (5.6)?

  – how well did it achieve Finnish cross-cutting development policy objectives?

The country TOC furthermore made a distinction between the performance of the CS portfolio (expressed by the CS level TOC in Figure 5) and the performance of the CSM as an RBM methodology influencing that programme.

Evaluation and judgement criteria

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

The evaluation matrix and evaluation questions

The evaluation was framed by the evaluation questions provided in Annex 2. The evaluation matrix acknowledged the inter-related nature of the CS portfolio evaluation and the CSM evaluation, and thus made explicit in an integrated matrix which questions were to be examined to assess the performance of the CS portfolio against the evaluation criteria, and which related to the performance of the CSM. The judgement criteria provided guidance on how to interpret the questions, and what would count as evidence.

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

Analytical devices

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

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

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

1.3.2   Data collection and validation

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

- **Document sources:** country CSM documentation and reports; existing intervention reviews and evaluations; and relevant secondary literature from non-MFA sources including government documents and evaluations or reviews undertaken by other partners. The exact document sources are referenced throughout the report.

- **Statistical information sources:** the report uses analysis of financial and other statistics collected from the MFA and other sources. References are provided throughout the report.

- **Semi-structured interviews based on the evaluation questions:** this included individual interviews, group interviews and focus group discussions. In view of the confidentiality assurances provided to respondents, respondents are not identified linked to each reported observation. However, Annex 3 provides a full list of people interviewed.

- **Site visits** to observe results on the ground and elicit beneficiary and local stakeholder feedback, in alignment with the TOR requirement for participatory evaluation.

Triangulation was done between sources, where possible, but also within a source-type. The data and findings were validated through a country-based and a Helsinki-based country evaluation validation workshop. For Nepal this workshop was attended by government representatives, donor partners and the Embassy country team. In addition a working meeting was held with the CSOs in Nepal and in Finland.

1.4   Evaluation process

The evaluation took place during the period September 2015–February 2016. The Team comprised Ms. Raisa Venäläinen (Country Team Coordinator), Ms. Ann Bartholomew and Mr. Kumar Upadhyaya (team members). The Team Leader of the overall evaluation, Ms. Alta Fölscher, attended part of the field mission.

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

The country mission took place during November 27th–December 12th 2015. The field work included interviewing stakeholders in Nepal. A field trip was made to Pokhara and Ramecchap to consult with forestry, water and education sector project implementers and beneficiaries. A focus discussion was arranged in Kathmandu (on 9 December) with the CSOs implementing FLC projects and NGO (non-governmental organisation) projects in Nepal. An internal debriefing of Embassy of Finland staff was undertaken and a validation workshop was held for external stakeholders at the end of the field mission.

After the country mission, there were follow-up interviews at MFA headquarters and a briefing by the Nepal team on the initial mission findings. A focus discussion was held in Helsinki (16 December 2015) for Finnish NGOs active in Nepal. The mission findings were presented to the MFA Country Team and a validation workshop was held with the Country Team Coordinators in March 2015 to validate the findings. Another workshop was arranged with the MFA to discuss the key findings and conclusions. The report has been finalised following the workshops.

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

The team interviewed Government of Nepal (GoN) representatives, project implementers, beneficiaries and other stakeholders. In addition, key MFA staff involved with both the CEP and the current CS were interviewed, including people who were directly associated with the transitioning from CEP to CS and drafting the CS in 2012.

The evaluation process allowed stakeholders from Finland and Nepal to contribute.

1.5   Limitations to the country evaluation

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

Table 1: Evaluation challenges and their mitigation

Challenge	Mitigation
CS PORTFOLIO EVALUATION CHALLENGES	
The contribution gap: Assessing the effectiveness and impact of a small donor's country programming, against high level country strategy development result targets presented challenges. These were highlighted in the inception report. Comprehensive contribution analysis is not useful in these circumstances. **Portfolio assessment challenge:** Throughout the evaluation the team was challenged by summing the performance of individual interventions towards an assessment of the CS portfolio result chain.	The 'contribution gap' in the Nepal country strategy occurs particularly between the country CS objectives and the target development results. Otherwise, the relatively close links between the interventions and specific objectives made it more possible to deploy contribution analysis. To deal with the contribution gap and portfolio assessment challenges the team: • investigated how policy dialogue and the provision of successful models were able to leverage specific interventions by influencing other partners, including government, to direct their resources to similar objectives. • used logical reasoning, supported by expert and stakeholder views, to check on the feasibility of the result chain at least in principle. • used available evaluations and reviews of individual interventions, but focused on the extent to which performance was achieved across the portfolio. This was eased by the methodology which assessed the CS portfolio against the CS objectives, as well as the application of the complementarity, coherence and coordination criteria.
Availability of validated information and statistical data: The inception report envisaged that the CS portfolio evaluation would be able to draw on existing documentation and the CSM reports. This however was not always the case. Not all interventions have been evaluated and where evaluations (either mid-term or final evaluations) did exist the quality of their reports varied. No impact assessments on Finnish interventions have been conducted. As a result, there was not always sufficient information available to make assessments of all the programmes. In addition, there was little data available to assess value for money of the programme, as this was not adequately addressed in most evaluation reports, apart from water and sanitation. The CS annual reports were only of limited value, given issues with whether the result matrix adequately measures performance and the stability of the indicators. For example, policy dialogue measures and outcomes are not adequately reported.	The fieldwork aimed to address these challenges, as much as on reviewing the findings of existing reviews and evaluations. Selection of site visits, selection of respondents and interview content therefore paid attention to filling these gaps. The team used the deskwork and fieldwork phase to supplement CSM report data as much as possible from other sources to form views on results at the outcome and impact level. Where gaps still remain is reflected against the specific criteria below.

Challenge	Mitigation
CS PORTFOLIO EVALUATION CHALLENGES	
Inheritance of the CS portfolio and short time lapse since the introduction of the CS (for the CS portfolio evaluation). The degree to which the CS portfolio can be assessed against CS objectives can be challenged, given that there has been little time for the country teams to adjust CS portfolios towards higher CS result performance.	The evaluation treated this challenge as a CSM assessment rather than a CS portfolio evaluation challenge. It assumed that even if the CS portfolio was put together without the CS objectives, there would still be value for the country teams to receive findings, conclusions and recommendations on the contribution of the CS portfolio interventions as they stand to the CS objectives, particularly if this evaluation signals the need to make significant changes in the CS portfolio.
	In undertaking this evaluation, the time frame from 2008 onwards makes it more possible to chart changes in the country portfolio and to assess effectiveness of the portfolio and its components. Secondly, the theory of change approach facilitates assessment of the relevance of selected objectives and measures in the CS, and of the plausibility that Finnish-supported activities will lead to long-term impact against these.
Results reporting for some aid instruments, including civil society cooperation and Finnpartnership, is not included in the CS; only limited assessment of complementarity could be made therefore.	The team assessed complementarity from the CS perspective. There has been only a limited number of interventions supported by Finnpartnership during the evaluation period.
CSM EVALUATION CHALLENGES	
Short time lapse since the introduction of the CS, and the inheritance of the CS portfolio from the CEP period (for the CSM evaluation). Given that the CS inherited the Nepal CS portfolio to a significant degree, and that intervention commitments made prior to the CS determined the interventions undertaken during the CS period, there was limited data for the team to assess whether the CSM has been able to influence the CS portfolio for better performance.	The team applied process analysis to track when changes were introduced in the CS portfolio, however small, and consistently enquired why these changes were made, and whether they could be attributed to the CSM. This allowed it to discern first signals of CSM effectiveness, or not.
	The team did not look only at whether the content of the CS portfolio changed, but also at how better management of existing interventions may improve their performance and contribution.
	This analysis was supplemented by discussing respondents' views on the likely impact of the CSM on future intervention design, given the results from processes so far.

1.5.1 Risks to the country evaluation

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

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

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

2   COUNTRY CONTEXT

2.1   Overview of the country and development performance

Nepal is a landlocked country situated between two of the world's fastest growing economies, India and China, with a population of about 30 million and per capita GDP of USD 703 per annum. The annual average rate of population growth is 1.35 percent. The contribution of agriculture to GDP is 33.7 percent, of industry 14 percent and of the service sector 52.2 percent.

History and politics

Nepal entered the democratic era with the overthrow of the Rana regime in 1951, but in 1961 the king dismissed the popularly elected democratic government and banned all political parties. Democracy with a constitutional monarchy was restored in 1990, but a subsequent decade-long Maoist armed struggle ended in a Peace Treaty and election of the Constituent Assembly. A lack of political consensus among the major parties (Maoists being the largest) led to the dissolution of the Assembly and the election of a new Assembly in 2014.

After long negotiations, all the major political parties, representing about 90 percent of Constituent Assembly members, promulgated 'The Constitution of Nepal 2015' on September 16, 2015. Under the new Constitution Nepal become a federal democratic republican state. It has provisions for proportional inclusion and representation in the legislature, bureaucracy and judiciary of women, Dalits and other disadvantaged ethnic groups, and guarantees fundamental/human rights and press freedom.

However, some political parties representing "Janajati" and "Madhesi" communities with about 10 percent of the members in the 'Constituent Assembly converted into Parliament' opposed the new Constitution, demanding revisions in the demarcation of the proposed provinces and the proportional representation and electoral system. Subsequently, an amendment to the constitution addressed proportional representation and the electoral system. A committee has been formed to address the issues related to demarcation of the provinces. India has lifted the economic blockade. However, the agitating parties are continuing their protests albeit in a peaceful manner. Nevertheless, these political conflicts have caused serious damage to the Nepalese economy and social life (Embassy of Finland 2016).

Development performance

Nepal has been receiving external resources for over six decades and aid continues to play an important role in its socio-economic development. External aid represents 20 percent of the national budget in fiscal year (FY) 2014–2015. The estimated GDP for FY 2013–14 was USD 19.28 billion while total government expenditure was estimated to be USD 4.38 million which is about 23 per-

Aid continues to play an important role in the socio-economic development of Nepal.

cent of GDP. Internal revenue collection was estimated to be USD 3.5 million which is about 18.36 percent of GDP. Foreign aid was estimated to account for about 6 percent of GDP in FY 2013-2014. Similarly, total receipts from remittances exceeded USD 5.4 million which was about 28 percent of GDP in 2013-2014 (Economic Survey, Ministry of Finance, Government of Nepal 2015).

Despite remarkable progress in the past 15 years, Nepal has remained among low-performing countries whether measured by the Human Development Index (HDI), the Educational Development Index (EDI) or the Global Gender Gap analysis (GGG). Nepal's goal of graduating from least developed country to developing country status by 2022 is a significant challenge given the low average annual growth rate for the past 10 years (4.1 percent) and the effects of the earthquake and the Indian economic blockade, which have negatively impacted all sectors of the economy. The economic growth of 4-6 percent per year has been brisk in global terms, but below the levels of the two neighbouring countries, India and China (Embassy of Finland 2016).

2.2   Main development challenges

Poverty. The proportion of the population living below the poverty line in Nepal is 23.8 percent. Though the trend of a decline in the poverty rate had continued in the last few years, the population below the poverty line is expected to grow with the likelihood of adverse impacts on the Nepalese economy arising from the recent catastrophic earthquake. The gaps between urban and rural areas, between geographical regions, and between rich and poor are still very wide (Government of Nepal 2015).

State-building challenges. There have been no local government structures for the past 20 years. Officials are not elected and they are regularly transferred. The public administration is also highly politicised. Amicable settlement of the current political conflict around the new Constitution and institutionalising the new Constitution pose serious challenges for the coming years. In particular, institutionalising the federal form of government will be highly challenging from a political as well as an economic point of view. With a total score of 27 out of 100 in the Corruption Perceptions Index (the higher the score the lower the corruption), Nepal is ranked 130th among 168 nations (Transparency International 2015).

Migration. The labour market challenges in Nepal stem from the slow pace of economic development: almost three-quarters of workers earn a living in the agricultural sector. Thus, the vast majority of workers are informally employed. This, together with lack of access to land, basic services and economic opportunities, leads to migration to urban centres and abroad. In the past six years over two million Nepalese have left the country to work overseas. According to Department of Foreign Employment records (ILO 2013), the number of labour migrants given permits increased from just 35,543 in 2000/01 to 527,814 in 2013/14. In 2014 the remittances from these workers amounted to 30 percent of GDP (USD 5.5 billion) (Embassy of Finland 2015).

Discrimination and inequality. Nepalese face discrimination based on ethnicity, caste, gender and geographical remoteness. Untouchability is the most severe form of discriminatory practice existing between the caste groups. There are

also a number of discriminatory laws against women, particularly those related to property rights, nationality and citizenship, reproductive health, marriage and family. Differences are observed among people of different social categories in access to productive resources, educational attainment and participation in government decision-making bodies. These types of differences can be noticed between the caste and ethnic categories and those located in the hill and Terai regions (UNESCO 2006).

Geographic terrain and natural disasters. Natural hazards are severe because of tectonic instability, steep terrain, unconsolidated geology and the monsoonal climate, which together cause frequent earthquakes, landslides and floods. Climate change is expected to result in more intense and variable rainfall, changed farming conditions, new diseases, water stress, glacial retreat and glacial lake outburst floods. Adaptation will pose a serious challenge.

April 2015 earthquake. A massive earthquake which took place on April 25th 2015 had a huge impact on living conditions in 14 out of 75 districts and on the lives of eight million people, almost one-third of the population of Nepal. Over half a million houses were destroyed. Nearly 7,000 schools, of which 92 percent were public schools, were completely destroyed or significantly damaged. It is estimated that the total value of the effects of the disaster (damage and losses) caused by the earthquake is NPR 706 billion (USD 7 billion). The international community and the government provided emergency support but it is reported that government inputs to the reconstruction work have been poor (National Planning Commission 2015).

2.3 National development strategies, plans and programmes

Three Year Interim Plan 2007–2010. By the end of the 10th Five Year Development Plan implementation period in July 2007, Nepal was lagging behind in achieving its MDG targets. It had succeeded only in relation to the poverty reduction target. To respond to this challenge, the GoN developed a Three Year Interim Plan (TYIP) for 2007/08–2009/10. This plan put emphasis on employment generation and inclusive development as well as development of infrastructure, economic and social sectors and supporting the peace process. Special attention was paid to women, Dalits, indigenous groups, the Madhesi community and to development of the most remote and backwards areas. The 11th TYIP was the reference point for the development of the GoF Country Engagement Plan (CEP).

Three Year Interim Plan 2013–2016. Because the protracted political transition delayed the formulation of a full five-year plan, a new TYIP was developed for 2013–2016. In accordance with the commitments made in the 11th Plan this TYIP is also oriented towards realizing Nepal's graduation from least developed country status by 2022 through boosting economic growth by creating employment for Nepali people and developing the infrastructure needed for modernisation. The GoN is targeting an annual growth rate of 6 percent over the three years of the plan.

The GoN's plan envisages tangible improvements in the living standards of the poor, disadvantaged and socially excluded sections of the population and prioritises the following sectors: hydro and other energy development; agri-

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The 2015 earthquake impacted living conditions in 14 out of 75 districts.

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culture; road and other physical infrastructure; social sector (basic education, health, drinking water and sanitation); tourism; industry and trade; and good governance. The goals of the plan include: achieving inclusive, broad-based and sustainable economic growth; developing physical infrastructure; enhancing access to quality social services; enhancing good governance; empowering socially and economically targeted groups and regions; and implementing development programmes which support climate change adaptation.

2.4   Donor policies and community in Nepal

Official development assistance (ODA). Foreign aid has played, and continues to play an important role in Nepal's development. ODA has averaged 4.5 percent of gross national income during 2011–2015 (World Bank 2015) and it increased from USD 745 billion in 2008 to USD 1036.2 billion in 2014. Of the total disbursement of ODA, 51.6 percent was provided by multilateral donors, while 39.8 percent came from bilateral donors. The remaining 8.6 percent was provided by bilateral South-South cooperation partners, India and China (Government of Nepal 2015).

Development cooperation in Nepal is characterised by the presence of multilateral donors and a variety of UN specialised agencies, and fewer bilateral donors (see Figure 1 below). The top five multilateral donors in 2014 were the World Bank Group, the Asian Development Bank, the European Union, the UN and the Global Fund to Fight Tuberculosis and Malaria. The top five bilateral donors in 2014 were the United Kingdom, India, USAID, China and Japan (Government of Nepal 2015). In 2014, Finland contributed 3 percent of total ODA to the country. The top five sectors receiving foreign aid in FY 2013/14 were the education sector (17 percent), local development (15 percent), health (11 percent), energy (6 percent), and road transportation (5 percent).

Figure 1: Total gross aid disbursement 2008–2014

IDA
United Kingdom
AsDB Special Funds
United States
Japan
Norway
Finland
Other donors
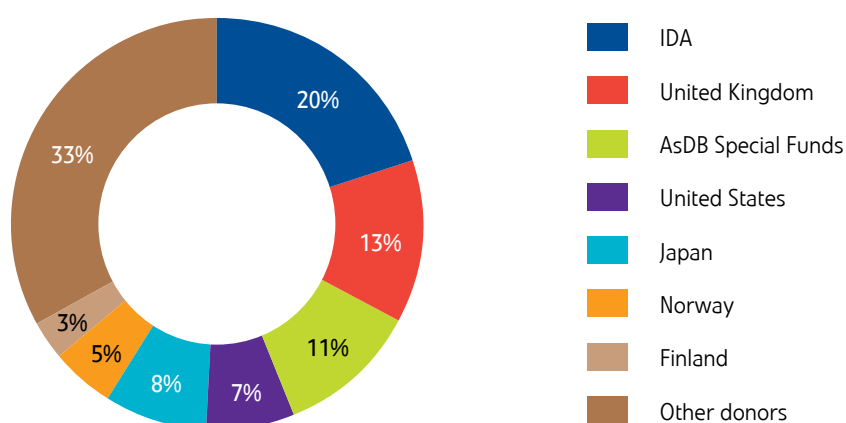
Aid is relatively fragmented in Nepal with on average each donor working with nine counterpart ministries or agencies in FY 2013-2014. Compared to this, Finland's aid portfolio is relatively focused with only eight projects and four counterpart ministries.

Aid modalities. The majority of the assistance is given through project support which accounts for 60 percent of total ODA assistance, 19 percent through sector-wide approaches, 13 percent through a programme approach, 5 percent through budget support, 1 percent through humanitarian assistance and 2 percent through other channels. Sector-wide approaches currently operate in health, education and local development (Government of Nepal 2015).

Improvements have been noticed in channelling of aid though on-budget mechanisms in FY 2013/14. In 2012/2013 on-budget projects covered 64 percent, while the off-budget projects covered 36 percent; in 2013/14, approximately 71 percent of foreign aid was disbursed through on-budget projects and 29 percent through off-budget projects. Of the 71 percent of aid disbursed through on-budget projects, 62 percent was channelled through the national treasury using public financial management systems. Finland provides funding on budget for 94 percent of its programme. Reporting of aid data has improved since 2012 with the development of the Aid Platform, while donors are using more joint partnerships and strengthening their alignment with GoN priorities (Government of Nepal 2015).

Finnish disbursement to Nepal 2007–2015. There has been a steady increase in annual disbursement from 2007. During the evaluation period 2012-2015 the average annual disbursement was EUR 20.6 million, ranging from EUR 28.3 million in 2014 to EUR 15.2 million in 2015, compared to an average disbursement of EUR 14.2 million during the period 2007–2011. The Finnish disbursement to Nepal during the CS period 2012–2015 totals EUR 82.5 million. There has also been a high level of GoN counterpart funding, especially in the water and sanitation sector.

Development assistance coordination

Nepal's Aid Policy. Planning of donor finance is presently coordinated by the National Planning Commission, while the Ministry of Finance is in charge of the implementation of bilateral development programmes as the signatory body. The Social Welfare Council of the Ministry of Women, Children and Social Welfare is the competent authority for INGO and NGO projects.

Nepal's first Foreign Aid Policy was developed in 2002 and was updated through the Development Cooperation Policy 2014 (Government of Nepal 2014). This policy emphasises the use of country systems, mobilising aid in government priority areas and thresholds for development cooperation to reduce fragmentation, with USD 5 million as the threshold for grants.

Donor harmonisation. Donor harmonisation and joint programming with other development partners take place to a varying degree in the sectors of Finnish cooperation: education, water, sanitation and hygiene (WASH), and forestry. Presently Finland is one of the Development Partners (DPs) contributing to education pooled funding (with Australia, Norway, EU, UNICEF, ADB, WB and JICA). In WASH, Finland is present together with the WB, ADB, UN (UNICEF, WHO

and UN-HABITAT), UK and USAID. Apart from two bilateral projects, Finland is financing UNICEF´s WASH for All programme, which is working with related GoN bodies and DPs to establish a national WASH sector programme. Finland is the biggest donor in rural WASH.

In the forestry sector the following DPs are present: UK, Japan, Switzerland, Finland, USA, UN (UNDP, FAO, IFAD), and WB. Finland, together with the UK and Switzerland, has financed a joint Multi-stakeholder Forestry Programme (MSFP). Support to Peace Process and Human Rights is provided through UNDP and UN Women.

3 EVOLUTION OF FINLAND'S DEVELOPMENT COOPERATION IN NEPAL

3.1 Historical overview of Finnish development cooperation in Nepal

Finnish support to Nepal 1983–2008. Nepal is one of Finland's long-term partners in development cooperation. Development cooperation between Finland and Nepal started in 1983. In the 1990s, support was delivered to the energy sector (35 percent of the total volume of Finnish aid) followed by forestry (16 percent), and water and sanitation (14 percent). Currently Finland does not finance any energy sector projects in Nepal, apart from some small-scale hydropower within the RVWRMP II. This is the result of a strategic decision taken by Finland at the end of the 1990s.

Finnish support to the forestry sector started in 1983. At first the cooperation was concentrated in the Hills area in the form of community forestry development. In 1999, Finland decided to withdraw its support to the sector and initiated cooperation in the environment sector.

Environment was selected as a major sector in the 1990s. Nepal produced its Environmental Policy and Action Plan in 1993. Based on it, an environmental identification mission was conducted in 1995 and environment was selected as a key sector in 1996. Initially several project ideas were selected and at the end of the 1990s two environmental projects were launched. The cooperation continued until 2014 However, in the latest Country Programme, for 2013–2016, environment is no longer a core sector. The bilateral cooperation project (SEAM-Nepal) was completed at the end of 2014.

Development cooperation between Nepal and Finland in the water supply and sanitation sector also dates back to the 1980s, specifically 1984 and 1986 when the Nepal made a request to the Government of Finland for support to the sector. The Rural Water Supply and Sanitation Project was launched in the Lumbini Zone in 1990. The sector has remained a core area of support for Finland with the support given broadening over time to include rural livelihoods as well as water and sanitation.

Finland has cooperated in the Education Sector in Nepal since 1999 throughout the years of the Maoist conflict. Finland supported the Basic Primary Education Project (BPEP) in 2000–2003; Education for All (EFA) 2004–2009 initiative, and the Bilingual Education Programme for all non-Nepali Speaking Students of Primary Schools of Nepal in 2007–2009. In 2005–2007 Finland was the coordinator of the education donors (Denmark, Norway, DFID, World Bank, Asian Development Bank, and UNICEF).

Finnish support to Nepal 2008–2015. Finland's ODA to Nepal has increased steadily with a peak of EUR 28.6 million in 2014. Between 2008 and 2014, the water and sanitation sector experienced an increase in funding from EUR 3.7 to EUR 8.9 million, the funding to the education sector increased from EUR 2.5 million to EUR 8.7 million, and forestry sector support rose from EUR 1 million in 2009 to EUR 2.9 million. The distribution of funds across the main sectors during 2012-2015 is illustrated in Figure 2 below. (These data do not include funding to Peace Building and Human Rights because it is not included in the MFA database as a separate sector.)

Figure 2: Distribution of Funds across the main sectors 2012–2015 (EUR million)
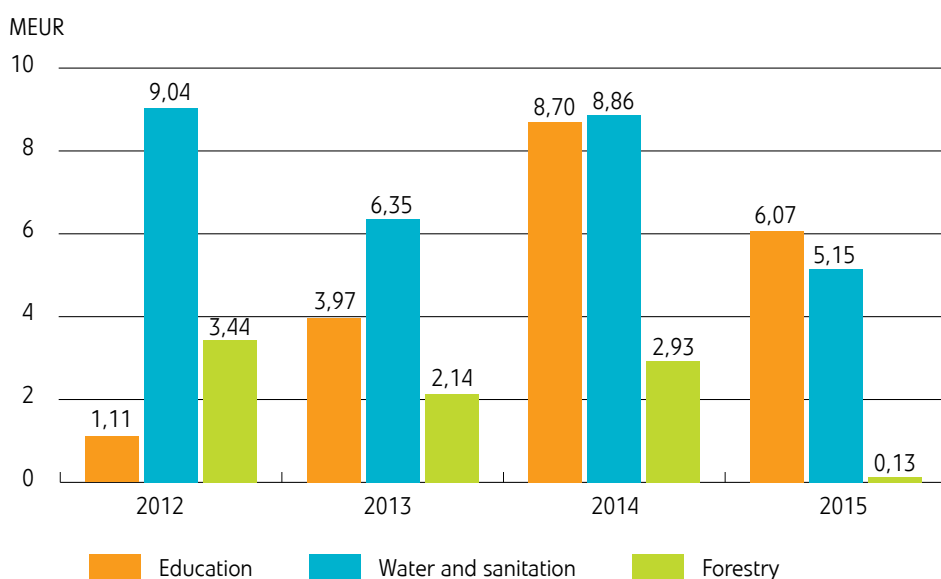
Source: Ministry for Foreign Affairs 2015

Since 2014 Finnish support to Nepal has decreased and in 2015 the total disbursement was EUR 15.7 million of which 33 percent (EUR 5.15 million) was for three water projects, and 39 percent (EUR 6.07 million) was targeted to the School Sector Reform Plan (SSRP) and the TA TVET (later referred also as TA TSSP) project. The low figures in 2015 were due to the earthquake and the embargo. The budget for 2015 was on a par with previous years, so the low levels do not reflect any policy decision regarding funding levels. The unspent funds from 2015 are being disbursed in 2016.

As a result of the 2016 government budget cuts, the development cooperation portfolio in Nepal will be reduced to EUR 13 million in 2016 and 12 million in the years 2017-2018. The MFA has decided to discontinue support in the forestry sector and to cancel the planned continuation of support to UNICEF WASH. The GoF allocated EUR 1 million to the UNICEF emergency and reconstruction work (MFA 2016).

Aid Modalities and Instruments. Finland uses a mix of aid instruments in Nepal. Most of the Finnish funding (70 percent) to Nepal is through bilateral projects as shown in Figure 3. In addition, Finland also implements development coop-

eration in joint projects and through sector support (SWAp). Support to rule of law and human rights is channelled through UN organizations (UNDP and UN Women) and is also included in the bilateral support.

The MFA supported civil society through the Fund for Local Cooperation (FLC) in Nepal until the year 2015 when a decision was made to discontinue FLC support. Civil society is also supported through Civil Society Organizations' (CSOs) project support and through CSO partnership organizations which have a framework agreement with the MFA. These funds are managed by the Unit for Civil Society Cooperation (KEO-30) and thus are not included in the CS. The MFA has also financed one Institutional Cooperation Instrument (ICI) and one Higher Education Institutional Cooperation Instrument (HEI-ICI) project.

Figure 3: Finnish Aid Expenditure in Nepal by Aid Channel 2008–2014

- Bilateral aid
- CSO support
- FLC/PYM
- ICI
- Other
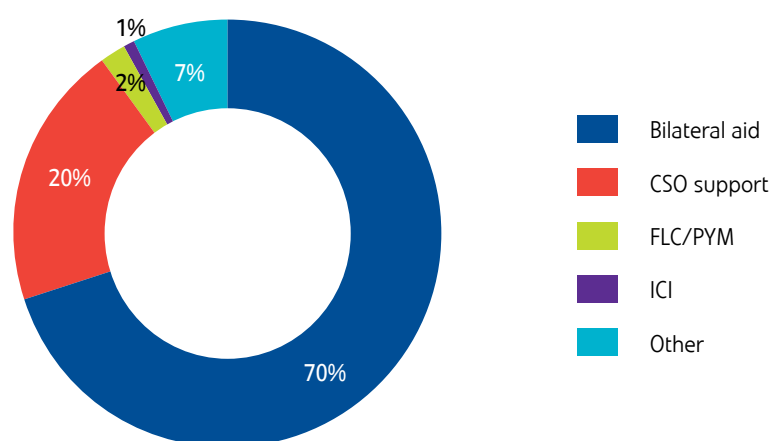
Source: Inception Report, Mokoro & Indufor 2015

3.2   Country Engagement Plan (CEP) 2008–2012

The Country Engagement Plan (CEP)[3] outlined the strategic choices of Finnish Development cooperation in Nepal for the period 2008–2012. It was guided by the Development Policy Programme "Towards a sustainable and just world community" adopted in 2007. The CEP focused on socially, economically and ecologically sustainable development. Finnish support was clustered under two sectors: Natural resources (which included water and sanitation, environment, forestry and climate sustainability) and education. In addition, Finland supported peace building, democracy and human rights. The CEP was based on a financial projection of increased annual funding up to EUR 20 million by 2012.

The CEP confirmed continuation of Finnish support in the water sector until 2009 (with an option for continuation thereafter), and reintroduced cooperation in the forestry sector in addition to the environment sector despite its not being a priority for the GoN as was noted in the CEP. As a result, the CEP con-

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[3] Suomen kehitysyhteistyön osallistumissunnitelma vuosina 2008-2010, dated 3.4.2008; also referred to as Plan for Participation. Available only in Finnish.

tained projects in five sectors: education, water, forestry, environment and climate sustainability (six projects grouped under the natural resources sector) and supporting peace building and human rights.

The CEP was drafted by the Country Team and finalized by the Minister for Foreign Trade and Development. It was available only in Finnish. The planned resource allocation for 2008–2012 amounted to EUR 69 million, of which EUR 52 million (73 percent) was allocated for the natural resources sector, EUR 13 million (18 percent) for the education sector, and EUR 1.4 million (5 percent) for peace building and human rights. In addition EUR 2.5 million (4 percent) was allocated to thematic regional cooperation in climate sustainability. Table 2 presents the CEP portfolio and planned resource allocation for 2008–2012.

Table 2: Country Engagement Plan, planned resource allocation 2008–2012

SECTOR	EUR million 2008–2012	% of total
NATURAL RESOURCES		
Water and Sanitation (RVWRMP Far West/II-phase; RWSSP-WN)	27.6	39 %
Forest	10.7	15 %
Environment (SEAM-N/II-phase/III-phase and waste treatment)	13.4	19 %
Natural Resources, total	51.7	73 %
EDUCATION (SSRP, EFA), total	13.0	18 %
SUPPORT TO PEACE PROCESS, HUMAN RIGHTS (incl. OHCHR, NHRC), total	1.4	5 %
THEMATIC COOPERATION (Climate Change), total	2.5	4 %
PROJECT PREPARATION	0.4	
Resource allocation 2008–2012, total	6.0	100 %

Source: MFA. Country Engagement Plan, 2008.

Country Negotiations 2007, 2010 and 2012

The country negotiations are bilateral consultations for the GoN and GoF to discuss political issues, trade and development cooperation. The purpose of the consultations is to review and give guidance to bilateral relations in a comprehensive manner (Minutes of the Consultations between Nepal and Finland, 5th October 2007). Pre-negotiation meetings are held between the Embassy of Finland and GoN to discuss sectoral issues and programmes are discussed in detail.

Country negotiations 2007. At the time of the country consultations between the GoN and GoF in October 2007 the CEP was not ready. The delegations agreed that Finnish support would be targeted to natural resources and that Finland would continue in the education sector according to previous commitments. It was also agreed that Finland would continue supporting the peace process and human rights. In the meeting, the Nepalese partners requested Finland to support the rural electrification and hydropower sector and community level cooperation, and Finland promised to study these proposals (MFA 2007). After the country negotiations the Finnish Minister of Trade and Development made an official visit to Nepal in early 2008.

Country negotiations 2010. In the country negotiations in 2010 the GoN and GoF confirmed that cooperation would continue in the main sectors of natural resources (covering water and sanitation, forestry, environment and climate change) and education, and that Finland's support to Nepal's peace process, human rights and democratic development would continue. Both sides agreed on the importance of ensuring that the DPP's cross-cutting issues (gender and social equality, marginalized groups, HIV/AIDS) would be integrated into all collaboration and that the results of this integration would be measured and monitored. The delegates also agreed that activities would be carried out to contribute to the implementation of the National Action Plan (NAP) on UN Security Council Resolution (UNSCR) 1325. UN Women

Nepal was subsequently approached in April 2011 to draft a project proposal. A Letter of Intent between the Government of Finland and UN Women was signed on 30 April 2012.

Country negotiations 2012. In the Country Negotiations in 2012 Finland introduced the priorities of its new Development Cooperation Policy Programme for 2012–2016 and stated that results-based Country Strategies would be prepared for Finland's long-term partner countries, building on the priorities of the partner countries and on lessons learned from past cooperation. The GoF stated that cooperation in the water and sanitation sector would be further strengthened. It was also agreed to bring the good experiences of the Finnish-supported bilateral programmes regarding demand-based local approaches in the water and sanitation services to the national level policy discussion (Agreed Minutes November 2010) and that a Finnish TA project would be initiated to be linked with vocational education to help create more employment opportunities especially for rural people. In order to reduce fragmentation Finland would end its support to the environment sector. Therefore new funding for the Strengthening Environmental Administration and Management at the Local Level (SEAM) programme was not allocated. However, environmental aspects would be mainstreamed into other cooperation sectors. No decision on future cooperation in the forestry sector was recorded in the minutes (Aide Memoire January 2013).

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

Development Policy Programme 2012. This policy highlighted the human rights-based approach and outlined the development cooperation priorities of the GoF as follows: "Finland promotes a democratic and accountable society that enhances human rights, an inclusive green economy that promotes employment, sustainable management of natural resources and environmental protection, as well as human development".

The Country Strategy was developed in consultation with stakeholders both in Finland and in Nepal.

Country Strategy 2013–2016. The GoF DPP and the GoN Three Year Plan ending in July 2013 guided the development of the Country Strategy together with the overall development goal of the GoN to attain poverty reduction through sustainable, inclusive and equitable growth. Both policies stress employment generation.

The CS was drafted in consultation with stakeholders both in Finland and in Nepal, including GoN and CSOs. Specific background analyses were not conducted, but the CS relied mostly on the situation analysis presented in the Country Programme evaluation 2012 and OECD/DAC peer review. The CS was finalized in the MFA Headquarters and was approved by the Minister of Development Cooperation on 11 December 2012. The CS was developed in an environment where there was no elected Nepalese Assembly or fixed national budget.

Country Strategy financing plan. The financing plan of the CS was based on the assumption of increased funding for development cooperation in Nepal. The sector "natural resources" was "unpacked" and Finnish support was targeted to four sectors: Education, Water and Sanitation, Forestry and Environment. In addition support to Peace Building and Human Rights continued, but it was not considered as a sector as it was seen as temporary in nature.

The emphasis on natural resources continued. Support to water and sanitation and forestry constituted 58 percent of the total CS budget (compared to 73 percent in the CEP) and support to the education sector remained at the same level of 18 percent of the planned budget. The CS emphasised human rights and introduced an increase in funding to support Peace Process and Human Rights, which constituted 14 percent of the planned budget (compared to 5 percent during the CEP period). The environment sector was allocated a small promotion of funds for the completion phase of the SEAM-N. The CS financing plan is presented in Table 3.

Table 3: Country Strategy, financing plan 2013–2016

SECTOR	2013	2014	2015	2016	TOTAL	% of total
EDUCATION SECTOR	4.1	3.9	6.0	5.5	19.5	24 %
FORESTRY SECTOR						
Forestry sector, total	3.7	0.5	3.1	3.9	11.2	14 %
WATER SUPPLY AND SANITATION SECTOR						
Water supply and sanitation, total	8.1	9.1	9.2	8.0	35.4	44 %
ENVIRONMENT SECTOR						
Environment sector, total	1.0	1.0	-	-	2.0	2 %
PEACE PROCESS AND HUMAN RIGHTS						
Peace Process and Human Rights, total	1.6	2.7	2.8	3.3	10.4	13 %
UNALLOCATED PROGRAMME SUPPORT, total	0.9	0.4	-	0.9	2.2	3 %
NEPAL TOTAL 2008–2012					80.7	100 %

Source: MFA. Country Strategy for Development Cooperation with Nepal 2013-2016. February 2013.

4 COUNTRY STRATEGY FOR NEPAL

4.1 Overview of the Nepal Country Strategy

The Nepal CS contains three development results, linked to the national development objectives set out in the TYIP, six Finnish Objectives and thirteen specific objectives. Table 4 summarizes the structure and approach of the Nepal CS.

Table 4: Nepal Country Strategy

Country development result areas targeted	Specific Finnish objectives	Inputs, instruments and resources
Development result 1: Good governance and rule of law prevailing through reliable state institutions	FINLAND'S OBJECTIVE 1: Capacitated, strengthened and transparent public institutions, public administration, CSOs and inclusive policy-making processes	**Programme support:** Support to the Nepal Peace Trust Fund NPTF (2010–2014), IDEA International (2010–2013), National Human Rights Commission NHRC (2009–2014) and to Rule of Law and Human Rights RoLHR (2013–2017). Support to the implementation of the National Action Plan on UNSCRs 1325/1829 (UN Women 2012–2016).
	Specific objective 1.1: Capacitated, accessible and accountable justice, security and human rights institutions	**Policy dialogue** by Embassy to advance Rule of Law development. Policy dialogue with Nepalese and Finnish CSO's to promote CSO participation and capacity and participation of women's and vulnerable groups in decision-making.
	Specific objective 1.2: CSOs representing women and vulnerable groups have the capacity to contribute to democratic development, policy definition processes and accountability of public administration	**Capacity building** of government organizations and CSOs by the Embassy and through the NAP 1325/1829 implementation and RoLHR, and CSOs which are in an implementation role in the UNICEF water project, the RVWRMP and RWSSP and in the MSFP.
	Specific Objective 1.3: Strengthened capacity of government organizations and CSOs to provide services in priority sectors (water, education and forest)	**Other support:** Finnish CSO cooperation; FLC

Country development result areas targeted	Specific Finnish objectives	Inputs, instruments and resources
Development result 2: Realisation of economic, social and cultural rights within the context of economic empowerment and adequate service delivery	FINLAND'S OBJECTIVE 2: Equal and universal access to relevant quality education	**Programme support:** Support implementation of School Sector Reform Plan (SSRP), Technical Assistance and support to Soft Skills curriculum development (TA TVET) and TA to development of National Assessment of Student Achievement (NASA, in 2015 using Embassy project funds).
	Specific objective 2.1: Effective implementation of education sector policy and plans leading to full participation and quality education for all (including marginalized groups)	**Policy dialogue** to improve quality of education and to advance soft skills training and its relevance.
	Specific objective 2.2: Soft Skills training for young people facilitates the transit from school to work	**Other support:** Monitoring support and technical assistance by Finnish National Board of Education (FNBE); FLC projects in education sector, Finnish CSO cooperation, Reconstruction through UNICEF 2015– ; "Learning for Better Future" –NGO project (2014–2015); HEI–IKI Tribhuvan University and JAMK
	FINLAND'S OBJECTIVE 3: Equal and sustainable access to safe and potable water in rural areas	**Programme support:** RVWRMP , RWSSP, UNICEF WASH
	Specific objective 3.1: Water systems are working and reach all rural populations in project working areas	**Policy dialogue** with the GoN and through UNICEF's WASH programme to advance quality and sustainability of water supply schemes; Chair of WASH sector group.
		Other support: Finnish CSO project support (WaterFinns, FIDA, World Wildlife Fund WWF)
	Specific objective 3.2: Sustainable sanitation available at all institutions and households in project working areas	Special attention to participation of women and marginalized groups their equal access water and sanitation in the most remote areas.
	FINLAND'S OBJECTIVE 4: Economic empowerment, especially for women and easily marginalised groups	**Programme support:** UNSCRs 1325/1829 NAP and Women Economic Empowerment (WEE) projects; Support to employment generation in the MSFP, TA to development of employment-oriented soft skills curriculum (TA TVET); Support improved livelihoods through RVWRMP.
	Specific objective 4.1: Development of entrepreneurial activity and employment generation, especially women's entrepreneurship, and improved livelihoods for easily marginalized groups.	**Policy dialogue** and advocacy by Embassy with GoN, CSOs and other donors to promote women's livelihoods development
		Other support: FLC projects, Finnish CSO cooperation; ABILIS-foundation provides small grants to employment generation for persons with disabilities (not part of the CS).

Country development result areas targeted	Specific Finnish objectives	Inputs, instruments and resources
Development result 3: Natural resource management contributing to rural livelihoods and health through inclusive green economy	FINLAND'S OBJECTIVE 5: Inclusive management of forest resources and environmental administration	**Programme support:** Forest Resource Assessment Project (FRA), MSFP, TA-LFDP. Support to Strengthening of Environmental Administration and Management (SEAM) I–III;
	Specific objective 5.1: GoN and non-state actors define and implement inclusive forest sector policies, strategies and plans at national, district and local level that contribute to climate change adaptation and disaster risk reduction.	**Policy dialogue:** Dialogue by Embassy with GoN, CSOs and multilateral organisations (e.g. FAO, IFAD) to promote sustainable and inclusive forest management and using lessons learnt from Finnish supported forest interventions; Policy dialogue by Embassy to advance national application of SEAM developed models.
	Specific objective 5.2: Rural communities benefit from local forest management, processing of forest products and forest-related value chains.	**Other support:** Finnish CSO cooperation (e.g. WWF)
	Specific objective 5.3. National Model for local environmental administration demonstrated through functional pilots in project areas.	
	FINLAND'S OBJECTIVE 6: Strengthened WASH policy, planning and management	**Programme support:** UNICEF WASH, RVWRMP, RWSSP
	Specific objective 6.1: Development of WASH sector policy, strategy and establishment of sector coordination framework and joint review practises that recognize the importance of rural WASH	**Policy dialogue** by Embassy with GoN and other sector donors (WB, ADB, UNICEF etc.), supported by UNICEF, to advance water sector programme development.
	Specific objective 6.2: Integrated water resources management (IWRM) institutionalised at district and Village Development Committee (VDC) levels in project areas	

4.2   Description of the main interventions under the CS

The various support that Finland has provided to Nepal since 2008 is set out in Figure 4 below, followed by descriptions of the interventions listed in it. As shown in Figure 4, the number of interventions was reduced significantly towards the end of the CS period. New commitments beyond the year 2015 have been made to continue with the UN Women Women's Economic Empowerment (WEE) project (agreement in 2015), Support to School Sector Development Plan (SSDP), TA for competence-based soft skills development, reconstruction through UNICEF, and the water sector projects. Support to RoLHR will continue till 2017. The details of all interventions are in Annex 5.

Figure 4: Timeline of Finland's bilateral interventions 2008–2020

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
DEVELOPMENT RESULT 1	■	■	■	■	■	■	■	■	■	■	■	■	■
UNDP – Rule of Law and Human Rights									▨	▨			
UN Women (NAP on UNSCRs 1325/1820)					▨	▨	▨	▨	▨	▨			
UNDP Women Economic Empowerment (WEE)								▨	▨	▨			
Support to National Human Rights Commission (SNHRC)		▨				▨	▨						
Support to Nepal Peace Trust Fund	▨												
Support to IDEA													
DEVELOPMENT RESULT 2	■	■	■	■	■	■	■	■	■	■	■	■	■
School Sector Reform Plan (SSRP)		▨	▨	▨	▨	▨	▨	▨	▨				
Technical Assistance (TA) for Technical Education and Vocational Training TA TVET/Training Soft Skills Project (TSSP)					▨	▨	▨	▨	▨				
Technical Assistance for Competence-Based Soft Skills Development in School Education (TASS) (outside evaluation period			▨	▨	▨	▨	▨	▨				▨	
RWRMP II													
RWRMP III						▨	▨	▨	▨	▨	▨	▨	▨
RWSSP-WN, phase II				▨	▨	▨	▨	▨	▨				
UNICEF National WASH Programme													
Reconstruction through UNICEF													
DEVELOPMENT RESULT 3	■	■	■	■	■	■	■	■	■	■	■	■	■
Multi-Stakeholder Forestry Programme (MSFP)					▨	▨	▨	▨	▨				
Forest Resource Assessment in Nepal (FRAN)			▨	▨									
TA for Leasehold Forestry and Livestock Development Programme (TA-LFLDP)		▨	▨	▨	▨	▨	▨						
Strengthening of Environmental Administration and Management at the Local Level in Nepal (SEAM completion phase)							▨						
The Regional Solid Waste Management (RWMP) project		▨	▨	▨	▨	▨	▨	▨					
Support to LCF		▨											

Development result 1: Good Governance and rule of law prevailing through reliable state institutions

- **Strengthening the Rule of Law and Human Rights Protection System in Nepal (RoLHR) programme (2013–2017)** is implemented by UNDP. It aims to ensure that women and other vulnerable groups benefit from a protective legal framework and justice through supporting the rule of law institutions in being more responsive to demand (supply) and by developing the capacity of vulnerable groups to access rule of law institutions (demand). The programme supports the criminal justice system, civil society, and the media in working together to ensure increased accountability for justice service delivery. The RoLHR is jointly financed by Norway, Denmark and Finland with a total budget of EUR 22 million. Finland's contribution to the total budget is EUR 5.4 million (approximately 25 percent). The main implementing partner of the programme is the Supreme Court of Nepal.

- **Strengthening Implementation of the Women, Peace and Security Agenda in Nepal: Towards the Implementation of National Action Plan on UNSCRs 1325 and 1820 project (2012–2016)** is a UN Women-managed project aiming at strengthening women's leadership and participation in peace, security and governance processes. The project supports the implementation of the National Action Plan (NAP) on UN Security Council Resolutions (UNSCRs) 1325 and 1820.[4] It is implemented at national level and in three districts in the Far West which were severely affected during the decade-long armed conflict. The GoF supports the project with EUR 1.55 million (including EUR 253 590 additional funding).

- **Advancing Women's Economic Empowerment – Ensuring Nepal's Sustainable and Equitable Development (WEE, 2015–2017)** was launched in March 2015. It is also implemented by UN Women. It will continue UN Women's work in the implementation and monitoring of the NAP on UNSCRs 1325 and 1820 at the national and local levels. The programme aims to (i) enhance the capacity of government officials at the national and district level to integrate and monitor the inclusion of gender equality provisions in economic policies; (ii) strengthen the evidence base for policy advocacy on women's economic empowerment and rights; (iii) ensure that networks of excluded women have the skills and enterprise development assistance for sustainable livelihoods; and (iv) increase the capacity and opportunity of networks of excluded women to influence local and national decision-making processes for sustainable development. Total financing from the MFA is EUR 3.75 million.

- The projects Support to Nepal Peace Trust Fund (NPTF), Support to International Institute for Democracy and Electoral Assistance (IDEA), and Support to National Human Rights Commission (NHRC) are not the subject of this CS evaluation as they ended soon after the CS was introduced.

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[4] UNSCR 1325 is a landmark international legal framework that addresses the inordinate impact of war on women, and also the pivotal role women should and do play in conflict management, conflict resolution and sustainable peace. Passed in 2008, Resolution 1820 calls for the training of troops on preventing and responding to sexual violence, the deployment of more women to peace operations, and the enforcement of zero-tolerance policies for peacekeepers with regards to acts of sexual exploitation or abuse.

Development Result 2: Realisation of economic, social and cultural rights within the context of economic empowerment and adequate service delivery (education, water and sanitation and economic empowerment)

- **Support to School Sector Reform Plan (SSRP, 2009–2015/16)** is implement-ed by the Ministry of Education and supported by nine development partners.[5] The SSRP aims to expand access to education and reduce inequality, improve the quality and relevance of teaching and strengthen the institutional capacity of the entire school system. The SSRP covers the whole country and addresses children from pre-primary to second-ary levels. It reaches 6.2 million schoolchildren and students. Finland has financed the implementation of the SSRP through a pooled fund mechanism since 2009, totalling EUR 23 million during 2009-2016. The GoN share of the total expenditure of the SSRP in FY 2014/15 was 86.6 percent and development partners' was 13.4 percent. In 2014-2015 Finland's share was 4 percent of the pooled funds.

- **The Technical and Vocational Education and Training Soft Skills Project (TSSP)**, also referred to as Technical Assistance for TVET (Soft Skills) Development in School Sector Reform Plan aims to improve secondary education students' capabilities to enter the labour market through the integration of soft skills in the curriculum.[6] The project was initiated during the CEP period in 2009 as a technical education and vocational training project. After lengthy preparation, project implementation started in September 2012. The total TA TVET budget is EUR 1.6 million for 2012-2015, with a no-cost extension until March 2016. A new phase for this project for 2016-2019 will start in 2016.

- **The Rural Village Water Resources Management Project (RVWRMP) 2010–2015 project** aims to improve the quality of life, environmental conditions and opportunities in rural areas in Far-Western Region and two districts in the Mid-Western Regions. The project approach is based on the concept of Integrated Water Resources Management (IWRM) in which, in addition to the promotion of access to drinking water, sanita-tion and hygiene, the thematic areas of the project include irrigation, home gardens, cooperatives and micro-hydro energy. The project had a budget of EUR 26.9 million with a contribution from the GoF of EUR 15.5 million. The project is about to begin its completion phase from 2016-2020, with the previous phase II having run from 2010-2015. A comple-tion phase for 2015-2021 has been signed.

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[5] The ADB and the World Bank are the biggest financing partners (WB 28 percent, ADB 23 percent, Global Partnership for Education (GPE) 17 percent and EU/DFID 10 percent of the total budget). In 2014/15, among the bilateral donors, Denmark's share of pooled funding was 8 percent, Norway's share 6 percent, and Finland's share 4 percent. Other pooling partners are Australia, JICA and UNCEF. Finland was fifth biggest among the nine pooling partners in 2015. Denmark and DFID will discontinue their funding from 2016 onwards.

[6] Soft skills are intra- and inter-personal socio-emotional skills, essential for personal development, social participation and workplace success. Source: Training Manual. Action Learning Group training module 4. Soft Skills teaching and learning activities. Linking teaching and employment. Prepared by the TSSP Team. June 2014.

- **The Rural Water Supply and Sanitation Project (RWSSP-WN II) 2013–2018.** The RWSSP-WN II in Western Nepal aims to improve the water, sanitation and hygiene situation in Western Nepal. It is also in its completion phase, with the first phase having run from 2008–2013. The GoF contribution to the project budget is EUR 13.7 million.

Development Result 3: Natural resource management contributing to rural livelihoods and health through inclusive green economy

- **The Multi-Stakeholder Forestry Programme (MSFP, 2011–2015)** started in 2011 with financial support from DFID, SDC and GoF. The MSFP aims to improve the livelihoods and resilience of poor and disadvantaged people in Nepal. The programme concentrates on developing forestry management, improving private and community-based forestry, and tackling climate change. The project is planned to last ten years (2011–2021), and the initial transition phase is now under way (2012–2016). The total budget for the MSFP is USD 150 million (approximately EUR 132 million) over a ten-year period, with an indicative USD 61.8 million (EUR 55 million) for the first four years. Finnish contribution to the programme 2012–2015 was EUR 10.5 million, constituting approximately 20 percent of the total budget for the first four-year period. In 2016, the MFA decided to discontinue support to the forestry sector and consequently financing the MSFP ended.

- **The Forest Resource Assessment project (FRA) 2009–2014.** The FRA aimed at strengthening evidence-based national forestry policy making by developing a uniform system for collecting and sharing information about the forest stock, biomass and biodiversity in Nepal. The total budget of the project was EUR 6.2 million including an additional budget of EUR 0.7 million in 2013. The project was one of the new projects introduced in the CEP.

- **UNICEF WASH 2011–2016.** The RVWRMP and RWSSP-WN II are complemented by Sanitation and Water for All in the Context of Climate Change Project (WASH) programme implemented by UNICEF and co-funded by Finland. The programme focuses on the national policy level and efforts to move towards a SWAp in the water sector. The GoN is co-funding the WASH for All programme with EUR 9.8 million until the project end in 2016 as it was extended.

- **Technical Assistance for Leasehold Forestry and Livestock Development Programme** (TA-LFLDP) through FAO, during period 2009–2012. The objective of the programme was to institutionalize leasehold forestry as a regular forestry programme throughout Nepal for improving income and livelihoods of the forest-dependent poor while simultaneously conserving forest resources. The GoF TA contribution was EUR 3.2 million. This project is not the subject of this evaluation as it ended soon after the CS was introduced and it is not possible to separate the TA inputs from the overall effectiveness of the programme.

The environment sector was part of the natural resources sector of the CEP. New projects and a completion phase of the SEAM were initiated during the CEP and later carried over to the CS.

- **Strengthening of Environmental Administration and Management at the Local Level in Nepal (SEAM), Completion Phase (2011–2014)** is the third phase of Finnish support to environmental administration and management in Nepal. SEAM I (EUR 2.8 million) was planned in 1997-1998 but due to the difficult circumstances its launch did not take place until 2001, at the time of the insurgency. Phase I (2001-2008) aimed at developing a model for local level environmental management that could be disseminated throughout the country. SEAM phase II (2008-11) extended to four other districts in the south-east corner of Nepal with a budget of EUR 3.5 million. The SEAM completion phase 2011-2014 aimed to expand the project's operations to the national level and strengthen environmental sustainability aspects in the national planning and reporting modalities. The project budget was EUR 3 million. The Post-Evaluation of SEAM 2001-2014 will be conducted in 2016.

- **Regional Solid Waste Management (RSWM) Project** was launched in 2010. It aimed at developing a sustainable regional solid waste collection and management system in the Morang-Sunsari industrial corridor. After initial concept development and piloting, the project had to be closed in 2012 owing to an unforeseen local political problem. An ethnic rights-based Janajati political party strongly disrupted the implementation of the project.

4.3   CS theory of change

The theory of change (TOC) set out in Figure 5 below presents the CS logic. In addition to assessing the overall achievements of the CS and its interventions, this evaluation assesses the extent to which key implicit assumptions in the TOC have been fulfilled. Those assumptions are set out below. Related findings and conclusions are presented in chapters 6 and 7.

Assumptions

1. Constitution promulgated and development of bylaws and regulations progresses.

2. Legal and institutional framework is in place, also for CSO participation.

3. Human and technical capacity (MFA, GoN) is available and meets needs and expectations.

4. There is adequate and timely disbursement from the MFA and complementary financing from GoN and other partners is available.

5. The context allows Finland to continue to operate its development interventions.

6. There is synergy with line ministries.

7. There is social-cultural acceptance towards marginalized groups and of gender equity and inclusive development.

8. GoN accepts CSOs as partners towards service delivery.

9. Necessary institutional framework established by GoN (1.1, 5.1, 6.1).

10. Finnish NGOs continue cooperation in Nepal.

11. Economic growth takes place; corruption decreases.

Figure 5: Nepal Country Strategy theory of change
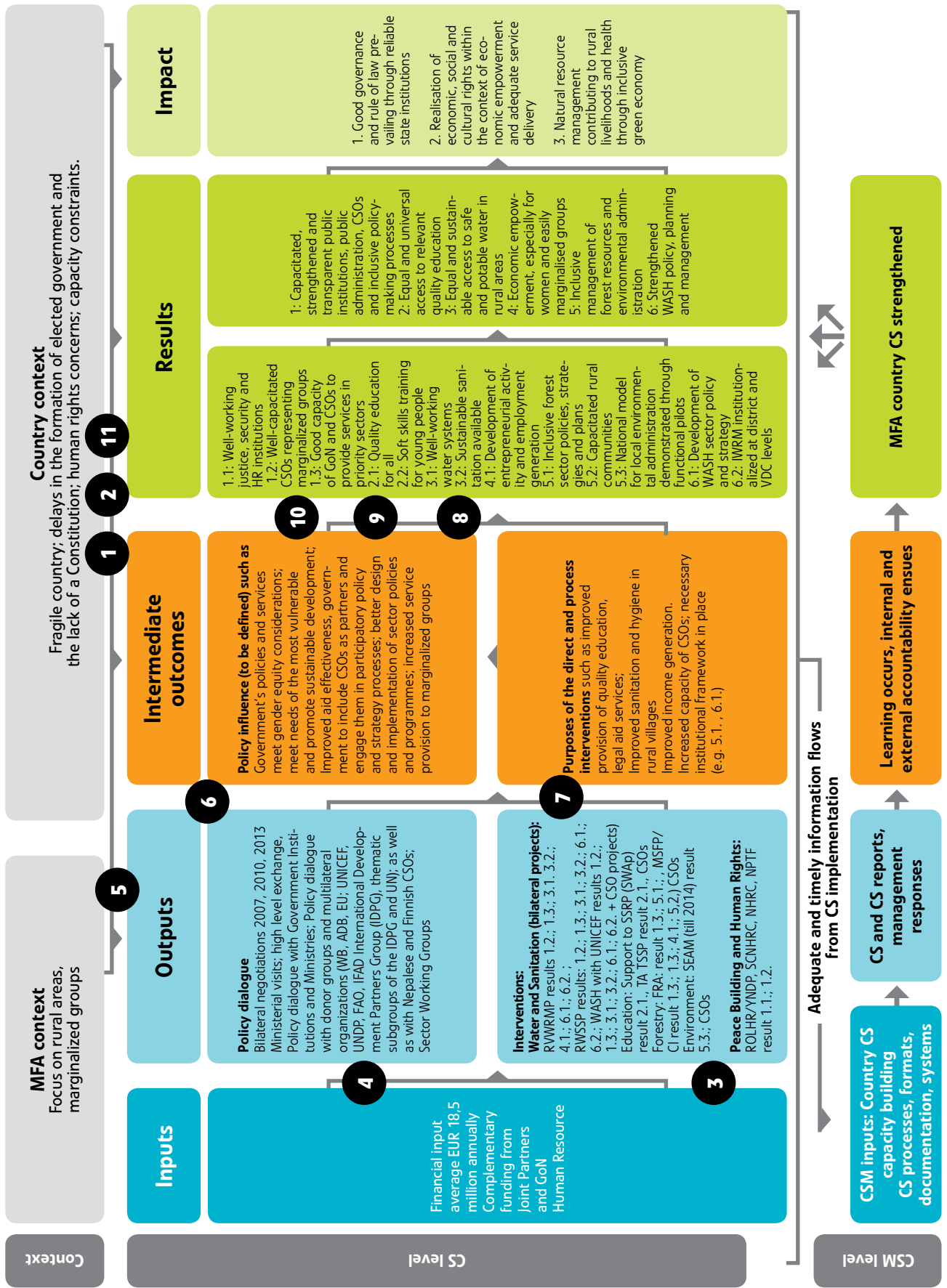
5 COUNTRY STRATEGY EVALUATION FINDINGS

5.1 Relevance

5.1.1 Overall CS relevance

The objectives of the Nepal CS are relevant to national development policies, priorities and programmes. The TYIP stresses employment generation, infrastructure and agriculture as engines for development. The CS is also well aligned with the goals and priorities of the Finnish Development Cooperation Programme's (2007, 2012) objectives, priorities and principles. The objectives of the CS are relevant to the rights and priorities of Nepal's stakeholders and beneficiaries. Both GoF and GoN put a high priority on addressing the needs of the most marginalized and vulnerable people in the society and enhancing their livelihoods.

Relevant aid modalities have been selected. The Education SSRP covers the whole country, water and sanitation support is targeted to the most remote areas, and the forestry and environment interventions are based on a localized approach. Channelling support to human rights and rule of law through UN organizations is also relevant because they have the necessary networks. The selection of target areas (e.g. water, supporting the most affected districts in implementation by NAP of UNSCRs 1325 and 1820) and target population (e.g. women, Dalits) supports the realization of GoN policies of social inclusion.

Finnish support to education, water and sanitation, and employment generation is highly relevant to the rights and priorities of Nepalese stakeholders and beneficiaries with one exception: the environment sector has not been a priority for the GoN, and the cooperation in this sector was initiated by Finland. However, the evaluation reports of environment sector projects consider that GoF support has been relevant in raising awareness and capacities in this sector.

The flexibility of country programming also improves its relevance. For instance, the final evaluation report of TA-LFLDP revealed that the original project objective relating to technical assistance was changed during the inception workshop to make it more relevant to country needs.

Both the CS and related project documents contain limited background analyses to justify the target groups, selected strategies or the need for the project or its continuation. This was also noted in the Appraisal Report (2015) of the TSSP: "Unfortunately there was very little 'hard evidence' in terms of analyses or assessments of capacity development needs that would unequivocally justify the need for TA". More justification could be added to the CS by referencing to relevant background studies and for instance Human Rights Assessments, which would include identification of the relevant human rights related to the

Finnish support is highly relevant to the rights and priorities of beneficiaries.

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CS portfolio, specific sectors or interventions. This assessment would also identify marginalized groups and the effect of the programme on the fulfilment of their rights. Having such an overall assessment would also provide a reference for the interventions in their human rights assessment.

5.1.2   Relevance of CS interventions

The stakeholders interviewed highlighted the relevance of Finnish support and pointed out that Finland focuses on sectors where it has a comparative advantage. Key interventions of the CS contribute to the strategic priority areas of the TYIP as shown in Table 5.

Table 5: Relationship of CS interventions to GoN priorities

GoN strategic priorities	CS interventions and outputs
Inclusive, broad-based and sustainable economic growth	Sustainable economic growth is supported through targeted employability and employment generation interventions (UN Women, MSFP, livelihood component in the RVWRMP), and though education sector projects.
Development of physical infrastructure	Finnish support is targeted to development of school infrastructure as supported through SSRP. A Regional Laboratory was established and is operational in Biratnagar. Water and sanitation includes irrigation and mini-hydro infrastructure, and infrastructure is also created through community forest groups. There was an initiative to establish a solid waste management system, but it was unsuccessful.
Enhancing access to quality social services	Interventions promoting access to social services include SSRP and the RoLHR and UN Women promote local level access to socio-legal aid. FLC projects.
Enhancing good governance	Good governance is mainstreamed in all interventions and a targeted intervention building the capacities of the juridical system and establishing transitional justice mechanism and rule of law.
Empowering socially and economically targeted groups and regions	Water sector projects are implemented in most remote and under-served areas of Nepal, SSRP includes measures for promoting access to education for marginalized groups. UN Women and RoLHR engage women and Dalit organisations in project implementation. Women are engaged in decision-making in water and forestry projects.
Climate change adaptation	All the water programmes have Water Safety Plans (WSP) as a high priority and there are strict requirements that every scheme needs a WSP. In addition recharge ponds are being prepared and a national Recharge Pond Hand Book has been prepared. Climate change adaptation is also done in the UNICEF programme.

RoLHR. The RoLHR programme is relevant to GoN development strategies, as well as the third Five Year Strategic Plan of the Supreme Court. Building the capacities of the juridical system, raising awareness of human rights and establishing transitional justice mechanisms and the rule of law are a high priority for Nepal because ineffective implementation of laws, inadequate access to justice and other basic services, and absence of accountability for many serious human rights violations are serious challenges to the full realization of the rule of law in the country. The activities of the RoLHR programme also respond to the needs of the rights holders as many victims of crime and discrimination are left without support, mainly because of poor mechanisms to deliver support services as well as a lack of awareness among people regarding such provisions, and because trust in the judicial process is low. However, being relevant to frameworks and strategies on the supply side does not necessarily mean that the programme is yet as relevant as it could be to the demand side of the justice equation (Langan 2015).

UN Women. Supporting the implementation of the NAP of the UNSCRs 1325 & 1820 is also relevant – gender inequity exists and it is reported that although the drafting of Nepal's NAP was highly inclusive and collaborative, the same level of collaboration has not been seen during the implementation phase.[7] Improving women's participation is also crucial for democratic development. Advancing Women's Economic Empowerment – Ensuring Nepal's Sustainable and Equitable Development (WEE, 2015–2017) was launched in March 2015. It constitutes a continuation of the Women, Peace and Security support.

Supporting **education** is of high priority for Nepal. The GoN has made significant efforts to get all children to school and the targets for enrolment and gender parity have almost been achieved. However, there are still challenges relating to regional disparities, quality and relevance of education and how to get children from poor families, children with disabilities, and other marginalized children to school. The TSSP project is also relevant as it aims to contribute to the realization of the SSRP objectives of promoting employability, among other objectives such as supporting learning processes and relevance of education. Through the new curriculum and related teacher training, more interactive and student-centred instructional methodologies will be brought into classrooms. Introduction of soft skills is highly relevant from the students' point of view because they do not receive sufficient advice regarding further education or skills which would help them to find – and keep – a job. However, the evaluation team also heard the view that targeting support to "hard skills", i.e. vocational skills which would lead directly to employment, is equally important.

All three of the Finnish **water and sanitation** interventions have been very relevant. The RWSSP-WN II and the RVWRMP III have goals which support the attainment of GoN targets of universal access to improved water and sanitation by 2017 for better hygiene, health and environment, for Nepal to be open defecation-free (ODF) by 2017 (Government of Nepal 2011), for MDG 3 related to the coverage of water and sanitation, and also for the MDGs on child and maternal health, by improving access to safe water supplies. Similarly, by supporting the UNICEF WASH programme, Finland is not only contributing to GoN goals but also has supported sector harmonization and development of more unified sector practices . This is highly relevant as the sector has been relatively fragmented in the past, a problem which is exacerbated by responsibility for the water and sanitation sector being split between two different government ministries, the Ministry of Federal Affairs and Local Development (MoFALD) and the Ministry of Urban Development (MoUD) (KPMG 2014).

The relevance of the three programmes is confirmed by recent reviews which highlight that "the UNICEF (WASH) programme is highly relevant, is operating in all key areas of the sector reform, and supporting the government in its efforts to achieve better sector coordination" (Orgut 2014 p.2). "The project (RVWRMP II) is supporting the achievement of targets of GoN's Millennium Development Goals….(and) is highly relevant to the needs and priorities of local people"(Ramboll 2013 p.28). "Phase II of RWSSP-WN is highly relevant to all beneficiaries and proposed main stakeholders. It provides support to

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[7] Preventing Conflict Transforming Justice Securing the Peace. A Global study on the Implementation of the United Nations Security Council resolution 1325.

GoN in achieving the national policy targets in rural water supply, sanitation and hygiene" (Vikman 2013). This objective is addressed by supporting the Aligning for Action: Sanitation and Water for All in the Context of Climate Change Project (WASH) 2011–2015 which is implemented by UNICEF and co-funded by Finland. The WASH project focuses on the national policy level and on efforts to move towards a SWAp in the water sector. Finland has also acted as a co-chair and in 2014 became the chair of the WASH development partners working group.

Forestry sector. Reports and stakeholder interviews show that the forestry sector interventions have been generally relevant to country policy and needs of the beneficiaries of Nepal, although a number of design features of the MSFP were pointed out as factors reducing its relevance significantly: additions of innovation funds, micro-projects and thematic districts; lack of up-to-date understanding of the dynamic changes including migration, access, business regulations, and differentiated discrimination as well as emerging opportunities; limited attention to blockages seen in the private sector and in relation to local forestry; and the scattered nature of the inputs and the lack of clear targeting In relation to climate change.

The CS interventions are highly relevant to the objectives of the Finnish Development Policy Programme and the MFA Guidelines for Forest Sector (2013). According to these guidelines Finnish development cooperation aims to strengthen the conditions for sustainable forest management and thus achieve equitable economic growth, reduce poverty and prevent environmental hazards. These guidelines also emphasise the rights of women to own land and participate in decision-making concerning the use of forests. Promotion of environmental issues, with special attention to sustainable use of natural resources such as forests, advances sustainable development, addresses the causes of conflicts and thus promotes conflict prevention and resolution.

Technical Assistance to Leasehold Forestry and Livestock Development Programme (TA LFLDP). The project is highly relevant as it combines sustainable management of forest resources, conservation of the environment, and development of livelihoods addressing the rights of women, the poorest and marginalized segments of the society. It is in line with both the DPP with respect to the promotion of human rights, sustainable management of natural resources and environmental protection, and the Nepali Forestry Sector Policy, Poverty Reduction Strategy policies. The leasehold forestry programme is considered to be a Priority 1 Programme for the GoN (Niras 2014).

Relevance of implementation strategies. Some observations are made on the relevance of selection of target areas, beneficiaries and selected strategies. For instance, only 9 MSFP districts out of 20 thematic districts fall into the high/very high category of climate change. As regards the MSFP, a programmatic approach would have been more relevant than supporting 28 small projects. Also, views have been expressed that targeting support to conflict-affected women and former combatants only in the three districts as part of the implementation of UNSCRs 1325 and 1820 was too narrow an approach. A more efficient approach would have been to target all women in the communities and also to engage men. This would have allowed addressing the root causes of dis-

crimination. Furthermore, the MTR of the TA TVET (FCG 2015) considered that soft skills piloting was not used effectively as an experiment pilot to assess what worked and what did not with the purpose of supporting further scaling up and dissemination.

5.1.3 Influence of the CSM on relevance

While the Finnish CS portfolio interventions were found to be relevant in terms of their objectives and design, this relevance largely pre-dates the introduction of the CS, and only limited influence of the CSM could be discerned. As noted above, the limited background analyses in the CS did not support it significantly influencing the relevance of the CS portfolio. The modalities of support were selected prior to the CS, and were not significantly influenced by it.

Nepal, however, is one case where the CS development process had more potential to contribute to relevance insofar as more systematic external consultations were undertaken compared to for example Mozambique or Zambia. These consultations appeared to have confirmed the relevance of the CS portfolio at the time of its introduction.

However, there are lessons learned on the participatory approach in the contrast between the CEP and CS: the more the MFA engages stakeholders from the beginning, the more there is ownership and likely relevance and effectiveness. With the CEP there was no consultation, while the CS is known to government respondents, after a process of consultation during its development.

5.2 Effectiveness

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

5.2.1 Intervention effectiveness

Development Result 1: Good governance and rule of law prevailing through reliable state institutions

RoLHR. The review of the progress reports and interviews with the project implementers suggest that the RoLHR has delivered some outputs towards the strengthening of the legal framework and justice services and towards improving access to rule of law institutions and justice for Nepal's vulnerable populations. According to UNDP, approximately 3,000 people have benefited from community-based socio-legal and psychosocial aid in five districts including greater numbers of women and vulnerable groups. In 2014 the project dealt with 309 criminal cases under the legal aid service of which 24 percent were related to sexual and gender-based violence (SGBV) (AR 2014). Taking the services to communities is innovative for Nepal and serves a different purpose and target beneficiary group than the District Legal Aid Commissions (DLACs). There is, however, little, if any, plan on the part of the GoN to extend pilot districts or make them sustainable.

Finland has delivered outputs to strengthen the legal framework and access to justice services.

The Supreme Court of Nepal developed the third five year strategy (2014-19) for the Nepalese judiciary. A total of 15 lawyers from vulnerable groups received scholarships and are now in a position to carry out legal practice at any level of court. Integration of ex-Maoist Combatants Army into the Nepal Army and the Constituent Assembly election held in November 2013 are some of the remarkable achievements supported by the programme in relation to establishing sustained peace in the country. According to UNDP data, improvement has occurred in four key CS indicators during the most recent year of implementation, 2014-2015:

- The number of vulnerable people benefitting from professional legal aid services has increased from 2038 (Female 1203, male 835) in 2014 to 5391 persons in 2015 (female 3405, male 1986). The proportion of females has almost tripled in one year (Central Legal Aid Committee, Annual Report 2014 & 2015).

- The percentage of sexual-based violence cases dealt with (out of total registered cases in courts) has increased from 5.9 percent in 2014 to 63.6 percent in 2015 (Supreme Court Annual Report, 2014 & 2015).

- The percentage of corruption cases dealt with (out of total registered cases in courts) has significantly increased from 9.8 percent in 2014 to 21 percent in 2015.

- The percentage of caste-based discrimination cases dealt with (out of total registered cases in courts) has gone down from 75 percent in 2014 to 68.5 percent in 2015.

The evaluation of RoLHR (Langan et al. 2015) found that project outputs have laid the foundations for dialogue, justice sector coordination, legal aid, affirmative legal education and legislative reforms, but the overall progress of the project has not been as extensive on the structural issues and process change within the institutions as one could have hoped. Though the results are unsatisfactory, the donor community considers that the timing to exit the UNDP cooperation would be the worst possible because of the emerging needs from the implementation of the new Constitution (Embassy of Finland 2015).

The MTE of the **UN Women NAP on UNSCRs 1325/1820** found the project's progress against outputs satisfactory. The project has supported the formulation of a District Action Plan on NAP implementation and development of a Monitoring Report on NAP on UNSCRs 1325 & 1820. Progressive steps have been taken to ensure integration of the Women Peace and Security (WPS) agenda into the local planning process (e.g. District Development Plan). The project has supported establishment of inter-party women's networks in three districts and provided capacity building to the Ministry of Women and Children's Affairs gender unit and gender focal persons at district level to increase capacity to implement and monitor the National Action Plan.

The skills development training offered by the UN Women project has contributed to improved livelihoods for the beneficiaries (MTE 2015). A total of 150 conflict-affected women, former women combatants and violence against women survivors have received skills training, and 56 graduates (37 percent) started their own enterprise (Progress Update report, UN Women, January 2014–December 2014, quoted in the MTR 2015). Follow-up, market linkages and

skills/knowledge on marketing products are necessary measures to ensure sustainability. There is also a need to move beyond the traditional gender-biased skills (such as handicrafts or home economics).

UN Women is well positioned in the policy dialogue platform but its capacity in policy dialogue and managing broad multi-tier interventions is still limited. Most of the activities have been successfully implemented by concerned partners but with delays. Disbursement is as low as 43 percent.

Strengthening civil society is one of the explicit objectives of the CS. Some prominent results of FLC projects are reported (Embassy of Finland 5.2.2014). There is no systematic monitoring of the NGO support to Nepal and they are not part of the CS monitoring system

Development Result 2: Realisation of economic, social and cultural rights within the context of economic empowerment and adequate service delivery

Education. The overall results of the SSRP are good. The net enrolment rate in primary education (grades 1–5) has increased from 89.1 percent (2008) to 96.2 percent (2015), and girls are only marginally behind boys. Impressive gains have also been made in lower secondary education (grades 6–8), where the girls' net enrolment rate has increased from 49.6 percent to 73.5 percent and now exceeds boys' enrolment. Similar trends are noticeable in secondary education (grades 9–10), though the overall net enrolment rate is still quite low at 54.9 percent. Also, survival rates have increased and the MoE reports that the participation of Dalits and other marginalized caste and ethnic groups in education has increased. Despite significant achievements over the past decade, weak relevance, low quality, and inequity continue to pose major challenges.

Efforts have been initiated to enhance the *access to education to the disadvantaged groups.* Scholarships are provided to girls and children from deprived communities. The government has recently launched an enrolment campaign (School Welcome Programme) targeting out-of-school children. There are questions as to whether these measures are sufficient and sustainable to support children's learning and social inclusion.

Finland has actively promoted EFA goals on the *policy dialogue agenda.* The GoN has shown commitment to Education for All, including children with disabilities and special educational needs, and a "Consolidated Equity Strategy for the school education in Nepal" was published in 2014. The strategy uses the term "inclusive education" but in practice the principles of inclusion have not yet been implemented: schools are not accessible, not all children with disabilities have access to school and the few who can go to school receive education mostly in separate classes set up for children with disabilities.

The TSSP project has delivered most of its outputs: six competence-based soft skills enhanced curricula for English, Mathematics, Nepali, Science, Social Studies and Population and Environment have been developed and approved for grades 9–10. New textbooks for grade 9 were developed by the Curriculum Development Centre and their piloting was done in 22 schools, including 12 intensive piloting (IP) schools. Competence Based Soft Skills (CBSS) teacher training modules have been embedded into teacher in-service training systems implemented by the National Centre for Educational Development (NCED) and

Finland has promoted Education for All goals in policy dialogue.

the local level teacher training centres. A dissemination plan for the curriculum, which was one of the original results of the project, was not developed during the project cycle.

Water and sanitation. The two bilateral projects in the water sector have made good progress in achieving results. The RVWRMP II by the end of 2014 had achieved 70 percent of the project goal of 670 schemes completed and had achieved the majority of its targets by the end of the project (RVWRMP II Project Completion presentation 4.12.15). The first phase of RWSSP-WN exceeded its targets in most key activities, but there have been concerns raised regarding the accuracy of these results. In the second phase it was discovered that not all of the first phase schemes were functional (KPMG 2014). This is being addressed in the second phase and as of mid-November 2015, 67 percent of the total of 318 schemes had been completed, 27 percent were under implementation and 6 percent were in the preparatory phase, indicating that the project is likely to achieve its targets (RWSSP-WN II presentation December 2015).

The UNICEF WASH programme has been effective in promoting national and local level WASH sector coordination, although coordination in the sanitation sector is better than in the water sector. As there is still no agreement on roles and responsibilities in the water sector and the sector, development plans have not been completed, and indicators relating to the objective of one harmonised national WASH programme have not been achieved. Overall the programme has had more success in implementing sanitation schemes than those in water (Orgut 2014 and UNICEF 2015).

In all the Finnish programmes the staff employed have a long history in the sector and an institutional memory, which has been a factor in enhancing programme effectiveness. Also, the technology used is reported to be appropriate to the geographic conditions with low-cost options chosen (Ramboll 2014). However, the quality of water remains an issue as the 2014 Multiple Cluster Survey estimated that 71 percent of the household water supply is tainted with E. coli (Ramboll 2013). In addition, the creation of ODF environments is not sufficient to ensure total sanitation, as households and surrounding areas need to be hygienically maintained and water sources and supply systems protected (UNICEF 2015).

Development result 3: Natural resource management contributing to rural livelihoods and health through inclusive green economy

Finnish Technical Assistance for Leasehold Forest and Livestock Development Programme (2009–2012) was initiated to support the Department of Forests and Department of Livestock Services in improving the effectiveness of the LFLDP and building up appropriate institutional and technical capacities at field, district and central levels to support institutionalization and scaling up of the leasehold forestry in the country. During the inception phase, a decision was made by the government counterpart to use Finnish support in piloting a new approach of leasehold forestry in four new districts outside of the 22 IFAD-supported districts. The piloting has been reported as a great success with potential to be replicated for poverty reduction and improvement in forest coverage and diversity. Technical Assistance to Leasehold Forestry and Livestock Project was ended in 2014.

Bilateral water sector projects have made good progress.

The final evaluation and stakeholder interviews show that a total of 81 leasehold forest user groups (LFUGs) in the 4 TA-supported districts have been formed involving 925 households (Dalits – 57 households, and 761 for indigenous castes). The evaluation report shows improvements in livelihoods, forest coverage, availability of fodder/forage for livestock and saving of time in fodder/forage collection in pilot districts.

The Forest Resource Assessment (FRA) achieved its main objective of creating a reliable database of forest cover and biodiversity using advanced technology. This database will serve as the baseline for all future forest improvement interventions in the country. With regards to the CS strategic objectives, FRA results have contributed to government and CSO capacity to provide service in the forest sector. About 80 foresters were trained on forest resource assessment methodology during the project work. However, the mid-term evaluation (MFA 2012) has indicated inadequate capacity building of the Department of Forest Survey.

Multi–Stakeholder Forestry Programme (MSFP) is the only ongoing project, but the MFA has decided not to continue support to the forestry sector. The start-up and progress have been slow and the MTR has found the performance very poor and management weak. Nevertheless, the MTR notes work on multi-stakeholder processes and GESI (Gender-Specific Equality and Social Inclusions Strategy) as important initiatives. The Ministry of Forests and Soil Conservation (MoFSC) is in the process of approving a Forest Sector Strategy that will replace the old Forest Master Plan of the 1980s and provide the basis for future forest interventions. Interviews with stakeholders show that the National Forest Entity (NFE) is not likely to be approved by the Government of Nepal. The MTR notes that work on evidence-based policy processes and on blockages aimed at improving local situations is limited. However, it has strengthened 23 District Forest and Soil Conservation Coordination Committees and over 850 similar committees at village level.

Environment. The environment sector project SEAM-N was closed in 2014. The evaluation report in 2011 noted that the SEAM-N "project has too many indicators to allow meaningful monitoring and management, and the achievability of quantitative targets varied among the three components, with only one of them being likely to be achieved (suggesting either that efficiency was low or that the targets were unrealistic), but the project has nevertheless been making progress and having an impact on public awareness, capacity of local institutions, pollution control, public health, occupational health and safety, and environmental monitoring." Project and stakeholder interviews of the same project reveal that the project increased public environmental awareness, improved the capacity of local institutions and contributed to better pollution control, public health, occupational health and safety, and environmental monitoring. The regional Environmental Laboratory in Biratnagar is now managed as a "non-profit private limited company". The Regional Solid Waste Management Project ended abruptly before it took off owing to unforeseen local political problems, and concepts developed during the initial phase were handed over to the government counterparts.

5.2.2 Contribution of interventions results to the CS objectives

Table 6 offers an assessment of contribution by the CS interventions and their results to Finland's objectives. The team drew on existing evaluations and expert and stakeholder feedback to assess the expected result chain of the CS from the intervention results to the specific objectives. In the case of Nepal, the specific objectives were formulated in a way that is closely aligned to the intervention results. Hence, for the most part, the team could argue contribution at this level except where interventions did not deliver (yet, in some cases) on their planned results.

Table 6: Outputs of the interventions and their contribution to the Finnish objectives

Development result	Finland's objectives and indicators
1: Good governance and rule of law prevailing through reliable state institutions	**FINLAND'S OBJECTIVE 1:** Capacitated, strengthened and transparent public institutions, public administration, CSOs and inclusive policy-making processes
	Specific objective 1.1.: Capacitated, accessible and accountable justice, security and human rights institutions.
	According to the MTR, the contribution of the **Rule of Law and Human Rights (RoLHR)** programme to development result 1 is modest compared to the project's magnitude (Langan 2015). The MTR recommended undertaking a complete revision and reprioritization of the outputs of the RoLHR. Similar conclusions were drawn from the **Support to National Human Rights Commission (SNHRC)**, which ended in 2014: The project did not manage to build a sustainable core capacity in the NHRC to protect and promote human rights (Langan 2014). The CSOs are engaged in the RoLHR and UN Women projects, in the water and sanitation and environment sector projects as well as in the implementation of the FLC, but it remains unclear how their capacities have been assessed and addressed. The evaluation team concludes that though the CS interventions demonstrate some immediate results, their achievements towards the objective are modest.
	Specific Objective 1.2: CSOs representing women and vulnerable groups have the capacity to contribute to democratic development, policy definition processes and accountability of public administration.
	As indicated above, limited information is available on the capacities of the CSOs engaged in implementation of the **UN Women** projects in the three districts and about their contribution to policy development. However, take-up of VDC level Inter-Party Women's Alliances (IPWA) in non-project VDCs is one of the positive unintended consequences (MTE 2015). Promising results are found in **water and forestry** sector projects where the representation of women and DAGs in local level forest management and decision making has increased. There are no reports indicating participation of CSOs representing other vulnerable groups (e.g. persons with disabilities) though, so the contribution is limited.

Development result	Finland's objectives and indicators
1: Good governance and rule of law prevailing through reliable state institutions	**1.3. Strengthened capacity of government organisations and CSOs to provide services in priority sectors (water, education and forest)**
	Some significant achievements are found in terms of Finnish contribution to Government and CSO capacity, though the results are mixed: The Public Expenditure Survey (World Bank 2014) conclusion on improvement in institutional capacity to implement the **School Sector Reform Plan SSRP** (PETS 2014) allows the team to argue a contribution from the support to the target objectives. Also, the establishment of the National Assessment of Student Achievement system (NASA) is a major contribution to the Ministry of Education's (MoE's) capacity to establish evidence-based decision and policy making. However, its institutionalization is pending on the Education Act approval. Furthermore, the database created by the **Forest Resource Assessment (FRA)** serves all future forest interventions in the country, but it was learned that not all actors are aware of this facility, so its contribution is still somewhat theoretical. The Regional Environmental Laboratory in Biratnagar is functional and is now managed as "non-profit private limited company". It employs six people.
	The **SEAM-N** evaluation reports and stakeholder interviews reveal that the concept of local level environmental management has been institutionalized by the local bodies and MoFALD (see e.g. Wikman 2012). However, the establishment of the National Forest Entity (NFE), which is envisioned as the platform for inclusive forest management, has not materialised and there is no evidence that it is likely to be established in future. Also, there are questions about whether the capacity building of the Department of Forest Survey has been sufficient. Limited information is available about CSO capacities and participation in service delivery. With regards to the water sector, the evaluation team observed strengthened capacities at all levels, including women.
2: Realisation of economic, social and cultural rights within the context of economic empowerment and adequate service delivery	**FINLAND'S OBJECTIVE 2:** Equal and universal access to relevant quality education
	Specific objective 2.1: Effective implementation of education sector policy and plans leading to full participation and quality education for all (including marginalized groups)
	The evaluation team found a plausible contribution from the Finnish intervention to participation in education and gender parity, but also notes that the objective regarding marginalized groups has not been achieved. Also, concerns about quality remain. The attempts to promote quality and relevance of education through the **TSSP** have reached only a fraction of teachers who also need capacities to address a variety of educational support needs. Finland has contributed to the establishment of the national assessment for student achievement system (NASA) at Education Review Office of the MOE which provides data for evidence-based decision making and supports potential quality improvements. The TSSP support has focused on improving the learning process and relevance of the education for instance through development and delivery of teacher training programmes and by introducing new assessment methods and soft skills in the curricula.
	Specific objective 2.2: Soft Skills training for young people facilitates the transit from school to work
	The achievement of this result cannot be evaluated as the Soft Skills curriculum has not yet been disseminated.

Development result	Finland's objectives and indicators
2: Realisation of economic, social and cultural rights within the context of economic empowerment and adequate service delivery	**FINLAND'S OBJECTIVE 3:** Equal and sustainable access to safe and potable water in rural areas
	Specific objective 3.1: Water systems are working and reach all rural populations in project areas
	The evaluation team is able to argue a contribution from the interventions to the objectives targeted, even if only for the areas in which the interventions were delivered. The integrated approach of the **RVWRMP** with water resources, sanitation, hygiene and livelihood activities at the core has been effective (Ramboll 2014) and the interviews with GoN officials suggest that a similar approach could have enhanced the RWSSP-WN programme. RVWRMP II had achieved the majority of its targets by the end of the project (RVWRMP II Project Completion presentation 4.12.15). In the second phase it was discovered that not all of the first phase schemes were functional (KPMG 2014). This is being addressed and as of mid-November 2015, 67 percent of the total 318 schemes had been completed, 27 percent were under implementation and 6 percent were in the preparatory phase, indicating that the project is likely to achieve these targets (RWSSP-WN II presentation December 2015). This is however a function of the level at which the specific objective is formulated. Although the bilateral programme models have been effective, it has not been possible for the GoN to replicate these because of resource constraints.
	Specific objective 3.2: Sustainable sanitation available at all institutions and households in project working areas
	The **WASH** projects contributed towards the achievement of this objective as the projects supported VDCs' and districts' Open Defecation-Free (ODF) targets. These were achieved as the RVWRMP II had supported 128 VDCs and 5 districts to become ODF by 2015, the RWSSP-WN 593 VDCs, 23 Municipalities and 10 districts and UNICEF 214 VDCs, 16 municipalities and 6 districts by 2015. Also, RWSSP-WN II had contributed to 7 Gender Friend School Toilets and drinking water facilities for 43 Schools and UNICEF 360 by 2015. Other evidence is that in the water and sanitation sector it was highlighted by GoN officials that Finland has been influential in bringing a focus on sanitation, which had not previously been present in GoN projects. The evaluation team is able to argue a contribution from the interventions to the objectives targeted.
	FINLAND'S OBJECTIVE 4: Economic empowerment, especially for women and easily marginalized groups
	Specific objective 4.1: Development of entrepreneurial activity and employment generation, especially women's entrepreneurship, and improved livelihoods for easily marginalized groups
	The MSFP 2015 reports that all together 5,633 jobs[8] were created through forest-based enterprise including 38 percent of jobs for women and 58 percent for disadvantaged groups (DAGs). Additionally, 24,936 poor and DAG households have accessed livelihood support. The 23 women employed by the Paper Enterprise in Ramecchap confirmed that they have a job with income of NPR 350 per days for 10 months (EUR 70 per month), which is a considerable input to family income. UN Women has also provided skills training to 150 conflict-affected women and 56 graduates (37 percent) started their own enterprise (MTE 2015). This, however, represents only 3 percent of the entire beneficiary population. It can be concluded that the projects have contributed to this outcome; follow up is needed to track impacts and sustainability.

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[8] Job is defined as employment over three months above the minimum wage level.

Development result	Finland's objectives and indicators
3: Natural resource management contributing to rural livelihoods and health through inclusive green economy.	**FINLAND'S OBJECTIVE 5:** Inclusive management of forest resources and environmental administration.
	Specific objective 5.1: GoN and non-state actors define and implement inclusive forest sector policies, strategies and plans at national, district and local level that contribute to climate change adaptation and disaster risk reduction.
	Inclusive management of forest resources and environmental administration has been partially achieved. A number of sector policies, strategies and plans are defined and being implemented. Forest Sector Strategy 2016 has been enacted and it replaces the Forest Sector Master Plan of the 1980s, which was also developed with Finnish support. The current Forest Sector Strategy has been updated to better respond to climate change and Finland has supported strengthening the capacities of the GoN and non-state actors in its implementation at all levels. Limitations to the participation of non-state actors in policy and strategy definition are reported due to the hesitation of the GoN towards participation of the non-state sector in policy and strategy level decision making. Finland has been influential towards the definition and implementation of policies, strategies and plans through its participation in policy dialogue.

In the case of FRA, the data sharing and dissemination mechanisms between organisations are not functional as yet. Also, all line agencies were not fully aware of the national level nature of information generated by FRA. |
	Specific objective 5.2: Rural communities benefit from local forest management, processing of forest products and forest-related value chains.
	The **LFLDP** pilot Communities in four districts and in MSFP districts have been benefiting from forest management and processing of forest products and a forest-related value chain. The **MSFP** has capacitated a significant number of 10 500 community forestry user groups which benefit from forest resources. MSFP has provided livelihood support to over 57,000 poor households. MSFP has created over 19,000 jobs and there has been a 2.5 fold increase in private sector investment in forestry business (from NPR 146 million in 2013 to NR 385 million in 2015). MSFP has planted 13.7 million tree seedlings and supported nearly 4800 ha of afforestation. The team reveals that the projects have made a contribution to the targeted objective.
	Specific objective 5.3. National Model for local environmental administration demonstrated through functional pilots in project areas.
	The national model for local environmental administration was demonstrated through local environmental awareness initiatives. However, due to unforeseen political problems, a major local environmental administration initiative (Regional Solid Waste Management Project) could not be implemented. However, concept and approach piloted by SEAM have been adopted by the GoN under Environmental Friendly Local Governance Framework 2013.
	FINLAND'S OBJECTIVE 6: Strengthened WASH policy, planning and management
	Specific objective 6.1: Development of WASH sector policy, strategy and establishment of sector coordination framework and joint review practices that recognize the importance of rural WASH.
	The WASH sector stakeholder group meetings are held annually. A joint sector financing strategy and a Sector Development Plan (SDP).have not yet been endorsed and implemented. The SDP at an advanced stage and is expected to be endorsed in late 2016; however, the financing strategy has not been undertaken and the GoN has decided that it may not proceed with this, but rather include finance-related considerations within the SDP, and there is still no agreement on roles and responsibilities in the water sector and the sector strategy. Therefore although this objective has not yet been fully achieved there has been progress over the last two years with both the Embassy and UNICEF contributing to this.

Development result	Finland's objectives and indicators
3: Natural resource management contributing to rural livelihoods and health through inclusive green economy.	Specific objective 6.2: Integrated water resources management (IWRM) institutionalised at district and VDC levels in project areas
	The programmes have had some success in promoting IWRM at the district and local level, but there is no clear evidence that it has been institutionalised. The WASH units at district level established under RWSSP-WN I ceased to function before RWSSP-WN II commenced. The RVWRMP II MTR noted that the results of institutional capacity development at district level were mixed (Ramboll 2013). The new constitution envisages a devolved structure of government, suggesting that the district level will no longer exist, which has implications for sustainability, although the bilateral projects have focused on village development committees (VDCs) and water user committees (WUCs) which are more likely to continue in the future and therefore promote sustainability. There is evidence of good contributions to this objective, but it is stronger at VDC than at district level, with strong levels of commitment and ownership being shown.

Based on the analysis above, it can be concluded that Finland's interventions contributed to or are likely to have contributed to the achievement of CS objectives in each sector, with some qualifications.

5.2.3 Assessing the impact of policy influencing

Finland has achieved some success in leveraging its interventions and investments through policy dialogue, towards the Finnish specific and CS objectives. Finland has participated actively in policy dialogue in all sectors. In the education sector, Finland is a member of the pooling partners and co-chairing the donors group (with UNICEF chairing) and participates in the sector reviews and work of the thematic groups (chairing one). Finland has been chairing the water sector working group and has had strong participation in policy dialogue . In the forestry sector Finland has been influential in promoting national policies in a broader donor group and with the GoN. In addition to this, the Embassy is also actively participating in the steering committees of the bilateral interventions. Finland has also been a co-chair (with UN Women chairing) of the Peace Support Working group of the NAP on UNSCRs 1325 & 1820 and a chair of the Social Cluster.

It has been in a relatively good position to influence education policies and programme development (KPMG 2014). Water sector policy development, Forest Master Plan (updated 2016), bilingual education, national assessment systems (NASA) and soft skills were regularly mentioned as Finnish-supported policy achievements. In the education sector, the good reputation of the Finnish education system, technical support from the National Board of Education (NBE), and the experience and active attitude of the staff of the Finnish Embassy are seen as strengths enabling Finland to be proactive in education sector development. The Counsellors and the Special Advisor have also actively highlighted and commented on the proposals and documents on the table and made proposals for improvement in all sectors. This was also confirmed in the KPMG audit (2014).

The inputs of the Counsellors were valued by the GoN and other stakeholders but a GoN representative also made the suggestion of engaging MFA senior staff in policy dialogue and monitoring. This would bring an external perspective to sector development, as the Counsellors are involved in implementation.

The stakeholder interviews confirmed that Finland has made a much wider policy impact beyond its funding share by actively participating in aid coordination and policy dialogue and that Finland is one of the "active players" which respects the GoN priorities and that it has a good relationship with the GoN. The following reasons were identified as factors contributing to the impacts of the policy influencing: the Finnish development policy programme provides clear guidance for the policy dialogue, e.g. Finland explicitly promotes reduction of inequality and inclusive development; the Embassy has qualified

and motivated counsellors for each sector; and the MFA is also quite flexible and was able to provide an additional staff member to support the chairmanship in the water sector. It is also recognized that many of the achievements and impacts are based on a long-term commitment and that they are the combined result of project implementation and policy level work.

5.2.4 Contribution of the CSM to effectiveness of the CS portfolio

Over the CS period the main change to the CS portfolio has been to exit the forest sector in view of the budget cuts implemented from 2016: this was influenced by the CS processes, which highlighted the degree to which the current interventions were achieving their planned results.

However, the CS has served as a step towards RBM which should in principle aid more effective CS interventions.

The ability of the CSM to contribute to the effectiveness of the programme was somewhat constrained by the quality of the CS results framework: the indicator framework is a mix of output, outcome and process indicators and some indicators seemed to have relatively little relevance to the sector or to the Finnish contribution. There is also limited outcome level information available for the country team to verify the contribution pathways to the targeted objective.

However, as a result of the introduction of the CS reporting has improved. The Embassy has initiated a narrative reporting of each intervention annexed to the annual reports using its own format. This has strengthened a results-orientation in CS portfolio management.

While policy dialogue did help leverage Finnish interventions to achieve the specific objectives, this was not clearly as result of the CSM. The CS does not set clear targets for policy dialogue and it is also not included in the monitoring framework. The CS reporting format contains a section for policy dialogue, but the review of the annual reports shows that the Finnish contribution to the policy dialogue is not adequately recorded or incentivised. However, in the case of Nepal, the country-based reporting from each intervention that supports CS reporting has a section that sets out policy influence linked to the intervention.

5.3 Impact

The evaluation assessed the likely contribution of the Finnish specific objectives to the target country results.

5.3.1 Overall assessment of CS impacts

The contribution gap, discussed under section 1.5, limits this assessment. In the case of the Nepal CS and CS portfolio, this gap lies between the Finnish objectives targeted and the country development results. The discussion here focuses on the contribution to the objective level of the CS, but does provide hypotheses on the feasibility that achievement of the objective, where it occurred, contributed to country development results observed

The observations are, however, qualified. The CS's theory of change makes a number of assumptions the validity of which affects the likelihood of contri-

The Country Strategy does not set targets for policy dialogue.

bution of Finnish support to impacts. These include the fundamental assumption of the constitution and legal framework being available. To large extent this expectation has not been met. It is also difficult to assess the long-term impacts as the implementation of the Federal system will bring in new organisational structures and arrangements (e.g. the role of the district level authorities will change). Therefore, it is difficult to verify for instance the institutionalization of new approaches and achievements.

Overall the evaluation found that sequencing interventions in phases tends to improve the impact and sustainability of CS portfolio achievements; there is also some evidence of added value with regards to impacts.

5.3.2 Impact by CS result area

Good governance and rule of law prevailing through reliable state institutions

Rule of Law and Human Rights. According to the Embassy of Finland (2016), the Rule of Law and Human Rights Protection system in Nepal has shown some positive and systematic changes. In the most recent Rule of Law Index Nepal ranks 48 out of 102 countries which is the best performance among the low-income countries. Nepal has a strong Supreme Court and a vigilant Human Rights Commission. There is, however, reluctance in the government to implement all the rulings. For instance, while the Truth and Reconciliation Commission and the Commission of the Enforced Disappearances have been established, they have not shown any visible progress. The services taken to the local levels have evidently impacted the vulnerable population, but data on the impacts and changes are not collected (Embassy of Finland 2016). However, Nepal's rural and remote regions continue to experience high incidences of gender- and caste-based discrimination, according the expert respondents.

There is also a lack of baseline and outcome data on the results targeted. For instance, there are no data available on capacities and capacity gaps of CSOs. Whilst the evaluation can therefore postulate that there has been contribution to the positive system changes observed, given the argued contribution to the specific objectives, it is not possible to describe the magnitude of the contribution.

Realisation of economic, social and cultural rights within the context of economic empowerment and adequate service delivery

Equal and universal access to relevant and quality education. The "realization of economic, social and cultural rights" is dependent on many factors, including significant changes in the legal framework, in traditions and in the mindset of the Nepalese people. Assessing the impact of the CS portfolio on livelihoods should also be addressed with caution as this is subject to many external factors. However, the evaluation was able to identify the following feasible pathways to impact in the CS portfolio:

The SSRP has contributed to adequate service delivery through its effects on the planning and monitoring systems of the MoE. In the absence of the SSRP the data generation system would be much less developed. Finland has contrib-

The Country Strategy projects have contributed to positive system changes in Rule of Law, but it is not possible to describe the magnitude of the contribution.

uted to the establishment of the national assessment for student achievement system (NASA) at Education Review Office of the MOE which provides data for evidence-based decision making and potential quality improvements.

The policies supported by Finland, however, may have unintended effects if teachers are not provided with sufficient skills to implement them. For instance, the increased focus on learning achievements as education outcomes has led to the introduction of different assessment systems (NASA, Continuous Assessment, Early Grade Reading Assessment, and assessment of Soft Skills, just to mention a few) and so far many teachers are still not aware of them. Launching reforms in assessment would also require sensitization of parents and students themselves; otherwise the impacts may be divisive. Monitoring of the effects of the reforms would also require assessment of what actually happens in the classroom and how the new skills obtained in teacher training are transferred to instructional practice. This information would explain at least part of the poor learning outcomes.

The impacts of widening the provision of basic education (up to grade 8) on employment, earnings, and livelihoods, while entirely plausible, will be seen in the long term. It is also too early to assess the contribution of the TSSP soft skills support to the target results as the curriculum has not been disseminated and taken into use. Much of this contribution will depend on how the concepts of soft skills and competence-based curricula are understood and disseminated through the curriculum, text books and teacher training.

Equal and sustainable access to safe and potable water in rural areas. All of Finland's interventions in the water and sanitation sector are feasibly contributing to equal and sustainable access to safe and potable water in rural areas, and through that to the realisation of rights. Beneficiaries reported that there had been major benefits from reducing the amount of time women spent collecting water, improving health and hygiene and increasing opportunities for income-generating activities. Limited studies have been undertaken on the health benefits of improved water and sanitation, but these have indicated potential positive benefits (Orgut 2014). The extent to which the impacts reported are sustained will depend on the extent to which water and sanitation schemes are maintained. The quality of water, as indicated earlier in this report, remains a problem and detracts from the likelihood of a long-term contribution to health impact.

Economic empowerment for women and easily marginalised groups. Women's representation in the Constituent Assembly increased to 29 percent in the November 2013 elections from 2.9 percent in 1991 (in the then parliament). This is a significant achievement given that the involvement of the GoN in addressing women's rights and their empowerment issues is a rather recent phenomenon which has been the result of the women's movement and donor enforcement rather than an internal realisation of the need for gender equality and a commitment by either the men of Nepal or the government that they form (Banerjee et al. 2010).

Natural resource management contributing to rural livelihoods and health through inclusive green economy

Inclusive management of forest resources and environmental administration. The impacts in the forest sector are the result of long-term cooperation and can be argued to build a plausible pathway to the development results targeted. The concept of scientific forest management introduced by Finland during the 1980s is now being practiced by the GoN in different districts. The Forest Master Plan prepared in 1988 with Finnish support has to date guided all forest-related interventions in the country and its updated version (Forest Sector Strategy) has been approved by the GoN. The stakeholders interviewed argue that the improvements observed in forest coverage, biodiversity, watershed quality, and livelihoods are at least partly attributed to the Master Plan, and the core policies and strategies (e.g. Forest Policy 2015, organisational reform of soil conservation department and national parks, Watershed policy 2014, implementation of Watershed Management Act, and formation of Chure Conservation Board 2014) were cited as the impacts of the Forest Master Plan.

The MTR of the SEAM-N revealed that the creation of Environmental Sub Committees (ESCs) and Environmental Sections within District Development Committees (DDCs) and municipalities, and relevant capacity building have positive impacts on environmental management at the local level, but also noted that the new institutions can probably remain more active in municipalities, which are not seriously affected by senior staff transfers.

The livelihoods of the poorest families from socially excluded groups like Magar, Thakur and Dalits have improved significantly as a result of the leasehold forestry and livestock programme in four pilot districts where Finland provided technical assistance (through FAO). The results of this project also suggest that the forest coverage and biodiversity have improved. Some of the leasehold forestry groups have received awards for their exemplary performance from MoFSC and the Ministry of Environment, Science and Technology. Infrastructure development (road, drinking water, schools) has occurred around the project sites, which have become model demonstration sites. The achievements of this project show impacts against objective 5.2.

Strengthened WASH policy, planning and management. The assessment of effectiveness above show promising results of the Finnish support through UNICEF towards the specific objective on sector management, but the targeted WASH coordinated sector approach is still emerging. While in principle the development of a WASH sector policy, strategy and coordination framework will lead to strengthened WASH policy, planning and management, it is too early to make an assessment of the contribution and impact.

On the other hand there are also promising results on the institutionalisation of IWRM at district and village development committee level. If these are sustained within new decentralised structures – see discussion below on sustainability – and that leads to sustainability of the water schemes, the contribution to the objective and development result is plausible. A remaining concern though is the quality of water, which may negatively affect the health impacts.

The impacts in the forest sector are the result of long-term cooperation.

5.3.3   Contribution of the CSM to impact of the CS portfolio

The CSM has influenced the CS portfolio only to a limited degree towards higher impact. It can be argued that the decision to exit the forestry sector, where the current multi-stakeholder intervention was slow to deliver results, means that the overall contribution of the portfolio to the CS results areas has been strengthened. This is despite the evaluation showing impact from the CS portfolio in the forestry sector, as this impact is due to interventions that preceded the CS period.

While the introduction of RBM in CS portfolio management should in theory contribute to better impacts, the format of the CS, the quality of the result framework in Nepal, and the lack of targeting of policy influence and its weak discussion reports, in combination mean that the CSM did not contribute significantly to the country team's ability to formulate more plausible and better monitored pathways from Finnish interventions to impact, over and above the pathways that were already in place in the inherited CS portfolio. The format of the CS does not allow pathways to be clearly and measurably formulated, as it is anchored to the high country development result level, which inevitably leaves a contribution gap from relatively small Finnish interventions. Nearly all informants in the MFA and in the Embassy concur that there is a need to simplify the results framework and to review the indicators because it is difficult to demonstrate the impact pathways from the projects to the relatively abstract development results.

5.4   Efficiency

5.4.1   Efficiency of the CS portfolio

Project implementation challenges. Delays in project implementation and low disbursement rates are reported. Although according to information received from the MFA the overall disbursement rate increased from 55.5 percent in 2013 to 77.5 percent in 2014 (see Figure 6 below), relatively low disbursement rates of 30–40 percent for individual projects are reported (e.g., the MTE found that the NAP implementation project had used only 43 percent of its total budget by December 2014). The reported reasons commonly relate to low capacity of the implementing agencies and over-ambitious plans. Capacity assessments are not commonly measured at the project formulation and inception phase. Also, setting up an efficient management system for projects which engage several stakeholders at different levels requires significant capacities and time.

Project implementation delays and low disbursement rates are reported.

Figure 6: Budgeted and disbused expenditure by year 2010–2015
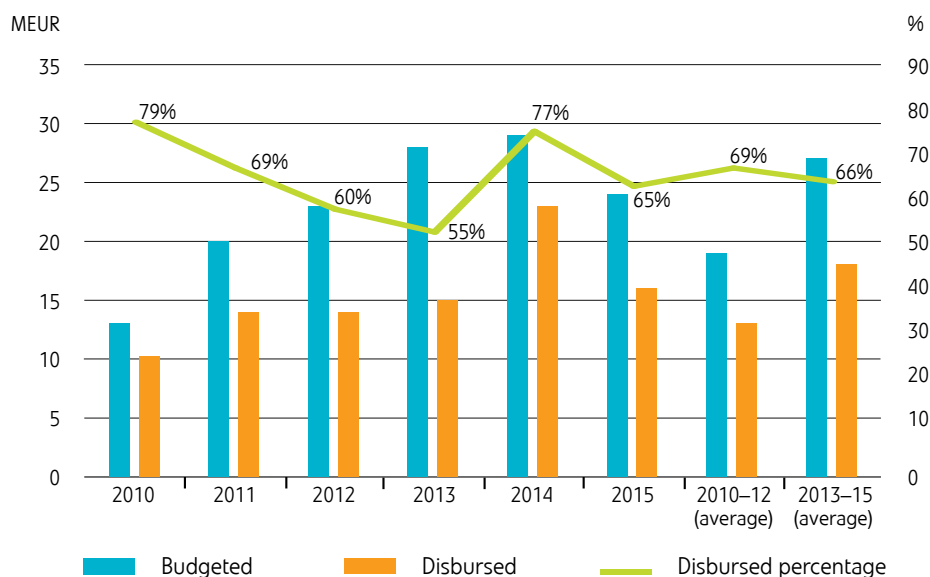
Source: MFA 2016. Note: Pre-2010 data are not available in comparable formats.

Education Sector. According to the Public Expenditure Survey (PETS 2014) the implementation rates of the SSRP over the five years indicate that there has been an improvement in institutional capacity to implement the SSRP. The coefficient of internal efficiency[9] within the first five-year period increased from 0.49 to 0.75. This means student drop-out rates have decreased, and promotion to the next level and retention have increased. Because the SSRP is used to finance the sector without any earmarking for specific interventions this can be regarded as a positive finding on efficiency of the Finnish resources. The MTR (FCG 2014) of the TA TVET found that better alignment with MoE structures would have improved the efficiency of the programme. Also, the expanded piloting (adding 56 new schools in August 2014) did not support the achievement of the project objectives.

Water and Sanitation. There is evidence on the efficiency of Finnish projects in the water and sanitation sector. For example, the MTR of the RVWRMP II found that the average per capita cost is comparable to that of other agencies/projects (Ramboll 2015). In the case of the RVWRMP II the costs of implementing the scheme are higher compared to other regions in Nepal because the remoteness of the region results in high transport costs, which increases the costs of construction materials. However, the per capita costs of RWSSP-WN I are reported to be competitive compared to similar water supply projects and are 39 percent lower compared to RVWRMP II (KPMG 2014). A recent value for money study was undertaken for the UNICEF WASH Programme which made recommendations on the collection of data to measure value for money, but also noted that the correct strategies and targets were being focused on achieving value for money provided that these strategies were implemented effectively (WYG and UNICEF 2015).

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[9] This is a composite indicator that combines retention, drop out and promotion of students.

Forestry. Evaluations have highlighted efficiency-related issues in all the forestry programmes. Generally, there have been delays in programme implementation and disbursement of funds. Staff turnover is another issue common to all the programmes. An evaluation reported reduced efficiency for SEAM-Nepal during its second phase due to the expansion of the project area into less industrialised and polluted locations, the higher number of activities attempted, political instability and the unpredictable business environment. Reduced efficiency of international short-term inputs due to periodic absences of counterpart staff was reported for FRA. The main efficiency issue cited by the evaluation concerning technical assistance to the leasehold forestry and livestock programme was that the Food and Agriculture Organization of the United Nations (FAO) financial monitoring system is based on conventional accounting budget lines, and the efficiency of project activities at output level cannot be assessed because financial management and expenditure reporting procedures do not provide project-relatable information. Lack of focus, fragmented modalities and standalone enterprises, and limited expenditure and results were cited by the MTR as the key efficiency issues with MSFP.

With regards to the MSFP, the KPMG performance audit (KPMG 2014) noted that the MSFP had disbursed only 32 percent of the total budget for the Transition Phase compared to the 63 percent cumulative management costs for the period of January 2012–July 2014. This finding suggests that the aim of reducing transaction costs and harmonising processes among donors on one hand and between donors and the GoN on the other does not necessarily lead to more efficient or effective project implementation.

Risk management

Towards the end of the evaluation period unforeseen **contextual risks** influenced the implementation of the CS portfolio interventions, and by extension the CS. Although the April 2015 earthquake and the economic blockade by India as well as unrest following the promulgation of the new constitution did not directly influence the areas where Finnish projects operate, the impacts of these events are long-lasting and nationwide.

With regards to **institutional risks**, over-ambitious designs and underestimation of capacity needs in project implementation have impacted on the achievement of the CS interventions. Reported reasons for weaknesses in project implementation also include delays from GoN in disbursing funds. Another reported challenge is the reluctance of the Nepalese authorities to engage donor agencies and TA in the rule of law development process and policy processes (Langan 2014).

Identified **programmatic risks** include socio-cultural factors and a lack of commitment from all stakeholders to promote social inclusion and equity. There are also concerns as to the extent to which the GoN is willing to accept CSOs as implementing partners as there are indications of tighter government control of CSOs.

While a Counsellor was appointed for each sector (Education, Water and Forestry) and there were locally employed staff in the Embassy, there has been high staff turnover in the MFA during the evaluation period. The Desk Officer has changed three times and the post was vacant several times, totalling seven months during the CS period. The expertise of MFA sector advisers has been

utilized to varying degrees. Challenges to efficiency also include high staff turn-over and changes in personnel in GoN, which have reduced the level of commitment and efficiency.

5.4.2 Contribution of the CSM to CS portfolio efficiency

Over the CSM period disbursement has improved: this was aided by the regular review of the CS portfolio across interventions as part of the CSM.

The CSM however did not contribute to risk management. Though a risk management matrix is included in the CS and is also a part of most of the project documents, risk management is still underdeveloped. Risks and assumptions are mixed, and risks are defined at each result level for each sector, totalling more than 30 risks. Furthermore, the definition of the risks is vague and also risk response measures are defined at a very general level. All this leads to inadequate risk management across the programme both in the MFA and in the Embassy. It is evident that the MFA and the country teams need more capacity for identifying and managing risks, at the intervention and CS portfolio level. For example, disaster risk reduction should be part of the formulation and management of any intervention and should also be analysed at the CS level.

5.5 Sustainability

5.5.1 Sustainability of the CS portfolio

Good governance and the rule of law. Though access to localized socio-legal services has been introduced in the targeted districts of the RoLHR programme and there is a significant increase in the use of these services particularly by women, the GoN has not shown any sign of maintaining them or scaling up the approach to other districts (Langan 2015). Sustainability of the UN Women interventions is based on the assumption that the local partners and CSOs gain sufficient capacity and resources to continue the programme activities, but there are also concerns about whether this will be the case as the space for CSOs seems to be contracting. Nevertheless, the project has also established structures and capacities within the GoN structures to keep the gender issues on the agenda.

Education sector support. The education sector support (SSRP) operates within the framework of the GoN's regular planning and reporting cycles, policies and structures. Annual planning is carried out with a bottom-up approach and it starts from the school improvement plan at the school level, which paves the way for the implementation of the Federal system. However, strengthening capacities across the education sector will be critical to ensure long-term financial, technical and institutional sustainability of the achievements made.

There is a decreasing trend in both GoN and donor funding to the education sector. The education sector share of the national budget has dropped from 13.92 percent in 2014/15 to 12.04 percent for the fiscal year 2015/16. SSRP costs are substantially higher than had been envisioned owing to the increase in teacher salaries, the cost of textbook printing and per capita grants. The forthcoming School Sector Development Plan 2016–2022 also needs to consolidate

Over the CSM period disbursement improved.

and address the loss of DFID's and Denmark's support which ended in 2014 and simultaneously plan and implement the rehabilitation of the post-earthquake school infrastructure. This will pose risks to the quality of education and to the attempts to enrol marginalized children in school. It is highly unlikely that the SSRP with its present activities will be financially sustainable without additional external support in 2016/2017 and for many years beyond (MTR of SSRP in March 2012, quoted in Embassy of Finland 2016a).

Soft Skills are now embedded in the 9th and 10th grade curriculum and Soft Skills training modules are incorporated in the training programmes of the NCED for nationwide dissemination. A second phase "Technical Assistance for the Competence-Based Soft Skills Development in School Education in Nepal (TASS)" is expected to support the introduction of soft skills through grades 1 to 10 and in classroom practices through teacher training and localized dissemination strategies. It will start in spring 2016.

Water and sanitation. All three programmes in the **water and sanitation** sector have put considerable efforts into incorporating measures to ensure sustainability of systems. This has been done by working through GoN WASH systems and strengthening the capacity of WASH institutions. Key to this has been working through DDCs, VDCs and WUCs. Future sustainability will be primarily dependent on the functioning of WUCs, and the continued collection of water user fees to allow operations and maintenance for district planning functions to continue.

There are question marks regarding the extent to which water schemes will be sustainable. On the one hand, contributions by GoN and users are a large proportion of project spending, suggesting a high level of commitment. In RVWRMP II the funding from GoN, DDCs, VDCs and users has been 42 percent of the total budget (KPMG 2014). For RWSSP-WN I this was 22 percent and it is planned to be 41 percent in phase II (KPMG 2014). Also, WUCs are reported to be strong in many cases and the fact that water schemes are demand-led also suggests potentially high levels of sustainability, while ODF status is likely to be sustainable as the number of unused/abandoned toilets is low, around 2 percent nationally (Orgut 2014).

On the other hand, the MTR of the UNICEF WASH programme commented that "work needs to be done to improve the sustainability of water supply installations. This relates to procedural issues of strengthening ownership and capacity of WUCs to manage schemes, such as advocating effective systems for cost recovery and systems for WUCs to access investment financing" (Orgut 2014 p. 3). The RVWRMP II MTR also found many community-managed water supply systems that were well constructed and functional, but also noted that some schemes were not managed satisfactorily. Of the 315 schemes constructed in Phases I and II, 64 percent were fully functional (Ramboll 2013), which was highlighted in the appraisal report for the third phase as needing addressing (GoN and MFA 2015). Overall, the recent Multiple Indicator Cluster Survey indicated that although there was an increase in the population using improved drinking water sources from 66 percent in 1990 to 91 percent in 2014, more than 70 percent of water supply schemes in Nepal were in need of repair, rehabilitation or reconstruction (NMICS 2014).

The institutional structures, which the programmes supported, also need to be sustainable and there are some indications that this may not be the case. The WASH units at district level established under RWSSP-WN I ceased to function in the interim before RWSSP-WN II commenced, and the RVWRMP II MTR noted that the results of institutional capacity development at district level were mixed (Ramboll 2013). Additionally, the new Constitution envisages a devolved structure of government, suggesting that the district level will be no longer exist, which may have implications for sustainability, although the bilateral projects have also focused on village development committees (VDCs) and WUCs which are more likely to continue in the future.

Forestry sector. Evaluation reports of forestry sector interventions have indicated issues of sustainability in more or less all the programmes. In the case of FRA, the evaluation found no indication that the processes and systems introduced through the project would be sustainable, as the FRA inventory teams were recruited from the forestry colleges or hired externally. The evaluation also noted that the capacity for remeasuring the plots at the local level is missing.

While the benefits in terms of poverty reduction and forest coverage improvement in the pilot districts of LFLDP are likely to be sustained for years to come, the key question concerns replication of the model in other districts: no concrete plans to replicate the success exist to date, despite the demonstration effect of the pilot programme. There are no indications that the approach, systems and structures adopted by the programme during the piloting will be institutionalised by the larger IFAD programme in 22 districts.

The MTR commented that the MSFP did not have a clear theory of change to evaluate sustainability and recommended redesigning this programme. GoF has decided not to continue its support. SDC and DFID have also decided not to continue the programme in its current format. Even though Leasehold Forestry is a priority for the GoN and is widely recognised as a good development approach to poverty alleviation, sufficient resources have not been allocated to further the programme and for the setup of institutional arrangements which would ensure the status of Leasehold Forestry equivalent to Community Forestry, and other forest management regimes have not taken place (NIRAS 2014).

Sequencing of projects in several phases or introduction of a "completion phase" (e.g. SEAM) are used as common sustainability measures for CS interventions. In some cases the new phase was accompanied by an analysis of how the project was to be contextualized, but in most cases the decision for an extension was based on recommendations of the MTRs or a Steering Committee decision. For instance, the project document of the new phase of the TA TSSP explicitly spells out that the intervention aims at "ensuring sustainability and scaling up the achievements made during the first phase" (2016).

The Evaluation Team questions whether the findings of an MTR or MTE provide a sufficient basis for making a decision on the continuation of a project, as this decision should be based on the actual achievements and identified gaps and further development needs which probably can be seen only by the end of the project implementation. Also, with regards to no-cost extensions, a more in-depth analysis would be needed to identify the actual reasons for the no-cost extension (e.g. whether it is due to management capacities, project design or

over-ambitious work plans). Alternative and/or additional measures such as rapid feasibility analyses could be applied.

5.5.2 Contribution of the CSM to CS portfolio sustainability

There is no evidence that the implementation of the CSM contributed to sustainability. The evaluation team did not find an instance where the CSM process led to a change in intervention implementation choices, either in terms of what gets done or how it is done.

5.6 Complementarity, Coordination and Coherence

Complementarity. Currently, the CSO support (both FLC and CSO) is not included in the CS, though it accounts for 22 percent of the Nepal portfolio[10] (In 2013 the total budget of the FLC was EUR 420 000). "Continuous support from the CSOs" is one of the underlying assumptions included in the CS logic model. In addition, in 2013 MFA financed 58 projects altogether, implemented by 15 Finnish CSOs.

The Embassy developed a new FLC plan in 2013. This plan highlighted the complementary purpose of the FLC. According to it FLC targets the CS's development result 1 through a) Promotion of Human Rights and defending and enhancing the human rights of the most vulnerable groups; and b) Innovative ideas linked with the CS in Nepal. Also, the recently issued MFA manual for FLC Coordinators (MFA 2016) emphasises the complementary role of the FLC as an instrument giving added value for the CS. This manual also presents the new role of FLC as to support cooperation between private-sector actors in the host country and Finland in accordance with the priorities of the 2016 Development Policy.

The FLC projects complement the CS. A total of 12 projects were funded under the following thematic areas: education (7), rural livelihood and energy (3), human rights (1), and support to the NGO Federation in Nepal (1). In early 2014, the Ambassador made the decision to close down the FLC projects and they are gradually being phased out.

According to KPMG (2015) the Finnish NGO projects are implemented in various sectors: health, education, democracy/media, WASH, tourism, environment, and agriculture. Seven framework NGOs implement broader development programmes in Nepal with multiple projects in different sectors including education, social inclusion, disaster risk preparedness, and human rights.

There is space for better coordination and complementarity between CSO projects themselves and between CSO projects and bilateral projects. While the FLC projects are managed by the Embassy, the CSO projects are managed by the Unit for Civil Society Development in the MFA. The regional departments have limited mechanisms to manage the CSO support, which is said to be one of the main causes for not including CSO projects in the CS. The focus group

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[10] In 2013 there were 19 Finnish NGOs or foundations in Nepal implementing 45 projects altogether with a total annual budget of EUR 4.6 million. This includes the "bilateral projecst" implemented by Finnish NGOs with thei Nepales partners CSO, projects of the framework NGOs which receive their financing from their global portfolios and the expenditure of projects financed by the ABILIS foundation (KPMG 2014). According to the MFA accounting system (MFA 2016) there are 15 "bilateral" NGO projects with expenditure allocated to Nepal with a total expenditure of EUR 1.4 million.

with the Finnish CSOs concluded that being part of the CS could be an advantage for the CSOs because it could strengthen the CSO development cooperation policy relevance in the eyes of Finnish stakeholders. However, it is necessary that the CSOs can keep their freedom in selecting the sectors they work in. The focus groups also concluded that the common denominator and objective of "strengthened civil society" should be better monitored at all levels.

The CS indicates that in the future, alignment with and contribution to the country strategy (which is available to the long-term partner countries only) might be considered by the GoF as one criterion for financing NGO projects. This criterion was included in the selection process of the new partnership organisations in 2013.

Coordination with donors. Finland's support is well coordinated with other donors. It complements the support of other partners in all sectors where it is working. Water and sanitation is supported in rural and remote areas, where Finland is the only donor. Databases have been developed in the forestry sector and in the education sector, and the TA to curriculum development complements the SSRP implementation.

The UNDP-managed RoLHR and the UN Women-managed projects have coordinated some activities. In the education, water and forestry sectors coordination is relatively well organized and the risks for overlapping are rather limited. Finland also plays an important role in sector dialogue and donor coordination forums.

The MSFP has increased attention to coordination at different levels. However, the MTR shows that the MSFP has limited inter-ministry cooperation e.g. between MoFALD and the Ministry of Environment, Science and Technology, and little cooperation between non-state actors. The MTR also reveals that MSFP does not seem to cooperate well with other projects operating in the same area, including agriculture, energy development and social welfare. There have been attempts to establish coordination mechanisms at district level.

Alignment with country systems. Both bilateral programmes in the water and sanitation sector use district financial, planning and existing WASH structures (KMPG 2014). UNICEF financial support is reflected in the GoN red book and is therefore in the government planning and budgeting framework; more recently some funds have been channelled through the treasury system. The main area where there is a lack of alignment and coordination is that the Embassy of Finland reporting system does not align with the GoN fiscal year/reporting structures, which many Finnish projects follow. This creates an additional burden in terms of data collection and reporting for projects who often have to report twice. KPMG (2014) noted that the contributions of the contracting parties have not been reflected in the GoN Annual Budget Book as a whole and that there was a need for increased coherence and accuracy in the financial planning, combined with disciplined implementation of the planned interventions.

Coherence. There is internal coherence within the sectors but less coherence between the sectors. For instance, the TSSP supports the implementation of the SSRP and provides first-hand feedback to the policy dialogue. In addition,

Finland's support is well coordinated with other donors.

the two bilateral projects on implementation of water and sanitation schemes are strongly complemented by the UNICEF WASH programme which works at a higher level to advocate for policy and institutional strengthening of key government agencies and a move towards one WASH sector development plan (KPMG 2014 annex 8). However, the MTR notes that the UNICEF WASH programme could utilise the experience of the Finnish bilateral projects better, especially the RVWRMP, in terms of replication of best practices (Orgut 2014 and KPMG 2014). There is also lesson learning between the two bilateral water projects (RWSSP-WN II and RVWRMP II 2015). For example, they share manuals and guidelines. Finland has also co-chaired and is now chairing the Sector Working Groups, while the Embassy also works with Finnish NGOs on WASH and creates synergies with bilateral programmes/UNICEF WASH by bringing them together for meetings and lesson-learning sessions.

Trade with Nepal has been limited. Marketing of the Finnpartnership services has relied mainly on local contacts and targeted marketing is not carried out. However, Finnpartnership reports they have received altogether 28 applications from Finnish companies seeking business partnership support during past years. Eighteen applications totalling EUR 559 114 have received financial support for the planning, development and training aiming at establishing commercial activity in developing countries in the following sectors: Information and Communication Technology (five applications), education services (three applications), handicraft (three applications) environment (three applications), energy (two applications) and construction, electricity and textile industry, research and development (one application each). Out of three matchmaking applications received from Nepalese companies one has been registered. Detailed information on how the initiatives could link with the bilateral support is not available, neither is follow-up information on the progress made. Thus it is difficult to verify to what extent there is external coherence with the other funding mechanisms.

The Country Strategy has not been used effectively as a tool to promote coherence between sectors.

There is little evidence of inter-sector coherence being exploited in the CS portfolio. For instance, the water project results that have a strong focus on educating local people on personal hygiene (RWSSP-WN) could be more proactively disseminated in the communities and for example in schools. This project is an example of how the outcomes of a project in one sector can facilitate the achievement of outcomes in another sector: better sanitation facilities and separate toilets in schools for boys and girls can increase the attendance of girls. Promoting access to water, sanitation and hygiene, including the availability of handwashing facilities, can also be a major driver of school attendance because this prevents the spread of communicable diseases. Also, though the MSFP contains an education component targeted to 9th grade, there are also unused opportunities for neighbouring schools in the project implementation areas to benefit from the project and its activities. The expertise of UN Women has not so far been utilized by the other projects, except the rule of law programme.

While the CS emphasised the need to develop stronger synergies with Nepalese and Finnish NGOs towards common goals, the CSM processes did not contribute to this complementarity, as the CS portfolio, which was the set of interventions monitored and discussed in these processes, did not include this support.

The CS has not been efficiently used as a tool to promote coherence between the sectors, despite such coherence potentially being a significant by-product of a CS insofar as it provides opportunities to review interventions outside of sector and intervention silos. The CSM has made limited improvements to existing intra-sector coherence through the intervention review processes that occur in line with CS reporting.

The CSM has not significantly increased the coordination and alignment of the CS portfolio with government systems or other donors, insofar as the coordination and alignment observed, was already part of the interventions prior to the introduction of the CS.

5.7 HRBA and Cross–Cutting Objectives across Evaluation Criteria

Human Rights–Based Approach (HRBA). HRBA was assessed against the three dimensions spelt out in Finland's guidance on the approach (MFA 2015), namely whether interventions advanced the realization of human rights as a development result; inclusive, promoted participatory and non-discriminatory development processes; and enhanced the capacities of rights holders and duty bearers and other responsible actors to realize rights.

The CS portfolio promotes the realization of the basic rights to education, water, economic empowerment and participation and aims to strengthen the capacities of the duty bearers and rights holders in protection and fulfilment of human rights. Particular attention is given to vulnerable groups, particularly Dalits and women. Targeted support to Peace and Development and Rule of Law seeks to eliminate discrimination by addressing root causes in legislation and justice. The interventions include a number of objectives and activities aimed at making development processes more inclusive, participatory and non-discriminatory as well, including in the water and sanitation, and governance and human rights and law pillars of the CS portfolio.

Gender and inequality. Most of the programmes in the CS portfolio have a strong focus on empowering women. Gender equity is promoted through targeted interventions, by mainstreaming and through policy dialogue. Targeted interventions include the RoLHR and UN Women and CSO projects. The SSRP aims to mainstream gender equality in the education system. Principles of gender equality and social inclusion are also incorporated in water sector projects and to some extent in forestry and environment interventions. The MTR of the MSFP, however, reveals that the gender and social inclusion-related outcome has been weak and the component poorly designed. In addition the MTR of the TSSP found that gender equity and the inclusion of the disadvantaged have not been explicitly addressed in project activities though this is one of the project objectives.

Targeted support is provided to the poorest and most disadvantaged regions. The NAP implementation is also targeted to three districts which have suffered most from the conflict. Some of the achievements so far are listed below.

- The SSRP SWAp has successfully promoted universal access to basic education and achieved gender parity in enrolment at all levels. There

The country strategy promotes the rights to education, water, economic empowerment and participation.

are also no significant differences in learning outcomes between boys and girls. The SSRP includes affirmative action promoting the enrolment of girls and children from poor families and marginalized groups.

- The water sector projects aim to engage women and Dalits in decision-making bodies. In the RVWRMP (2014) more than one third (36 percent) of the User Group key position holders were women, 13 percent were Dalits and 7 percent were Janajatis. This is still below the proportional targets but an increase compared to the situation at the start of the project. It is also notable that the impacts of the water project have had strong gender implications, as women have benefited considerably from a reduction in the time taken to collect water and from participation in decision-making though WUCs and User Groups.

- The MTR of the UNICEF WASH highlights that the programme is "actively promoting gender equality and social inclusion on a national policy level as well as in its local level programme interventions" (Orgut 2014 p.41). The bilateral projects have developed "valid approaches for a human rights based approach, especially regarding empowerment of women and vulnerable groups", and it is noted that the HRBA and GESI Action Plans that both the RVWRMP II and RWSSP-WN II share are a good strategy for addressing these issues (GoN and MFA 2015 p.24).

- The SEAM-N II has integrated gender in all relevant activities and reports are gender-sensitive and socially inclusive to some extent. However, Wikman (2010) notes that empowerment of women and other disadvantaged groups (DAGs) is a complex process where the ultimate target is changing perceptions and sharing power and resources for an equitable society.

- The UN Women's project activities aim at increasing participation of women at the national and local levels. Protection of women and girls has also gained increased attention particularly in the post-earthquake actions. However, little evidence on the project's achievements was available in the MTR and other reports available to the evaluation team.

Not all projects have been successful in promoting gender equity. The Final Evaluation (2014) of the UNDP-managed RoLHR project found that in addition to focusing on capacitating duty bearers such as the NHRC and raising the awareness for example of the Nepal Police on sexual and gender-based violence (SGBV) issues, the projects could have done more to target women's empowerment and ways in which women can actually claim their rights. The evaluation concluded that gender remains the weakest point in the NHRC's work to date and that there is very little evidence of the NHRC acting as a human rights commission in response to female victims' rights and SGBV. A question also exists as to the current capacity of the NHRC regional offices to work with local justice sector actors (police, etc.) on women's rights.

Addressing equity requires a broader approach, engaging communities and men. In the IFAD-supported districts women seem to have equal access to and benefits from loans, but some reports suggest that there is still a tendency for men to make decisions on issues involving money in the households (Niras 2014). The evaluation team also heard opinions that a broader approach, engag-

ing whole communities including men, would be more effective in addressing the root causes of inequality and discrimination rather than targeting only a selected group of women in the NAP implementation process.

It is also noted that while attention is given to promotion of gender and the rights of Dalits, less attention is given to other vulnerable groups such as persons with disabilities. For instance, children with disabilities still face barriers in getting a basic education. Schools are physically inaccessible, teachers are inadequately trained, and some children with disabilities are unjustly denied admission to neighbourhood schools. The MoE has recognized the need to provide education for these children and uses the term 'inclusive education' but in practice the system is not yet inclusive and children with disabilities are still educated mainly in specialized institutions or in integrated classes. More information is also needed to learn what to extent social inclusion in schools has taken place and whether there are discriminatory practices at school level.

Climate Sustainability. There is some attention to the cross-cutting objective of environmental sustainability, but there has been less focus on this. For instance, although climate change is in the UNICEF WASH programme title, there has not been much focus on it. Climate change adaptation was a high priority in MSFP and in water projects.

HIV/AIDS. The cross-cutting theme (2007) of combating HIV/AIDS was not explicitly addressed in the interventions. Nepal's HIV prevalence has not changed much over the last five years; according to UNAIDS statistics it has remained very low (0.2 percent).

5.7.1 Contribution of the CSM to realisation of the cross-cutting objectives

The CSM encourages the implementation of Finland's development policy objectives through CS portfolios by requiring a consideration of these objectives in selecting country interventions and modalities. This should strengthen realisation of the objectives through the country interventions.

In the case of Nepal the inherited interventions already included significant aspects that supported the realisation of human rights, equity and poverty reduction. There is little evidence that the CS strengthened these aspects. In fact, climate change objectives which had arguably been weakly reflected in country interventions prior to the CS, were not strengthened significantly during the CS period. Furthermore, as discussed already, limited human rights analysis meant that the CS did not fully exploit opportunities to implement the HRBA through the country interventions.

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

Section 4.3 sets out the TOC for Nepal, highlighting the assumptions on which it is based. In this section we analyse to what extent the assumptions hold. In summary, the evaluation found that in areas in which the TOC result chain was not fully realised, context assumptions not holding played a role in this. Disbursement delays and programme implementation difficulties also affected Finland's

ability to fully deploy its resources towards maximum contribution to the development results targeted. However, there are some cases in which the CS portfolio was able to ensure that assumptions held and was able to deliver towards the target results. Notable in this respect is the use of capacity at the Embassy to contribute to policy dialogue, leveraging intervention resources for greater effectiveness, and the work of programmes on socio-cultural acceptance of marginalised groups, gender equality and inclusive development.

Table 7: Assessment of CS TOC assumptions on the CS portfolio performance

Assumptions in theory of change	Findings
Constitution promulgated and development of bylaws and regulations progresses.	This happened as late as in September 2015 and the development of bylaws and regulations is at an initial stage.
Legal and institutional framework is in place, also for CSO participation.	Another critical assumption was that the legal and institutional framework was in place. This has not held. The promulgation of the amendment of the Education Act was envisioned as the major policy reform under SSRP, but this is yet to happen, thereby affecting the other envisioned reforms, including institutionalization of NASA. Improvements in overall governance and public financial management envisioned by SSRP are lagging behind. Also, the establishment of the Truth Commission in accordance with international norms was delayed. The effectiveness of the NHRC ultimately depends on whether or not competent Commissioners are appointed in line with the Paris Principles.
Human and technical capacity (MFA, GoN) is available and meets needs and expectations.	Furthermore, high staff turnover in the MFA and the GoN agencies was regularly reported by the projects and programmes. There was however success in the capacity of the Embassy to maintain active dialogue in the sector and take DP chairmanship in 2014. There has been less success in developing sustainable local capacity.
There is adequate and timely disbursement from the MFA and complementary financing from GoN and other partners is available.	In general, the evaluation found that the GoF and GoN financial resources have been available in a timely manner, with a few exceptions. The main exception was in the water and sanitation sector where the GoN contribution is normally only received towards the end of the fiscal year. The GoN has provided adequate policy support and commitment, so assumptions from inputs to outputs hold largely true. Also, while Finnish resources were available to be disbursed, various intervention-specific factors meant that disbursement rates were low particularly at the start of the CS period, implying that fully available resources were not working on the ground to achieve the TOC result chain.
The context allows Finland to continue to operate its development interventions.	The security situation has allowed projects to continue their work in remote rural areas, though in late 2015 the blockade by India affected all mobility and implementation in Nepal. The earthquake in April 2015 did not critically affect the project sites of Finnish support but nationwide it had significant effects on development. There were also assumptions that the operational space for projects to work in remote rural areas would remain in spite of political instability and that sanitation did not take all the attention from the wider integrated water resource management development objectives in the WASH sector. Both of these assumptions have proved to be correct.

Assumptions in theory of change	Findings
There is social-cultural acceptance towards marginalized groups and of gender equity and inclusive development.	A critical assumption is cultural-social acceptance towards marginalized groups and of gender equity and inclusive development.
	The bilateral projects worked to ensure both that the assumptions related to the socio-cultural challenges in terms of sanitation in the Terai were overcome and that the caste system/social pressure did not hinder women and marginalized groups from participating and developing entre-preneurship; these goals were realized by including components addressing these areas in the bilateral programmes.
	Though participation of women and girls and representatives from vulner-able groups in various activities has increased, there are still questions as to what extent this participation truly contributes to social inclusion and full participation and whether discriminatory practices still occur within schools. So far, very little evidence-based follow-up information is available in this regard.
GoN accepts CSOs as partners towards service delivery.	The CS is based on the assumption that the GoN takes the CSOs as equal partners in service delivery. This assumption has not held. Annual reports to MFA from the Finnish Embassy in Kathmandu have clearly indicated the hesitation of the GoN towards the participation of the non-state sec-tor in policy and strategy level decision making. The evaluation team also heard about challenges Finnish NGOs face in trying to find NGO partners at local levels, which is a requirement of the GoN, or in getting registered in Nepal. In general, it seems that the operating environment for CSOs is getting narrower.
Necessary institutional framework established by GoN (1.1, 5.1, 6.1).	This differed across sectors. In governance and rule of law and education there was progress. In forestry the assumption that "GoN, civil society and private sector agree on principles of forest policy" of the CS related to this TOC assumption has held to some extent. There is some evidence that the Forestry Policy 2015 provides more scope for private sector participation in forestry. However, the fact that the National Forest Entity has not been and is not likely to be enacted shows the limitations of the assumption.
	In the water sector the sector-wide institutions are slow in being established.
Finnish NGOs continue cooperation in Nepal;	This is one of the key assumptions in the CS logic model. The findings of the evaluation suggest that the operational environment both of Nepalese and of foreign CSOs is becoming narrower. The registration process for foreign NGOs is cumbersome. Also, the budget cuts in Finland will reduce the continuation of the NGO collaboration in Nepal and hinder establish-ment of new partnerships.

6 CSM EVALUATION FINDINGS

The findings of the evaluation suggest that the CSM has been useful for the development of a comprehensive view of Finnish bilateral support to Nepal and for enhancing results orientation. The CSM has provided a platform for the analysis of the country situation by objective and by sector, not only by intervention.

Relevance of the CSM. The CSM is relevant to the MFA and to CS portfolio managers in Helsinki and the Embassy insofar as the CS reports, its logic model, results framework and risk matrix help the communication between the MFA and the country team, and they are used as a reference in the development discussion in the Embassy. The respondents found it to be very useful to look up from the operational management of projects to their intended results, particularly coupled to the Embassy-instituted intervention review process linked to CSM reporting.

The relevance and use of CSs could be enhanced by anchoring the CS and its objectives to proper country, sector or thematic analyses. For instance, an overall Human Rights Assessment should be part of the CS to highlight the contextual CS environment.

Effectiveness of the CSM. The effectiveness of the CSM in influencing the CS portfolio to perform better was discussed against each of the evaluation criteria in chapter 5 above. Overall, the finding is that the use of the CS as a management tool is rather limited.

A good practice process innovation in Nepal is the annual review process of individual interventions at the Embassy level linked to CS reporting. Each intervention produces a narrative annual report which provides useful easy-to-access summaries on projects. This makes the CS process both more relevant and more effective for country managers. These narrative reports also serve as a reference for communication and dissemination. However, better utilization of the reports as a management tool should be promoted.

The external consultation with stakeholders undertaken during the CS development is also a Nepal-specific aspect of the CSM, which has helped the country team to assess its relevance, and built ownership of the approach towards effectiveness.

The CSM could however also be used better as a tool for establishing coherence within the programme and for identification of synergy benefits. Such benefits could be identified, for instance, between the two UN Women-managed projects, the RoLHR project and education and water sector projects.

The CSM is not yet institutionalized in the programming processes. It has guided the selection of the new projects to some extent, but the evaluation team found that only a few MTRs or evaluation terms of reference made reference to the CS. The CS could also contain an evaluation plan highlighting the forthcoming evaluations. Impact evaluations should also be considered. In addition

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to project and sector evaluations, the MFA could also consider commissioning evaluations addressing certain CS objectives. The project evaluations should more effectively address the CS objectives.

Efficiency of the CSM. The initial CSM implementation and transition from the CEP involved some duplication of effort between the Embassy and Helsinki, and on account of different sets of instructions. Also, there was no systematic training of country teams to formulate CSs in response to instructions. Given that RBM as an approach was new to MFA staff, including the development of indicators at country level, this detracted from both the effectiveness of the CS and the ease with which it was implemented.

The timing of CSM processes is not well aligned to intervention reporting cycles, or to government reporting cycles. This means that there is a high transaction cost for the Embassy to undertake the annual review. Partly this transaction cost is on account of the deeper information collection process from the intervention level than what is practiced in other countries. This, however, the evaluation found to be cost-effective, given that it is likely to be a key pathway to enhance the effectiveness of the CSM.

Sustainability of the CSM. The embassy staff express the need for more systematic and on-going capacity development on RBM to make the CSM more sustainable. Also, the CSM-prescribed framework for the CS limited its usefulness as a management tool given the contribution gap between the country intervention result level and the CS objectives and results targeted, which thereby affects its sustainability in Nepal. To some degree the Nepal-specific intervention reporting processes helped overcome this limitation by supplementing the high-level CSM review focus with an explicit implementation level review focus on what Finland can feasibly address through changes to its interventions.

7 CONCLUSIONS

Nepal country strategy

1. **The CS has been relevant and it is well aligned with GoN and GoF priorities.** It responds to the priority needs of the GoN and the priorities and policy goals of the MFA. The CS supports relevant sectors – water, and education – where Finland has a comparative advantage. Also focusing on environment and climate change as introduced by the CEP would have been appropriate but would have made the portfolio too fragmented. However, it is hard to argue that the Nepal team for the past few years has had comparative advantage in the rule of law sector. No one in the team (Embassy or MFA) has specific expertise in the sector and there has been no twinning or other utilisation of Finnish expertise. Because the implementation of the RoLHR has not been as effective as expected, the MFA could explore alternative and/or additional options such as an ICI instrument or other arrangements to support the judicial sector which is critical to the implementation of the new Constitution and realization of Human Rights.

2. **Relevance could be improved by including background analyses and an overall human rights assessment in the CS.** In future, the implementation of the Constitution will direct needs and priorities. In particular, the introduction of the Federal system will put pressure on the development of decentralized systems which would ensure equality between the regions.

3. **The CS has served in the MFA as a tool for developing a more analytical approach to Finnish development cooperation in Nepal.** The CS did not significantly influence the programming as most of the interventions were inherited from the previous period. It was developed in a collaborative manner, engaging stakeholders both in Nepal and in Finland. It has furthered the results-based monitoring. The CS goal of working towards fewer interventions and a more coherent portfolio has been achieved.

4. **Finnish interventions have contributed to wellbeing of the beneficiaries by supporting access to education, water and employment for the poor and in rural areas.** The CS interventions have delivered most of their planned outputs with a few exceptions, and at this level therefore the country portfolio can be said to be effective. Challenges have however been faced when project designs have been too complex and when there have been limited implementation capacities. The assessment of the impacts is challenging because of impact statements that are too broad and a lack of baseline data.

5. **The contribution to development results of the CS is supported further by the significant inputs that are provided to policy dialogue.** There is sufficient evidence to suggest, specifically in the education sector, that this dialogue has been an effective instrument in the CS.

6. **Cross-cutting objectives, particularly gender, have been incorporated in the project designs and reported at CS level.** More attention needs to be given to enhancing the competencies of women and persons from disadvantaged groups to strengthen their self-confidence to participate and contribute. Little evidence is available on how social inclusion really works and whether discriminatory practises are still applied. Multiple means are used to promote gender and human rights, including targeted interventions, mainstreaming and policy dialogue.

7. **There is evidence of efficient achievement of intervention results, but delays in project implementation are also reported.** Many projects have been provided with no-cost extensions to complete planned activities and as a sustainability measure.

8. **Overall the efficiency is good: good staffing has contributed to it, but the high turnover in the MFA has been detrimental to it.**

9. **No-cost extensions and sequencing of projects into phases have been commonly applied to ensure sustainability.** The decisions for such extensions are usually based on the retrospective analysis presented in the MTR or MTE and no proper feasibility analyses on the added value of the sequencing have been conducted. In general, the projects do not have an exit plan or sustainability strategy.

10. While there is some degree of complementarity and coherence within the sectors, less coherence is observed across the sectors, though the CS provides opportunities for the establishment of such synergies and complementarity.

Country Strategy Modality

11. **The CSM has contributed to the relevance of the country portfolio,** by contributing to a relevant multidimensional strategy and a good mix of projects and implementing agencies, as well as political dialogue in coordination with other development partners that responded to Nepal's development needs.

12. **The CSM format does not contribute to providing effective assessment of country portfolio effectiveness.** The CS logic model contains too many layers of objectives. The monitoring framework contains indicators which are not relevant for tracking the achievement of CS objectives. At the same time policy dialogue, which is a key part of achieving effectiveness and impact beyond direct intervention results, is not effectively targeted or tracked by the instrument in practice.

13. **The complementary role of the FLC and CSO work is not considered in the CS,** though CSO support accounts for a significant proportion of overall Finnish support to Nepal and CSOs are also an integral element of CS implementation. CSOs play an important role in advocacy and service delivery. They need to be supported as it seems that the CSO space is shrinking in Nepal.

14. **The CSM has the potential to enhance the effectiveness of Finnish aid through improved complementarity and coherence and improved results orientation across all aid channels and instruments.** However, there are major challenges in addressing the issue of enhancing the complementarity between various aid channels and instruments under the CS framework when the Embassy and regional department cannot control all of them.

15. **The CSM is not fully integrated and institutionalised in the programme cycle, and vice versa.** Evaluations do not usually make reference to the CS.

8 RECOMMENDATIONS

1. The MFA should continue supporting the education and water sectors. Supporting RoLHR and UN Women is also relevant but these projects need close follow-up. The MFA should follow up to ensure the MTR recommendations for simplifying the RoLHR project are implemented.

2. The forthcoming CS period should be used to analyse the implications of the new Constitution and for preparation of the needed changes arising for instance from the Federal system.

3. The MFA should include an overall Human Rights Assessment in the CS. An overall gender and vulnerability analysis would also help in anchoring the interventions with the GoN and CS overall goals. The MFA should ensure and follow up that the HRBA is applied at all levels of CS implementation and that the objective of full participation is realized.

4. The MFA should simplify the logic model and monitoring framework. Policy dialogue should be elaborated more in the CS narrative reporting and included in the monitoring framework. The risk management system should be further developed and used in CS management.

5. The MFA should ensure that there are sufficient qualified staff available both in the Embassy and in the MFA. Sufficient capacity building in the CSM, RBM, Risk Management, and HRBA should be provided. Disaster Risk Reduction should also be included on the staff training agenda.

6. The MFA should continue the CSM in a participatory manner, engaging stakeholders at an early stage of the development process.

7. The MFA should seek ways to include CSO support in the CS in a meaningful way and the Embassy should maintain contacts with civil society for instance through training or online courses. An analysis of the operational environment of civil society should be included in the CS. The FLC should be reactivated with a more focused approach.

8. Clearer instructions are needed for the CS, including instructions on how the CSM will be used for learning, for instance to experience exchange between the long-term partner countries. The purpose of the CS should also be clarified.

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THE EVALUATION TEAM

Raisa Venäläinen (Ms.) holds a Master of Education degree. She has more than 25 years of experience in education sector development and in project and programme evaluation, with focus on inclusive development and Human Rights Based Approach. She has worked in the World Bank and for several project planning , evaluation and technical assistance assignments in Asia, Africa, Middle East and in the Western Balkans. She was country team coordinator for this evaluation and she focused on the evaluation of the education, Rule of Law and Human Rights interventions.

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

Kumar Upadhyaya (Mr.) as more than two-decades of experience in development management. His sectoral experience covers rural infrastructure, forestry, health, small/micro business, education and local governance. His competence includes use of theory of change, results based management, logical framework, adult learning and training, cross-cultural management, and gender and social inclusion. He holds Master's Degree (MBA) from AIT-Bangkok and Mechanical Engineer's Degree from West Bengal India. In this evaluation he focused on Forestry and Environment.

ANNEX 1: TERMS OF REFERENCE

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

1 BACKGROUND TO THE EVALUATION

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

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

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

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

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

2 CONTEXT

Country Strategy Modality

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

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

- How the partner country is developing?

- Considering the situation in the country, Finland's development policy, resources available, the coordination and division of the work with other development partners as well as the best practices in development aid, what are the development results that Finland should focus in the partner country, and with which tools and aid modalities?

- What are the indicators that can be used to follow up the development of the partner country as well as the results of Finland's development cooperation?

- What are the indicators that can be used to follow up effectiveness and impact of Finland's development cooperation?

- How the progress should be reported?

- How the information from the reports will be utilized in the implementation of the strategy?

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

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

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

Country Strategies to be evaluated

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

Ethiopia:

The updated Country Strategy for Development Cooperation with Ethiopia 2014–2017:
http://formin.finland.fi/public/default.aspx?contentid=274547&nodeid=15452&contentlan=2&culture=en-US

Zambia:

The updated Country Strategy for Development Cooperation with Zambia 2014–2017:
http://formin.finland.fi/public/default.aspx?contentid=274537&nodeid=15452&contentlan=2&culture=e n-US

Tanzania:

The updated Country Strategy for Development Cooperation with Tanzania 2014–2017:
http://formin.finland.fi/public/default.aspx?contentid=274539&nodeid=15452&contentlan=2&culture=e n-US

Mozambique:

The updated Country Strategy for Development Cooperation with Mozambique 2014–2017:
http://formin.finland.fi/public/default.aspx?contentid=274551&nodeid=15452&contentlan=2&culture=e n-US

Nepal:

The updated Country Strategy for Development Cooperation with Nepal 2013–2016:
http://formin.finland.fi/public/default.aspx?contentid=274553&nodeid=15452&contentlan=2&culture=e n-US

Tanzania:

The updated Country Strategy for Development Cooperation with Tanzania 2013–2016:
http://formin.finland.fi/public/default.aspx?contentid=274544&nodeid=15452&contentlan=2&culture= en-US

3 PURPOSE AND OBJECTIVE OF THE EVALUATION

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

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

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

4 SCOPE OF THE EVALUATION

Temporal scope

The evaluation covers the period of 2008–2015. The results-based Country Strategy Modality with new directions and guidance was designed in 2012, and implemented from 2013 onwards in all the Finland's long-term partner countries. However, a longer period, covering the earlier modality is necessary to take

in consideration, as most of the individual projects constituting the country strategies started already before 2013. Many of the projects and interventions were actually developed based on Country Engagement Plan modality that was the precursor of Country Strategy Modality and was adopted in 2008. In 2012, the interventions were only redirected and modified to fit better to the new structure of Country Strategy Modality and the new Development Policy programme. In order to understand the strategies as they are now and to evaluate the change and possible results of current country strategies, it is essential to capture the previous period as a historical context.

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

Content scope

The evaluation covers the following processes and structures

1) The Country Strategy Modality, including the process transforming Country Engagement Plans into Country Strategies

2) In each of the countries, a country-specific context from 2008 to 2015, consisting of the Finnish bilateral assistance contributing to partner country's own development plan, Finland's development funding portfolio as a whole in the country and Finland's role as part of the donor community.

3) Current Country Strategies; achievement of objectives so far taking into account the historical context of the strategies and possible changes in the objectives 2013 onwards.

5 ISSUES BY EVALUATION CRITERIA

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

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

Relevance of the Country Strategy Modality

- Synthesize and assess how the country strategy modality has ensured the relevance of Finland's strategic choices from the point of view of partner countries, including beneficiaries, Finland's development policy and donor community

- Assess the extent to which the country strategy modality is in line with agreed OECD DAC international best practices.

Effectiveness of the Country Strategy Modality

- Synthesize and assess the results of the country strategy process at the corporate level/development policy level

- Assess the effects of country strategy process on accountability and managing for results: the reporting, communication and use and learning from results for decision making

Efficiency of the Country Strategy Modality

- Assess the quality of the country strategy guidelines, including their application including the clarity and hierarchy of objective setting, measurability/monitorability of indicators, appropriateness of rating systems etc.

- Assess the process of developing the strategy guidelines especially from process inclusiveness and change management point of views

- Assess the leanness of the Country Strategy Modality, including the resource management (human and financial) securing the outputs at country level

Complementarity and coherence of the Country Strategy Modality

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

- Synthesize and assess the best practices/challenges on complementarity in the current strategy modality.

Country strategies will be evaluated in accordance with the following criteria

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

Relevance

- Assess the extent to which the Country Strategy has been in line with the Partner Country's development policies and priorities.

- Assess the extent to which the Country Strategy has responded the rights and priorities of the partner country stakeholders and beneficiaries, including men and women, boys and girls and especially the easily marginalized groups.

- Assess the extent to which the Country Strategy has been in line with the Finnish Development Policy priorities

Impact

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

Effectiveness

- Assess and verify the reported outcomes (intended and un-intended)

- Assess the factors influencing the successes and challenges

Efficiency

- Assess the costs and utilization of resources (financial& human) against the achieved outputs

- Assess the efficiency and leanness of the management of the strategy

- Assess the risk management

Sustainability

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

- Assess the ecological and financial sustainability of strategies

Complementarity, Coordination and Coherence

- Assess the extent to which the Country Strategy is aligned with partner countries' systems, and whether this has played a role in Finland's choice of intervention modalities.

- Assess the extent to which Finland's Country Strategy in the country has been coordinated with development partners and other donors

- Assesses the complementarity between the Country Strategy and different modalities of Finnish development cooperation in the country including NGOs, regional and targeted multilateral assistance (multi-bi) to the extent possible

- Assess the coherence between the main policy sectors that the country units and embassies are responsible for executing in the country.

5.1. Special issues per country

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

Ethiopia

- Assess the strategic value of

    - the sector approach for Rural Economic Development and Water.

    - SNE programme and possible mainstreaming to GEQIP II.

- The evaluation should make justified recommendations on

    - how to extend strategic support to new sectors in the future, as needs of Ethiopia is changing following the economic growth and increasing domestic revenue?

    - how technical cooperation between institutions (for instance ICI) could be formalized as part of Country cooperation framework?

- The field phase in late January–February 2016

Zambia

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

    - how to advance broad based partnerships especially in trade and private sector development including interaction with civil society and public sectors in the future.

    - how the Country Strategy programming could better utilize existing processes like country/ sector portfolio reviews for advancing the collaboration between Zambia and Finland

- What has been Finland's value added on the sector coordination in agriculture, environment and private sector development.

- The partner country has expressed an interest to participate to some of the evaluation activities during the field mission

- The field phase in January–February 2016

Tanzania

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

- The field phase in January–February 2016

Mozambique

- To what extent has the Country Strategy responded to the changing country context in Mozambique?

- Is the Country strategy balanced enough in terms of the chosen priority sectors?

- To what extent does the Country strategy complement the work of other donors and what is the strategy's value added?

- As the donor dependency of Mozambique is decreasing, the evaluation should give medium term strategic recommendations for Finland´s cooperation in Mozambique.

- The field phase in January–February 2016

Nepal

- Nepal is a fragile state in many aspects. In this context the evaluation should give medium term strategic recommendations for Finland´s cooperation in Nepal.

- Finland's Country Strategy and the programmes in Nepal were audited in 2015. The results of the audit can be utilized by the evaluation. The audit reports are in Finnish.

- The field phase must be in December 2015

Vietnam

- Vietnam is a lower middle income country and the economic development has been quite rapid in last few years. Therefore the evaluation should analyse how the country strategy has been able to adapt to the rapid transition of the economy, and how agile the strategy has been in responding the needs of private sector and other relevant stakeholders in the country.

- Recommendations should be given on how to broaden the strategic portfolio to new, mutually beneficial areas such as education and research, university and industry cooperation as well as increased trade ties.

- Private sector instruments like Finnpartnership and Concessional loan has played a role in the Country Strategy. The strategic role of these instruments in transitioning economy should be assessed, and possible best practices reported.

- Finland's Country Strategy and the programmes in Vietnam were audited in 2015. The results of the audit can be utilized by the evaluation. The audit reports are in Finnish.

- The partner country has expressed an interest to participate to some of the evaluation activities during the field mission.

- The field phase must be in December 2015

6 GENERAL APROACH AND METHODOLOGY

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

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

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

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

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

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

During the field work particular attention will be paid to human right based approach, and to ensure that women, vulnerable and easily marginalized groups are also interviewed (See UNEG guidelines). Particular attention is also paid to the adequate length of the field visits to enable the real participation as well as sufficient collection of information also from sources outside of the institutional stakeholders (e.g. statistics and comparison material). The field work in each of the country will preferably last at least 2–3 weeks, and can be done parallel and take in account the availability of the stakeholders during the visit. Adequate amount of time should also be allocated for the interviews conducted with the stakeholders in Finland. Interview groups are to be identified by the evaluation team in advance. The MFA and embassies are not expected to organize interviews or meetings with the stakeholders in the country on behalf of the evaluation team, but assist in identification of people and organizations to be included in the evaluation.

Validation of all findings as well as results at the country level must be done through multiple processes and sources. The main document sources of information include strategy and project documents and reports, project/strategy evaluations, Finland's Development Policy Strategies, thematic guidance doc-

uments, previously conducted country strategy and thematic evaluations, development strategies of the case country governments, country analyses, and similar documents. The evaluation team is also encouraged to use statistics and different local sources of information to the largest possible extent, especially in the context analysis, but also in the contribution analysis. It should be noted that part of the material is in Finnish.

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

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

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

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

7 EVALUATION PROCESS, TIMELINES AND DELIVERABLES

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

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

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

The **Implementation phase** can be implemented in December 2015–February 2016. Country-specific debriefing meetings will be organized at the end of each of the field visit. A joint debriefing and validation meeting can be arranged in Helsinki in the end of February/beginning of March 2016. The validation seminars work like learning seminars based on initial findings, but also for validating the findings. The outcomes and further findings drawn up from seminar discussions can be utilized when finalizing the country reports as well as the synthesis report.

The **Reporting and dissemination phase** will produce the Final reports and organize dissemination of the results. Final draft country reports will be completed by the end of April and the final draft synthesis report by the end of May, 2016. Country reports can be sequenced on the basis of the field phase. If the field phase is in December, the draft report shall be ready in February, and if in February, then the draft report shall be ready in April. Due to the scope of the evaluation reports, enough time must be left for feedback. The final

reports shall be ready in mid-June. Due the Finnish holiday season in July, a public presentation of evaluation results, a public webinar and other discussion meetings will be held in August 2016.

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

INCEPTION PHASE

I. Kick off meeting

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

Deliverable: Agreed minutes prepared by the Consultant

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

Venue: MFA.

II. Inception meeting

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

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

Venue: MFA

Deliverable: Inception report

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

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

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

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

IMPLEMENTATION PHASE

IV. Field visits to partner countries

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

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

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

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

Participants:

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

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

REPORTING AND DISSEMINATION PHASE

As part of reporting process, the Consultant will submit a methodological note explaining how the quality control was addressed during the evaluation and how the capitalization of lessons learned has also been addressed. The Consultant will also submit the EU Quality Assessment Grid as part of the final reporting.

V. Final reporting

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

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

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

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

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

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

VI. Dissemination presentations

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

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

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

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

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

8 COMPOSITION OF THE EVALUATION TEAM AND EXPERTISE REQUIRED

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

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

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

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

Successful conduct of the evaluation requires a deep understanding and expertise on results-based management in the context of different aid modalities. It also requires understanding and expertise of overall state-of-the-art international development policy and cooperation issues including program-

ming and aid management, development cooperation modalities and players in the global scene. It also requires experience and knowledge of HRBA and cross-cutting objectives, including UN resolution 1325, and related evaluation issues. Solid experience in large sectoral/thematic/policy or country strategy evaluations or large evaluations containing several countries is required. In addition, long-term hands-on experience at the development cooperation and development policy field is needed.

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

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

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

9 BUDGET AND PAYMENT MODALITIES

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

10 MANAGEMENT OF THE EVALUATION AND THE REFERENCE GROUP

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

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

The members of the reference group may include:

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

- Representatives of relevant embassies

- Representatives of partner countries governments

The tasks of the reference group are to:

- Participate in the planning of the evaluation

- Participate in the relevant meetings (e.g. kick-off meeting, meeting to discuss the evaluation plan, wrap-up meetings after the field visits)

- Comment on the deliverables of the consultant (i.e. evaluation plan, draft final report, final report) with a view to ensure that the evaluation is based on factual knowledge about the subject of the evaluation

- Support the implementation, dissemination and follow-up on the agreed evaluation recommendations.

11 MANDATE

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

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

12 AUTHORISATION Helsinki, 6.5.2015

Jyrki Pulkkinen

Director

Development Evaluation Unit

Ministry for Foreign Affairs of Finland

ANNEX 2: ADDITIONAL METHODOLOGY DISCUSSION

Overview and approach

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

Main evaluation questions

The Inception Report included a full evaluation matrix which was used and adapted for the country evaluations as well as the overall CSM evaluation. Table 8 below shows the main evaluation questions and sub-questions; these are sequenced according to the main evaluation criteria. Under each evaluation criterion questions address both the CS portfolio evaluation, and the evaluation of the CSM's influence on the programme, but separate these out clearly. The evaluation matrix includes judgement criteria. There were no specific evaluation questions defined for the Nepal evaluation.

Table 8: Evaluation matrix

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 1: How relevant are CSs and the CSM?		**Evaluation criterion: Relevance**
CS evaluation sub-questions **EQ1.1** How relevant are CSs to partner country contexts? To country development policies, priorities and programmes? To the rights (economic, social, political, civil) and priorities of partner country stakeholders and beneficiaries – especially the easily marginalized groups? To donor partners? **EQ1.2** How relevant are the CSs to Finnish Development Policy priorities and principles? **CSM evaluation sub-questions** **EQ1.3** How relevant is the CSM to MFA management and country programme managers' needs? **EQ1.4** How has CSM ensured Finland's strategic choice relevance to key stakeholders and development country contexts? **EQ1.5** Is the CSM aligned to OECD DAC/ international best practices?*	The strategic choices made in the CSs in terms of interventions and how they are undertaken • are aligned to country development policies, priorities and programmes • target development objectives that are a priority/issues for country stakeholders and beneficiaries, especially easily marginalized groups • take into account what donor partners perceive as priority • take into account the development context of the country • are aligned with aid effectiveness commitments/principles • are aligned to the objectives and principles of the 2012 DPP and take appropriate account of sector/thematic guidance/papers and other Finnish guidance The CSM fulfils the needs of senior management in MFA and country teams related to country programming and management of country programmes	• Partner country development strategy and policy documentation, national sector/thematic, ODA policies/frameworks Finnish DPP, guidance documentation and sector/thematic guidelines • CSM documentation (instructions, templates) • CSs, engagement plans and related results reports • CS planning/updating process documentation • Existing evaluations, reviews and reports on the country programme, and other Finnish evaluations, reviews and reports • Country development statistics • Secondary literature on country development status and priorities • OECD/DAC guidance, studies and reviews • Studies and reviews from other sources • Documentation on country programming practices of selected bilateral donors

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 1: How relevant are CSs and the CSM?		**Evaluation criterion: Relevance**
	The CSM – through its approach, rules, information requirements and processes – contributed to the relevance of CS strategic choices as measured (see all CS evaluation sub-questions) • The CSM is flexible in responding to different country context, e.g. countries in transition/phase-out of bilateral aid vs fragile countries The CSM – through its approach, rules, information requirements and processes – facilitates the alignment of country programmes with aid effectiveness principles as measured The CSM is aligned to OECD/DAC country programming best practices	• Interviews - with MFA actors and stakeholders in CSM design and implementation at MFA level - with country teams, including desk officers and in-country officers (current and past members) - with other relevant government officials - with selected non-MFA sources with direct relevant knowledge on the CSM (e.g. relevant global implementation partners) - with country implementing partners - with country stakeholders/programme beneficiaries, incl. also private sector, civil society, academia & the media as relevant - with other in-country development partners
EQ 2: Are Country Strategies and the CSM effective?		**Evaluation criterion: Effectiveness**
CS evaluation sub-questions **EQ2.1** What are the actual interventions undertaken by the Finland country programme as framed by the CS? **EQ2.2** Did the CS interventions achieve their planned purposes? **EQ2.3** What development results are observed relevant to CS interventions, intended and unintended? **EQ2.4** What contribution have CS interventions made to the specific development objectives and development result areas? **EQ2.5** How aid-effective is the country programme as framed by the CS?	Effectiveness assesses the contribution of the CS interventions to Finland's specific objectives Planned interventions took place and their purposes were/are being achieved as evidenced by existing reports, reviews and evaluations The Theory of Change causal chain implied by the Country Strategy from these target results to specific Finnish objectives, and the underlying assumptions is valid, taking into account social, political and institutional factors • Contribution can be argued from the Finnish interventions (targeted at policy influence and direct interventions) to the specific objectives targeted, given other factors	CSs, engagement plans Annual and semi-annual (results) reports, synthesis reports Possible upstream results reporting Existing evaluations, reviews and reports on the country programme Project annual report/completion reports Other relevant Finnish global and regional evaluations, reviews and reports Country development statistics and secondary literature on country development status and priorities

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 2: Are Country Strategies and the CSM effective?		**Evaluation criterion: Effectiveness**
CSM evaluation sub-questions	The Finnish country programme as framed by the CS is aid-effective: the programme facilitates the leveraging of project and programmatic intervention results towards development effectiveness against the specific objectives.	OECD/DAC guidance, studies and reviews
EQ2.6 How effective is the CSM/CSM processes?		Comparison of the quality of CSM and country engagement plan guidance and annual results reporting
• Was the introduction of CSM managed inclusively (including key stakeholders), and well?	Direct interventions and efforts to achieve policy influence are mutually reinforcing The management of the switch to CSM from CEPs at country level was inclusive and contributed to more effective CSs as measured. Change management was effective.	Studies and reviews from other sources
• What are CSM programming, monitoring, reporting and accountability practices, in principle and in practice?		Interviews
		• with MFA actors and stakeholders in CSM design and implementation at MFA level
• Do these present effective RBM: do they facilitate learning and accountability?	The CSM contributes to effective results-based management in MFA	• with country teams, including desk officers and in-country officers (current and past members)
• Does the CSM contribute to better targeting and measuring of results by MFA?	• Reporting and management responses against the CSs is regular, accurate and appropriate for learning & accountability	• with relevant government officials
		• with selected non-MFA sources with direct relevant knowledge on the CSM (e.g. relevant global implementation partners)
EQ2.7 Has the CSM contributed to more effective (including aid effective) country programming?	• The CSM facilitated the selection of appropriate indicators, given targeted results in CSs	• with country stakeholders, incl. in civil society, academia & the media as relevant
	• At country & MFA level the CSM facilitates learning & accountability	• with programme beneficiaries
		• with country implementing partners
	• The CSM has facilitated more effective aid management at a corporate level and better upstream results reporting within MFA	• with other in-country development partners
	The approach, rules, information requirements and processes of the CSM has facilitated a feasible Theory of Change results chain/country programme logical model taking into account country social, political and institutional circumstances	
	• The CSM has contributed to appropriate targeting of results and objectives given Finland's (small) relative financial contribution as a development partner	

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 2: Are Country Strategies and the CSM effective?		**Evaluation criterion: Effectiveness**
	• The CSM has contributed to better results-based thinking on on-going interventions at the time of the CS, and has resulted in appropriate (past, current, expected) changes to the country programme • The CSM has contributed to better incorporation of the findings of project/programme monitoring reports, reviews and evaluations in CS review, reporting • The CSM has contributed to appropriate implementation of aid-effectiveness commitments and principles	
EQ 3: What is the impact of the CSs and does the CSM contribute to this?		**Evaluation criterion: Impact**
CS evaluation sub-questions **EQ 3.1** What are evidence or signals of impacts from CS interventions? **EQ 3.2** To what extent does the CS TOC pathway support likely contribution to impacts?	Impact assesses the upper end of the result chain, from Finnish specific objectives to the development goal Impact is accurately reported In the absence of timely data against relevant impact measures, documentation and key respondents highlight signals of evidence of impact The implied pathway from specific objectives to the development goal in the Theory of Change and underlying country programme logic model is feasible.	Country social and economic statistics Independent secondary articles, reports, reviews and evaluations relevant to the Finnish country programme, as framed by the CS. Finnish country and relevant regional and global reports, reviews, evaluations Interviews CS documentation, including reports and management responses CSM guidance documentation
CSM evaluation sub-questions **EQ3.3** Do existing CSM instructions and templates provide adequate guidance to build feasible CS impact pathways and to identify and report on appropriate impact indicators?	The CSM guidance and its implementation have contributed to better country team thinking on impact, and best pathways to impact.	

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KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 3: What is the impact of the CSs and does the CSM contribute to this?		**Evaluation criterion: Impact**
		Interview with • with MFA actors and stakeholders in CSM design and implementation at MFA level • with country teams, including desk officers and in-country officers (current and past members) • with relevant government officials • with selected non-MFA sources with direct relevant knowledge on the CSM • with country stakeholders, incl. in civil society, academia & the media as relevant • with programme beneficiaries • with country implementing partners • with other in-country development partners
EQ4: Are CSs complementary, coordinated and coherent and does the CSM contribute to this?		**Evaluation criteria: Complementarity, coordination and coherence**
CS evaluation sub-questions **EQ4.1** Are CSs/CS interventions aligned to country systems? **EQ4.2** How well coordinated are CSs/CS interventions with other development partners? **EQ4.3** How complementary are CSs/CS interventions to non-CS Finnish development cooperation in long-term partner countries? **EQ4.4** How internally coherent are CSs (inter- and intra-sector)? Are CS interventions mutually reinforcing so that the sum of CS intervention results is more than the parts?	CS interventions are implemented using country systems to the maximum extent • Including systems for planning, budgeting, disbursement, implementation, reporting, monitoring/reviewing and auditing • If systems are not used directly, comprehensive and timely information on Finnish country programme is available to country partners Finland participates regularly and effectively (in terms of the resulting degree of coordination of the Finnish country programme) in donor coordination structures	CSs, engagement plans and all reports against strategies Existing evaluations, reviews and reports on the country programme Other relevant Finnish global and regional evaluations, reviews and reports Country development statistics and secondary literature on country development status and priorities OECD/DAC guidance, studies and reviews CSM guidance documentation Studies and reviews from other sources

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 4: Are CSs complementary, coordinated and coherent and does the CSM contribute to this?		**Evaluation criteria: Complementarity, coordination and coherence**
CSM evaluation sub-questions **EQ4.5** Does the CSM contribute to better alignment with partner country systems and coordination with development partners? **EQ4.6** Does the CSM contribute to complementarity between channels/instruments in Finnish development cooperation in country? **EQ 4.7** Does the CSM result in a coherent (inter and intra sector) CS and a CS coherent with other relevant Finnish policies??	The CSs specific objectives and interventions are well coordinated with inputs from other development partners, in other words they represent an appropriate division of labour between the MFA and other development partners in country CSs and CS intervention take into account and complement other (non-CS) channels of Finnish development cooperation, and vice versa so that they contribute coherently to DPP objectives, including the CS development goal The CS leverages the results of specific interventions to contribute coherently to the specific objectives targeted The country programme as framed by the CS does not (overly) fragment Finnish development resources CSM guidance and actual CS design, monitoring and reporting processes and documentation appropriately emphasize complementarity with other Finnish aid channels, coordination with development partners, alignment with country systems and internal CS coherence.	Interviews • with MFA actors and stakeholders in CSM design and implementation at MFA level • with country teams, including desk officers and in-country officers (current and past members) • with relevant government officials • with selected non-MFA sources with direct relevant knowledge on the CSM (e.g. relevant global implementation partners) • with country stakeholders, incl. in civil society, academia & the media as relevant • with programme beneficiaries • with country implementing partners • with other in-country development partners

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 5: Do CSs and the CSM contribute to efficient Finnish Development Cooperation?		**Evaluation criterion: Efficiency**
CS evaluation sub-questions		Country strategies, engagement plans and all reports against strategies
EQ5.1 How well are risks identified and managed?	The risks identified in the CS represent a thorough assessment of risks and the management of risks is appropriate given development goals and objectives	Existing evaluations, reviews and reports on the country programme + other relevant Finnish global and regional evaluations, reviews and reports
EQ5.2 How efficiently are resources (money, people, partnerships) deployed in the CS country programme to deliver results?	Disbursements of Finnish resources have been predictable/timely	CSM guidance documentation
	The CS represents the most cost-effective choice of objectives and interventions, given Finnish resources (including financial, human and partnership resources)	Studies and reviews from other sources
		Interviews
		• with MFA actors and stakeholders in CSM design and implementation at MFA level
CSM evaluation sub-questions	CSM processes use MFA resources (financial, human, time) efficiently to produce the RBM outcomes observed	• with country teams, including desk officers and in-country officers (current and past members)
EQ5.3 How efficient are CSM processes?		• with relevant government officials
• How clear are CSM frameworks & guidance?	CSM guidance is clear, comprehensive and coherent, resulting in efficient and effective processes and documentation	• with country stakeholders, incl. in civil society, academia & the media as relevant
• How costly are CSM processes to manage CSs given the observed results from CSM?	CSM prescribed processes are appropriate to be fit for purpose in different contexts	• with country implementing partners
EQ5.4 How has CSM contributed to Finnish development policy implementation efficiency and risk management?	The CSM has contributed to efficient implementation of Finnish development policy and sound risk management, i.e. balancing risks and benefits of intervention choices appropriately	• with other in-country development partners
	CSM has contributed to the selection of interventions with most value-for-money considering expected impacts.	
	• CSM has contributed to resource-constrained planning and targeting of results	

KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 6: Do CSs and the CSM contribute to sustainable results from Finnish Development Cooperation?	**Judgement criteria**	**Evaluation criterion: Sustainability**
CS evaluation sub-questions	The Human Rights-based approach is integrated into the CS	• Country strategies, engagement plans and all reports against strategies
EQ6.1 To what extent do specifically local partners/stakeholders own the CS and participate in CS interventions?	• The process to develop the CS, as well as processes to report on and revise the CS are inclusive of local partners and stakeholders	• Existing evaluations, reviews and reports on the country programme, and other Finnish evaluations, reviews and reports
• How inclusive was the process to develop the CS?	• Beneficiaries, particularly marginalized groups, participate in Finnish country programme processes across the project/programme cycle so that local ownership is built	• Studies and reviews from other sources on country programmes
• Is there sufficient participation by local partners/stakeholders across programme/ project cycles to support sustainability?		• Interviews
EQ6.2 How sustainable are interventions and their results (ecologically, financially, politically, institutionally)?	• The country programme as framed by the CS contributes to rights awareness and the ability of rights-holders to claim their rights, and country duty bearers to fulfil the rights	– with MFA actors and stakeholders in CSM design and implementation at MFA level
	The results targeted and achieved in the country programme as framed by the county strategy are sustainable, given institutional and financial factors.	– with country teams, including desk officers and in-country officers (current and past members)
	The Finnish country programme and its interventions as framed by the country strategy is ecologically sustainable and contribute to ecological sustainability	– with relevant government officials
CSM evaluation sub-questions		– with country stakeholders, incl. in civil society, academia & the media as relevant
EQ6.3 Does the CSM contribute to more sustainable Finnish DC?	CSM guidance and implementation prioritise sustainability (ecological, financial, institutional) of Finnish Development Cooperation results	– with programme beneficiaries
EQ6.4 How sustainable are CSM processes?	Capacity building at MFA and country level has been sufficient to sustain CSM processes	– with country implementing partners
• Is CSM human resource capacity building and systems adequate?		– with other in-country development partners
• Are there in-built mechanisms to enable learning on CSM?	Result information management systems are well developed, build on national development/result indicators to the extent possible, and will sustain CSM	
EQ6.5 Does the CSM ensure CS responsiveness to better ensure sustainability in changing contexts	The CSM is flexible and has adapted to implementation experience, changing country contexts	
	The CSM has contributed to better reporting on results from Finnish aid, which has supported the sustainability of Finnish DC	

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KEY EVALUATION QUESTION & SUB-QUESTIONS	JUDGEMENT CRITERIA	SOURCES OF INFORMATION
EQ 7: What improvements to CSs and the CSM are necessary to improve Finnish DC?		
EQ7.1 What improvements are needed relative to country priorities and changing contexts, inter alia	Improvements that will make the CS and related country programme more relevant, effective, impactful, efficient, complementary, coordinated, coherent, sustainable.	Country CS evaluation data and analysis Country CSM evaluation data and analysis Validation with key country and CSM actors and stakeholders
• on sector/programme choices and strategically extending development cooperation to new sectors or thematic areas?	Improvements to the CSM that will ensure that it contributes better to country programmes and to RBM in MFA.	
• in modes and mechanisms of cooperation?		
• In transitioning and phasing out/maintaining/scaling up bilateral aid?		
• to advance partnerships and cooperation in non-state sectors of the economy?**	Improvements in the CSM that will make it more relevant to MFA needs, more efficient and more sustainable.	
EQ7.2 What improvements in the CSM modality are necessary to ensure more relevant, effective, impactful, efficient, coherent complementary and sustainable CSs?*		
• What improvements are necessary?		
• Who should make these improvements?		
• When should improvements be made?		
• How should improvements be made?		

* Not needed to be answered in the Country Evaluations.
** Not needed to be answered in the Synthesis Report

Evaluation criteria and other terminology

Table 9 below shows the definitions used for the main evaluation criteria. Table 10 below explains other key terms, namely aid effectiveness, results-based management (RBM) and the human rights based approach (HRBA).

Table 9: Evaluation criteria

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

Table 10: Terms associated with approaches to development cooperation

Term	Definition
Aid effectiveness	Aid effectiveness is about delivering aid in a way that maximises its impact on development and achieves value for aid money. A narrow definition of aid effectiveness would refer simply to the relationship between aid and its outcomes, in other words aid effectiveness is an assessment of the effectiveness of development aid in achieving economic or human development. In common usage however, the terms is strongly associated with the key principles in respect of how aid is delivered to achieve this outcome. These principles have been agreed between partner countries and development partners through a series of High Level Forums on Aid Effectiveness and include ownership, alignment, harmonisation, a focus on results, and mutual accountability. The evaluation will use the term to refer to the application of these principles towards effective use of development aid. This is in line with the MFA Evaluation Manual, according to which an assessment of aid effectiveness would focus on evaluating the implementation of Paris Declaration principles *Source: Killian, B, 2011: How much does aid effectiveness improve development outcomes, Busan Background Papers, OECD DAC; MFA Evaluation Manual*
Results based-management	The MFA guideline on results-based management defines it as follows: Results based management therefore involves shifting management approach away from focusing on inputs, activities and processes to focusing more on the desired results. OECD/DAC defines RBM as "*A management strategy focusing on performance and achievement of outputs, outcomes and impacts*". In conclusion, results based management in development cooperation is simultaneously: • An organizational management approach, based on a set of principles; • An approach utilizing results based tools for planning, monitoring and evaluating the performance of development projects and programs. *Source: MFA, 2015: Results-based management in Finland's Development Cooperation, Concepts and Guiding Principles, MFA.*
Human rights based-approach	HRBA means that human rights are used as a basis for setting the objectives for development policy and cooperation. In addition, it means that the processes for development cooperation are guided by human rights principles. Finland's human rights-based approach is in line with the UN Statement of Common Understanding on Human Rights-Based Approaches to Development Cooperation and Programming (the Common Understanding) adopted by the United Nations Development Group (UNDG) in 2003, which stipulates that: • All programmes of development co-operation, policies and technical assistance should further the realisation of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments; • Human rights standards contained in, and principles derived from, the Universal Declaration of Human Rights and other international human rights instruments guide all development cooperation and programming in all sectors and in all phases of the programming process; • Development cooperation contributes to the development of the capacities of 'duty-bearers' to meet their obligations and/or of 'rights-holders' to claim their rights. *Source: MFA, 2015a: Human Rights Based Approach in Finland's Development Cooperation. Guidance Note, 2015*

ANNEX 3: PEOPLE INTERVIEWED

FINLAND

Ministry for Foreign Affairs in Finland

Gahnström Sebastian, Desk Officer

Hirvonen Katja, Nepal Programme Officer

Karakoski Jussi, Education Advisor

Kokkonen Marjaana, Advisor Development Cooperation

Kontula Eero, Former Water advisor

Kuivalainen Jetta, Desk Officer

Kuivila Helena, Desk Officer

Ruohomäki Olli, Former Advisor, Deputy Head of the Unit and Team Leader

Pehu-Voima Satu, Education Advisor

Embassy of Finland

Bhola Prasad Dahal, Royal Norwegian Embassy, Former FIN Embassy Employee

Chudamani Joshi, Special Adviser, Development cooperation

Gurung Indra, Special Adviser, Development cooperation

Ilomäki Jukka, Senior Specialist Water and sanitation and development cooperation

Kamana Gurung, Coordinator, Development cooperation

Kujala-Garcia Marianne, Senior Specialist, Education sector and development cooperation

Kyöstilä Pirkko-Liisa, Chargé d'Affaires.

Luukkainen Asko, Former Ambassador

Seppälä Pekka, Senior Specialist, Development policy

Sharma Munni, Former Programme Coordinator Embassy of Finland (NRM, Gender, FLC etc.)

Suvanto Jorma, Ambassador

NEPAL

Ministry of Finance

Khatri Tek Bahadur, Under Secretary IECCD

Narayan Dhakal, Under Secretary IECCD

Ministry of Education

Awasthi Lawa Deo, Dr., Joint Secretary, Planning Division, MoE/former Director General

Kunwar Indra, Mr., Under Secretary

Lamsal Hari, Dr., Joint Secretary/Spokesperson

Department of Local Infrastructure Development and Agriculture (DOLIDAR)

Er. Jeevan Kumar Shrestha, Director General

Ram Chandra Devkota, National Project Director of RWSSP-WN

Department of Water Supply and Sewerage

Er. Sunil Kumar Das, Deputy Director General

Kabindra Karki, Senior Divisional Engineer, Sector Efficiency Improvement Unit

Sanjaya Adhikary, Project Implementation Specialist (ADB)

Donor partners

Bhatta Dr. Saurav Dev, Senior Economist, World Bank

Bishta Kamla, Senior Advisor, Royal Norwegian Embassy

Fisher Wendy, Attaché, Education Advisor

Hynderic Robert

Lama Manju, Embassy of Denmark

Provoost Christian, Attaché, Governance and Public Policies

Roettger Andreas, EU

FAO

Adhikary Shrawan, Programme Officer

Sah Binod, Assistant Representative

Save the Children

Bhunika Shistra, Programme Officer

Shakya Sanjeeb K, Programme Manager – Humanitarian

UNICEF

Arinita Maskey Shrestha, Emergency WASH Specialist

Anu Paudyal Gautam, WASH Specialist

Hoar Marilyn, Chief of Education UNICEF/DPs focal point

Rautavaara Antti, Chief WASH

UNDP

Tamata Tek, Program Aanalysi, RoLHR

UN Women

Singh Gitanjali, Deputy Representative

Shestra Sama, Programme Specialist

RVWRMP II

Leppanen Kari, Team Leader, RVWRMP II

Rantanen Sanna-Leena, CTA

WWF Nepal

Santosh Mani Nepal, Senior Director

FELM

Juhaninmäki Teressa, Regional Manager for Development

Ole Nepal

Karmacharya Rabi, Executive Director

Fida international

Terhi Tesikonlahti

Project and Programme Staff, Consultants

Allan Richard, Team Leader, MSFP

Bashu Dev Pandey, District WASH Advisor, RWSSP-WN II

Bishwas Rana, Planning and monitoring manager, MSFP

Das Nand Annapurna, Member Secretary, Chure Conservation Board

Ghimire Suman, Area Manager ECARDS, MSFP

Kedar Poudel, DFO Ramechhap

Khadka Manohara, SDC

Khanal Rup Narayan, Knowledge Management and Documentation Officer, ECARDS, MSFP

Khanal Yagya Raj, Enterprise & Market Promotion Expert, ECARDS, MSFP

Lama Sangita, Program Officer, ECARDS, MSFP

Metsämuuronen Jari, Technical Assistant, Senior Researcher,
The Finnish Education Evaluation Center (FINEEC)

Mikkola Kristiina, Consultant

Mungrati Sitaram, Field Supervisor, ECARDS, MSFP

Narayan Wagle, Capacity Development and Planning Specialist, RWSSP-WN II

Nepali Ram Krishna, Field Supervisor, ECARDS, MSFP

Prameswor Paswan, Programme Associate, ECARDS, MSFP

Prem Narayan Kandel, Director-General, Department of Soil Conservation

Rana Biswas, Planning and Monitoring Manager, MSFP

Rautanen Sanna-Leena, Team Leader, RWSSP-WN II

Sangita Khadka, Social Development Specialist, RWSSP-WN II

Shah Ram Sundar, AFO, Ramechhap

Sharma Chakrapani, Former NPD, SEAM-N project

Shresth Durga Bahadur, Focal Person, MSFP

Shrestha Ram Bahadur, MSFP Cluster Coordinator

Shrestha Sahas Man, Former NPD, FRA Project

Subedi Ramu, Team Leader, MSFP

Other

Bhumi Raj Khadka, Teacher, Khimti Higher Secondary School

Burba Pokharel, SMC, Khimti Higher Secondary School

Birendra Sahrani, Khimti Higher Secondary School

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

Year	MFA engagement	Other events
1983	Cooperation started	
Mid 1980's	Finland supported forestry programme called Sagarnath Plantation and also delivery of fertilisers	
1980s	Finnish development cooperation with Nepal in the water, sanitation and hygiene (WASH) sector started	
1988	Finland supported the drafting of the Master Plan for Forestry Sector; the 20-year Forestry Master Plan-1988	
1989	RWSSP in Lumbini Zone 1989–2005	
Early 1990	Finland supported a scientific forest management initiative "Forest Management, Utilization and Development Project (FMUD)" in Bara District of Nepal	1994 – Nepal National Sanitation Policy and Guidelines for Planning and Implementation of Sanitation Programme.
1992	Finland opened a Representation Office in Kathmandu	
1994	Finland supported "Forest Resource Information System Project (FRISP)"	National Sanitation Policy
1996	Finland support in Telecommunication	National Policy on Solid Waste Management
1998	Major investment in Electricity Infrastructure by GoF	Establishment of the Steering Committee for National Sanitation Action Water Supply Sector Policy
1999	Education Sector Cooperation started: Education for All (EFA) programme	
2000	Country Negotiations	Forestry Sector Policy
2000–2003	Support to Basic Primary Education Project BPEP	
2001	Finland supported "Strengthening Environmental Administration and Management at the Local Level (SEAM-N)" project in eastern Nepal	Education for all: National Plan of Action (2001–2015)
2002		National Water Resources Strategy
2003	Country Negotiations	Nepal WASH Campaign Initiated
2004	Finnish support to Education for all 2004–2009	Rural Water Supply and Sanitation Policies, Strategies and the Sectoral Strategic Action Plan
2005		National Water Plan

Year	MFA engagement	Other events
2006	Cooperation for peace and human rights programme started	Interim Constitution of Nepal enforced
	First Phase RVWRMP II (2006–2010)	
2007	Finnish Development Cooperation Policy 2007	Non-formal Education Policy
2007–2009	Support to Bilingual Education Programme for all non-Nepali Speaking Students of Primary Schools on Nepal	
2007	Country Negotiations October 2007	
2008	Country engagement plan 2008–2010 (dated 3 April 2008)	Nepal Three Year Plan (2007–2010)
	Second phase of SEAM-N project supported	
	First Phase RWSSP-WN (2008–2013)	
2009	Finland supported Forest Resource Assessment (FRA) project	Gender Equality and Social Inclusion Operational Strategy, April
	Finland supported technical assistance to Leasehold Forestry and Livestock Project	Urban Water Supply and Sanitation Policy
	Finland Joined pooled funding of Education Reform Plan (SSRP), a Sector Wide Approach programme (SWAp) for 2009–2014	School Sector Reform Plan (2009–2015)
	Support to National Human Rights Commission started (2009–2014)	
	Support to IDEA (2009–2013)	
2010	Country Negotiations	Nepal Three Year Plan (2010–2013)
	Support to Nepal Peace Trust Fund started 2010–2013	
	National Board of Education monitoring consultancy started for 2010–2014	
	RVWRMP Phase II begins (2010–2015)	Government of Nepal Sanitation and Hygiene Master Plan, Nov 2010. UN Declaration WASH as a human right
	Finland supported "The Improving Research Capacity of Forest Resource Information Technology (IRCFRIT) Project"	
	Finland Jointly (with DFID and SDC) funded MSFP	
	The Regional Solid Waste Management (SWM) Project initiated under SEAM-Nepal with Finnish support	
2011	Representation office was upgraded to a fully-fledged Embassy	
	Nepal country programme evaluation	Water and Sanitation: Co-investment Guidelines-2011
	Aligning for Action: Sanitation and Water for All in the Context of Climate Change project' WASH 2011–2015. Finland co-funds UN Programme.	
	MTR RWSSP-WN	
	Completion phase of SEAM-N project supported	

Year	MFA engagement	Other events
2012	Nepal Country Programme	
	2002–2010 evaluation and OECD/DAC Peer Review.	
	Finnish Development Cooperation Policy 2012	
	Country Strategy for Development Cooperation in Nepal 2013–2016	Concept Note for forestry sector strategy (2012–2022) National REDD+ Strategy of Nepal (2012)
	UN Women (NAP on UNSCR 1325/1820) started (2012–2016)	Nepal MDGs Acceleration Framework: improving access to sanitation-2012
	TVET/TSSP Project started (September 2012)	
2013	Country Negotiations	ICT in Education: Master Plan (2013–2017)
	UNDP Rule of Law and Human Rights project started (2013–2017)	Environment Friendly Local Governance Framework (EFLGF), based on SEAM-N project concept approved by the Government of Nepal
	Mid-term review of RVWRMP II	
	RWSSP-WN Phase II begins (2013–2018)	
2014	Local Cooperation Fund developed by the Embassy	MoFSC established Forest Enterprise and Private Sector Promotion Division
	Save the Children project "Learning for better Future was implemented	Organisational reform of soil conservation department and national parks undertaken by MoFSC
		Watershed policy-2014
		Implementation of Watershed Management Act-1982 started for the first time
		Formation of President Chure-Tarai Madhesh Conservation Board-2014
		Environment Friendly Local Governance Framework (EFLGF) implemented across 12 districts with DFID financial support by MoFALD
	Mid-term review of TSSP	
2015	Human Rights Based Approach (HRBA) in Finnish Development Cooperation, Guidance Note	WASH Sector Development Plan, 2015
	Results–Based Management (RBM) in Finnish Development Cooperation	Three-year Interim Plan Nepal (2014–2016)
	Finnish Development Cooperation Policy guideline (Draft)	Constitution of Nepal-2015
	Women Economic Empowerment launched 2015–2017	Private Forestry Policy-2015
	Joint Evaluation of Nepal's School Sector Reform Plan Programme 2009–16; 9/2015	Forest Resource Assessment reports accepted and approved for publication by MoFSC
	Mid Term Review of Nepal Multi-Stakeholder Forestry Programme (July 2015)	Forest Policy-2015
	CS evaluation	Nature Conservation Strategy-2015
	Preparation for the development of School Sector Development Plan	

ANNEX 5: THE MAIN CS INTERVENTIONS 2007–2015

Programme/Project	Sector	Financing Mechanism	Implementing Agency	Duration	Total Funding	Remarks
Development Result 1 Good governance and rule of law prevailing through reliable state institutions						
UNDP – Rule of Law and Human Rights (RoLHR)	Peace and Development	Multilateral	UNDP	5 yrs (2013–2017)	€5.4 million	Ongoing Agreement signed on 7.4.2014
UN Women (NAP on UNSCRs 1325/1820)	Peace and Development	Multilateral	UN Women	4 yrs (2012–2016)	€1.3 million + € 253 590	Ongoing. No–cost extension; Additional funding in WEE
Women Economic Empowerment (WEE)	Peace and Development	Multilateral	UN Women	3 yrs (2015–2017)	€ 3.7 million (€3,746, 410.00)	Inception phase finalized 12/2015; Ongoing
Support to National Human Rights Commission (SCNHRC)	Peace and Development	Bilateral and multilateral (UNDP)	NHRC UNDP	5 yrs 2009–2014	€189 000 (bilateral) € 0.6 million (multilateral)	Closed
Support to Nepal Peace Trust Fund	Peace and Development	Joint Funding	NPTF	2007–2013	€ 3.5 million	Closed
Support to IDEA	Peace and Development	Joint funding		4 yrs 2009–2013	€ 0.4 million	Closed
Development Result 2 Realisation of economic, social and cultural rights within the context of economic empowerment and adequate service delivery (Service delivery and economic empowerment)						
School Sector Reform Plan (SSRP)	Education	Co–Financing	MOE	5 yrs (2009/10–2013/14) + 2yrs (2014–2016)	€23 million (16€+7€)	2 years extension (2014–2016). Contract signed 12/2014; Ongoing
TSSP-TA (TVET)	Education	Bilateral – TA	Hifab-Oy/MOE	3 yrs (2012–2015)	€1.6 million	No-cost extension 12/2015. A new project TASS for 2016–2018 with a total budget of € 1.7 million; Ongoing
RWWRMP II	Water	Bilateral – TA	FCG	5.5 yrs 9/2010–2/2016	€15.5 million	1–2/2016 no-cost extension; Closed

Programme/Project	Sector	Financing Mechanism	Implementing Agency	Duration	Total Funding	Remarks
Development Result 2 Realisation of economic, social and cultural rights within the context of economic empowerment and adequate service delivery (Service delivery and economic empowerment)						
RVWRMP III	Water	Bilateral – TA	FCG	5 yrs 3/2016–12/2020	€15 million	Ongoing
RWSSP-WN), phase II	Water	Bilateral – TA	FCG	5 yrs 9/2013–11/2018	€13.7 million	Ongoing
UNICEF National WASH Programme	Water	Multilateral	UNICEF	5.5 yrs 1/2011–8/2016	€ 9.8 million	1–8/2016 no-cost extension; Ongoing
Reconstruction through UNICEF	Reconstruct-ion: WASH and education	Multilateral	UNICEF	2016 (option: 2017)	€1 million (option €1 million more)	Contract signed 29.2.2016, Ongoing
Development Result 3: Natural resource management contributing to rural livelihoods and health through inclusive green economy						
Multi-stakeholder Forestry Programme (MSFP)	Forestry	Co-financing	SDC	5 yrs (2011–2016)	€10.2 million	no-cost extension in 7/2014, Closed 2016
Forest Resource Assessment Project (FRA)	Forestry	Bilateral	xx	2010–2014	€6.35 million	Closed
TA for Leasehold Forestry and Livestock Develop-ment Program (TA-LFLDP)	Forestry	Multilateral -TA	FAO	2009–2014	€5.3 million	Closed
Strengthening of Envi-ronmental Administration and Management at the Local Level in Nepal SEAM 2011–2014	Environment	Bilateral		2001–2014; com-pletion phase 2011–2014	€9.3 million	Ongoing, Completion phase
The Regional Solid Waste Management (RSWM) Project	Environment	bilateral		2010–	€4.4 million	Project was closed in 2011

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ANNEX 6: COUNTRY STRATEGY BUDGET (MEUR)

SECTOR	2013	2014	2015	2016	TOTAL	% of total
EDUCATION SECTOR						
Education Sector Support Programme (ESSP)	3.5	3.5	5.8	5.5	18.3	
TA support for TVET	0.35	0.35	0.3	-	1.0	
Finnish National Board of Education Advisory Services	0.2	-	-	-	0.2	
Education sector, total	4.1	3.9	6.3	5.5	19.7	24 %
FORESTRY SECTOR						
Multi-Stakeholder Forestry Programme (MSFP)	3.1	0.0	3.1	3.9	10.1	
Forest Resource Assessment Projects (FRA)	0.6	0.5	-	-	1.1	
Forestry sector, total					11.2	14 %
WATER SUPPLY AND SANITATION SECTOR						
Rural Village Water Resource Management (RVWRMP)	3.0	3.7	4.1	4.0	14.8	
Rural Water Supply and Sanitation Project (RWSSP)	3.2	3.5	3.2	3.0	13.0	
UNICEF WASH	1.9	1.9	1.9	2.0	7.7	
Water supply and sanitation, total					35.4	44 %
ENVIRONMENT SECTOR						
Strengthening of Environmental Administration at Local Level (SEAM)	1.0	1.0	-	-	2.0	
Environment sector, total					2.0	2 %
PEACE PROCESS AND HUMAN RIGHTS						
UNDP Support to Rule of Law and Human Rights (RoLHR)	0.6	1.7	2.0	2.1	6.4	
Unallocated Support to Rule of Law and Human Rights	1.0	1.0	0.8	1.2	4.0	
Peace Process and Human Rights, total					10.4	13 %
UNALLOCATED PROGRAMME SUPPORT, total	0.9	0.4	-	0.9	2.2	3 %
NEPAL TOTAL 2008–2012					80.8	100 %

Source: MFA. Country Strategy for Development Cooperation with Nepal 2013- 2016. February 2013.

ANNEX 7: LOGIC MODEL FOR NEPAL – JANUARY 2016

Country development goal: Poverty reduction through sustainable, inclusive and equitable economic growth				
Country Development Result	**Finland's objectives (strategic choice level 2)**	**Finland's specific objectives (strategic choice level 3)**	**Instruments, inputs and resources 2013–2016**	**Key assumptions**
Good governance and Rule of Law prevailing through reliable state institutions	1 Capacitated, strengthened and transparent public institutions, public administration, CSOs and inclusive policy-making processes	1.1 Capacitated, accessible and accountable justice, security and human rights institutions	Policy dialogue by Embassy with GoN, donor groups and multilateral organisations (UN, WB, ADB etc.) to advance Rule of Law development. Continued programme support for completion of peace process and human rights, including ongoing identification with UNDP for joint financing with other key donors. Ongoing projects: ROLHR (2014–2017) SCNHRC (2009–2014) NHRC (2011–2014) NPTF (2010–2014)	Good quality programmes developed for funding. Finnish CSOs are willing to increase their support to Nepal. Impunity shall be addressed in Nepal. Constitution promulgated and development of bylaws and regulations progresses. Establishment of Truth and Reconciliation Commission.

Country Development Result	Finland's objectives (strategic choice level 2)	Finland's specific objectives (strategic choice level 3)	Instruments, inputs and resources 2013–2016	Key assumptions
		1.2 CSOs, representing women and vulnerable groups, have capacity to contribute to democratic development, policy definition processes and accountability of public administration	Policy dialogue by Embassy with GoN, donor groups and multilateral organisations (UN, WB, ADB etc.) as well as with Nepalese and Finnish CSO's to promote participation of women's and vulnerable groups in decision-making Ongoing projects: UN Women MSFP RVWRMP RWSSP-WN UNICEF WASH SSRP Fund for local cooperation Finnish CSO cooperation	UN Women capacity sufficient to coordinate and manage pilots in the districts. CSO willingness to contribute to these goals and willingness of government to include CSOs as partners and engage them in participatory policy and strategy processes.
Good governance and Rule of Law prevailing through reliable state institutions	1 Capacitated, strengthened and transparent public institutions, public administration, CSOs and inclusive policy-making processes	1.3 Strengthened capacity of government organisations and CSOs to provide services in priority sectors (water, education and forest)	Policy dialogue by Embassy with CSOs and GoN to promote CSO participation and capacity Ongoing projects: FRA MSFP UNICEF WASH RVWRMP RWSSP-WN Finnish CSO cooperation Fund for local cooperation	Willingness of government to diminish circulation of staff in key positions to maintain capacity. Successful restructuring in water sector ministries as well as in Ministry for Forestry Willingness of Finnish CSOs to support country strategy objectives.

Country development goal: Poverty reduction through sustainable, inclusive and equitable economic growth				
Country Development Result	**Finland's objectives (strategic choice level 2)**	**Finland's specific objectives (strategic choice level 3)**	**Instruments, inputs and resources 2013–2016**	**Key assumptions**
Realisation of Economic, Social and Cultural Rights within the context of economic empowerment and adequate service delivery	2 Equal and universal access to quality education	2.1 Effective implementation of education sector policy and plans (SSRP) leading to full participation and quality education for all (incl. marginalized groups)	Policy dialogue by Embassy with GoN and in education sector working group and with other donors, esp. WB, ADB and EU, as well as with CSOs to improve quality of and universal access to education. Ongoing support: SSRP 2010–2016 TVET TA Fund for local cooperation Finnish CSO cooperation	GoN and Parliament approval for education system restructuring. GoN funding continues to cover minimum 75 % of budget. Finnish CSOs are willing to increase their support to Nepal.
		2.2 Soft skills training for young people facilitate the transition from school to work	Policy dialogue by Embassy with GoN and in education sector working group and the-matic working group and with other sector donors to advance soft skills training and its relevance. Ongoing project: TVET TA	GoN support to pilot schools (100) is sufficiently resourced and schools are willing to take up this new direction in teaching. Soft skills that are pro-moted are relevant in relation to employment opportunities.

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Country development goal: Poverty reduction through sustainable, inclusive and equitable economic growth				
Country Development Result	**Finland's objectives (strategic choice level 2)**	**Finland's specific objectives (strategic choice level 3)**	**Instruments, inputs and resources 2013–2016**	**Key assumptions**
	3 Equal and sustainable access to safe water and sanitation in rural areas	3.1 Water systems are functional and reaching out to all rural population in project working areas	Direct supervision through SVB and SC meetings, monitoring visits and policy dialogue by Embassy with GoN's sector ministries, supported by UNICEF, to advance quality and sustainability of water supply schemes. Ongoing projects: RVWRMP RWSSP UNICEF WASH Finnish NGO's (e.g. WaterFinns, FIDA, WWF)	Operational space for projects to work in remote rural areas remains in spite of political instability. User groups are capable and willing to invest in operation and maintenance.
		3.2 Sustainable sanitation available at all institutions and households in project working areas	Ongoing projects: RVWRMP RWSSP UNICEF WASH	Socio-cultural challenges in terms of sanitation down in tarai overcome.
Realisation of Economic, Social and Cultural Rights within the context of economic empowerment and adequate service delivery	4 Economic empowerment, especially for women and easily marginalized groups	4.1 Development of entrepreneurial activity and employment generation, especially women's entrepreneurship, and improved livelihoods for easily marginalized groups	Policy dialogue and advocacy by Embassy with GoN, CSOs and other donors to promote women's livelihoods development Ongoing projects: UN Women RVWRMP RWSSP-WN MSFP Fund for Local Cooperation Finnish CSO cooperation	Caste system/social pressure allows women and marginalized groups to participate and develop entrepreneurship.

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Country development goal: Poverty reduction through sustainable, inclusive and equitable economic growth				
Country Development Result	**Finland's objectives (strategic choice level 2)**	**Finland's specific objectives (strategic choice level 3)**	**Instruments, inputs and resources 2013–2016**	**Key assumptions**
Natural Resource Management contributing to rural livelihoods and health through inclusive green economy	5 Inclusive management of forest resources and environmental administration	5.1 GoN and non-state actors define and implement inclusive forest sector policies, strategies and plans at national, district and local level that contribute to climate change adaptation and disaster risk reduction	Policy dialogue by Embassy with GoN, CSOs and multilateral organisations (e.g. FAO, IFAD) to promote sustainable and inclusive forest management and using lessons learnt from Finnish supported forest interventions Ongoing projects: FRA MSFP, Component 1 Finnish CSO cooperation (e.g. WWF)	GoN, civil society and private sector agree on principles of forest policy. GoN willing to include all stakeholders in the forest policy preparation and implementation. Forest Sector Master Plan evaluated. National Forest Entity established.
		5.2 Rural communities benefit from local forest management, processing of forest products and forest-related value chain	Policy dialogue by Embassy with GoN and multilateral organisations (FAO, IFAD) to maintain and increase role of community forestry Ongoing projects: FRA MSFP, Components 2–4 Leasehold Forestry Programme Finnish CSO cooperation (e.g. WWF)	GoN agrees to maintain the benefits of communities at the level outlined in the Forest Act 1993 and allocates more forests for communities.

Country development goal: Poverty reduction through sustainable, inclusive and equitable economic growth				
Country Development Result	**Finland's objectives (strategic choice level 2)**	**Finland's specific objectives (strategic choice level 3)**	**Instruments, inputs and resources 2013–2016**	**Key assumptions**
Natural Resource Management contributing to rural livelihoods and health through inclusive green economy		5.3 National model for local environmental administration demonstrated through functional pilots in project areas	Policy dialogue by Embassy with Min. of Env. and MLD and other donors in the environment sector to advance national application of SEAM developed models Ongoing projects: SEAM (until 2014) RWMP CSO cooperation	Willingness of central government to embrace SEAM developed environmental administration models, guidelines and pilots.
	6 Strengthened WASH policy, planning and management	6.1 Development of WASH sector policy, strategy and establishment of sector coordination framework and joint review practices that recognize the importance of rural WASH	Policy dialogue by Embassy with GoN and other sector donors (WB, ADB, bilaterals), supported by UNICEF, to advance sector development Ongoing projects: UNICEF WASH RVWRMP RWSSP-WN	Sector Development Plan (SDP) approved and Sector Financing Strategy (SFS) prepared. Capacity of Embassy to maintain active dialogue in the sector through DP chairmanship. Continued collaboration with UNICEF.
		6.2 Integrated water resources management (IWRM) institutionalized at district and VDC level in project areas	Policy dialogue by Embassy with GoN and other sector donors, supported by UNICEF Ongoing projects: RVWRMP RWSSP-WN UNICEF WASH SEAM (until 2014), Components 1–3	Capacity particularly at district and local level will be developed. Sanitation does not take all the attention from the wider development (IWRM) in the sector.

EVALUATION

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2016