EVALUATION

Evaluation

The Finnish Development Cooperation in the Water Sector

Evaluation report 2010:3

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

THE FINNISH DEVELOPMENT COOPERATION IN THE WATER SECTOR

2010:3

REPORT 2010:3	The Finnish Development Cooperation in the Water Sector ISBN: 978-951-724-848-8 (printed), ISBN: 978-951-724-849-5 (pdf), ISSN: 1235-7618
REPORT 2010:2	Finland's Development Cooperation with Ethiopia 2000–2008 ISBN: 978-951-724-839-6 (printed), ISBN: 978-951-724-840-2 (pdf), ISSN: 1235-7618
REPORT 2010:1	The Transition Towards a New Partnership with Egypt ISBN: 978-951-724-837-2 (printed), ISBN: 978-951-724-838-9 (pdf), ISSN: 1235-7618
REPORT 2009:9	Meta-Analysis of Development Evaluations in 2007 and 2008 ISBN: 978-951-724-809-9 (printed), ISBN: 978-951-724-810-5 (pdf), ISSN: 1235-7618
REPORT 2009:8	Natural Disasters, Climate Change and Poverty ISBN: 978-951-724-807-5 (printed), ISBN: 978-951-724-808-2 (pdf), ISSN: 1235-7618
REPORT 2009:7	The North-South-South Higher Education Network Programme ISBN: 978-951-724-790-0 (printed), ISBN: 978-951-724-791-7 (pdf), ISSN: 1235-7618
REPORT 2009:6	DEMO Finland Development Programme ISBN: 978-951-724-784 9 (printed), ISBN: 978-951-724-785 0 (pdf), ISSN: 1235-7618
REPORT 2009:5	Finnish Aid in Western Kenya; Impact and Lessons Learned ISBN: 978-951-724-783-2 (printed), ISBN: 978-951-724-786-3 (pdf), ISSN: 1235-7618
REPORT 2009:4	Meta-analysis of Development Cooperation on HIV /AIDS ISBN: 978-951-724-769-6 (printed), ISBN: 978-951-724-770 2 (pdf), ISSN: 1235-7618
REPORT 2009:3	Support to Development Research ISBN: 978-951-724-755-9 (printed), ISBN: 978-951-724-756 6 (pdf), ISSN: 1235-7618
REPORT 2009:2	Agriculture and Rural Development. A Preliminary Study ISBN: 978-951-724-746 7-(printed), ISBN: 978-951-724-747 4 (pdf), ISSN: 1235-7618
REPORT 2009:1	Finland´s Development Cooperation in Central Asia and South Caucasus ISBN: 978-951-724-728 3-(printed), ISBN: 978-951-724-729 0 (pdf), ISSN: 1235-7618
REPORT 2008:7	Kosovo Country Programme ISBN: 978-951-724-716-0 (printed), ISBN: 978-951-724-717-7 (pdf), ISSN: 1235-7618
REPORT 2008:6	The Cross-cutting Themes in the Finnish Development Cooperation ISBN: 978-951-224-714-6 (printed), ISBN: 978-951-224-715-3 (pdf), ISSN: 1235-7618
REPORT 2008:5	Finnish NGO Foundations ISBN: 978-951-724-709-2 (printed), ISBN: 978-951-724-710-8 (pdf), ISSN: 1235-7618
REPORT 2008:4	FIDIDA: An Examle of Outsourced Service 2004–2008 ISBN: 978-951-724-690-3 (printed), ISBN: 978-951-724-691-0 (pdf), ISSN: 1235-7618
REPORT 2008:3	Evolving New Partnerships between Finland and Namibia ISBN: 978-951-724-701-6 (printed), ISBN: 978-951-724-702-3 (pdf), ISSN: 1235-7618
REPORT 2008:2	Local Cooperation Funds – Role in Institution Building of Civil Society Organizations ISBN: 978-951-724-701-6 (printed), ISBN: 978-951-724-702-3 (pdf), ISSN: 1235-7618
REPORT 2008:1	Finnish Partnership Agreement Scheme ISBN: 978-951-724-672-9 (printed), ISBN: 978-951-724-673-6 (pdf), ISSN: 1235-7618
SPECIAL EDITION 2008:1 (SWE)	FAO: Utmaning till förnyelse. Sammanfattning ISBN: 978-951-724-670-5 (print), ISBN: 978-951-724-671-2 (pdf), ISSN: 1235-7618
SPECIAL EDITION 2008:1 (FI)	FAO: Haasteena uudistuminen. Lyhennelmä ISBN: 978-951-724-655-2 (painettu), ISBN: 978-951-724-659-0 (pdf), ISSN: 1235-7618

Evaluation

The Finnish Development Cooperation in the Water Sector

Evaluation report 2010:3

Evaluation

The Finnish Development Cooperation in the Water Sector

Manfred Matz
Bob Blankwaardt
Soumaya Ibrahim-Huber

With contributions from

Jussi Nikula
Gerald Eder

Evaluation report 2010:3

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND

This evaluation was commissioned by the Ministry for Foreign Affairs of Finland to HYDROPHIL GmbH/-Vienna, Austria. The consultants bear the sole responsibility for the contents of the report. The report does not necessarily reflect the views of the Ministry for Foreign Affairs of Finland.

This report can be accessed at http://formin.fi
Hard copies can be requested from: EVA-11@formin.fi
or
Development Evaluation (EVA-11)
The Ministry for Foreign Affairs of Finland
P.O.Box 512
00023 GOVERNMENT
Finland

ISBN 978-951-724-848-8 (printed)
ISBN 978-951-724-849-5 (pdf)
ISSN 1235-7618
Cover Photo: Kari Rissa
Cover Design: Anni Palotie
Printing House: Kopijyvä Oy, Jyväskylä, 2010

 Proposed reference: Matz M, Blankwaardt B, Ibrahim-Huber S, Nikula J & Eder G 2010 *Evaluation of the Finnish Development Cooperation in the Water Sector*. Evaluation report 2010:3. Ministry for Foreign Affairs of Finland, Kopijyvä Oy, Jyväskylä, 87 p. ISBN 978-951-724-848-8 (printed).

CONTENTS

[1)] Annexes 2 – 7 are non-edited and contained in the attached CD

TABLES

FIGURES

PREFACE

The purpose of the evaluation was the identification of the evolution of the development cooperation in the water sector, extraction from the lessons learnt and recommendations for the future support to the sector. This evaluation covers the years 1995-2009. The evaluation also describes global water problems, the role of water resources management and water in Climate change adaptation (CCA).

The evaluation gives a positive assessment of the Finnish aid to the water sector, especially its relevance and alignment with the partner country needs and policies. Also coordination and coherence were found to be good. Sustainability and effectiveness of aid were positive. For replicability, a good example is the unique community level financing mechanism (CDF) in Ethiopia, Amhara. It is now accepted by the Government of Ethiopia (2010) as one of official financing mechanisms in the water and sanitation sector (WASH). The mechanism is being replicated by UNICEF and considered by some other donors.

A number of recommendations concern general administrative and management issues within the Ministry, which are currently undergoing a significant reform. Recommendations are given to improve the design of aid interventions, their monitoring, strengthening of the institutional capacities, and extending of the dissemination of good practices at global level.

Research and Consultancy Company Hydrophil in Austria carried out the evaluation. Key personnel for this evaluation were Mr. Manfred Matz (Team Leader), Mr. Bob Blankwaardt and Mrs. Soymaya Ibrahim-Huber as team members.

Helsinki, 11 June 2010

Aira Päivöke
Director
Development Evaluation

ACRONYMS

ADB	Asian Development Bank
CBPF	Capacity Building Pooled Fund (Ethiopia)
CCA	Climate Change Adaptation
CDF	Community Development Fund (Ethiopia)
EECCA	Eastern Europe, Caucasus and Central Asia
EIA	Environmental Impact Assessment
ENSAP	Eastern Nile Subsidiary Action Programme
ENTRO	Eastern Nile Technical Regional Office
EUR	Euro
EUWI	European Water Initiative
FWF	Finnish Water Forum
GEF	Global Environmental Facility
GoE	Government of Ethiopia
GoF	Government of Finland
GoK	Government of Kenya
GWP	Global Water Partnership
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICIMOD	International Centre for Integrated Mountain Development
ICT	Information and Communications Technology
IDEN	Integrated Development of Eastern Nile
IDEN-WM	Integrated Development of Eastern Nile – Water Management
IPCC	Intergovernmental Panel on Climate Change
IUCN	International Union for the Conservation of Nature
IWRM	Integrated Water Resources Management
JMP	Joint Monitoring Programme
LCF	Local Cooperation Fund
LDC	Least Developed Country
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development (Nepal)
MDGs	Millennium Development Goals
MFA	Ministry for Foreign Affairs of Finland
MOFED	Ministry of Finance and Economic Development (Ethiopia)
MOWR	Ministry of Water Resources (Ethiopia)
MRC	Mekong River Commission
NAPA	National Adaptation Programme of Action
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD/DAC	Organisation for Economic Co-operation and Development/ Development Assistance Committee
PASDEP	Plan for Accelerated & Sustained Development to End Poverty (Ethiopia)

PD	Paris Declaration
PRSP	Poverty Reduction Strategy Paper
RVWRMP	Rural Village Water Resources Management Programme (Nepal)
RWS	Rural Water Supply
RWSEP	Rural Water Supply and Environmental Programme in Amhara Region (Ethiopia)
RWSS	Rural Water Supply and Sanitation
RWSSP-WN	Rural Water Supply and Sanitation Project in Western Nepal
SAWI	South Asian Water Initiative
Sida	Swedish International Development Agency
SWAP	Sector-Wide Approach
TA	Technical Assistance
TBIWRDP	Tana & Beles Integrated Water Resources Development Project (Ethiopia)
TFF	Trust Fund for Forests (Vietnam)
TOR	Terms of Reference
UAP	Universal Access Plan (Ethiopia)
UN	United Nations
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Fund
WASH	Water Supply, Sanitation and Hygiene
WASHCO	Water, Sanitation and Hygiene Committee (Ethiopia)
WB	World Bank
WHO	World Health Organisation
WMP	Watershed Management Programme (Ethiopia)
WSDSSMP	Water Supply, Drainage, Sewerage and Sanitation Management Programme (Vietnam)
WSP	Water and Sanitation Programme (WB)
WSPST	Water Supply and Sanitation Programme for Small Towns (Vietnam)
WSS	Water Supply & Sanitation
WSTF	Water Services Trust Fund (Kenya)
WUC	Water Users Committee (Nepal)
WUMP	Water Use Management Plan
WWF	World Water Forum

Evaluaatio Suomen Kehitysyhteistyöstä Vesisektorilla

Manfred Matz, Bob Blankwaardt ja Soumaya Ibrahim-Huber
sekä Jussi Nikula ja Gerald Eder

Ulkoasiainministeriön evaluointiraportti 2010:3

ISBN 978-951-724-848-8 (painettu); ISBN 978-951-724-849-5 (pdf);
ISSN 1235-7618

Raportti on luettavissa kokonaisuudessaan http://formin.finland.fi

---

TIIVISTELMÄ

Suomen vesialan kehitysyhteistyön evaluoinnilla oli kaksi tavoitetta: i) arvioida Suomen avustustoimenpiteiden saavutuksia ja tuloksia sekä tehdä päätelmiä kauden 1995-2009 kokemuksista sekä ii) tarjota asiantuntijanäkemys vesivarojen maailmanlaajuisesta tilanteesta ja kansainvälisestä vesialan keskustelusta painottaen luonnonvarojen kestävää käyttöä ja ilmastonmuutokseen sopeutumista. Raportissa analysoidaan erityisesti politiikkoja ja läpileikkaavien kysymysten toteuttamista vesialalla.

Evaluoiontiryhmä kävi läpi kaikkien vesihankkeiden asiakirjat tarkastellulta aikajaksolta. Lisäksi ryhmä vieraili kentällä kolmessa kohdemaassa, tutustui maiden hankkeisiin ja haastatteli lukuisia sidosryhmien edustajia, toimijoita ja edunsaajia.

Evaluoinnin johtopäätökset osoittavat, että yleisesti ottaen Suomen vesialan kehitysyhteistyö vaikuttaa suoraan edunsaajien elinolosuhteita parantavasti. Puutteita havaittiin ennen kaikkea hankesyklin johtamisessa ja poliittisissa puitteissa. Useimmat suomalaishankkeet maissa, joissa ryhmä vieraili, ovat onnistuneet huomattavan hyvin, joskin on todettava, että myönteisten kokemusten siirtämisessä laajempaan mittakaavaan ja toistamisessa todettiin merkittäviä haasteita. Näiden osa-alueiden strategista sisällyttämistä hankkeiden perättäisten vaiheiden suunnitteluun tulisi kehittää, jotta institutionaalisen kestävyyden ongelmia voitaisiin välttää..

Asiasanat: kokonaisvaltainen vesivarojen hallinta, ilmastonmuutokseen sopeutuminen, arviointi, Suomi, kehitysyhteistyö

Utvärdering av Finlands Utvecklingssamarbeten inom Vattensektorn

Manfred Matz, Bob Blankwaardt och Soumaya Ibrahim-Huber, samt Jussi Nikula och Gerald Eder

Utrikesministeriets utvärderingsrapport 2010:3

ISBN 978-951-724-848-8 (print); ISBN 978-951-724-849-5 (pdf);
ISSN 1235-7618

Rapporten finns i sin helhet på addressen http://formin.finland.fi

---

ABSTRAKT

Syftet med denna utvärdering av Finlands utvecklingssamarbeten inom vattensektorn är dubbelt: (i) att utvärdera resultaten från de finska biståndsinsatserna och dra slutsatser av erfarenheterna från perioden 1995–2009, och (ii) att ge en professionell syn på situationen för globala vattenresurser och internationella diskussioner inom vattensektorn med betoning på hållbar användning av naturresurser och anpassningar till klimatförändringar. Särskild uppmärksamhet ägnas åt analys av policy och genomförandet av övergripande frågor inom vattensektorn.

Utvärderingsgruppen har granskat dokument från alla större vattenprojekt under den observerade perioden. Gruppen har dessutom gjort fältbesök till tre av länderna där de besökte projekt och intervjuade intressenter, aktörer och bidragsmottagare.

Gruppens slutsats är att de finska samarbetena inom vattensektorn i allmänhet bidrar direkt till förbättrade levnadsvillkor för de avsedda biståndsmottagarna. Vissa brister observerades och då speciellt inom projektförvaltningen och policyramverket. I de länder som besöktes har de flesta av de finska projekten visat anmärkningsvärda framgångar, även om det måste noteras att det är en utmaning att vidareutveckla och kopiera positiva erfarenheter. De senare aspekterna bör mer strategiskt integreras i utformningen av efterföljande projektfaser för att undvika potentiella problem med institutionell hållbarhet.

Nyckelord: förvaltning av integrerade vattenresurser, anpassning till klimatförändringar, utvärdering, Finland, utvecklingssamarbete.

Evaluation of the Finnish Development Cooperation in the Water Sector

Manfred Matz, Bob Blankwaardt and Soumaya Ibrahim-Huber
with contributions from Jussi Nikula and Gerald Eder

Evaluation report of the Ministry for Foreign Affairs of Finland 2010:3

ISBN 978-951-724-848-8 (printed); ISBN 978-951-724-849-5 (pdf);
ISSN 1235-7618

The full report can be accessed at http://formin.finland.fi

ABSTRACT

The purpose of this evaluation of the Finnish development cooperation in the water sector is twofold: (i) to assess the achievements and results of the Finnish aid interventions and to draw conclusions from the lessons learnt over the period 1995-2009, and (ii) to provide a professional view of the global water resources situation and of international discussions in the water sector with an emphasis on the sustainable use of natural resources and adaptation to climate change. Special attention is given to the analysis of policies and the implementation of the cross-cutting issues in the water sector.

The evaluation team has analysed documents of all major water projects during the observed period. Furthermore, the team has undertaken field visits to three case countries where projects were visited and numerous interviews were held with different stakeholders, actors and beneficiaries.

The evaluation concluded that, in general, the Finnish cooperation in the water sector contributes directly to an improvement of the living conditions of targeted beneficiaries. Some inadequacies were observed, particularly in the project cycle management, and in the policy framework. In the countries visited, most of the Finnish projects have shown remarkable successes, although it must be noted that up-scaling and the replication of positive experiences are also posing important challenges. The latter aspects should be more strategically incorporated into the design of successive project phases so that potential problems of institutional sustainability can be avoided.

Keywords: integrated water resources management, climate change adaptation, evaluation, Finland, development cooperation

YHTEENVETO

Evaluointi tarjoaa yleiskatsauksen Suomen kehitysavusta köyhyyden vähentämiseen ja kestävään kehitykseen, parantamalla i) vesihuolto- ja sanitaatiopalvelujen saatavuutta kehitysmaiden asukkaille ja ii) vesivarojen tasaveroista ja kestävää käyttöä. Työn tarkoituksena on toisaalta evaluoida Suomen kehitysaputoimenpiteitä ja tehdä päätelmiä kauden 1995-2009 kokemuksista, ja toisaalta se pyrkii tarjoamaan asiantuntijanäkemyksen vesivarojen nykyisestä ja tulevasta maailmanlaajuisesta tilanteesta sekä vesialan kansainvälisestä keskustelusta luonnonvarojen kestävää käyttöä ja sopeutumista ilmastonmuutokseen painottaen.

Kirjoittajat ovat laatineet evaluointimatriisin, joka luo tiettyihin kriteereihin ja mittareihin perustuen arviointipuitteet Suomen vesialan kehitysyhteistyöhankkeille, ohjelmille ja politiikoille. Evaluointi on tarkastellut tärkeimpien hankkeiden ja ohjelmien asiakirjoja kolmea esimerkkimaata (Etiopia, Nepal ja Vietnam) painottaen. Evaluointiryhmä vieraili kyseisissä maissa ja haastatteli kumppanijärjestöjen, edunsaajien, Suomen lähetystöjen ja teknistä apua tarjoavien konsulttien edustajia kentällä.

Seuraavassa esitetään evaluoinnin tulosten avainkohdat.

Kuva Suomen vesialan kehitysyhteistyöstä on yleisesti ottaen myönteinen. Vesihuolto- ja sanitaatioalojen ohjelma-/hankevalikoima vastaa täysin kaikkien kohdemaiden havaittuja ja ilmaistuja tarpeita, joten niiden tarkoituksenmukaisuuden taso on korkea. Suomi on myös reagoinut myönteisesti vesivarojen hallinnan kehittämisen kasvavaan merkitykseen, joka on ilmaistu YK:n Johannesburgissa vuonna 2002 järjestetyssä huippukokouksessa muotoiltujen kokonaisvaltaisen vesivarojen hallintaohjelman (IWRM) ja vesitehokkuuden tavoitteissa. Kaikki analysoidut ohjelmat/hankkeet saavat myös hyvän arvosanan tuloksellisuudesta, tehokkuudesta, vaikuttavuudesta ja kestävyydestä. Hankkeiden ja ohjelmien koordinointi muiden lahjoittajien ja hallituskumppaneiden kanssa on hyvällä tasolla.

Kirjoittajat totesivat, että hankkeiden suunnittelu- ja arviointiasiakirjat ovat usein monisanaisia, sisältävät toistoa ja keskittyvät toimintaan/tuottoihin pikemmin kuin tuloksiin/vaikutuksiin. Aikomuksista huolimatta ulkoministeriön (UM) tulospohjaista hankesyklin johtamisjärjestelmää ei ole aina sovellettu hankkeissa UM:n ohjeistuksen mukaisesti; ohjeet ovat vuodelta 1999, ja niitä tarkistetaan parhaillaan. Ryhmä suosittelee, että meneillään olevassa tarkistuksessa vaikuttavuuteen kiinnitetään lisähuomiota hankkeiden suunnittelussa ja niiden valvontaa toteutus- ja arviointiprosessin kuluessa helpotetaan pakollisilla, kattavilla ja tehokkailla soveltamismenettelyillä. Tämä tukisi myös UM:n sisäistä institutionaalista oppimista.

Kestävyys on erittäin haastava osa-alue missä tahansa yhteistyössä, sillä se liittyy kumppaneiden omistajuuteen paitsi suorina edunsaajina myös vastapuolen työntekijöinä yhteistyöhallinnoissa. Kirjoittajat ovat todenneet, että Suomen vesialan yhteistyö

huolehtii moitteettomasti kaikista osa-alueista, jotka liittyvät pyrkimyksiin taata hankkeiden sisään rakennettujen fyysisten ohjelmien kestävä toiminnallisuus. Edessä on kuitenkin kumppanihallitusten omistajuuteen liittyviä haasteita, etenkin mitä tulee pitkän aikavälin kestävyyden tukemisen edellyttämien kapasiteettien ja järjestelmien integroimiseen hallitusten omiin instituutioihin.

Suomen kehitysyhteistyö edistää läpileikkaavien kysymysten huomioonottamista, kuten sukupuolten tasa-arvo, haavoittuvien väestöryhmien oikeudet ja ihmisen immuunikatovirus/hankinnainen immuunivajavuus (HIV/AIDS), sekä rohkaisee hallituksia ja kansalaisjärjestöjä etsimään vastauksia näihin kysymyksiin. Usein on kuitenkin kyseenalaista, missä määrin läpileikkaavat kysymykset on tosiasiallisesti valtavirtaistettu kaikissa vesiohjelmissa. Näin ollen ryhmä suosittelee, että Suomen vesialan kehitysyhteistyöohjelmiin tulisi sisällyttää läpileikkaavia kysymyksiä kaikilla hankkeen/ohjelman vaiheiden tasoilla. Yksityiskohtaisiin suosituksiin sisältyy vesialan läpileikkaavien aiheiden strategian kehittäminen viisivuotisen toimintasuunnitelman pohjalta sekä ohjeistus läpileikkaavien aiheiden kytkemisestä osaksi kaikkia vesialan hankkeiden komponentteja.

Suomen vesialan kehitysyhteistyölle laaditaan parhaillaan käsitteellisiä puitteita. Äskettäin julkaistu 'Suomen vesialan kansainvälinen strategia' on tulosta ministeriöiden yhteisistä pyrkimyksistä parantaa yleisesti suomalaisten vesialan, ja myös kehitysyhteistyön, toimijoiden keskinäistä koordinaatiota. Uusin vesipolitiikka on laadittu vuonna 1995, ja se on ollut käytössä tähän päivään saakka vain vähäisin muutoksin. Uutta politiikka-asiakirjaa laaditaan kuitenkin parhaillaan. Tälle asiakirjalle on huutava tarve jo pelkästään strategiassa linjattujen vesialan tavoitteiden ja kohteiden tunnistamiseksi.

Useisiin tarkasteltuihin hankkeisiin ja ohjelmiin maissa, joissa evaluointiryhmä vieraili, liittyy menestystarina tai merkittäviä kokemuksia, joista voitaisiin ottaa oppia. Tässä mielessä kullakin maalla on oma eturivin projektinsa, jossa Suomi on saanut aikaan erittäin merkittäviä vaikutuksia. Olisi todella valitettavaa, jos näitä hyviä kokemuksia ei saataisi maailmanlaajuiseen levitykseen. Tämä rikkoisi kansainvälisen strategian henkeä ja lisäksi esim. yhteisökehitysrahaston kohdalla maailmassa menisi hukkaan arvokasta tietoa, jonka avulla vuosituhannen tavoitteet voitaisiin saavuttaa nopeammin ja edullisemmin.

Suomen hankkeet saavat hyvät arvosanat käytännössä kaikkien evaluointikriteerien kohdalla. Hankesyklin eri vaiheita hallitsee kuitenkin voimakas keskittyminen tuottojen määrään ja laatuun. Tämä käsitys vahvistui haastateltaessa teknisen avun konsultteja, jotka näin ollen tavoittelevat täydellisyyttä hankkeiden toteuttamisessa. Tarkoitus on toki hyvä, mutta aikaa ja energiaa kulutetaan neuvonnan sijasta varsinaiseen toimintaan, vaikka neuvonnan tulisi tukea teknisen avun lopullisen päämäärän saavuttamista, eli tehdä itsensä tarpeettomaksi. Tämä vaarantaa viime kädessä institutionaalisen kestävyyden. Niinpä hankkeiden ja teknisen avun tulisi keskittyä enemmän vaikuttavuuteen, mikä auttaisi havaitsemaan mahdolliset "rakenteelliset virheet" hankkeiden suunnittelussa sekä lujittaisi kumppaniorganisaatioiden ja edunsaajien omistajuutta.

Suomi kykenee osallistumaan merkittävällä panoksella ilmastonmuutokseen sopeutumiseen kumppanuusmaissa. Paikallistasolla tätä sopeutumista vahvistavat jossain määrin lähes automaattisesti monien Suomen kehitysyhteistyöstä rahoitettujen kylätoimintaan pohjautuvien vesihuolto- ja sanitaatiohankkeiden tai maaseudun kehittämishankkeiden tyypilliset piirteet. Laajamittainen osallistuminen kapasiteettirakentamistoimintaan, yhteisten investointien tarve suunnittelussa ja yhteistyön ja avoimuuden/vastuullisuuden tarve sekä toiminnassa että hallinnossa yhteisötasolla ovat kannustaneet väestön ja paikallishallinnon väliseen yhteistyöhön sekä lujittaneet kylien sosiaalista kudosta. Lisäksi tarvitaan kuivuudesta, tulvista jne. selviytymisen edellyttämää teknistä tietämystä. Suomi pystyy tarjoamaan tekniikkaa veden varastointiin, vesistöalueen suunnitelmalliseen käyttöön, kestävään maankäyttöön, metsätalouden vesihallintoon jne., ja suomalaiset instituutiot voivat tarjota tukeaan. Maiden keskushallinnon tasolla Suomi voi toimia tieteellisessä roolissa ennakkovaroitusjärjestelmien perustamisessa ja erilaisten ilmastoskenaarioiden hydrologisessa mallintamisessa.

SAMMANFATTNING

Denna studie ger en översikt av hur Finlands utvecklingssamarbeten har bidragit till minskad fattigdom och hållbar utveckling genom att (i) förbättra tillgången på vattenförsörjning och sanitet för invånarna i utvecklingsländerna och (ii) skapa en rättvis och hållbar tillgång till vattenresurser. Syftet med studien är att bedöma de finska biståndsinsatserna och dra slutsatser av erfarenheterna under perioden 1995–2009, och även att ge en professionell syn på den aktuella och framtida situationen för globala vattenresurser och internationella diskussioner inom vattensektorn med betoning på hållbar användning av naturresurser och anpassning till klimatförändringar.

Författarna har tagit fram en utvärderingsmatris med kriterier och indikatorer för att utvärdera de finska projekten för utvecklingssamarbete, program, tillvägagångssätt och policy inom vattensektorn. Gruppen har gått igenom tillgänglig dokumentation för de viktigaste projekten och programmen, och med betoning på tre länder (Etiopien, Nepal och Vietnam). Dessa länder besöktes och företrädare för partnerorganisationer, bidragsmottagare, finska ambassader och konsulter för tekniskt stöd intervjuades på fältet.

Följande viktiga punkter har framgått i utvärderingen.

Det finska utvecklingssamarbetena inom vattensektorn visar övergripande en positiv bild. Urvalet av program och projekt inom sektorerna vattenförsörjning och sanitet överensstämmer med de observerade och uttalade behoven i alla tre länderna, och detta ger höga resultat i fråga om relevans. Finland har också reagerat positivt på den ökade betydelsen av förbättrad vattenresursförvaltning enligt hur detta uttrycktes i målen för integrerad förvaltning av vattenresurser (IWRM) och vatteneffektivitet när de formulerades under FN-konferensen i Johannesburg 2002. De analyserade programmen och projekten får i allmänhet även höga poäng i fråga om effektivitet, verkan, genomslagskraft och hållbarhet. Projekten och programmen är väl samordnade med andra givare och regeringspartners.

Författarna fann att dokumenten för projektplanering och -utvärdering ofta är repetitiva och inriktade på aktiviteter/utdata snarare än resultat/genomslagskraft. Även om Utrikesministeriet hade andra avsikter med den resultatbaserade projektförvaltningen förefaller den inte alltid uppfylla ministeriets riktlinjer. Dessa riktlinjer är från 1999 och ska ses över. Det rekommenderas att den pågående översynen ska ta större hänsyn till effekterna av projektutformningen, och dessutom förenkla övervakningen under genomförande och vid utvärdering med hjälp av obligatoriska, omfattande och effektiva processer. Detta skulle även vara positivt för det institutionella lärandet inom Utrikesministeriet.

I ett samarbete är hållbarhet alltid en utmaning eftersom det berör partnernas ägande. Detta gäller dock inte endast direkta biståndsmottagare utan även personal inom de

administrativa delarna i samarbetena. Författarna har funnit att de finska samarbetena inom vattensektorn väldigt bra hanterar aspekterna med att försöka garantera en hållbar verksamhet i de fysiska system som byggts in i projekten. Det finns dock en rad utmaningar gällande ägande inom partnerländernas regeringar, och speciellt i fråga om att integrera kunskaper och mekanismer i deras egna institutioner vilket är nödvändigt för en långsiktig hållbarhet.

Finlands utvecklingssamarbeten främjar övergripande frågor som jämställdhet, utsatta befolkningsgruppers rättigheter, HIV/AIDS och uppmuntrar regeringsorgan och icke-statliga organisationer att arbeta med dessa frågor. Men det framgår inte i vilken utsträckning som de övergripande frågorna verkligen integreras i alla vattenprogram. Därför rekommenderar gruppen att Finlands utvecklingssamarbetsprogram inom vattensektorn ska omfatta övergripande frågor på alla nivåer i projektens och programmens faser. Särskilda rekommendationer omfattar utvecklingen av en strategi för övergripande frågor inom vattensektorn (med en femårig handlingsplan) och riktlinjer för sammankopplingen av övergripande frågor inom vattensektorn i projektens alla delar.

Det pågår en utveckling av ett begreppsmässigt ramverk för Finlands utvecklingssamarbeten inom vattensektorn. Publikationen International Strategy for Finland's Water Sector är resultatet av en departementsöverskridande insats för att stärka samordningen bland finska aktörer inom vattensektorn i allmänhet, inklusive de som ingår i utvecklingssamarbetet. Den nuvarande vattenpolicyn är från 1995 och används fortfarande, dock har mindre ändringar gjorts. Men nu förbereds ett nytt policydokument. Det finns ett stort behov av detta, och speciellt en strategi för att identifiera riktlinjer och mål inom vattensektorn.

Många av de analyserade projekten och programmen i de besökta länderna kan berätta om framgångsrika arbeten eller viktiga lärdomar. Det gör att varje land har sitt ”framgångsprojekt” som spelat stor roll och på detta sätt har Finland i hög grad bidragit till direkta förändringar. Det vore mycket beklagligt om dessa goda erfarenheter inte kunde spridas globalt. Det skulle inte bara strida mot syftet i den internationella strategin, i fråga om till exempel Community Development Fund skulle det innebära att värdefulla kunskaper för att påskynda och minska kostnaderna för att uppnå millennieutvecklingsmålen skulle gå förlorade.

Finska projekt får höga resultat inom praktiskt taget alla utvärderingskriterier. Men den starka inriktningen på kvantitet och kvalitet i resultatet påverkar i hög grad de olika processerna i projektcykeln. Detta bekräftades i intervjuer med konsulter för tekniskt stöd som, följaktligen, var perfektionister i fråga om att implementera projekten. Syftet med detta är visserligen gott, men mycket tid och energi läggs ned på direkt handlande. Detta sker på bekostnad av tid för rådgivning som i slutänden syftar till att göra att det tekniska stödet inte längre behövs. Och det i sin tur påverkar i slutänden den institutionella hållbarheten. Projekten och det tekniska stödet bör därför fokusera mer på genomslagskraft. Detta kan sedan leda till att möjliga ”konstruktionsfel” i pro-

jektutformningen upptäcks och även till att främja ett ökat ägande av partnerorganisationer och bidragsmottagare.

Finland kan helt klart spela en viktig roll i frågan om anpassning till klimatförändringar i partnerländerna. På lokal nivå sker en förbättrad anpassning nästan automatiskt genom de många lokala programmen för vattenförsörjning, sanitära anläggningar och landsbygdsutveckling som finansieras inom Finlands utvecklingssamarbeten. Det omfattande deltagandet i aktiviteter för kapacitetsuppbyggnad, behovet av gemensamma investeringar vid planering, gemensamma åtgärder och öppenhet och ansvarstagande i både drift och förvaltning på lokal nivå stimuleras av samarbetet mellan befolkningen och lokala myndigheter och har stärkt de sociala strukturerna i byarna. Det finns dock ytterligare behov av tekniska kunskaper för att hantera torka, översvämningar osv. Finland kan tillhandahålla tekniker för vattenlagring, förvaltning av vattendelare, hållbar markförvaltning, skog i förhållande till vattenförvaltning m.m. och har dessutom de institutioner som kan ge stöd. På central nivå i länderna kan Finland bidra med kunskaper för att ta fram system för tidiga varningar och hydrologisk modellering.

SUMMARY

The present study provides an overview of the contribution made through the interventions of Finland's development cooperation to poverty reduction and sustainable development through improving (i) the access of developing countries' inhabitants to water supply and sanitation services, and (ii) the equitable and sustainable access to water resources. On the one hand, the purpose of this study is to assess the Finnish aid interventions and to draw conclusions from the lessons learnt over the period 1995-2009. On the other hand, it seeks to provide a professional view of the current and future global situation regarding water resources and of international discussions in the water sector with a special emphasis on the sustainable use of natural resources and on the adaptation to climate change.

For the purpose of this study, the authors have prepared an evaluation matrix containing certain judgement criteria and indicators as a framework to evaluating the Finnish development cooperation projects, programmes, approaches and policies in the water sector. The team has reviewed the available documentation of the most important projects and programmes with an emphasis on three case countries (Ethiopia, Nepal and Vietnam). These countries were visited and representatives of partner organisations, beneficiaries, Finnish embassies and consultants providing technical assistance were interviewed in the field.

The following key points represent the result of the evaluation.

The Finnish development cooperation in the water sector shows overall a positive picture. The selection of programmes/projects in the water supply and sanitation sectors is fully in line with the observed and expressed needs of all case countries, resulting in a high score on relevance. Finland has also reacted positively to the increasing importance of improved water resources management as expressed by the targets for Integrated Water Resources Management (IWRM) and Water Efficiency, formulated during the 2002 Johannesburg UN-conference. The effectiveness, efficiency, impact and sustainability of all analysed programmes/projects also generally score highly. Projects and programmes are well coordinated with other donors and government partners.

The authors found that the planning and evaluation documents of projects are often wordy, repetitive and activity/output oriented rather than result/impact oriented. Although intended otherwise by the Ministry for Foreign Affairs (MFA), the application of its result-based project cycle management system in the projects is not always in line with the guidelines established by the MFA; the latter date back to 1999 and are now in the process of revision. It is recommended that this ongoing revision will give more consideration to impacts in project design, and will make their monitoring during the implementation and evaluation process easier, through obligatory, comprehensive and efficient application procedures. This would strengthen institutional learning inside the MFA as well.

Sustainability is a very challenging aspect of any cooperation because it relates to the ownership of partners, not only as direct beneficiaries but also as counterpart staff in cooperating administrations. The authors have found that Finnish cooperation in the water sector is addressing perfectly all aspects of trying to guarantee the sustainable functionality of the physical schemes built into the projects. Still, there are challenges ahead when it comes to partner governments' ownership, particularly with regard to integrating those capacities and mechanisms into their institutions which are necessary to support long-term sustainability.

Finland's development cooperation promotes cross-cutting issues such as gender equality, the rights of vulnerable population groups, and Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) and encourages governmental bodies and non-governmental organisations (NGOs) to address these issues. However, the extent to which the cross-cutting issues are truly mainstreamed throughout all water programmes, often remains questionable. Accordingly, the team recommends that Finland's development cooperation's programmes in the water sector include cross-cutting issues at all levels of project/programme phases. Specific recommendations include the development of a Strategy for cross-cutting topics in the water sector using a five-year Action Plan, and guidelines on the linkage of cross-cutting topics in the water sector throughout all project components.

The conceptual framework of the Finnish development cooperation in the water sector is under development. The recently published 'International Strategy for Finland's Water Sector' is the result of an inter-ministerial effort to strengthen the coordination of Finnish actors in the water sector in general, including those in the development cooperation. The most recent water policy dates back to 1995 and has been in use until today with only minor modifications. However, a new policy document is being prepared. This is urgently needed, if only for the identification of water sector objectives and targets as outlined in the Strategy.

Quite a number of the analysed projects and programmes in the countries visited have a success story to tell or from which an extraordinary lesson can be learnt. In this way, each partner country has its own "jewel in the crown" project, where Finland really has been able to make a difference. It would be highly regrettable if these good experiences were not disseminated on a global scale. This would not only go against the spirit of the International Strategy, but in the case of e.g. the Community Development Fund it would also deprive the world of valuable knowledge for speeding up and reducing costs for achieving the Millennium Development Goals (MDG).

Finnish projects are scoring high on practically all evaluation criteria. However, the strong focus on quantity and quality of outputs dominates the different stages of the project cycle. This was confirmed in interviews with Technical Assistance (TA) consultants who, as a consequence, are perfectionists in the implementation of the projects. This is well-intended of course, but the time and energy spent on direct action is at the expense of advisory activities which should help towards achieving the

ultimate aim of TA; of "making oneself redundant". This ultimately puts the institutional sustainability at stake. The projects and the TA should, therefore, focus more on impact, which will clear the way for detecting any possible "construction errors" in the design of projects as well as for the promotion of an enhanced ownership with partner organisations and beneficiaries.

Finland is quite able to play an important role in addressing the issue of adaptation to climate change in the partner countries. On a local level, this adaptation is - to a certain extent - almost automatically enhanced by the special characteristics of the many village-based water supply and sanitation or rural development projects financed by the Finnish development cooperation. The large scale participation in capacity-building activities, the need for joint investment when planning and for joint action and transparency/accountability in both operation and management at community level stimulated the cooperation between population and local governments and reinforced the social fabric in the villages. What is additionally needed is the necessary technical knowledge for coping with droughts, flooding, etc. Finland can provide techniques for water storage, watershed management, sustainable land use, forestry in relation to water management, etc. and in addition, has the institutions which can provide support. At the countries' central levels, Finland can play a scientific role in the set-up of early warning systems and in hydrological modelling for different climatic scenarios.

I Planning and Implementation Level		
Key findings	**Conclusions**	**Recommendations**
There is a strong orientation in Finnish water projects towards the quantity and quality of outputs. Hence, TA consultants are perfectionists in the implementation of projects.	Only limited time and energy can be spent by TA teams on real advisory services and activities, such as the promotion of enhanced ownership with partner organisations and beneficiaries.	Finnish projects/programmes in the water sector should focus more on advising partner institutions rather than on the direct implementation of projects.
Planning, reviews and evaluations do not acknowledge sufficiently the importance of impacts, but remain to a great extent on the level of activity achievement and output.	This inhibits an effective monitoring of whether the achieved output has in fact an impact on the life of beneficiaries despite the usually high effectiveness and efficiency. Indirectly, it may also reduce replicability of good results.	Indicators should correspond precisely with the respective levels in the log frames. Monitoring should focus more on impacts, on indicators defined for overall objective levels, and partner countries should be encouraged to follow suit.
Finland is not efficient enough in addressing weak points in water governance such as unscrupulous exploitation of water resources, national water policies not oriented to enhanced impact on beneficiaries, neglected right to water, etc.	The weaknesses in water governance are not sufficiently identified and discussed during the planning phase.	A risk analysis of water governance should be done at the design and planning stage, and followed through during implementation to ensure effectiveness and sustainability. Finland should take a more active and pronounced stand to water governance together with other donors in order to enhance reforms in governance.
Training opportunities for local project staff and partners on the integration of cross-cut-	Lack of awareness about the importance of cross-cutting issues, or the inability to	To provide regular sensitisation activities and training seminars to ensure the practical follow-up of

ting issues are rare. This makes identifying potential problems or even recognising successes difficult.	mainstream them into project activities, prompts staff members to perceive those issues as an added burden.	project teams' abilities in mainstreaming cross-cutting issues and provide sensitisation for new project team members.
Experience, both in Finnish and in other projects, shows that mainstreaming of cross-cutting issues has a direct positive effect on the relevance, impact, effectiveness and sustainability of projects. This effect varies according to the scope and approach of mainstreaming adopted as shown in different Finnish water projects.	Mainstreaming cross-cutting issues at all project levels accelerates achieving sustainability in the management of scarce water resources. This contributes to improving the access to water of society's most vulnerable groups, as observed on several occasions in the field.	The MFA should strengthen the accountability for mainstreaming cross-cutting issues.
II Strategy and Policy Level		
Findings	**Conclusions**	**Recommendations**
Finnish aid has concentrated, and continues to do so, on physical water supply and sanitation. Since 2000 it entered more seriously into national and transboundary water management.	Concentration on physical projects in water supply and sanitation is positive in the light of the continual low achievements in these fields.	To maintain a balanced mixture of the sub-sectors, with the creation of a better synergy under the umbrella of IWRM. To place the emphasis on sanitation and hygiene promotion, as long as these keep on lagging behind water supply (urban and rural).
The last water policy as such dates back to 1995. The 2009 International Strategy for Finland's Water Sector is a statement by three	A good water policy helps in identifying the objective of water projects and the general impacts at beneficiary/stakeholder level and it	To put together a new water policy to describe the way in which the targets for the beneficiaries/stakeholders in developing countries shall

Finnish ministries on how the water sector should/could cooperate.	contributes to achieving the overall objective of aid i.e. the reduction of poverty.	be met, as described in the Strategy.
The International Strategy refers to the participation of women in development issues relating to water as a special theme of the Water for Life Decade, but does not mention the three cross-cutting issues as such.	Omitting the wording of cross-cutting issues or referring to them only indirectly might decrease their emphasis and further weaken their integration in water sector programmes.	To develop a strategy for cross-cutting issues and to develop a plan of action. The strategy should contain at least a section with precise examples on how to integrate the climate change issues in the components of water sector projects. The strategy should define roles and responsibilities, promote accountability for their implementation, outline human and financial resources and capacity building.
III Management Level		
Findings	**Conclusions**	**Recommendations**
Information re. ongoing and completed projects is not available in suitable forms for internal management and learning processes or for external evaluations. Planning and reporting focuses on output and activity, rather than on result and impact.	The MFA's internal information system on projects and programmes seems ineffective and inefficient. It means a high dependency on external expertise. The log frame that exists within the MFA system is not always used correctly.	To improve the MFA project cycle management system to facilitate an easier follow-up on the facts and figures of projects, and to allow a stricter monitoring of results using agreed indicators. Relevant MFA staff and external consultants must be trained in proper use of the central log frame, so that it may become the basis for evaluations and reviews.
Monitoring of impacts is very rarely done in Finnish water sector	The importance of impact orientation is not sufficiently addressed.	Indicators for impact should correspond to the overall objective level in

projects (there is too much emphasis on output).		the log frame of the project concerned.
Finnish projects have produced numerous valuable lessons learnt, but these are not explicitly visible on a global level.	It would be regrettable if these experiences were not known on a global scale; the scaling up of the Community Development Fund (CDF) may in fact bring positive financial results.	Dissemination of results is imperative. For example: the application of CDF on a global scale would speed up and reduce costs of achieving the MDGs on water.
IV Assessment against Evaluation Criteria		
Findings	**Conclusions**	**Recommendations**
Relevance: Responsiveness to the urgent needs of partner countries, respect of national priorities, water as a basic requirement for poverty reduction, choice of aid modality, important pilot projects, connection with other sectors and thus for elementary root problem solving.	All Finnish projects are highly relevant from many points of view.	In view of the persistent low coverage of water supply and sanitation in most African and poorer Asian countries, the MFA should keep the water supply, sanitation and hygiene (WASH) sector in the development cooperation portfolio. MFA should also continue to enlarge the engagement in water resources management.
Efficiency: High scores on this criterion for Finnish aid in the water sector: low unit costs for water supply, and appropriate non-utilisation of subsidies in sanitation.	In terms of per capita investment cost, the Finnish water supply projects (both rural and urban) can stand any international comparison, without compromising on technical quality.	Estimates of per capita costs must be made at the earliest possible stage (project appraisal). If excessive, they should be made subject to explicit political decision-making (e.g. case of Rural Village Water Resources Management Programme (RVWRMP) in Nepal).
Effectiveness: Satisfactory rating on the	The reason for under spending is an over-op-	The serious implementation delays in WSPST I/

overall level: project disbursements amount on average to 70% of commitments. With some exceptions (Water Supply and Sanitation Programmes for Small Towns (WSPST) I/ Vietnam), targets are usually achieved. However, over-performance has also occurred occasionally.	timistic planning according to the information received. Strong performance of Rural Water Supply and Environmental Programme (RWSEP) in Ethiopia due to the very high demand from different villages for water supply funding through the CDF mechanism.	Vietnam show the need for paying ample attention to contextual factors in the project design. Any time this happens, a thorough analysis of the events and how they could have been prevented, should take place.
Impact: High scores on this criterion for Finnish aid in the water sector, on the basis of an assumed causal relationship between an improvement of living conditions and the improved water supply/ sanitation. Poor rating for the lack of monitoring on impact (see III.2 above), and lack of data.	The expected positive contributions of water supply and sanitation projects on beneficiaries' health and socio-economic situation were confirmed in many interviews and in some well-designed impact surveys. To a limited extent, but not unimportantly, Finnish projects had an impact on the national policy level. The impact on partners in water management varied: support for the Eastern Nile Technical Regional Office (ENTRO) had a positive effect on the organisation, whereas the effect on e.g. the Mekong River Commission (MRC) has been limited.	Finnish projects should become more result and impact oriented, and baseline studies should be standard elements in project design.

Sustainability: Finnish projects are scoring high on the sustainability of direct project achievements. Not all of these best practices are taken up by partner governments.	The risk is that good practices cannot be replicated sufficiently on a national scale, which could result in insufficient sustainable changes within partner institutions.	When designing project tools, mechanisms and structures, a stronger focus should be placed on the willingness of partner governments to create an enabling environment for their applicability and replication. This aspect must be worked on from the very start of the project through advice and lobby.
Coordination and complementarity: There have been excellent results from co-financing with other donors, e.g. where Finland financed the TA, while environmental infrastructure investments were made by the World Bank (WB) (Hai Phong, Vietnam).	The dual co-financing in Ethiopia (Finland invested in the WB trust fund and separately in TA) is less advisable due to the protracted procurement (WB rules) from trust fund due to the strict rules of WB binding also the separate Finnish TA, frustrating the TA team.	Capitalising on the opportunities for achieving better results by complementing the efforts of other donors should be further improved.
Compatibility: High rating on this criterion. Finnish projects have been purposely aligned with national goals and policies.	The Development Policy Programme 2007 strongly adheres to sustainable development as its lead motive. Underdeveloped in this sense, is the notion of "economic development being the best tool against poverty". Multiple use of water could be a good way towards this e.g. in the RVWRMP/Nepal.	Water supply and sanitation in Finnish projects should take a broader view towards the possible role of water in economic development (micro-hydropower, small-scale irrigation next to drinking water). The framework of IWRM offers an excellent opportunity for this purpose.

Connectedness: Finland has created a good basis for connecting water to other sectors such as health, land management and registry, forestry etc. This concurs well with the international WASH paradigm, the intentions of the International Strategy, and the need for connected action in the framework of CCA.	Finnish water programme in Ethiopia is exemplary in this respect. It is consistent in its endeavours to (i) integrate water supply, sanitation and hygiene (WASH) into a single WASH strategy, (ii) to support water shed management, erosion control, sustainable land use, land registry etc, identifying weak points in the development chain which can be reinforced with specific Finnish expertise.	Other countries where water sector activities may develop into a fully fledged programme are to follow suit (starting with Nepal) in connecting water to other sectors such as land management and registry, forestry. Vietnam may also follow, but different financing instruments geared toward private sector involvement should be applied here, given the fast economic growth of the country.
Coherence: Finland scores high in the water sector on this criterion. In this context, coherence refers mostly to international policies and conventions. Important examples are the principles of IWRM, as well as the Paris Declaration (PD) on Aid Effectiveness and the Accra Agenda for Action.	Finland adheres strictly to the IWRM principles, although the number of water resources management projects is still quite limited. Finnish projects in water supply and sanitation put emphasis on participatory approaches, involvement of women and on the principle of water being an economic good thus also adhering to most of the IWRM principles. Finland is signatory to the PD and applies the commitments made.	The authors have no specific recommendation for this criterion, but would like to stress that the occurrence of policy effects contrary to the intended results or aims of international policies could not be noted in recent Finnish water projects.

Finnish added value: It is not sufficiently clear what is meant by this criterion.	Vague and multiple interpretations make the application of this criterion haphazard.	Define Finnish added value better.
V Climate Change Adaptation (CCA)		
Findings	**Conclusions**	**Recommendations**
Climate change aspects are high on the Finnish agenda, as expressed in the new International Strategy. However, they have scarcely found their way into water sector project planning and implementation.	Activities on climate change adaptation are still quite new in the Finnish development agenda. The political will exists, but current activities in this field in water projects are not yet sufficient to yield the necessary impact.	Finland should develop a strategy on how to consider climate change aspects in the planning and implementation of water projects in order to pave the way for adaptive measures.
Only very recently have new initiatives been planned and designed to explicitly address CCA. Mainstreaming of CCA in all operations of the MFA is still limited.	Without full mainstreaming, there is a serious risk that CCA may lose value and may not receive the attention it deserves.	To invest more effort in terms of human and financial resources at the MFA's HQ, to achieve a full integration of this global issue on all policy and operational levels.
Rural Water Supply and Sanitation (RWSS) projects are to a limited extent vulnerable to the effects of climate change and variability. Some newer projects in the water sector do consider elements of CCA.	These RWSS projects serve as catalysts for enhanced resilience of local population and administrations, but the degree of resilience varies by country or region.	To screen all ongoing and planned Finnish projects in the water sector systematically and in detail, adapt them if necessary, and redesign them to include mitigating elements.

Many Least Developed Countries (LDCs) have prepared a national adaptation programme of action (NAPA) – including proposals for immediate relief projects.	Finland may assist LDCs by offering advice on NAPA's and with specific expertise (Finnish value added).	To focus Finnish support on building early warning systems and on the development of strategies for different climatic scenarios.
Water has strong links with other sectors, but potential synergies are not yet optimally exploited.	In the light of CCA there is a need for enhanced multi-sector cooperation (water, energy, forestry, rural development).	CCA should be reflected in upcoming water policy, and in the formulation, planning and implementation of new projects.

1 INTRODUCTION

1.1 Purpose, Objectives and Scope

The main purpose of the evaluation is to provide an external professional analysis on the lessons learnt through the Finnish development cooperation regarding the sustainable use of water resources in the period from 1995 to 2009. Prior to this, the last impact evaluation of the Finnish water sector was conducted in 2001. The emphasis of this evaluation is on the present decade and on future projections of support, with professional views and recommendations on a number of issues related to context, targeting, modalities and future development of the sector.
The specific objectives of the evaluation are:

To analyse (i) the status of global water resources, the problems and challenges foreseen and the commitment/potential of developing countries to deal with climate change problems; (ii) the main features of the lessons learnt with regard to Finnish aid to the sector, and (iii) how the lessons and experiences within the sector have affected the share and nature of the assistance to the water sector.

To provide a professional view on the future projections of aid in light of the lessons learned and the new policy that requires actions on the sustainable use of natural resources and adaptation to climate change.

The purpose, objectives and scope of the study are further detailed in the Terms of Reference (TOR) (Annex 1).

1.2 Methodology and Analytical Framework

The central tool developed by the team is the evaluation matrix (Annex 6) for the 16 key questions. The evaluation matrix shows which evaluation criteria are directly linked to each key question.

The matrix was then used to prepare semi-structured questionnaires for the interviews, based on a list of some 50 questions. A database, into which all relevant information from documents and interviews was entered, facilitated the information management and exchange between the team members.

1.3 Evaluation Process

The evaluation took off in October 2009 with a desk study of relevant documents, mainly retrieved from the operational departments and the archives of the Ministry for Foreign Affairs of Finland (MFA). In preparation for the country visits, meetings

were held in Helsinki with the department for Development Evaluation, EVA-11, of the Office of the Undersecretary of State of the MFA, followed by first interviews with development advisors and other MFA staff, consultancy firms and the Technical University of Helsinki (now Aalto University).

Upon completion of the 2 week visits to both Vietnam and Nepal during October/ November 2009, and a 1 day visit to Finland's Embassy in Bangkok in between, the preliminary findings were presented to the EVA-11 department in Helsinki.

The scope of the visit to Ethiopia (10 days in December 2009) was changed slightly due to the fact that a country programme evaluation of Ethiopia was scheduled for January 2010. In consultation with the MFA, the team visited only three of the ongoing and recently completed projects in order to avoid redundancy, whilst mainly concentrating on the impact of the Amhara water supply programme - the Rural Water Supply and Environmental Programme (RWSEP). The result of this impact evaluation is presented in section 3.1.4.

2 CURRENT SITUATION OF THE WATER SECTOR

2.1 Global Water Problems

2.1.1 Towards meaningful Management of Water Resources

A primary driver of the global water resources' problems is the rapidly growing world population. As populations grow, industrial, agricultural and individual water demands escalate. According to the 'Water Resources Management' web site of the World Bank (WB) (World Bank 2009), the world's population is growing by about 80 million people a year. This results in an additional freshwater demand of about 64 billion cubic metres a year. About 90% of the anticipated world population increase of 3 billion people by the year 2050 will take place in developing countries; mostly in regions where the current population has only limited sustainable access to safe drinking water and adequate sanitation.

With regard to water management and conflict reduction in the international context, there is a need to support the sustainable use of water resources at the national and international levels as information from a recent survey on water management and water efficiency plans suggests (UN-Water 2008; WHO/UNICEF 2008). According to recent assessments, up to two thirds of the world's population will be affected by water resource scarcity over the next few decades (Falkenmark, Berntell, Lundquist, Matz & Tropp 2007). Climate change adds a new dimension to the challenging situation, mainly caused by an increased population and economic development. In a number of countries (particularly Asian), diet patterns are shifting towards an in-

crease in meat consumption. This has a direct impact on the available water resources through elevated demands on water for increased meat production.

Political will, in conjunction with sound administrative systems, is crucial for transparent, responsive and accountable decision-making to allow such countries under water stress to cope with the upcoming challenges. Corruption, nepotism and power struggles often undermine existing capacities to the extent that they cannot be deployed for achieving set targets. Governance is crucial with regard to achieving any sustainable development. The widely known so-called Dublin principles are at the basis of the Integrated Water Resources Management (IWRM) concept that has spread throughout the world. Recently this approach came under increasing pressure, because of too few visible impacts. For a critical analysis of its actual use in South and Southeast Asia, see (Biswas, Varis & Tortajada (eds.) 2004). The newly emerged concept of 'Water Governance' aims to overcome this deficiency within the principles of IWRM by focusing on virtually all levels of the legal and administrative system. This is a new concept that has to be translated into more clearly defined strategies on the global level, and where Finland can positively contribute. Deliberations on the issue in the latest World Water Development Report (Tropp 2009) have been helpful in this regard.

Integrated land use and water management plans are an important aspect of water resources management and are - according to the outcome of the 2002 Johannesburg conference - an internationally agreed task for national governments. The evaluation has found that there are no such integrated water management plans in place in any of the three case countries. Of the three, Vietnam is the only country that responded to the global survey on Integrated Water Resources Management and Water Efficiency Plans (UN-Water 2008). Vietnam has developed such plans and in 2008 had partially implemented them. Ethiopia has had water management plans since the late 1990s but they are very much 'water use' oriented and do not reach the required quality of integrated water resources and efficiency plans. This general observation is also confirmed by the UNDESA survey on the Status of Implementation of CSD-13 Policy Actions on Water and Sanitation (UNDESA 2008). The World Bank financed Watershed Management Programme (co-funded by Finland) under the Tana & Beles Integrated Water Resources Development Project (TBIWRDP) in Ethiopia (section 2.4.4) has the potential to reverse the above mentioned trend.

One of the reasons for the low level of initiative of partner countries in developing such plans is that water resources are mostly considered as a resource to be exploited, and that little attention is given to their sustainable use. Where a sustainable planning is underway it must be noted that plans are often not implemented and the sole existence of such plans does not necessarily mean that real steps towards sustainable management of water resources are being undertaken.

Concerted efforts in water management have proven to be necessary and benefit all stakeholders, from the local up to the international scale. The River Nile Basin, for example, is characterized by water scarcity and poverty and has a long history of dis-

pute, insecurity and rapidly growing populations; and thus an increased demand for water. Benefit sharing instead of water sharing among riparian countries has become the main focus of support to international river basins around the world.

2.1.2 Perspectives in Water Supply, Sanitation and Hygiene (WASH)

At the UN Millennium Summit in September 2000, 168 state leaders signed the United Nations Millennium Declaration, taking up the commitment to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets - with a deadline of 2015 - that became known as the Millennium Development Goals (MDGs) (END POVERTY 2015 2010). MDG7 on Environmental Sustainability targeted Water and Sanitation as a core element. In 2005, the United Nations (UN) launched the International Decade for Action 'Water for Life' 2005-2015, to invigorate all commitments made towards achieving the MDGs.

Originally, target 7C referred to drinking water only. Sanitation was added at the Johannesburg World Summit on Sustainable Development in 2002. In addition, water as a resource was then recognized as a critical factor for meeting all of the MDGs resulting in the formulation of targets for national IWRM and water efficiency plans.

According to the Joint Monitoring Programme (JMP) for Water Supply and Sanitation (WHO/UNICEF 2008), almost 900 million people do not have access to an improved water source (piped or otherwise protected) and 2.6 billion have no form of improved sanitation services (figures for 2006). Most of these people live in Asia and Sub-Sahara Africa. Significant disparities exist between urban and rural coverage, which continue to contribute to the burden of life in rural areas, particularly in Sub-Sahara Africa. This is clearly demonstrated in Table 1, showing the figures for those countries where Finland currently supports water supply and sanitation programmes.

Although the figures for improved urban water supply appear to be very promising, major problems still persist. Particularly in the larger cities, slum dwellers and people who live in informal, overcrowded, peri-urban settlements are usually faced with low water coverage whilst paying exorbitant prices for services. Given the fact that reconstruction had just started at that time, the high 1990 coverage for urban water supply in Vietnam may not be representative of the realities on the ground.

Table 1 Coverage of improved water supply and sanitation in selected countries of Finnish development cooperation.

				Improved water supply		Improved sanitation	
Country	**Year**	**Population million)**	**Urban (%)**	**Urban (%)**	**Rural (%)**	**Urban (%)**	**Rural (%)**
Ethiopia	1990	51,1	13	74	4	19	2
	2006	81,0	16	96	31	27	8
Nepal	1990	19,1	9	97	70	36	6
	2006	27,6	16	94	88	45	24
Vietnam	1990	66,2	20	87	43	62	21
	2006	86,2	27	98	90	88	56

Source: Joint Monitoring Programme 2010.

2.1.3 Water in relation to Climate Change Adaptation

The 4th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC 2007) confirmed, more strongly than ever before, that climate is changing due to human intervention. Besides temperature rise, water plays a crucial role in climate change mitigation. 94% of the world's renewable energy sources are water dependent, and water also affects carbon sinks.

Central climate change risk events (such as sea level rise, heavy rains, floods and droughts), result from changed (reinforced, weakened, temporally displaced) climatic and hydrological processes, in which water, evidently plays a critical role. Despite the need to address both mitigation and adaptation, the most common focus in developing countries is still on Climate Change Adaptation and not on mitigation. This is mostly due to limited financial resources, but also because developing countries do not always feel the same level of responsibility as developed ones. The most important objective within the scope of Climate Change Adaptation is the improvement of the capacity of countries to adapt to climate change in a way that would benefit the poorest and most vulnerable segments of the population.

At the UNCED 1992 conference in Rio de Janeiro, most countries joined an international treaty – the United Nations Framework Convention on Climate Change (UNFCCC) - to begin to reduce global warming. More recently, a number of nations approved an addition to the treaty: the Kyoto Protocol. This entered into force in 2005 and has more powerful (and legally binding) measures. The UNFCCC recognizes the special situations of the Least Developed Countries (LDCs) (UNFCCC 2010). In order to address the urgent adaptation needs of LDCs, a new approach was developed to focus on enhancing adaptive capacity to climate variability. The National Adaptation Programme of Action (NAPA) of a country takes into account existing coping

strategies at the grassroots level, and builds upon them to identify priority activities (as an alternative to focusing on scenario-based modelling to assess future vulnerability and long-term policy at state level). In the NAPA process, community-level input is considered as an important source of information, recognizing that grassroots communities are the main stakeholders.

2.2 The International Stage of Development in the Water Sector

2.2.1 Paradigm Shifts and Global Trends

In the wake of the long Sahel drought in the mid-1970s, the 1977 United Nations 'Water Conference' at Mar del Plata set up an International Drinking Water Supply and Sanitation Decade, 1981-1990. Its aim was to make access to clean drinking water available across the world. The decade's focus was on safe water and sanitation for everybody by 1990. Most of the water programmes during the Decade targeted the rural areas. Because progress was still limited at the end of the Decade, there was a continuous search for new approaches. As a consequence a new generation of programmes focusing on demand-driven water supply developed, backed up by awareness raising, community participation, management and ownership. In many countries, these programmes coincided with the start of a decentralization of power to local governments, and a gradual change of water administrations' mandates from provider to facilitator, regulator and policy developer. Many technical projects saw a change in orientation; now having to address the need for capacity building at the lower administrative levels, including support for the transfer of responsibilities. The required expertise of technical assistance changed accordingly. Due to the massive migration from rural to urban areas, large-scale urban water supply and sanitation started receiving renewed attention, accompanied by the development of new forms of management and financing, e.g. through private sector participation.

2.2.2 Global Actions and Events

During the past decade, the international character of the water sector has been expressed through several newly created organisations. Many of these initiatives are actively promoted and/or financially supported by Finland. Of particular importance for Finland are the following two structures:

1. The Global Water Partnership (GWP) was founded in 1996 by the World Bank, the United Nations Development Programme (UNDP), and the Swedish International Development Agency (Sida), to foster IWRM. The GWP is supported financially by all "Nordic+" donors (Scandinavian countries + the Netherlands + the United Kingdom), Canada, the European Commission, France, Germany, Spain, Switzerland and the United States.

2. In 2009, the Finnish Water Forum (FWF) was established as a network of Finnish public and private water organisations aimed at strengthening the activities and competitiveness of the Finnish water sector on national and international markets.

The FWF was established in 2009 by commercial enterprises, government and non-government organizations, scientific institutions and water-related associations. The FWF is open to all corporations active in the water sector, including natural waters, drinking water, waste water, sanitation, irrigation, drainage, hydropower etc. The objective of the FWF is to promote collaboration between the private and public water sector in Finland and in addition, to strengthen its capabilities and competitiveness in the development co-operation area. The FWF had a pivotal role in the process of drafting the 'International Strategy for Finland's Water Sector' (MFA 2009d).

Finland participates actively in global events such as the 3-yearly World Water Forum (5th WWF in Istanbul in 2009) and the yearly World Water Week (organised by SIWI in Stockholm since 1991).

2.3 Water in the Finnish Development Policy Framework

In its 'White Papers', the Finnish government has given a clear place to the water sector in development cooperation. Water (i.e. water supply and sanitation, water resources) is mentioned as an important field of work in the general development policy documents (MFA 2004a; MFA 2007a). The White Papers also stress the importance of cross-cutting issues such as equality, female rights, and the rights of vulnerable population groups, which have strong links to and a direct bearing on the water sector, and vice versa. In many ways, Finland's commitment to a rights-based approach permeates in its international commitments, and in its subscription to agreements related to the water sector, such as the contemporary water sector process of the "UN Millennium+5" Summit of September 2005. This Summit reaffirmed earlier commitments related to water and sanitation in the context of the MDGs and also stipulated the promotion of rights and equal opportunities of marginalised groups and the combating of Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS).

Surprisingly, water sector specific policy guidelines are rare. The most recent one was officially approved and published in the 1990s (Water and Sanitation – making policy work). After a water evaluation in 2000/2001 a new policy was drafted but it was never officially approved.

Since 2008, an International Strategy for Finland's Water Sector (MFA 2009d) exists which clearly recognises the international character of water, its overarching relationship with many other sectors, its strong and complex links with climate change and its central role in international security. The strategy cites sustainable development, good governance and equality in its vision and goals. It recognises the role water plays in

reducing poverty and mortality resulting from water-borne diseases, especially for children. In its Appendix 2, the Strategy refers to key international processes regarding the participation of women 'in development issues relating to water', as a special theme of the 'Water for Life Decade'.

The Strategy is the product of an inter-ministerial effort to force the sector to organise itself so that collaboration becomes more natural, promising and fruitful; also to the benefit of the water sector in developing countries. The authors consider this a laudable development.

In this process, a new water sector development policy is also under preparation. There is an urgent need for such a document, if only for the identification of water sector objectives and targets as outlined in the International Strategy. Due to its general character, the Strategy does not directly mention the three cross-cutting issues of promotion of gender equality, or vulnerable groups and combating HIV/AIDS. These are expected to be included in the upcoming water sector policy.
Other sector development policies that are relevant and have a documented link to the water sector are:

- The Finnish development policy guidelines for environment (MFA 2009a),
- The Development policy guidelines for Forest sector (MFA 2009b),
- The Rural development strategy (MFA 2004b)

Neither of the policy guidelines for the health and education sectors (MFA 2007b) resp. (MFA 2006) nor the one for Information and Communication Technology (ICT) (MFA 2005) mention water. As regards the policy guidelines on health and education this is poor, because the availability of adequate drinking water has a major bearing on health. Good quality drinking water and proper sanitation help to reduce the under-five mortality rate, and contribute to the improvement of maternal health (MDGs 4 and 5). As an important trigger in many water supply and sanitation programmes, hygiene education is part of the formal education system creating a link to education policy. The authors are of the opinion that the water sector should be mentioned in the ICT policy, because of ICT's prominent role in trans-boundary water resources management and also in (adaptation to) climate change (modelling, forecasting, early warning systems, telemetry, etc).

2.4 Finnish Interventions in the Water Sector 1995 – 2009

2.4.1 Brief Historical Overview

The period under consideration shows a continuation of the large scale interventions in water supply and sanitation that were initiated by Finland during, and just after, the International Water Decade. That was the period when Finland started to build up its experience in rural water supply in countries like Tanzania. The rural water supply ex-

periences were further expanded in a number of other countries, whereby sanitation was gradually incorporated into the projects. The urban water supply projects in Vietnam had a different background, namely post-war reconstruction of infrastructure; important for the rebuilding of the national economy. The projects which, almost as a rule of thumb have 3 to 4 phases of 3 to 4 years, roughly followed the global paradigm shifts described in section 2.2. Around the turn of the century, water resources management was included in the Finnish development cooperation package, mainly in the form of technical and financial support of regional agencies for trans-boundary river management.

2.4.2 Commitments and Disbursements

The team analysed the data provided by the statistical unit of the MFA which are at the base of this chapter's figures and analysis. During the period of 1998 to 2008, Finland committed a total of approximately 265 MEUR to the water sector. Out of this, a total of about 185 MEUR was actually spent, indicating a considerable underspending (30%) of the pledged budget. Yet this may be slightly biased as the aggregated data does not show how and when the disbursement of the individual commitments took place. Because commitments were high in 2005-2008, the overall percentage of under spending may have to be adjusted downwards. This phenomenon was also found in the Meta-Analysis of Development Evaluations in 2006 (White & Stenbäck 2007).

The available information on actual disbursements of Finnish aid in the water sector (Figure 1) shows a decreasing trend between 1995 and 2004, but commitments and disbursements rose again after 2004.

Figure 1 hereafter displays the absolute figures of disbursements according to the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) water sector definitions. In order to eliminate possible distorting effects of interest subsidies for concessional credits, those subsidies have been removed from the raw data before making up the graph. The reason being that interest subsidies are not considered to be bilateral Official Development Assistance (ODA) as such. Figure 1 shows different trends such as a relative increase in basic water supply and sanitation in relation to large water supply and sanitation projects in recent years.

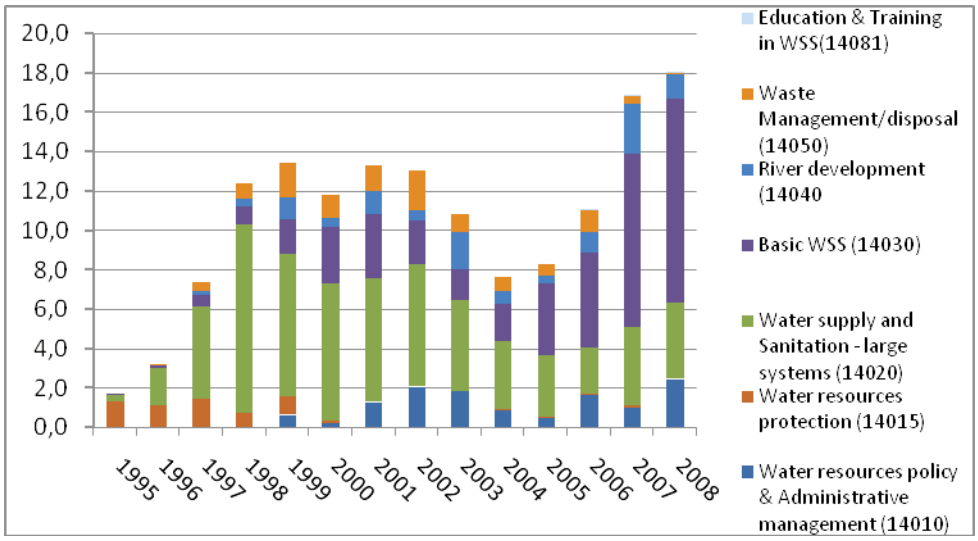

Figure 1 Disbursements of Finnish bilateral aid (without interest subsidies) along OECD Water sector definitions, in MEUR.
Source: Statistical Unit MFA.

The strongest trend to be observed is the absolute decline in large water supply and sanitation systems. Although Finland can refer to some very successful projects in urban water supply and sanitation in Vietnam, attention has turned away from this area and is now focusing on small towns and rural water supply, which is the financially best represented sub-sector of Finnish aid. Both small towns and rural areas belong to OECD code 14030 (basic water supply and sanitation). Moreover, the team found that both ongoing Rural Water Supply (RWS) projects in Nepal have been labelled as belonging to 14020 (Water Supply and Sanitation (WSS) - large systems), whereas that should be 14030. This would mean that since 2007 the urban water and sanitation sector has almost disappeared from the Finnish development stage.

Figure 2 shows the share of disbursements in the water sector, as a percentage of the total disbursements of the bilateral Finnish ODA. The share of the water sector ranged from 2% to 5 % between 2000 and 2007. Figures before 2000 were unfortunately not available. Figure 3 on the amount of interest subsidies disbursed suggests, however, that their distorting influence is minimal after 2001.

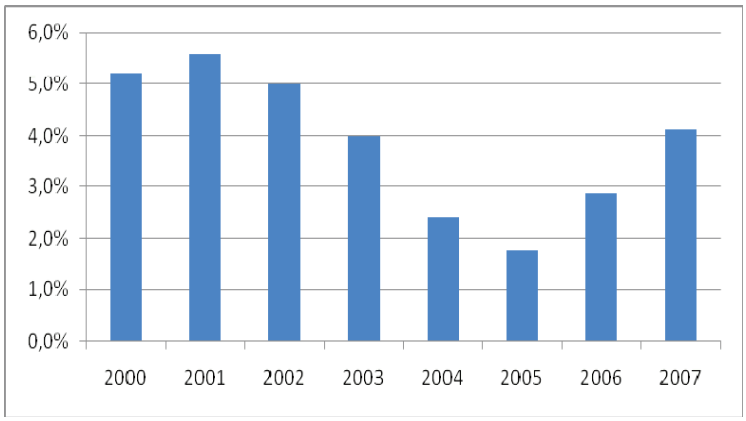

Figure 2 Disbursements in the water sector as a percentage of total bilateral Finnish ODA disbursements without interest subsidies.
Source: Statistical Unit MFA.

A comparison of the two peaks (2001 and 2007) in "normalised" disbursements (i.e. without interest subsidies), ignoring the "dip" in 2004, shows that the water sector in 2007 spent 27% more than in 2001. However, total bilateral ODA disbursements have risen from 2001 to 2007 by 70% (table in Annex 5). As a result, the relative "share" of the water sector was reduced in the same period from 5,6% to 4,1%. This could be interpreted as a negative trend of disbursements in the water sector as against total bilateral ODA. It is however questionable/too early to say whether this means that the water sector has received significantly 'less attention' in terms of financial means in recent years, as assumed in key question no. 2.

As a conclusion it can be said that the disbursements in the water sector declined between 2000 and 2005 but grew again in recent years. This trend continues since the disbursements for 2009 was almost 22 MEUR. This year was not included in the graphs because other data for creating these graphs were not available.
The basic financial data as supplied by the Statistical Unit of the MFA is presented in Annex 5.

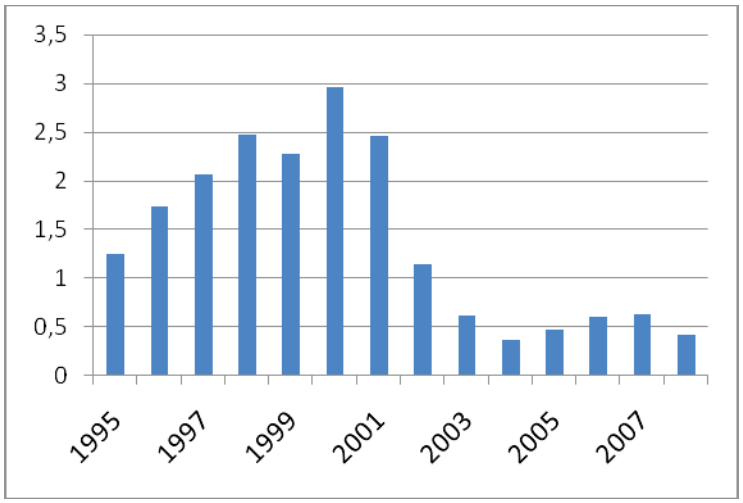

Figure 3 Disbursements of interest subsidies on concessional credits in the water sector, in MEUR.
Source: Statistical Unit MFA.

2.4.3 Country Programmes

Projects in the water sector have been implemented with Finnish financial and/or technical support in the following current long-term partner countries: Ethiopia, Kenya, Nepal, and Vietnam. The bilateral water programme in Western Kenya was finalized in 2003 with the completion of the last phase of the Community Water Supply Management Project (early 1997 to mid-2003). In 1998, the Government of Finland (GoF) decided that corruption, the evident gap between the Government of Kenya's (GoK) policies and implementation, and democratic and human rights abuses in Kenya were such that no new agreements would be signed with GoK but that current programmes would be completed. The purpose of the Finnish support for the Water Services Trust Fund (WSTF) is to enable the WSTF to financially assist the poorest and most disadvantaged rural communities of Kenya and to address a multitude of activities concerning water resources management and water and sanitation at the local level.

The vast majority of the projects in these four (4) countries were/are situated in the rural and small towns' water supply and sanitation sub-sector (the small towns of the Water Supply and Sanitation Programme for Small Towns (WSPST) in Vietnam are mostly 'category V' towns, indicating between 5 000 and 50 000 inhabitants). Only a few, more recently started projects in Ethiopia and Nepal are in the field of water resources management. The large infrastructure project in Vietnam (including water supply, sewerage and drainage for the city of Hai Phong), was financed by the WB as a loan, while Finland provided crucial technical and management support in the form of a grant. In Ethiopia, there is the prospect of a near future introduction of the Sector Wide Approach in the area of WASH. In this case the type of financing may become (earmarked) sectoral budget support, yet there are still a number of conditions to be fulfilled.

2.4.4 Regional Cooperation

By its very nature, regional cooperation in the water sector is mostly focused on water resources management. Finnish contributions are mostly aimed at trans-boundary river basin management, surface water quality improvement, and hydraulic and hydrological modelling, etc. The financing of such regional programmes is mostly arranged through multilateral cooperation via the UN-system or, for example, via a Trust Fund with the WB.

There are three such regions for which the MFA has financed water sector programmes, projects or activities, and for which new strategic plans have been developed:

(i) The Nile Basin and in particular the Eastern Nile. Finland has been providing support to the Eastern Nile Technical Regional Office (ENTRO) to strengthen its institutional capacity. Support was channelled through a bilateral ENTRO Support Project during 2003-2006 (2.0 MEUR) and through the Nile Basin Trust Fund during 2006-2009 (1.0 MEUR). Finland supported ENTRO in preparing investment programmes and decided to co-finance the Integrated Development of Eastern Nile Water Management (IDEN-WM) which is a combination of seven sub-projects under the Eastern Nile Subsidiary Action Program (ENSAP) of the Nile Basin Initiative. The IDEN-WM Ethiopia is part of the TBIWRDP. Finland has been supporting TBIWRDP through bilateral Technical Assistance (TA) for monitoring and evaluation and through a WB Trust Fund since 2009. Its nearest sister project is in Sudan (IDEN-WM Sudan), which Finland also plans to support starting in 2010;

(ii) Caucasus and Central Asia, to be expanded to some Eastern European countries via the MFA's Wider Europe Initiative (2009-2013) for the Eastern European, Caucasus and Central Asia (EECCA), which has a partial focus on regional water resources management;

(iii) Mekong Region, including among others support for the Mekong River Commission (MRC) and for the International Union for the Conservation of Nature (IUCN); a plan for the years 2008-2012 has been prepared.

As a fourth regional cooperation, the support of Finland for the International Centre for Integrated Mountain Development (ICIMOD) in Nepal, and the support under consideration to the South Asian Water Initiative (SAWI) of the World Bank could be considered.

2.4.5 Projects Visited

Ethiopia

- The RWSEP in the Amhara Region is currently in its 4th and last phase (bilateral assistance programme). The Finnish Embassy in Ethiopia is considering additional support for the upscaling and mainstreaming of the Community Devel-

opment Fund (CDF) concept. RWSEP is given a special focus in this evaluation with a more thorough impact analysis (for details see section 3.1.4 Impact).

- Monitoring and Evaluation support (technical assistance) to the Watershed Management Programme (WMP), a sub-component of the WB funded Tana & Beles Integrated Water Resources Development Programme; Finland also provides financial support to the WMP through a Trust Fund with the World Bank.

- ENTRO, see description above. An extension of the support for 2010-2013 is under consideration.

Nepal

- Rural Water Supply and Sanitation (Support) Programme (RWSS(S)P) in the Lumbini Zone, a three-phase bilateral assistance programme (1993-2005); This is considered as one of the jewels in the crown of Finnish development cooperation.

- Rural Water Supply and Sanitation Project in Western Nepal (RWSSP-WN). This project was inspired by the 'Lumbini programme' aiming to consolidate and improve the approaches established by the RWSS(S)P project.

- Rural Village Water Resources Management Programme (RVWRMP) in Far and Mid Western Regions. This is a bilateral assistance programme aimed at improving livelihoods through multiple use of water, as well as environmental sustainability by efficient use of natural resources.

- Support for the ICIMOD; ongoing core funding by Finland as well as the establishment of flood information system for the benefit of regional member states.

Vietnam

- Hai Phong Water Supply, Drainage, Sewerage and Sanitation Management Programme (WSDSSMP), (1990-2004) in four phases; technical supervision support for the implementation of the WB financed urban infrastructure project, as well as management support for Hai Phongs' public utilities for water, sanitation and solid waste management.

- Water and Sanitation Programme for Small Towns in Vietnam (WSPST). This is a bilateral programme with technical assistance, which has recently entered into the 2nd and last phase (2008-2013). The programme caters for the water and sanitation needs in towns with a population between 5 000 and 50 000 inhabitants.

- Further details on the water programmes in the three countries are provided in Annex 4.

3 FINDINGS

3.1 Performance of Finnish Programmes in the Water Sector

3.1.1 Relevance

General
National and international water problems form the basis of interventions of Finland's development cooperation in the water sector. They are discussed with governments or with regional organisations and multilateral institutions. Poverty Reduction Strategy Papers (PRSPs) or equivalent documents like the Plan for Accelerated & Sustained Development to End Poverty (PASDEP) in Ethiopia are considered as development priorities.

According to national policies and strategies, as well as from a political point of view, the water sector has a high priority in the three case countries. Interviews with Commissions and Ministries responsible for national planning (who are discussion partners in the bilateral consultations), confirmed the importance of water as a central basic requirement for economic development and thus, for the reduction of poverty. Project design and planning processes for Finnish projects are carried out in close consultation and cooperation with the relevant national and target area based institutions in the partner country. As a result, all individual projects and the water sector programmes (in the case of Ethiopia) are highly responsive to the most urgent needs and objectives of partner countries.

The policy and programme papers of the MFA reflect the ongoing international discussions in the water sector relatively well. Climate Change and IWRM have found their way into the most recent project design and planning of MFA projects and programmes.

Generally, the cooperation between Finnish TA and project partners is highly appreciated by partners in all countries visited and is demonstrated by a respect for national priorities and conditions. This contributes to making Finland a loyal and reliable partner.

Relevance of Finnish Aid Interventions
There are, however, different needs in the water sectors of different countries. For example, grant support and technical assistance for urban water supply in Vietnam is no longer deemed to be required due to the satisfactory management performance observed by the team, and the availability of loans from large donors like Japan, the WB and the Asian Development Bank (ADB). Urban sanitation, however, continues to be an important sub-sector where huge efforts are still required, also in Vietnam. However, this point is not relevant anymore to the Finnish cooperation since the MFA decided to reduce the ODA to Vietnam.

Small town and rural water supply and sanitation have instead been mentioned by all three case countries as preferred sub-sectors in need of prolonged support. A good example is the RWSSP-WN/Nepal which was designed on the basis of the experiences during the earlier RWSSSP in the Lumbini Zone. After the latter was phased out, Finland agreed to finance the new project following a request from the Nepalese government 'to keep the good experiences of Lumbini alive'. The design of the RWSSP-WN/Nepal has responded well to the relatively higher needs in the sanitation sub-sector than in the water supply sub-sector. By taking hygiene and sanitation as an entry point at the Village Development Committee level, water schemes are only implemented in villages where the implementation of hygiene and sanitation activities is already underway. On the other hand, the reduction of the sanitation component in phase 4 of RWSEP/Ethiopia to hygiene promotion is not completely in line with the national Universal Access Plan of Ethiopia (MOWR 2005) which calls for investments in this sector. The decision to concentrate on hygiene promotion is based on the observation that people will build their own latrines with local materials themselves once they understand the importance of proper sanitation. This is considered to be the correct decision for the project in the light of enhancing self sustained development.

Finland's support for water resources management dates back to the year 2000 and mainly focuses on the international basins of the rivers Nile and Mekong. It consists of specific management support and/or addresses technical aspects. IWRM support on a national scale plays a minor role in ongoing Finnish projects. Many other donors started IWRM activities in response to the Johannesburg 2002 UN-Summit, which introduced IWRM and water efficiency plans as national targets. However, Finland is now catching up with:

- the recently initiated framework support for the EECCA countries;
- the RVWRMP programme in Western Nepal (using the IWRM approach as a basis for participatory water use management plans); and
- the Monitoring & Evaluation (M&E) technical assistance and financial support for the WMP component of the WB-financed TBIWRDP in the Tana & Beles sub-basin in Ethiopia and a sister project in Sudan, both conceived within the framework of the Integrated Development of the Eastern Nile (IDEN).

Integrated watershed management plans and land use plans are still at an early stage in most of the countries where Finnish cooperation is active in the water sector. In Ethiopia, Finnish aid is contributing towards the development of a monitoring system for land and water resources on a pilot basis in the TBIWRDP, contributing herewith to the possible later development of such plans. The RVWRMP in Nepal also lays the ground for the development of watershed management plans.

The TBIWRDP TA team in Ethiopia is also involved in setting up a monitoring system for another large project in Ethiopia: the Sustainable Land Management Programme, financed by the WB, the Global Environmental Facility (GEF) and Germany among others. The Sustainable Land Management Programme/Ethiopia aims at increasing food production and preventing soil erosion, one of the biggest threats in Ethiopia. Finland has decided to finance the Responsible Land Administration for Ethiopia within Sustainable Land Management Programme, which aims at accelerated land registration for secure land tenure. There is considerable evidence that land tenure insecurity has slowed down investment in sustainable land management practices in Ethiopia.

Good (water) governance

From discussions with water administrations and institutions it appears that water resources are still predominantly considered as an infinite resource, which can be exploited for the sake of a country's economy. This is understandable from the perspective of developing countries. However, the exploitation of water resources without due consideration of sustainability is of great global concern, to which donors like Finland could and should react more sharply. Other points of international concern are (i) the poor quality of water policies in many countries that are not sufficiently oriented towards tangible impacts on the livelihood of the population and (ii) the predominance of corruption in the water sector. These are aspects where improvements towards good water governance are needed on a global scale, calling for greater efforts of partner countries and donors alike. These issues are becoming more prominent as important aspects of relevance, and more important for Finnish cooperation in future.

3.1.2 Efficiency

General

In development cooperation it is always difficult to comment in general terms about differences between projects in different countries. Comparing the unit costs of interventions in water supply is one tentative way of assessing this, but there can even be wide variations within the same country and within the same project. Further studies on this issue might be useful but go beyond the scope of this evaluation. Table 2 presents the average per capita investment cost for non-borehole water supply in a number of countries and projects.

Table 2 Comparison of per capita investment cost for non-borehole water supply (without TA).

Country	Project/programme	Source	Per capita investment cost in EUR
Nepal	RWSSSP (Lumbini)	(1)	12
	RVWRMP	(4)	65
	World Bank	(6)	16
	ADB	(7)	20
Kenya	WKWSP	(5)	11
Ethiopia	RWSEP (without CDF)	(2)	16
	RWSEP III (with CDF)	(2)	13
	RWSEP IV(with CDF)	(3)	9
Average Africa/Asia		(8)	28

Sources: (1) Completion report RWSSSP; (2) Completion report RWSEP III; (3) project document RWSEP IV; (4) mid-term review RVWRMP; (5) (Weir, Notley & Katui-Katua 2009); (6) staff appraisal report WB; (7) staff appraisal report ADB; (8) (Hutton & Bartram 2008).

Efficiency in Sanitation

In the field of sanitation (latrine construction) it is more difficult to arrive at realistic comparisons of per capita cost, which largely depend on the level of subsidy, average household size, type of platform and superstructure, wet or dry toilets, urban or rural setting and many other factors.

In general, the Finnish rural water supply and sanitation projects tend to apply a policy of no, or very limited subsidies, for privately owned household toilets. In Nepal, the communities are requested to organise their own pro-poor regulations. In situations where cost-sharing takes place between Finland and the recipient country, such policies of course also reduce the costs for the country, district or village concerned. On the other hand, institutional toilets for schools and health centres are usually fully financed in line with the cost-sharing arrangement, e.g. in RWSEP/Ethiopia as well as in "Lumbini" and RWSSP-WN in Nepal. In the larger urban and small town sanitation programmes in Vietnam, installation or improvement of toilets, construction of septic tanks, and connection to the sewerage system have been and are also currently financed by the households themselves. Here the projects have financially facilitated the set-up of a sanitation revolving fund to which households can apply for a loan.

Efficiency in Water Supply

An example of high efficiency is the support for the Hai Phong Water Supply Company / Vietnam. With a total budget of 23 MEUR, Finnish aid helped to rehabilitate and upgrade the existing water supply infrastructure and to improve the services. This resulted in a high performing water supply serving a current population of more than 800 000 consumers, according to the Haiphong Water Supply Company figures. The

all-in per capita cost was thus approximately 29 EUR, which is relatively low in comparison with the cost in other urban water development programmes in the world (average EUR 120 according to (Hutton G & Bartram J 2008)). Today, Haiphong Water Supply Company is the leading utility in Vietnam in terms of management capability, financial performance and tangible results, having received several national awards for its excellent management.

Efficiency in Water Resources Management
Cost comparisons in water resource management are even more difficult to make, and the projects are too young for having figures per ha available. However, extreme cases such as the cost of developing village water use management plans in the RVWRMP/Nepal can be mentioned, which initially amounted to approximately 10 000 EUR. The project did correct the approach and decreased the costs for future water management plans.

In summary, Finnish projects have relatively low per capita costs, except in the case of RVWRMP/Nepal, where per capita costs became extraordinarily high due to access difficulties in districts with virtually no roads. Airlifting of building material costs 2 EUR/kg (transport by mule takes weeks but is of course a lot cheaper). As a lesson learnt, the project is about to exclude the most remote district from the project intervention area due to these exorbitant costs for a relatively small population. In this case it should be considered improving the accessibility of remote regions first, instead of having high project costs that have repercussions on good marks in efficiency. However, this is a political decision; in fact, all interviewees in Nepal – when asked for development priorities – indicated without exception 'roads' as their first priority, irrespective of the cost and economic feasibility of such roads.

3.1.3 Effectiveness

General
In the document review, the authors did not come across any project or programme that has deviated remarkably from its original objectives and targets (except RWSEP/Ethiopia and RWSSSP/Nepal). Of the projects reviewed, the targets are usually achieved or somewhat overachieved according to midterm reviews and evaluation reports. Some of those reports reviewed, however, show a lack in clear results-based design, planning, management, reporting and evaluation. The relevant documents are using wordy and narrative reporting instead of easy to grasp information.

Project Level
The team found that for one of the ongoing projects the targets could not be achieved (WSPST/Vietnam). Only five water projects and no drainage and sanitation projects (out of 18 projects in total) were completed at the end of Phase I. The main reason was that the project needed to integrate project funds into the national financing system; this caused implementation delays.

On the other hand, some projects were performing much better than expected: RWSEP/Ethiopia through the introduction of the CDF approach and RWSSSP/Nepal (Lumbini III) where sanitation targets were exceeded by over 400%.
The numbers of water points constructed and the total number of beneficiaries with access to those water points are impressive as Table 3 shows, especially after introducing the CDF approach and financing mechanism in Phase III. Almost 1.4 million people have benefited from the RWSEP improved water supply.

Table 3 Number of RWSEP water points constructed and total number of beneficiaries.

	Phase I	Phase II	Phase III	Phase IV	Total	Beneficiaries
Water points	534	902	1 848	1 762	5 046	1 388 236

Project Cycle Management
Effectiveness is also influenced by the quality of institutional learning in Finnish aid. This usually takes place through reviews and evaluations on both project and programme levels, meaning lessons learnt filter into policies, guidelines and new project designs on a central level. Observation by key technical staff plays an important role in identifying lessons learnt, yet there is also a high dependency on external knowledge which inhibits to some extent the acquirement and use of knowledge within the MFA itself. This may be the reason why Finnish aid programmes do not make efficient use of planning tools, as observed by the evaluation team. A deficiency in applying impact oriented log frames and indicators and especially too much activity oriented reporting was already identified in the Meta-Analysis of Development Evaluations in 2006 (White & Stenbäck 2007). The latest Guidelines for Programme Design, Monitoring and Evaluation (MFA 1999) do, however, give log frames the importance they deserve in project planning and implementation. A stricter application of these Guidelines is expected to reveal better insights and possibly more sources from which lessons can be learnt. Although the number of more recently initiated projects reviewed for this study is limited, it seems that the situation has improved but still does not meet the necessary standards.

The overall assessment, however, is that effectiveness is definitely a strong point of Finnish aid in the water sector.

3.1.4 Impact

General
The team's findings on the impacts of projects are mainly based on field observations in projects in the case countries, since this aspect is, at least in part, not sufficiently dealt with in internal midterm reviews and completion reports, according to the analysis of the team. Yet, other documents of the projects visited were found to be useful for analysing this criterion, and have been taken into account. Reporting of projects

in the early years of the period of this evaluation, did not examine impact and sustainability sufficiently. This is consistent with remarks in the multi-country evaluation from 2002 (Telford 2002), in which – with the exception of data from Vietnam and Mozambique - little evidence of sustainability and impact on poverty reduction has been reported. This has recently changed, but not yet systematically in mid-term reviews and progress reports. The latter are still quite oriented towards the activity and output levels. This observation of the team is backed by other evaluations, in particular the Meta-Analysis of Development Evaluations in 2006 (White & Stenbäck 2007).

The visits to the case countries revealed a very high and above all positive impact on the target population in all water and sanitation projects. Due to solid physical construction and the installation of appropriate local management structures, the improved water supply and sanitation have positively contributed to health conditions in several locations visited; have decreased the workload on women and children, mainly girls; have reduced the expenses on medicine, and have led to more time which may be used for income generation and school attendance. This was confirmed in many group discussions and personal interviews with the local populations. A change in gender roles and inter-ethnic communication owing to the water projects also improved living conditions.

Research and Application

In recent years, the results of international research (Fewtrell & Colford 2004) have shed new light on the potential health benefits of different measures in the WASH sector. For example, it has been recognised that the highest impact on the reduction of diarrhoeal morbidity will not be gained either from improved water supply, sanitation or hygiene education, but from the eradication of open defecation and from hand washing with soap. This concerns behavioural changes which, particularly in South Asia, have been achieved through the framework of so-called Community Led Total Sanitation campaigns. These campaigns have also resulted in a very strong recent increase in household toilet construction, and thus in relatively high spikes in the JMP figures in India and in Nepal. It is commendable that - based on these successes particularly in the South Asian context, and stimulated by earlier Finnish experiences e.g. in Western Kenya - the RWSSP-WN/Nepal has decided to adopt behavioural change programmes. In that sense, it is not a replication but rather a further improvement of the Lumbini project. Although the approach bears prospects for success, it is very ambitious and labour intensive.

A Typical Impact Survey

The impacts of large urban water supply and sanitation schemes in Vietnam are assumed to be high, although time did not allow the team to carry out its own studies. However, according to the WSDSSMP completion report, a survey on health improvement conducted by Haiphong Preventive Medical Centre on the WSDSSMP/Vietnam project in 2003 showed that the improved water supply and environmental sanitation conditions had a positive impact on people's health, especially the poor people. The main conclusions were as follows:

The water supply coverage in Haiphong City increased from about 60% in 1997 to 100% in 2002. Partly because of the Programme, about 96% of households have septic tanks and 95% belong to the waste collection system of URENCO. It was clearly concluded that approximately 60% of the City households are not affected by any environmental pollution anymore. Thanks to the above improvements, many waterborne diseases and diseases related to sanitation decreased between the years 1997 and 2002. Diarrhoea decreased by 48% and parasitical worms by 23%. The incidence of vector-borne diseases also decreased, partly due to the improved water supply. For example, hemorrhagic fever is nowadays 7-49 times lower in Haiphong compared to other cities in Vietnam due to improved water supply as well as other factors.

Indicators as a Catalyst

The pre-definition of impact indicators is a strong catalyst for the tangible beneficial impacts of water and sanitation projects. This has recently been applied in the project documentation of the RWSSP-WN/Nepal, where decreased infant and maternal mortality has been described as an expected project outcome. Likewise, indicators such as an increased productive role of women, decreased hardship, and improved health, nutrition and hygiene have been adopted, with each indicator showing the evidence of beneficiary impacts at a later stage. The implication, however, is the need for correctly conducted baseline studies, thorough data collection during implementation, and proper evaluation following project completion.

Impact on Gender Equality and Marginalised Groups

The improvements made in the Finnish projects have had an impact on the social, cultural, economic and even political living conditions of the beneficiaries. The projects' activities have affected social relations through the increased venues and opportunities for information exchange between women and men. This benefited women more, as men are generally more exposed to the outside world. Training women as artisans has had an impact upon the culture as it has resulted in the breaking of the cycle of gender discrimination. The economic life of beneficiaries' was improved through the new job opportunities that enabled poor villagers either to start generating their own income or expand their existing ones (Nepal & Ethiopia). In all three case countries visited, poor people in the project communities have been able to use public taps through village internal pro-poor policies (exemption from water fees (Nepal & Ethiopia) or nominal charges only (Vietnam). In Balhani, Nepal, since the introduction of the water scheme, villagers benefit from the improved diet and the extra income they obtain by growing fruits and vegetables in their gardens. The change in the political life of the beneficiaries occurred with the shift in the gender power dynamics. This happened either as female water user committee members were promoted to occupy male stereotypical positions of treasurer and chairperson (all countries), or as female members were elected to Kebele level cabinet (Ethiopia), and Phuong People's Council (Phuong Parliament) in Vietnam. Impacts occurred in the beneficiaries' wellbeing and health through the decrease of vector borne diseases or diarrhoea (Vietnam). The wellbeing of women has been impacted with the improvement of sanitation conditions and safer bathing opportunities and toilet facilities (all countries).

These impacts have been made on both the individual and the community level. On the individual level, female members of water user committees have attained a higher social status in their community. They are no longer confined to their homes as in the past and their self-confidence to talk in public or in the presence of men has increased. Impacts have occurred on the community level through the decrease in discriminatory practices, which came about through the change in the gender division of labour, when men and women began sharing the responsibility for cleaning and maintenance of public taps (Dobhan, Nepal). Likewise the decrease of discriminatory practices and inclusion of HIV/AIDS positive community members in the Water; Sanitation and Hygiene Committee (WASHCO) (Ethiopia) enhanced the harmonization of the community and acted as a peace building process among diverse ethnic groups, as all community members have been benefiting from the services provided (Nepal).

Impact on Partner Organisations

Finnish cooperation had a varying impact on partners in the water management subsectors. The management support for the ENTRO office in Addis Ababa was highly appreciated. This reportedly led to improved internal management of the office and facilitated an entire change in the institutional structure such as staff recruitment procedures becoming more professional etc. The support for the MRC did not receive an entirely positive assessment with regard to impact (and consequently sustainability as described under the next heading). The reason is that the process of cooperation between the MRC member countries has not yet reached a level of being able to make use of all technical assistance received. However, the situation has improved remarkably since a new CEO took office. Reports from senior Finnish university staff involved in building a hydrological model, however, still express frustration about the apparently low interest the MRC has in using better information provided through the project. The MRC is a highly politicised organisation enjoying great support from several donors that can easily be played off against each other. This could be one reason for the relative weak impact of donor supported activities in the MRC; another could be that national interests of the MRC members still seem to overrule the common interests of the Mekong basin as a whole.

Policy Impact

Positive impacts are widely noted at the direct project level in Finnish cooperation but there are varying experiences with impacts scaled-up to the national level. A positive experience can be noted in Vietnam through WSPST's contributions to the new national decrees Nos. 117 (among other things on the creation of a revolving fund and stipulating 100% cost recovery for water supply) and 88 (on operations and cost recovery for sewerage and drainage). Strictly speaking, this is not a direct impact attributable to the project, yet it can be stated as a positive side effect that was not foreseen in the planning and as having possible positive impacts on other projects and national scale planning.

RWSEP Impact Analysis

On the request of the MFA, the team has given special attention to the impact of RWSEP/Ethiopia. In line with how the term impact is used in this report, showing improved living conditions of the beneficiaries, the team analysed data on changed health situations and the underlying changed behaviour patterns in Sanitation and Water Supply and made its own observations as time allowed. The main source of information is the 2009 Performance Review of Phase IV by NIRAS-SCANAGRI. The RWSEP serves as an example of what the evaluators define as a deficit in impact oriented planning of Finnish projects, which made this exercise of assessing the impact of RWSEP difficult.

Firstly, the Overall Objective of the RWSEP as mentioned in the Project Documents has changed over the subsequent phases, as did the indicators by which the impact should be measured. Reference is made to Table 4 below. Secondly, in the extensive documentation of RWSEP, which at present must stand at well over 300 different documents, no trace can be found of any baseline survey or any results of monitoring and evaluation. Completion reports of the different phases, mid-term reviews or the TORs for these reviews give no mention about the impact on improved living conditions.

For Phase III, true impact indicators were mentioned with the overall objective, but the project did not monitor them sufficiently. For Phase IV, there was a change in the overall objective, back to a lower level of project logic ('Capacity of communities to initiate, manage and implement their priority projects with support from Woredas in the Amhara Region and other regions in Ethiopia'). The RWSEP can therefore not be blamed for not having monitored any real impacts in Phase IV. As a consequence, the 'performance review' is also silent about impact indicators, and refers only to results on a lower level such as community ownership, increased capacity, decreased costs and improved functionality (see section 3.2 of the report).

Impact indicators must - by internationally agreed definition - show the effects of improved physical installations for the living conditions of the population such as improved health and income situation amongst others. Although the numbers and the level of functioning of installations built may have an influence on impact, they are not representative for impact. They are rather output indicators, giving an impression of effectiveness (very impressive indeed in the case of RWSEP, Table 3).

In fact, there is no regular data collection by the project, regarding impact level as defined above. One interesting source on the issue was found is the report 'Rural water supply and environmental programme (RWSEP) in Amhara regional state, Ethiopia; a study on Knowledge, Attitude and Practice (KAP) on sanitation and hygiene' from 2006 that has the objective to "… understand the existing water, sanitation and hygiene-related knowledge, attitude and practices of communities in the RWSEP-intervention Woredas and see the impact of the RWSEP programme, in terms of water supply and sanitation awareness-creation as compared to the non-intervention (con-

Table 4 Overall objectives and their indicators for different RWSEP phases according to basic documents.

Phase	Document	Overall Objective	Indicators
I	Completion Report	Achieve sustainable human development for the communities to take responsibility for their own development.	Not mentioned.
III	Project Document	Communities have the capacity to define, manage and implement their own plans for sustainable development.	Increase in income at household level; improved health of household members; improved educational level of household members; environmental stability; equitable participation in decision- making.
IV	Project Document	Capacity of communities to initiate, manage and implement their priority projects with support from woredas in the Amhara Region and other regions in Ethiopia.	CDF approach applied in non-programme woredas in the Amhara Region and other regions in Ethiopia; CDF approach applied beyond water supply and sanitation.

trol) area". The report describes coverage with improved services and behavioural changes and comes close to creating the link between physical improvements, health awareness creation activities and impacts on health conditions. It refers to other studies but does not specifically provide proof of the 'chain of impact' for the RWSEP project. It provides a good study on behaviours and attitudes but states 'The impacts from the hygiene education intervention-measures undertaken are not yet adequate to exact improvements in the health of beneficiary communities.' Since this study was only a one-off exercise, it cannot be used for monitoring purposes. A more recent report from 2008 titled 'Consultancy on the design of CDF and credit products', notes a positive relationship between water supply, sanitation and health. The two reports, however, do not form parts of an impact monitoring system. It is advisable to undertake such a survey more regularly in order to measure the impacts of the RWSEP program, such as RWSSP-WN/Nepal has recently introduced (see above).

In the very limited time available, the evaluation team could only make a simplified effort by interviewing a reasonable number of beneficiaries in the only village that could be visited by the team. Many dwellers in the village of Tserige reported a reduction in Giardia infections and less money spent on medication against water borne

diseases. A fully-fledged survey on a representative sample of communities would have taken weeks for an extended team. In any case, there are no earlier survey results (baseline) to compare with.

The overall assessment is that, despite the lack of impact oriented planning and monitoring as mentioned above, the impact of the RWSEP project on the living conditions of the beneficiaries can be assumed to be positive.

3.1.5 Sustainability

Functionality of Schemes
The physical and managerial conditions of water supply systems built with Finnish support in the case countries, even for single systems completed 11 years ago, are remarkably good. This contributes to a good mark in the sustainability of project goals. Users of wells and gravity schemes that were constructed long ago were still enthusiastically managing the systems. A high degree of user participation as a standard approach to the planning and implementation process appears to be a very valuable asset. The mechanisms put in place for contributing to the costs of the systems are an important factor in this regard. From the very beginning onwards, User Committees and WASHCOs have continued to collect and manage funds to operate and maintain their schemes. In some cases they managed to get assistance or even financial support from government institutions when faced with problems that they themselves were not able to solve.

The authors came across situations where local initiatives in connection to the village water supply, for example the use of a small laboratory in Amarapuri village (RWSSSP Lumbini, Nepal) for water analyses in neighbouring places, had become a true engine of income generation for the further development of the village.
Although examples of the expected low sustainability of project objectives were rather rare, one example is the watershed planning procedure in the RVWRMP/Nepal. This is unlikely to be taken up by government bodies due to its high costs and due to missing capacities at district administration level which can continue the work after the completion of the project.

As to the WSPST/Vietnam, it should be noted that the 'one size fits all' solution for the water and sanitation projects within Phase I, is considered not sufficiently flexible. The evaluation of WSPST Phase I, conducted within the framework of the Phase II appraisal in 2009, came to the conclusion that centralised systems are taken as exclusive starting points and decentralised options for more remote and/or poor inhabitants in the town have not been included. For water supply this could mean: rain water harvesting, household level treatment, water vending, shared water supply connections, and for sanitation: on-site sanitation options such as ecological latrines. Another potential risk appeared to be that preliminary and detailed designs for the sanitation system in the project towns have been prepared only for central clusters. This may pose connection problems in case of the towns' future expansion of sanitation coverage and may thus compromise sustainability.

Moreover, the new decree no. 88 stipulates the need (at least in newly built urban centres) to separate wastewater and storm water systems. The design of the sanitation projects in Phase I (before the new decree came into force) was based on combined systems.

In any case, it is commendable that the TA consultants' Inception Report for Phase II recognizes these possible shortcomings, and states that "...a firm set of sustainable sanitation solutions for different kind of towns and different affordability levels will be developed and tested - at least in pilot scale." It constitutes a good example of corrective action in a subsequent stage of a project.

The team kept its eyes and ears open on the issue of corruption. The water sector is notorious for its corruption, and the three case countries of this evaluation all rank rather low on the Corruption Perceptions Index (Transparency International 2010). However, the team did not come across any specific case of e.g. mismanagement of funds or corruption in the projects supported by Finland. On the contrary, tight control measures built in project design, internal and external audits, as well as public accountability by e.g. water user committees in Nepal and WASHCOs in Ethiopia on procurement matters, have contributed towards "clean" operations and enhanced efficiency levels. Nevertheless, the situation outside the projects and their direct surroundings may show a very different picture. This might have repercussions for the long term sustainability after the completion of a project.

Financial /Economic Sustainability

A solid example of a high degree of sustainability is the Hai Phong water supply company/Vietnam. This is now operating on a full cost recovery basis, without any further need for foreign investments, except for extensions.

On the other hand, and this is a very well-known phenomenon (also in Europe), the sanitation component of the Hai Phong project as well as the sanitation projects within the WSPST/Vietnam, are or will be facing difficulties in operating on a full cost recovery basis. Sewerage and Drainage Company, the sewerage and drainage utility of Hai Phong, already has problems in raising sufficient funds for the normal operating costs. In Thun Hang town, financial projections indicate that a 50% surcharge on the water bill will be required, which the population seems unwilling to pay, according to representatives of Sewerage and Drainage Company. This is an indication of the challenging situation that exists almost everywhere for the sanitation sector. The level of consciousness of the importance of sanitation does not yet match people's readiness to pay for full cost recovery prices.

Institutional Sustainability

An example of the challenges in relation to the up-scaling from a project's best practice to national system is the CDF. The mechanism and approach of the CDF, developed as a pilot under RWSEP/Ethiopia Phase III and further consolidated under Phase IV which is to end in 2011, has yielded extremely good results in terms of ef-

fectiveness, efficiency and (technical) sustainability. WASHCOs were empowered to a level that was previously unthinkable and they were strongly motivated by taking decisions and managing funds themselves. The (Finnish) investment funds are channelled from the MFA directly to the regional Bureau of Finance and Economic Development (thereby skipping the central level), and made accessible by Bureau of Finance and Economic Development to the WASHCOs via a government independent financing institution, the Amhara Credit and Saving Institution. This mechanism of easy and direct fund transfer has resulted in a massive increase in the number of schemes built (section 3.1.3 on effectiveness). RWSEP has shown other donors and the Government of Ethiopia (GoE) the advantages of community empowerment. Upon request of the GoE – and with financial assistance from Finland – the WB's Water and Sanitation Programme (WSP) conducted an evaluation of the CDF in late 2009. The purpose of this evaluation was to come up with a proposal for mainstreaming CDF as one of several windows for rural water supply and sanitation projects (WSP 2010). This was confirmed by a joint fact-finding mission of the Ministry of Water Resources (MOWR) and the Ministry of Finance and Economic Development (MOFED) to Bahir Dar at the end of January 2010. That mission resulted in a Joint Report on Community Development Fund Exposure Visit to Amhara 29.-31.1.2010. This mission report states that no regulatory objections at federal level were found for the further replication of the CDF approach into other regions. The report, however, is silent as to whether the GoE will also introduce it into its administrative system for the transfer of its own funds for example. Convinced of the merits of CDF, and under pressure by the timeframe of the Universal Access Plan (UAP), MOWR has asked all WASH partners to consider using CDF where applicable. A first response has come from the United Nations Children's Fund (UNICEF) who announced that they would start using CDF in 4 regions. Finland had already replicated the approach to the neighbouring region of Benishangul-Gumus. The CDF is, however, only applicable in about 1/3 of the country due to specific conditions such as suitable community organisation forms and hydrogeology. Therefore, other funding modalities will also be required for the overall WASH operations.

The authors highly value this first step in up-scaling and replication, yet want to draw attention to two aspects that may constitute a challenge for the GoE to apply the CDF mechanism within the GoE's administrative system, and not only in the context of project implementation. In interviews with government officials, doubt was expressed about the full application of the CDF by the government itself. Allegedly, (i) government institutions would not be able to enter directly into financial transactions with WASHCOs because they would not be officially recognised institutions, and (ii) channelling government funds through a non government intermediary such as Amhara Credit and Saving Institution would also not be feasible due to the management fee that would have to be paid. Since these two aspects are the main drivers of the success of the CDF, the authors would indeed see it as a complex challenge to find solutions if the doubt would arise.

Ownership

Also in Ethiopia, in the Finland co-financed WMP component of the TBIWRDP, the evaluation team encountered an intriguing case of unclear institutional sustainability with regard to partner commitment and ownership. It concerned the multiplicity of M&E systems for watershed monitoring and of partner staff in the GoE administration. In the case provided, individual officials from different departments or even within the same department were acting as focal persons for different projects financed by different donors, not even discussing aligning the different systems to a single GoE recommended one. According to information received after the field visits, coordination meetings did take place before the design of the TBIWRDP. Since parallel approaches could still not be completely avoided, other coordination meetings took place recently to harmonise the approaches. The TBIWRDP has an inherent role of building up capacities at the regional Bureau of Agriculture for an M&E system for watershed monitoring. However, given the observed lack of ownership of Ethiopian administration it will be quite a challenge to achieve that. Of course, the harmonisation meetings are welcomed by the team, but it is still difficult to assess whether or not the GoE is taking up ownership, through national partner institutions that are detached from the 'projects'. The risk remains that national partners are not interested sufficiently in taking up the assistance to develop and improve on 'their' system. Counterpart staff in the institutions rather plays the role of project spokesmen, responsible for keeping the contact with the projects, than taking over the role of a recipient of the advisory service delivered. This missing ownership easily gives the impression that project activities constitute an additional workload to them. The evaluators have gained this impression from discussions both with partners and with project TA teams.

A similar observation refers to the RWSEP/Ethiopia as stated in the 2009 performance review (Performance Review of Rural Water Supply and Environmental programme in Amhara Region Phase IV). Ethiopian partners are quoted as saying when considering works for the RWSEP are '…extra, not part of their regular duties' and where the authors of that study consider therefore that '... the objective of integrating RWSEP into the government structures …is unfeasible'. Achieving the integration of project contents into structures of partners is crucial for long-term sustainability. Therefore, the expected changes on partner government level must be addressed thoroughly in project designs by clarifying partners' responsibilities and by focusing on the donor's (i.e. TA consultants') advisory role in enhancing the functioning of partner government's institutions. However, both partner governments and donors have to play their respective roles and the observations made here are not meant as criticism on Finnish cooperation as of this moment.

Project Staffing

Another critical area with regard to institutional sustainability is related to the projects' personnel policy. Projects such as the RWSSP-WN and the SEAM-N (both in Nepal) have a considerable number of staff employed on a long-term TA-basis suggesting that the TA-staff are more inclined to 'implement' a project rather than to 'advise' part-

ner structures in improving their work performance. In addition, it is highly questionable whether, or at least not all, capacity developed within the projects will, and can be, absorbed into the government structure once the project is completed. This is particularly the case in the districts in Nepal where a high proportion of government staff responsible for infrastructure development had been removed, or in Ethiopia with the ongoing Business Process Reengineering within the administration that will most probably have negative impacts on heads and capacity within the administration.

Summary
Sustainability is a very challenging aspect of any cooperation because it relates to the ownership of partners, not only as direct beneficiaries but also as counterpart staff in cooperating administrations. The authors have found that Finnish cooperation is addressing perfectly all aspects of trying to guarantee the sustainable functionality of the physical schemes built into the projects. Still, there are challenges ahead when it comes to partner governments' ownership, particularly with regard to integrating those capacities and mechanisms into their institutions which are necessary to support long-term sustainability.

3.1.6 Coordination

Coordination describes the interaction with relevant groups and other donors in a partner country and partly overlaps with the element 'harmonisation' of the Paris Declaration (OECD 2005).

The authors have gained the impression that Finnish cooperation in the water sector is in general satisfactorily coordinated with national partners and other donors. The TBIWRDP/Ethiopia was designed by the WB in strict coordination with the GoE and donors. All related interventions were discussed and agreed upon in a series of consultations. The IWRM part of the TBIWRDP was designed regionally as part of ENTRO IDEN. A strong coordination with the Sustainable Land Management Programme and the Food and Agriculture Organization of the United Nations (FAO) programmes took place.

There is strong coordination in the WASH sector with Finnish aid being a pro-active partner. In Ethiopia, where a full water support programme has been developed, Finland has become the lead donor (as strived for in line with the 2007 Development Policy). In general, there is continuous participation of Finnish aid personnel in donor or sector coordination meetings in all three case countries. Until now, Finnish aid has used quite a balanced mix of different approaches and has increasingly opted for joint action with other development actors (The WB, GWP, WSP, and other bi- and multilateral donors), although this varies widely between countries. Particularly in Vietnam, there have been experiences with a number of aid modalities including multilateral aid and classic bilateral projects, interest subsidies to concessional credits or support to non-governmental organisations (NGOs) via the Local Cooperation Fund (LCF) or Finnish NGOs.

Nepal is a country where bilateral projects are predominant without a wide range of coordinated instruments and approaches. Donor coordination is still rather weak with regard to joint actions. This applies to Finnish development cooperation as well. Recent developments, however, prepare the ground for a Sector Wide Approach (SWAP) in the rural water sector.

In this respect, Ethiopia has been heading towards national strategies in which donors can take part over a long period of time. The European Water Initiative (EUWI) country dialogue laid the basis for this approach. However, joint actions are currently weak and the impression is that donors are not proactively encouraged by the GoE to join forces. An example is the Capacity Building Pooled Fund (CBPF), which was stopped by MOFED at a very late stage. Apparently, MOFED was not interested in donors joining forces, but would rather see them continue with bilateral projects. It shows strong leadership from GoE, but in this case without fostering an improved efficiency by enhancing the harmonisation of multiple donor approaches.

Finland applies a range of aid modalities such as bilateral and multilateral cooperation, support to Finnish NGOs' activities in developing countries, support to local NGOs through the Embassies' LCF and humanitarian aid. The bilateral cooperation includes formerly called 'multi-bi' projects such as co-financing by Finland e.g. through a WB trust fund (cases of TBIWRDP and Sustainable Land Management Programme in Ethiopia).

3.1.7 Complementarity

Complementarity is important for achieving synergy effects in development projects among donors due to a convergence between the objectives of the interventions of different donors in the same region and/or the area of intervention. In other words, it is a specific aspect of donor coordination but cannot take place where only one donor is active. Finnish development cooperation shows a clear commitment to coordination, yet simultaneously the evaluation has revealed positive and negative examples of complementarity. Some excellent examples have been observed in cooperation with the WB in Vietnam where Finnish aid through TA complemented very well the investments provided by the WB. None of the components alone could have yielded the success achieved. The WMP in the TBIWRDP/Ethiopia on the one hand scores high on complementarity as far as the cooperation within the WB-led programme is concerned. On the other hand, it scores low on the same criterion because of unclear ownership from the Ethiopian administration, leading to overlapping activities of several of the donors in monitoring (World Food Programme; WFP), the Gesellschaft für Technische Zusammenarbeit; GTZ, and the WB among others). Although this is not primarily a problem attributable to the Finnish cooperation, a clearer position on the side of the Finnish development cooperation could be made with regard to this situation.

3.1.8 Compatibility

Projects and programmes in the countries analysed are to a large extent in line with the partner countries' goals and policies. In project preparation documents it has been observed that national policies in the partner country have provided a framework for the design of projects/programmes. During the visits to the case countries, national policies in the water sector, as well as general policies, have been analysed. The team found that Finnish development cooperation in the water sector is highly compatible with these policies and the national policies orient the selection of programmes/ projects. A very good example is Ethiopia where the national UAP is well embedded in the water supply and sanitation programmes. The donors interviewed showed a high level of interest and commitment but are sceptical that the targets of the UAP can be reached in the given timeframe. In Nepal, the government has set universal access targets for WASH for the year 2017, and a Master Plan for Sanitation and Hygiene in Nepal, 2009-2017, as well as the Single Approach for Planning, Implementation and Operations & Maintenance of Rural WATSAN Programs (2009) have recently been published. Along with other factors, these have been reasons for the revision of the RWSSP-WN/Nepal project document.

Budget allocations to the water sector can show to which extent governments are committed to a sector. Donors can use this information to assess the willingness of governments and take this into consideration during negotiations with the partner country's government. However, such information is difficult to obtain and its analysis would surpass the available timeframe for this evaluation. It is therefore welcomed by the team that national budget figures are usually analysed by Finnish embassies before the country consultations which take place every 2 to 3 years, depending on the country. Finnish embassies prepare annual plans in connection to which the parameters of cooperation are assessed. For example, the water sector in Ethiopia was selected as the main area of cooperation after careful consideration and with the intention of a long-term commitment in line with the priorities of the GoE.
The message from the current Development Policy Programme 2007 (MFA 2007a) is to achieve sustainable development. From the assessment of sustainability in this report, it can be concluded that sustainability in programme design and implementation is one of the strong points of Finnish aid. However, another principle presented in the policy is, that a 'favourable economic development is the best tool against poverty'. The economic aspects of water projects have however not yet been analysed very much. Until now, water supply and sanitation projects appear to have a more social than economic character. Economic development may result from improved water supply and sanitation, by reducing workloads and thus liberating time for economic activities or school enrolment. In most Finnish projects that were analysed, these aspects are only occasionally, and only recently, mentioned on the overall objective level. Nevertheless, in projects like the RVWRMP/Nepal, water is used for more purposes than for drinking water alone. The application of water in small-scale irrigated agricultural projects, forestry and micro-hydropower may also become a driver for economic development at the village level. The TBIWRDP/ Ethiopia is as well embed-

ded in a growth corridor strategy of the GoE. In summary, compatibility scores high in Finnish programmes and projects.

3.1.9 Connectedness

The main interlinked area related to water projects is Climate Change Adaptation (CCA). The evaluation shows that CCA has not been taken into consideration in the planning and design of those projects started before 2007. However, from 2007 onwards, elements of CCA have been incorporated into the water-sector projects (e.g. RVWRMP/Nepal, Tana & Beles WMP/Ethiopia, and RWSEP/Ethiopia).

In Vietnam, Finland co-finances with two other donors the Trust Fund for Forests (TFF) Finland also provides TA to the Vietnamese Ministry of Agriculture and Rural Development for the development of a forest information system. Finland has in general expressed its principle readiness for additional future support to this sector, in particular for climate change activities through the TFF.

3.1.10 Coherence

Coherence, in the case of this evaluation, rather refers to international policies and conventions, than to those of other Finnish ministries involved in development cooperation on a minor scale. For the water sector, the principles of IWRM can be mentioned as central to Finnish cooperation in the water sector, and are backed policy-wise by the Aarhus Convention on Public Participation (Aarhus Convention 1998), which has been ratified by Finland.

With regard to IWRM, Finland adheres quite strictly to this principle. It is mentioned in all relevant sector papers and is generally considered in individual projects. There are, however, few projects concentrating on water resources management. Some examples are the recently started TBIWRDP/Ethiopia, the RVWRMP/Nepal, the support to the EECCA region, and indirectly the support to the international river basins Mekong and Nile. The best example of referring to the international policies with regard to water resources management is the recently developed EECCA Strategic Framework Programme 2009-2013 for countries in the Caucasus region. All water supply and sanitation projects, however, follow the principles of IWRM and specifically lay an emphasis on participatory approaches, the involvement of women in water supply and sanitation, and the principle of water being an economic good.

An important point of reference for coherence is the Paris Declaration on Aid Effectiveness (OECD 2005) and the follow-up Accra Agenda for Action (OECD 2008). The Paris Declaration (PD) focuses on partnership commitments and depicts the following fields as key areas: ownership of partner countries, alignment of donors with partners' strategies, harmonisation of donors' activities, managing the results of programmes/projects and mutual accountability. Finnish development cooperation has agreed to, and applies, commitments made in the PD. With regard to the implementa-

tion of the PD, Finland has recently integrated several elements of the PD into its project planning and design in a positive way. For instance, projects must now include a description of how they adapt to the requirements of alignment and harmonisation. The Accra Agenda for Action stresses that partner country systems will be used to deliver aid as a first option, rather than donor systems; donors will increase predictability by providing information 3-5 years in advance on planned aid; donors will move away from conditionality of aid; and donors will start untying their aid.

In general, the occurrence of policy effects that are contrary to the intended results or aims of international policies could not be noted in recent Finnish water projects.

3.1.11 Finnish Added Value

Finnish added value was first referred to in the 2004 Development Policy (MFA 2004a) and is reinforced in the 2007 Policy (MFA 2007a), but presently evaluation or performance reports on project level are silent concerning this. One reason is that the concept of Finnish added value is not very clearly defined within the MFA itself. However, the sectoral policy guidelines bring more clarity: water resources management aspects such as (geo)hydrology, flood forecasting, pollution abatement and hydrological modelling are mentioned. Also, water related expertise such as environmental management, forest management and rural development are seen as Finnish added value. Looking for specific areas where Finland has proven knowledge and experience, the team addressed the issue in interviews with senior staff at the former Technical University of Helsinki (now Aalto University), and with embassy and project staff in the case countries. As a result of this exercise, one water-related theme, namely the Water Cooperatives that exist in smaller Finnish communities in sparsely populated areas, was mentioned. A respondent explained that the management structure of these cooperatives perhaps bears a similarity with Water Users Committees (WUCs) or WASHCOs and that might be the reason why Finnish water supply and sanitation projects on a small town and rural level, are generally successful.

However, the Finnish added value is not necessarily restricted to specific fields of knowledge and expertise, but can be anything by which Finland can really make a difference in development cooperation. It may vary from special products to a Finnish characteristic, and from a particular capability or institutional capacity to innovative approaches, as long as it has 'export potential'.

If development interventions and evaluations should reflect the Finnish Development Policy, including the focus on Finnish added value, clear guidelines for the operation of the new International Strategy for Finland's Water Sector are needed. It is necessary to consider how 'Finnish added value' issues can be evaluated for the future. The newly created FWF is already an integral part of the strategic structure created through the new strategy and could provide a more prominent role to implement it. The developmental and promotional activities deployed by the Netherlands Water Partnership over the past 10 years could serve as an example.

3.2 Adoption and Usefulness of Cross-cutting Issues

3.2.1 The Formulation Process

Integrating cross-cutting issues in the formulation process is directly related to the sustainability of a project or programme. The RVWRMP/Nepal is a good case in point to demonstrate the importance of the planning phase for cross-cutting issues. During the inception period of this project, due to the active support of the Embassy Advisor a baseline study was carried-out. Subsequently, a Gender Equality and Social Inclusion Strategy was developed for the project. However, because cross-cutting issues were not properly included in the preparation phase of the project, no resources had been allocated for the strategy implementation. Only limited resources have been found through a revision of the project budget.

Likewise in Ethiopia, at an early stage of RWSEP III, a socio-economic baseline survey explicitly illustrated the socio-cultural aspects, which the project needed to address and which constituted the design of the project. The study was based on the understanding of the existing socio-cultural factors and experiences of Phase I and Phase II. As a result, peer Information Education and Communication educators, gender groups, contact women, school children and opinion leaders became actively involved as main actors in encouraging and promoting attitudinal changes regarding hygiene practices, women's early night and dark evening open field defecation. These achievements of RWSEP III can be attributed to the overall socio-economic baseline survey. The latter brought about concrete attitudinal changes and addressed aspects of socio-cultural barriers hindering intervention. Thus, it can be maintained that RWSEP sustainability depends on the extent that the project manages to deal with the social and cultural factors.

Cross-cutting issues, as crucial elements in the water and sanitation sector, have the potential to enhance the accountability, and hence necessitate a high level of precision in their formulation. In this regard, Phase III of RWSEP/Ethiopia explicitly incorporated and placed a strong emphasis on gender balance, active and direct involvement of men and women into its key strategy, ensuring that its processes and structures are gender sensitive. RWSEP has promoted gender affairs throughout its structures, from the top of the regional level down to the grass root Kebele and sub-Kebele levels. The present CDF approach also ensures the participation of women in the planning and selection of water points and in the management of the WASHCOs. Even though men are still dominantly elected as chairpersons, women are increasingly elected in growing numbers as WASHCO chair persons, treasurers and/or secretaries. Accordingly, as long as the practical gender rules of the CDF approach are formulated, (3 female members in a WASHCO, participation in planning, preference for women as chairpersons and/or accountants and secretaries) in the water point construction, the project is likely to apply them with no serious risks.

Country documents vary in their level of precision regarding cross-cutting issues. Several documents use general and undefined social terms that hide inequalities, such as consumers or communities. The decreased level of precision, especially in the case of Vietnam, reveals that there might only be a token mention of cross-cutting issues. Most of the reviewed documents of both water supply and sanitation programmes, WSDSSMP/Vietnam and WSPST/Vietnam, show unclear conceptual clarity on gender mainstreaming and rarely state gender-disaggregated data (Tsegai & Murray 2005). Thus a weak precision not only conceals the fact that these general categories consist of women and men from different groups with different capabilities, but is also likely to reveal a low dedication towards gender issues by the programme.

3.2.2 Training and Capacity Building

Fostering sensitivity for cross-cutting issues among team members through training courses and material ensures the success of the cross-cutting approach. Project team interviews revealed that most local staff of the projects that were visited, had either received their training in cross-cutting issues with other institutions before joining Finnish projects, or had no previous training at all. With few training opportunities, local staff members are less sensitised to identify potential problems or even to recognise successes when they occur. Furthermore, this lack of awareness on the importance of cross-cutting issues in the projects, or the inability to mainstream these in the project activities, prompts staff members to perceive those issues as an added and unnecessary burden. As a result, the effectiveness of the project is affected. The provision of regular sensitisation activities and training seminars ensures the practical follow-up of the team's abilities in mainstreaming cross-cutting issues and provides sensitisation for new project team members.

Consolidating cross-cutting issues proves to be highly effective and can provide a better overview and enhance the practicality of the themes. A case in point is the Gender Equality and Social Inclusion Strategy in Nepal, which is mentioned in the documents as being a good example of a best practice. The Nepalese Government has taken this approach as an example for other projects (Kääriä, Poutiainen, Santisteban, Pineda, Chanda, Munive, Pehu-Voima, Singh & Vuorensola-Barnes 2008).

Likewise, reviews from Vietnam have proven that providing a solid link between the cross-cutting themes and the water sector is more strategic because it helps to reveal how cross-cutting issues, poverty and economic growth are relevant and interdependent.

3.2.3 Gender Roles and Needs

The water and sanitation projects and programmes visited in Nepal, Vietnam and Ethiopia reveal that interventions have addressed the productive and reproductive roles of both men and women, and have also focused mainly on the practical needs of both male and female members in the vulnerable groups. In WSPST/Vietnam, the traditional gender division of labour was maintained in the projects for sanitation im-

provement. Most work relating directly to sanitation, such as toilet cleaning and rubbish collection were done by females, and males remained responsible for heavier work such as toilet building, road and water pipe construction, repair and maintenance of water pipes. Phase III of RWSEP/Ethiopia has addressed practical gender needs and responsibilities in the design of water and sanitation facilities. It has also promoted access to social amenities, such as water, latrines, fuel saving stoves and access to information in the areas of health, sanitation, hygienic education, nutrition, afforestation and favourable environmental conditions.

Both programmes RVWRMP/Nepal and RWSEP/Ethiopia have initiatives that have addressed the strategic gender needs thus attempting to improve the disadvantaged position of women in society relative to men in terms of labour, power and control. RWSEP embarked on initiatives to raise the awareness of communities towards gender equality and acted affirmatively to increase the participation of women in society. This has involved such actions as requesting women's management of WASHCO, equipping women with artisan skills and appointing them as pump attendants. Likewise, RVWRMP/Nepal has addressed strategic interests by considering the inequalities between men and women and extended women's opportunities by training them as artisans and engaging them in technical sectors. As an impact of these programmes, the gender-based division of work has narrowed, and the participation of women in decision-making positions has increased. In summary, a rise in the social and economic empowerment of women is noticeable.

3.2.4 Involvement of Agents and Actors

The selection of institutional arrangements is crucial to ensure the mainstreaming of cross-cutting issues during the life of, and after, the project's termination. WSPST in Vietnam, for example, have selected the Vietnam Women Union to guide the mainstreaming of the cross-cutting issues in the project. To equip the institution for its role, the project organised technical training courses for the Provincial and Town Women Union on the Credit and Financial management of the Sanitation Revolving Fund. This type of 'outsourcing' enables the sensitive and holistic integration of cross-cutting issues into communities and can be beneficial for the relevance and sustainability of the project's initiatives. Still one concern remains, namely that the other stakeholders of the project and the project team members themselves, remain desensitised to the cross-cutting issues and the importance of its integration in their own work.

As of Phase IV, RWSEP/Ethiopia no longer has an 'In-House' Gender Specialist. The Project in this current phase is now challenged to ensure that the RWSEP-based gender approaches are integrated into the existing gender policies and structures. The WASH structure is, however, in this regard rather complicated as the women's affairs organs are not directly part of the WASH structure. The termination of the involvement of the Gender Specialist in this phase can accordingly be viewed as a 'premature abortion'.

The water programmes in Nepal are found to take an independent lead on mainstreaming the cross-cutting issues and hence the National Women Organisations are less involved. This of course guarantees a profound integration of the cross-cutting issues into the programmes' initiatives, but calls for an early involvement of the National bodies, if sustainability and scaling-up is targeted.

The adoption of cross-cutting issues ensures a demand driven response. As it calls for the early involvement of men and women from the disadvantaged groups in Nepal, RVWRMP adopts the integrated water resources management principles and hence encourages the involvement of all beneficiaries to assist in the development of the Water Use Master Plan (WUMP). Thus the rights and perceptions of the most vulnerable population, such as women, ethnic minorities (Dalit) and poor people are protected by enabling their direct involvement in the participatory preparation of WUMPs. Later in the project, drinking water and sanitation schemes are implemented based on demand driven, bottom-up, participatory and community management principles. This approach is widely recognised in all rural water supply programmes in Nepal for its relevance and effectiveness.

In summary, it can be stated that mainstreaming cross-cutting issues - in the formulation process, in training and capacity building activities, in addressing gender roles and needs as well as in the involvement of actors and agents - proves to contribute directly to the relevance, effectiveness and impact of the initiatives. This hastens the achievement of sustainability in the management of scarce water resources. Conversely, managing water in an integrated and sustainable way, can contribute significantly to better social and gender equity by improving the access of society's most vulnerable groups to water and water-related services to meet their needs.

3.3 Sustainable Use of Natural Resources and Adaptation to Climate Change

The TOR asked for particular attention to be given to the issues of sustainable use of natural resources and adaptation to climate change. The time allocated for this evaluation was too limited to allow for a detailed countrywide analysis of these two issues. Therefore, for the purpose of this evaluation, a method for a quick screening of cooperation interventions on climate change risks was adopted (a set of five questions: the so called 'climate lens'). The method was tested and applied in 2009 in Ethiopia in a study on climate screening by GAIA Oy of Finland, commissioned by the MFA within the framework of climate risk management in Finnish development cooperation. Ongoing major projects in the water sector were screened and, where relevant, information on measures for the sustainable use of natural resources (soil, water, forest) was incorporated. Finally, information was gathered on needs at a national level for support from the international community. Another important source of information was the recently conducted evaluation on natural disasters and climate change from the perspective of poverty reduction (Srinivasan, Lehtonen, Munive, Subbiah, Reis, Kontro & Niskanen 2009).

The analysis provided preliminary conclusions on: (i) the success (or failure) of Finnish development cooperation in (un-)intentionally integrating CCA issues into its interventions and (ii) points of interventions where Finland could bring "added value" to national adaptation actions of the partner countries.

3.3.1 Ethiopia

Rural Water Supply and Environmental Programme (RWSEP)
The climate screening of RWSEP reveals low-medium level climate risks for the project outcomes (currently and in the short-term). Climate extremes have so far only posed limited problems for project implementation. Taking note of the reported climatic experiences within the past 5-10 years on a local level and also noting the projected increase in intensity and frequency of heavy rains, floods and drought, further coping measures should also be considered as part of the on-going project phase-out in order to ensure the functionality of some 5 000 water points in the future. The project document of RWSEP IV states in justification of the key indicators that RWSEP is expected to make a substantial contribution, in parallel with other undertakings, to the capacity of communities to manage their projects beyond water supply and sanitation and beyond the geographical area of RWSEP.

While high functionality of the water points indicates a good choice of sites and preparation of wells, systematic monitoring of ground water levels could provide valuable information for potential follow-up measures. Moreover, the project promotes integrated watershed and land-use management in the villages concerned, thus providing a framework for addressing, in addition to increasing climate challenges, other pressing development needs on a local level - such as food and energy security and income generation.

Systematically considering the long-term climate risks as part of the project preparation (despite uncertainties and gaps in climate data), identifying potential coping measures for weather extremes, as well as a further strengthening of concrete local level adaptive skills and awareness, could provide opportunities to further climate-proof the programmes (including the recently started WASH programme in the Benishangul-Gumuz Region).

Watershed Management Programme (WMP) Component of the Tana & Beles Integrated Water Resources Development Project (TBIWRDP)
The initial climate screening of technical assistance to the WMP component of the TBIWRDP only reveals low level risks for project outcomes. Even if climate risks have not been explicitly assessed, they have been taken into consideration in a rather comprehensive manner, through an integrated watershed approach to management of water resources and land use.

The project's baseline studies could provide valuable information on experienced climate hazards, sensitivity of key resources (land, water, forest) to climate change and

variability, local coping strategies, level of soil loss and degradation etc., which could directly feed into a formulation of measures for strengthening local adaptation capacity.

The WMP will also provide information on reforestation progress, which could serve as a basis for seeking additional funding for sustainable watershed and land use management activities via carbon sequestration funding. Consequently, during WMP project implementation, several potential entry points for further informing and monitoring pro-adaptation decision -making, as well as for supporting concrete local level adaptation measures may be identified.

Regarding the entire TBIWRDP, the WB is planning to address climate risks in more detail as part of its long-term engagement for the so called 'Growth Corridor' in that part of the country, as envisaged in the Ethiopian government's PASDEP. These efforts should feed into all on-going and planned development cooperation activities in the Tana & Beles watershed.

3.3.2 Nepal

Nepal's geography makes it very vulnerable to the negative impacts of climate change. Consistent rises in annual mean temperature, less frequent but more intense rainfall, the increasing frequency and intensity of floods, changes to the start and end of the monsoon, the growing threat from glacial lake outburst floods, longer dry spells and drought events, and increasingly strong storms have all been experienced in Nepal in the past decade. These trends not only damage and cause the loss of human lives, livelihoods and property, but also threaten Nepal's development progress and put the achievement of the MDGs at risk.

Rural Water Supply and Sanitation Project in Western Nepal (RWSSP-WN)
Issues addressed include environmental protection of (gravity) sources and their catchments, overexploitation of (gravity) sources, contamination of ground water (arsenic amongst other natural and human-caused pollutants), erosion due to careless construction of pipelines, and the bearing capacity of land (if locations previously less suitable for habitation are exploited, e.g. by rainwater harvesting).

The most critical issue related to source security is the source capacity (adequacy and reliability) of gravity schemes and possible overexploitation resulting in a drying up of these sources in exceptionally dry years. These issues are addressed in the project design by integrating the monitoring of water yields and maintaining clean water point surroundings into the Operations and Maintenance management by water users' committees.

As in the case of RWSEP (Ethiopia), the project builds local resilience by reinforcing the social fabric in the communities concerned.

Rural Village Water Resources Management Project (RVWRMP)
From the outset, environmental, soil conservation and watershed management have been crucial elements in safeguarding the sustainability of water supply schemes, directly linking the project to forestry and soil conservation sectors. Proper source and watershed protection and improvement ensures sustainable source yield and helps to guarantee good water quality. Protection activities around the source, watershed and pipeline trenches are important actions to reduce any serious damage to the structures caused by landslides. Priorities for action are indicated by the villagers themselves in WUMPs. The preparation of these plans are a pre-condition for Finnish support.

The RVWRMP also supports sustainable development at village, district and central government levels by building the capacity of local and central agencies for proper natural resources planning and management. WUMP is a long-term plan for sustainable development at the village level and has already raised the interest in the partner ministry for larger scale implementation throughout the country.

In fact, the project goes one step further than CCA. By promoting renewable energy solutions (micro-hydropower, biogas and solar energy) it notably contributes to the mitigation of climate change.

The effects of climate change in Nepal have also far reaching consequences beyond its borders. Nepal's location in the headwaters of the Ganges basin means that the impact of increased and catastrophic flooding is already being felt by a significant portion of the 500 million inhabitants downstream of the basin. Possible glacier melt is also reducing the store of water that these populations rely on. Finnish aid supports the ICIMOD in the establishment of a flood information system for the benefit of regional member states.

The "National Adaptation Programme of Action (NAPA) to Climate Change" project began in late 2008 to help Nepal understand and predict the likely impacts of climate change and improve its capacity to adapt to, and where possible to mitigate, the negative effects. The project will seek to collaborate with other international and regional projects, including the WB's South Asia Water Initiative (supporting Nepal's strategic role of managing climate change impacts in the Ganges basin).

3.3.3 Vietnam

Although Vietnam is considered one of the most vulnerable countries in the world in relation to climate change, there are some reasons to be moderately optimistic with respect to the results of the Finnish programmes in relation to coping with climate change or variability.

The documentation available on major Finnish supported projects undertaken during the past 30 years, such as the urban infrastructure programmes for Ha Noi and Hai Phong (both located on the Red River), as well as two long-term rural development

programmes, make no explicit mention of adaptation to climate change. At the time the programmes were conceived this was not such an outspoken issue; typhoons and flooding were considered to be a normal, though rather frequently occurring phenomenon that the country "had to live with".

At present, public utilities in the cities are performing very well; they are in the process of attracting large-scale funding from the WB, the ADB and Japan for further upgrading and extending the infrastructure (water intake stations have to be moved further inland due to salinisation). An Environmental Impact Assessment is required for the project preparation study (financed by the Netherlands). This will certainly include a screening on climate change sensitivity. The rural development programmes in Central Vietnam have focused considerably on capacity building in the districts, thereby creating self-confidence and resilience in the population and district authorities to changing conditions, a.o. by a diversification of livelihoods.

A potential problem facing the ongoing WSPST is the sustained availability of sufficient good quality water resources. In view of the increasing risk of longer lasting dry seasons in the northern part of Vietnam, the programme has conducted an extensive study on the water resources in the project area. The study concludes that the risks are only limited; they notably exist only in the northernmost section of the project area.

Finland supports, together with other donors (Netherlands, Germany, Switzerland), the forest sector of Vietnam through the TFF, aiming to achieve: (i) environmental protection; (ii) improved livelihoods in forest dependent areas; (iii) enhanced contribution of the forest sector to the national economy; and (iv) climate change mitigation and adaptation. Finland also provides TA to the Ministry of Agriculture and Rural Development (MARD) for the development of a forest information system. Finland has expressed its principle readiness for additional future support to the sector.

The recently conducted evaluation on Natural Disasters and Climate Change (Srinivasan et al 2009) reports extensively on the situation in Vietnam. The following characterisation of the country is a quotation from the evaluation report. "Vietnam is one of the most disaster-prone countries in Asia and will be highly affected by the impact of climate change. Over the decade 1997-2006, disasters from weather-related hazards claimed as many as 7,500 lives (includes missing and killed) and caused asset damage equivalent to 1.5% of the GDP."

The report also describes the actions undertaken by the government. "The Vietnamese Government adopted in 2007 "the National Strategy for Natural Disaster Prevention, Response and Mitigation to 2020" and in 2008 "the National Target Programme to Climate Change Response". Following up on the two plans, the Government is now … [aiming] to enhance synergies between the two agendas… by building bridges between government agencies responsible for both programmes as well as streamlining the financial channels for joint initiatives. ... the academic research, practical experience, and methods and tools for disaster risk reduction developed over the last three decades are directly relevant to the climate change domain."

3.3.4 Mekong Region

Up until now, Finnish support to the MRC has been in the following areas: (i) decision support system; (ii) information and knowledge management; (iii) capacity building; (iv) hydropower initiative; (v) ecosystem and water management (e.g. Lake Tonle Sap); and (vi) services of a modelling advisor. The authors could not substantiate that all of these activities have in fact been designed with the preset purpose of adaptation to climate change. However, most of the results of the interventions will directly or indirectly contribute in that sense. The proposed Information and Knowledge Management Programme action plan for 2011-2015 (MRC, 2009) states that "...in particular the modelling services will have to catch up with the scientifically proved issue of climate change. As flood and drought phenomena now often got extreme, it is necessary for Information and Knowledge Management Programme to provide data and scenarios to accurately forecast floods and droughts in the river basin for better decision making." Information and Knowledge Management Programme will also consult with other programmes and institutions for harmonisation with complementary effects, e.g. the CCA Initiative of the MRC.

3.3.5 EECCA Countries

During the past decade, Finland supported various water-related studies and projects in the EECCA region, both financially and technically. Two bilateral projects were carried out in the field of surface water monitoring, which is considered relevant in the framework of changing climatologic circumstances.

In the final draft of MFA's Strategic Cooperation Programme for Finland's Water Sector Support to the EECCA countries 2009-2013 (MFA 2009c), Climate Change is explicitly mentioned as a support theme. The report states: "In the EECCA countries it is predicted that all of the countries will become dryer and more prone to severe droughts. A serious threat in the Caucasus and in Central Asia is the melting of glaciers, which impacts on floods and droughts and may in the long term completely change the water balance of major rivers …… Salinisation and pollution of rivers and lakes is increasing particularly in Central Asia but also in all of the other EECCA countries. Climate Change Adaptation planning is necessary to cope with future water scarcity and quality problems".

One of the envisaged results of the programme is adequate governance and transboundary co-operation in terms of legislation, institutions, policies, agreements and systems for water management. The elaboration of a pilot Water Sector Climate Change Adaptation Strategy is one of the activities that should contribute to the achievement of this result. It is not clear to what extent the 'availability of sufficient and correct hydrological and meteorological data' is conceived as a risk or an assumption or both.

3.3.6 The NAPA Implementation Process

Within the framework of the UNFCCC, the LDCs have now prepared, or are in the process of preparing, their NAPA. This will potentially provide them with the opportunity of securing financial support towards the first steps in the adaptation process.

The development of a NAPA also includes short profiles of projects and/or activities intended to address the urgent and immediate adaptation needs of LDCs. Upon completion, the country submits its NAPA to the UNFCCC secretariat, and the LDC becomes eligible to apply for funding for the implementation of the NAPA under the LDC Fund. A copy of the NAPA is also sent to the GEF for possible project support at a later stage.

Seven out of the eight long-term development partners of Finland belong to the LDC group; only Vietnam does not. Four of them have already submitted their NAPA to the UNFCCC Secretariat, together with concrete proposals for adaptation projects. An overview is presented in Table 5 below.

Table 5 NAPA situation of Finland's partner countries.

Country	Submission date NAPA	Number of projects	Project themes related to water
Ethiopia	June 2008	11	Irrigation, Early Warning Systems, wetland management
Kenya	In preparation		
Mozambique	July 2008	4	Early Warning Systems, coastal ecosystems, adapted water resources management
Nepal	In preparation		
Nicaragua	In preparation		
Tanzania	September 2007	6	Water availability in Central Tanzania, micro-hydropower, coastal wells affected by flooding
Vietnam	Not applicable		
Zambia	October 2007	10	Early Warning Systems, water management, water infrastructure, climate proofing of sanitation in urban areas

Source: UNFCCC 2010.

Quite a number of the proposed projects are in key areas of Finnish expertise in the water sector such as early warning systems, micro-hydropower and ecosystems management. It should be noted here that (agro-)forestry projects are also proposed, but these are not included in the table. The list of projects may be an excellent point of departure for future Finnish assistance.

4 SUMMARY OF CONCLUSIONS

The conclusions in this chapter and the recommendations in Chapter 5 fall into the following four categories: (i) Planning and implementation (including cross-cutting issues); (ii) Strategy and policy; (iii) Management Issues and (iv) Climate Change Adaptation.

4.1 Planning and Implementation

- Due to the strong focus in Finnish projects on outputs, only limited time and energy can be spent by the TA teams on truly advisory services and activities, such as the promotion of enhanced ownership with partner organisations and beneficiaries.

- The overall scoring of Finnish projects in the water sector is high by all evaluation criteria. The overall assessment of relevance in Finnish development cooperation in the water sector is good, but more focus on the areas of governance would further improve the score on relevance.

- As a result, all individual projects and the comprehensive water sector programme (in the case of Ethiopia) are highly responsive to the most urgent needs and objectives of partner countries. Furthermore, in view of the persistent insufficient coverage of water supply and sanitation in most African and poorer Asian countries (see Table 1 in section 2.1), keeping the WSS sector on the development agenda is highly relevant.

- In terms of per capita investment cost, the Finnish water supply projects (both rural and urban) can stand any international comparison, without compromising on technical quality.

- On average, the ratio between disbursement and commitment of Finnish ODA in the water sector is in the order of 70%. There is, however, one project (RWSEP/Ethiopia) where amazingly this ratio reached almost 100%. This was due to the very high simultaneous demand from different villages for funding for water supply systems after the introduction of the CDF approach and mechanism.

- The design procedures for Finnish projects are usually very ponderous and planning documents for Finnish projects are often bulky, repetitive and not very efficient.

- The dual co-financing in Ethiopia (Finland invested in the WB trust fund and separately in TA) is less advisable due to protracted procurement (WB rules) from the Finnish trust fund, resulting in frustration of the TA team who had expected a faster operation.

- The expected positive contributions of WSS projects towards the beneficiaries' health and socio-economic situation were confirmed in many interviews and in some well designed and conducted impact surveys. To a limited extent, but not unimportantly, Finnish projects had an impact on the national policy level. The impact on partners in water management varied. Support to ENTRO had a positive effect on the organisation, whereas the effect on e.g. the MRC has been limited.

- There is a risk that good practices are not sufficiently replicable on a national scale, which could result in insufficient sustainable change within partner institutions.

- The Development Policy Programme 2007 has sustainable development as its lead motive which is strongly adhered to. Underdeveloped in this sense, is the notion of "economic development being the best tool against poverty". Multiple use of water could be a good entry e.g. in the RVWRMP/Nepal.

- Finland has created with its new water sector strategy a good grounding for connecting water to other areas such as CCA, land use and forestry. The Finnish water programme in Ethiopia is exemplary in this respect. It integrates where necessary (WASH) and supports weak links in the development chain, such as land registry which is required for private farmers to take action on watershed management.

- As far as coherence is concerned, Finland adheres strictly to the IWRM principles, although the number of water resources management (WRM) projects is still quite limited. However, water supply and sanitation have placed the emphasis on participatory approaches, involvement of women and the principle of water being an economic good. Finnish cooperation has agreed to, and applies, commitments made in the PD.

- Planning, reviews and evaluations do not sufficiently acknowledge the importance of impacts, but rather remain to a great extent on the level of achievement of activities and outputs. This inhibits the monitoring of whether the achieved outputs yield an impact on the life of the beneficiaries notwithstanding the fact that effectiveness and efficiency is usually high.

- Finland's development cooperation promotes cross-cutting issues through policies, strategies and internal documents, and supports governmental bodies and NGOs to address these issues. The extent, however, of mainstreaming cross-cutting issues in Finland's development cooperation programmes, needs to be endorsed through a systematic approach at all levels of all project/programme phases (planning, implementation, evaluation). Therefore, the authors welcome MFA's ongoing revision of the 1999 Guidelines for Programme Design, Monitoring and Evaluation (MFA 1999).

4.2 Strategy and Policies

The following conclusions refer to the political importance of water and the water sector's opportunities for Finnish aid.

- Concentration on physical projects in water supply and sanitation as is the case for Finnish cooperation in the water sector is positive, in view of the continual low achievements in these fields in all of the main partner countries in this sector, where Finland is active. Links between Water supply / sanitation and water(shed) management are however weak.

- A good water policy helps to identify the objective of water projects and general impacts at the beneficiary level. It contributes to achieving the overall objective of aid i.e. the reduction of poverty.

- A clear strategic approach for including cross-cutting issues into the water sector is missing at both the general and national levels. Omitting the wordings of cross-cutting issues or referring to them indirectly might decrease their emphasis and further weaken their integration into water sector programmes.

4.3 Management Issues

The following recommendations refer to management issues targeting planning procedures and internal knowledge systems.

- The internal information system of MFA on water projects and programmes seems to be quite haphazard and not very efficient. The way planning and evaluation is currently done, does not facilitate an easy to follow self-evaluation for the personnel involved. This inhibits a close follow-up by project management personnel and causes high dependency on external consultancy expertise.

- The policy and programme papers of the MFA do reflect the ongoing international discussions in the water sector relatively well. IWRM and Climate Change have found their way into the most recent project design and planning of MFA projects and programmes. The team's observations suggest, however, that

Finnish aid is not explicitly visible on a global level. This is especially regrettable because of the valuable lessons learnt in many Finnish projects/programmes.

- External expertise on project cycle management for Finnish projects in the water sector revolves around a limited number of experts. The advantage of this is that a high rate of exchange of good practices (e.g. the CDF) between programmes in different countries through these experts is achieved. The disadvantage, however, is that fresh ideas do not necessarily find their way into project design and approaches easily. Specific Finnish successes are not actually known outside their range of action.

- The importance of impact orientation reflected by corresponding indicators is not sufficiently addressed. Monitoring of impacts, preferably on indicators defined for the impact level, is very rarely done, not even in the 3rd or 4th phase of projects.

4.4 Climate Change Adaptation

Due to the limited time available, specific project-related conclusions can only be tentative and the conclusions presented here are more evidently connected to strategy and policy than to the individual projects in the water sector.

- The 'climate lens' screening of the projects supported by Finland reveals that none of the ongoing projects have been designed with the specific purpose of climate change. However, in view of their objective, purposes, nature and applied approaches, some of them do consider elements of CCA, e.g. the RVWRMP/Nepal, the WMP component of the TBIWRDP/Ethiopia, RWSEP/Ethiopia (but only to a limited extent) and some of the activities in support of the Mekong Region.

- Activities on CCA are still quite new in the Finnish development agenda. Political will exists, but current activities in this field in water projects are not yet sufficient to yield the necessary impact.

- Without full mainstreaming of CCA in the operations of the MFA, there is a serious risk that CCA may lose value and may not receive the attention it deserves.

- The various rural and small town water supply and sanitation projects have been found by the evaluation team to be only slightly vulnerable to the effects of climate change and variability. Neither have they been identified as a reason for concern over unintended negative impacts on other efforts and measures for CCA. On the contrary, these projects can, to a varying degree, be considered as catalysts for an enhanced resilience of the local beneficiary populations and administrations concerned.

- Climate change aspects are still new in the Finnish development agenda. Although the political will exists and materializes on the international agenda, activities in this field in current water projects cannot yield the necessary impact under the current situation.

- Finland may contribute to resolving the most urgent needs of its partner countries in terms of CCA through national consultations on the basis of these NAPA's and by promoting Finland's specific expertise.

- In the light of CCA, there is a need for enhanced multi-sectoral cooperation. Water has strong link to other sectors, e.g. energy, forestry and rural development, but potential synergies are not yet optimally exploited.

5 RECOMMENDATIONS AND WAY FORWARD

The findings, conclusions and lessons learnt which are described in the previous chapters form the basis of the recommendations in this chapter. This external professional analysis of Finnish development cooperation in the water sector in the last two decades has shown a satisfactory to high score for individual projects and programmes in the evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability. However, some recommendations have been formulated to address the following issues:

(i) mechanisms to enhance institutional learning within the MFA; (ii) up scaling of positive lessons learnt to the national level of partner countries; (iii) consideration of governance quality in partner countries in project and programme design and (iv) the policy framework of the water sector.

In order to draft important elements for the way forward for Finnish development cooperation in the water sector, the evaluators provide their recommendations in the following four categories: (i) Planning and implementation; (ii) Strategy and policy; (iii) Management issues and (iv) Climate Change Adaptation.

5.1 Planning and Implementation

Recommendations on planning and implementation are primarily drawn from the evaluation and lessons learnt sections in this report, as described in chapter 3. The main recommendations on planning and implementation, covering also recommendations on cross-cutting issues, are as follows:

- Finnish projects/programmes in the water sector should focus more on advising partner institutions rather than on direct implementation of projects.

- Indicators should precisely correspond to the respective levels in log frames. Monitoring should focus more on impacts, on indicators defined for the overall objective level, and partner countries should be encouraged to follow suit.

- A risk analysis of water governance should be done at the design and planning stage and followed through during implementation to ensure effectiveness and sustainability. Finland should take a more active and pronounced stand to water governance together with other donors in order to enhance reforms in governance. It should come to more explicit agreements in this matter with partner governments, in which roles and responsibilities of both parties are laid down. An option might be to connect this with conditions to the financing of new projects.

- Estimates of per capita costs must be made at the earliest possible stage (project appraisal). When found excessive, they should be made subject to explicit political decision -making.

- The very serious implementation delays incurred in the WSPST I/Vietnam show the need for stringent attention to contextual factors in the project design. Any time this happens, a thorough analysis of the events and how they could have been prevented, should take place.

- Finnish projects should become more result and impact oriented, and baseline studies should be standard elements in project design.

- When designing project tools, mechanisms and structures, the willingness of partner governments to accept changes within their organisation or to set the conditions for application and their applicability should be put more in focus.

- Capitalising on the opportunities of achieving better results by complementing Finnish efforts with other donors should be further improved.

- Water supply and sanitation in Finnish projects should take a broader view on the possible role of water in economic development (micro-hydropower, small-scale irrigation next to drinking water). The framework of IWRM offers an excellent opportunity for this purpose.

- Promote a management framework with clear responsibilities in order to strengthen the accountability for mainstreaming cross-cutting issues for the staff members at the embassy and at the MFA, as well as for the team dealing with cross-cutting issues at the MFA and the team for the quality assurance board. An information management system should promote the monitoring of mainstreaming cross-cutting issues.

- Provide Guidelines on the linkages of cross-cutting themes in the water sector that incorporate all project components and that can be adopted in all programmes during the entire project life cycle. This also promotes regular networking and coordination at the country level to strengthen the integration of the cross-cutting issues and their inclusion at the central and local levels (e.g. District) among stakeholders.

5.2 Strategy and Policies

The following recommendations refer to the political importance of water and the water sector's opportunities for Finnish aid, to the targeting and modalities of possible future support to the sector, and to potentially new innovative ways to contribute to the development of the sector.

- Finnish aid should maintain a balanced mixture of initiatives in the sub-sectors of (i) water supply and sanitation and (ii) national and trans-boundary water management, while trying to establish better synergies between these fields.

- Finland should increase the funding for sanitation and hygiene promotion, as long as the JMP figures on sanitation coverage keep on lagging behind those of water supply (urban and rural).

- Finland should also maintain a balanced mix of aid modalities, in approximately the same proportions as for the current situation. Each modality has its pros and cons, and its application should be decided on in relation to the character of the project, the need for leverage, the effectiveness and efficiency that can be reached, etc.

- The upcoming new water sector policy should contain the elements of vision and goals to be achieved for the beneficiaries in developing countries, according to the principles described in the International Strategy.

- The MFA should develop a policy for cross-cutting issues in Finland's development cooperation which takes into account the capitalisation of the human rights based approach.

- Develop a Strategy for Cross-cutting Themes in the Water Sector and an Action Plan for the coming five years, to be renewed regularly. The recommended Strategy should define roles and responsibilities, promote accountability for their implementation, outline human and financial resources and capacity building. The Action Plan should have clear, time-bound, quantitative and qualitative indicators for the water supply and sanitation coverage which are gender and poverty sensitive.

5.3 Management Issues

The following recommendations refer to management issues; targeting planning procedures and internal knowledge systems.

- Improve the MFA project cycle management system in order to facilitate the follow-up of basic data for ongoing or past projects.

- The MFA should establish a simpler, easy to follow system of project cycle management, facilitating stricter result monitoring by using established indicators. A strategic log frame should be the central document for information on projects and serve as a base for evaluations and reviews.

- Indicators should correspond precisely to the respective levels in the log frames of projects. Monitoring reporting should concentrate more on impacts, preferably on indicators defined for the overall objective level.

- Dissemination of project results is imperative. For example: the application of the CDF mechanism on a global scale would have a positive effect on speeding up and reducing costs of achieving the MDGs on water.

5.4 Climate Change Adaptation

Due to the limited time available for this evaluation, project-related conclusions can only be tentative and the recommendations presented here are evidently more connected to strategy and policy than to the individual projects in the water sector.

- Finland should develop a strategic way of considering climate change aspects in its planning and implementation of water projects in order to pave the way for adaptive measures.

- In light of CCA, multi-sector cooperation should be reflected in Finland's water policy, and in the design, planning and implementation of new projects.

- More effort will be required in terms of human and financial resources at the MFA Headquarters, to arrive at a full integration of this global issue at all policy and operational levels.

- The focus of specific CCA projects in support of Finnish partner countries should lie in the building up of early warning systems and developing strategies for different climatic scenarios, since predictions are still weak.

- Finland should contribute to resolving the most urgent CCA needs of the partner countries on basis of their NAPAs and by promotion of Finland's specific expertise in this matter.

- All ongoing and planned Finnish projects and programmes in the water sector, and in other related sectors, should be screened in detail re. their effects on building national capacity for CCA and should be adapted if necessary.

REFERENCES

Development Policies and Guidelines

MFA 2004a *Development Policy – Government Resolution 5.2.2004*. Ministry for Foreign Affairs of Finland, Erweko Painotuote Oy, Helsinki, 39 p.

MFA 2004b *Finland's Rural Development Strategy for international development.* Ministry for Foreign Affairs of Finland, Erweko Painotuote Oy, Helsinki, 18 p.

MFA 2005 *Development Policy Guidelines for ICT and the Information Society.* Ministry for Foreign Affairs of Finland, Erweko Painotuote Oy, Helsinki, 21 p.

MFA 2006 *Education Strategy for Finland's Development Cooperation.* Ministry for Foreign Affairs of Finland, Erweko Painotuote Oy, Helsinki, 14 p.

MFA 2007a *Development Policy Programme 2007 - Towards a Sustainable and Just World Community.* Government Decision-in-Principle 2007. Ministry for Foreign Affairs of Finland, Erweko Painotuote Oy, Helsinki, 39 p.

MFA 2007b *Development Policy Guidelines for the Health Sector.* Ministry for Foreign Affairs of Finland, Erweko Painotuote Oy, Helsinki, 15 p.

MFA 2009a *Finnish development policy guidelines for environment.* Ministry for Foreign Affairs, Erweko Painotuote Oy, Helsinki, 26 p.

MFA 2009b *Development Policy Guidelines for Forest Sector.* Ministry for Foreign Affairs, Erweko Painotuote Oy, Helsinki, 19 p.

Aarhus Convention 1998 *Convention on access to information, public participation indecision-making and access to justice in environmental matters.* Aarhus Convention1998, Aarhus.

Biswas A K, Varis O & Tortajada C (eds.) 2004 *Integrated Water Resources Management in South and Southeast Asia.* Oxford University Press, Delhi, 370 p. ISBN 978-0-19-566932-9.

END POVERTY 2015 2010, from the United Nations Millennium Development Goals: http://www.un.org/millenniumgoals (consulted 20.01.2010).

Falkenmark M, Berntell A A J, Lundquist J, Matz M & Tropp H 2007 *On the Verge of a New Water Scarcity.* SIWI Policy Brief. SIWI, Stockholm, 19 p.

Fewtrell L & Colford J M 2004 *Water, sanitation and hygiene: interventions and diarrhoea. A systematic review and meta-analysis.* The International Bank for Reconstruction and Development/World Bank, Washington, 67 p.

Hutton G & Bartram J 2008 *Regional and Global Costs of attaining the Water Supply and Sanitation Target (Target 10) of the Millennium Development Goals.* World Health Organisation, Geneva, 28 p.
http://www.unwater.org/downloads/mdg_global_costing.pdf (consulted 20.1.2010)

IPCC 2007 Climate Change 2007 *Synthesis Report. Contribution of Working Groups I, II and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change* [Core Writing Team, Pachauri, R.K and Reisinger, A. (eds.)]. IPCC, Geneva, 104 p. ISBN 92-9169-122-4.

Joint Monitoring Programme 2010 *Joint Monitoring Programme.* http://wssinfo.ecodev.ch/datamining/tables.html (consulted 22.01.2010).

Kääriä T, Poutiainen P, Santisteban R, Pineda C, Chanda J, Munive A, Pehu-Voima S, Singh K & Vuorensola-Barnes S 2008 *The Cross-cutting Themes in the Finish Development Cooperation.* Evaluation report 2008:6. Ministry for Foreign Affairs of Finland, Hakapaino Oy, Helsinki, pp. 42-58. ISBN 978-951-224-714-6 (printed).

MFA 1999 *Guidelines for Programme Design, Monitoring and Evaluation.* Ministry for Foreign Affairs of Finland, Uusimaa Oy, Helsinki, 69 p.

MFA 2007c *Evaluation guidelines - Between Past and Future.* Ministry for Foreign Affairs of Finland, Hakapaino Oy, Helsinki, 84 p. ISBN 978-951-724-624-8 (printed).

MFA 2009c *Strategic Cooperation Programme for Finland's Water Sector Support to the EECCA countries.* Ministry for Foreign Affairs of Finland, Helsinki.

MFA 2009d *International strategy for Finland's water sector.* Ministry for Foreign Affairs of Finland, Ministry of Agriculture and Forestry & Ministry of the Environment, Erweko Painotuote, Helsinki, 28 p.

MOWR 2005 *Universal Access Plan for Water Supply and Sanitation.* Ministry of Water Resources (MOWR), Addis Ababa.

OECD 2005 *The Paris Declaration on Aid Effectiveness.* Organisation for Economic Co-operation and Development, Paris. http://oecd.org/dataoecd/11/41/34428351.pdf (consulted 15.01.2010).

OECD 2008 *The Accra Agenda for Action.* Organisation for Economic Co-operation and Development, Paris. http://oecd.org/dataoecd/11/41/34428351.pdf (consulted 15.01.2010).

Srinivasan G, Lehtonen T, Munive A, Subbiah A, Reis A, Kontro M & Niskanen L 2009 *Natural Disasters and Climate Change in Finnish aid from the Perspective of Poverty Reduction*. Evaluation report 2009:8. Ministry for Foreign Affairs of Finland, Hakapaino Oy, Helsinki, 100 p. ISBN 978-951-724-807-5 (printed).

Telford J 2002 *Synthesis Study of eight Country Programme Evaluations Egypt, Vietnam, Nepal, Mozambique, Zambia, Nicaragua, Ethiopia and Kenya*. Evaluation report 2002:8. Ministry for Foreign Affairs of Finland, Edita Prima Oy, Helsinki, 76 p. ISBN 951-724-386-3 (printed).

Transparency International 2010 Corruption Perception Index 2009. http://www.transparency.org/policy_research/surveys_indices/cpi/2009 (consulted 19.01.2010).

Tropp H 2009 Chapter 14 *Options inside the water box*. In: World Water Assessment Programme The United Nations World Water Development Report 3: Water in a Changing World. UN-Water. UNESCO, Paris and Earthscan, London, pp. 241-268. UNESCO ISBN 978-9-23104-095-5; Earthscan ISBN 978-1-84407-839-4 (hardback).

Tsegai M T & Murray U 2005 *Gender Baseline Study for Finnish Development Cooperation*. Evaluation report 2005:4. Ministry for Foreign Affairs of Finland. Hakapaino Oy, Helsinki, pp. 121-130. ISBN 951-724-521-1 (printed).

UNDESA 2008 *Status of Implementation of CSD-13 Policy Actions on Water and Sanitation*. UNDESA, New York, p. 29 and p. 50.

UNFCCC 2010 *United Nations Framework Convention on Climate Change*. http://unfccc.int (consulted 26.01.2010).

UN-Water 2008 *Status Report on Integrated Water Resources Management and Water Efficiency Plans for CSD 16*. UN-Water, New York, pp. 15-25.

Weir A, Notley M & Katui-Katua M 2009 *Finnish Aid in Western Kenya; Impact and Lessons Learned*. Evaluation report 2009:5. Ministry for Foreign Affairs of Finland, Hakapaino Oy, Helsinki, 107 p. ISBN 978-951-724-783-2.

White P & Stenbäck T 2007 *Meta-Analysis of Development Evaluations in 2006*. Evaluation report 2007:2. Ministry for Foreign Affairs of Finland. Hakapaino Oy, Helsinki, 88 p. ISBN 978-951-724-632-3 (printed).

WHO/UNICEF 2008 *Progress on Drinking Water and Sanitation. Special focus on Sanitation*. WHO, Geneva and UNICEF, New York. ISBN 978 92 806 4313 8. http://documents.wssinfo.org/resources/documents.html (consulted 20.12.2009).

World Bank 2009 *Water Resources Management*. World Bank. http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTWAT/0,contentMDK:21630583~menuPK:4602445~pagePK:148956~piPK:216618~theSitePK:4602123,00.html (consulted 16.10.2009).

WSP 2010 *Mainstreaming the Community Development Fund Financing Mechanism.* Final Draft Evaluation Report. Water and Sanitation Programme, Addis Ababa.

ANNEX 1 TERMS OF REFERENCE

Evaluation of the Finnish Development Cooperation in the Water Sector

Experiences and Lessons Learned from Regional, National and Local Cooperation from the Perspective of Sustainable Use of Natural Resources and Adaptation to Climate Change

1. Background for the Evaluation

Water is one of the essential natural resources that sustain the ecosystem and the life on the globe. Water and the way how it is used impacts food security, health, energy production and environmental sustainability among other issues. Water has thus a critical, crosscutting role also for promotion of security and reduction of poverty.
A deeper and closer attention to water management is required to achieve a balanced, equitable and sustainable view on use of the natural resources and water in particular. Climate change and climate variations, in which water is an important and integral part, has become a much discussed topic. The climate change will have a significant impact on the water cycle as a whole and vice versa. The often negative effects of changes in water cycle in different parts of the world increases the insecurity for example by increasing floods and droughts as well as increasing the sea level. Increased incidence of droughts, floods and other extreme climatic phenomena affect especially the poorest and the most vulnerable people of the societies. Thus the challenges in adapting to climate change will be most difficult in the developing countries and in the arctic regions. The implications of the climate change and changes in water cycle can have dramatic repercussions also on ecological balance, economic life and on poverty reduction. Adaptation to the climate change presupposes understanding the water cycle and the changes affecting it.

The evaluation of the lessons learned in the Finnish development cooperation in the water sector shall be assessed and viewed against these scenarios and trends and the findings, conclusions and recommendations should contribute to the outlining of the future of the sector in light of the use of Finnish ODA.

2. Finland's Official Development Cooperation in the Water Sector

The central role of water for development has been one of the basic pillars of the Finnish development policy. The assistance to this sector has occupied a central position in the Finnish Development Cooperation throughout its history. The modes of cooperation and emphasis and role of the sector have evolved along the years. During the first decades of the Finnish development aid the main focus was on the water resource services and access to clean water in the rural areas. Since the 80'ties and 90'ties also the water problems of cities started to get attention in allocation of aid funds.

The water sector development cooperation during 1968-2000 was evaluated in 2001. The evaluation concentrated mainly on assessing the aid targeted to the water supply and sanitation in the rural areas and the cities (Vietnam). After 2001 no comprehensive external evaluations have been carried out. Separate appraisals, reviews and evaluations of individual programmes have been conducted.

The latest Development Policy, Towards a Sustainable and Just World Community, (2007) has taken sustainability as the leading principle for the Finnish Development Cooperation. Water is mentioned as one area where sustainable development actions are called for. The policy is, however, very general in nature and does not give any specific guidance or advice on what kind of share and significance the water sector should have in the Finnish aid projections nor where the support should be targeted and what should be priority areas within the sector. In the end, the decisions on the priority sectors in each of the main recipient countries of the Finnish aid will be taken in negotiations with the partner countries.

In the interventions before 2007 climate change has not played any particular role. First, now the issue has been raised as a subject and considered worth of due attention both in on-going and new interventions. The Finnish approach to the water sector has also been cautious what comes to larger political issues of watershed management in national context. At regional level it has been a natural element to Finnish involvement.

In the years 1985-1991 the approximate share of water sector of total bilateral assistance was between 8.2% (1985) and 6.5% (1991). The equivalent figure was 7.3% in 1992. Since then a declining trend has been noted (3.8% in 2001). Also the OECD statistics on the Finnish aid show that the declining trend has continued since the millennium shift. The percentage of the share to the water sector of the total bilateral aid went down to 1.4% in 2003. However, some occasional peaks were identified in 2002 (7.3%) and in 2007 (7.7%).

Finland has been actively involved in development of water supply and water resource management especially on the African continent (Tanzania, Kenya, Mozambique, Ethiopia, Egypt, and Namibia) and in Asia (Nepal, Vietnam, Mekong Region). There are/have been a number of other separate interventions all over the world (South Caucasus, Aral Lake, Victoria Lake, Nile Basis, Mekong Region etc.).

With the development policy of the year 2001 the number of long-term partner countries of the Finnish Development Cooperation was limited to eight (8) and the support in each of them shall be concentrated on max. three (3) sectors or development programmes. Consequently also bilateral projects in the water sector have been phased down or will be shortly completed. The water sector is still on agenda in four countries:

Kenya (Water Services Trust Fund under support to the Sustainable Natural Resource Development:)
Ethiopia (Water Supply and Environmental Programme in Amhara and Benishangul-Gumuzin Regions; Tana-Beles watershed management through ENTRO, in cooperation with the WB, see also below; possible further aid to development of Community Development Fund for extended use in the water sector - open)
Vietnam (2 Water Supply and Sanitation Programmes of Small Cities under support to the Sustainable Natural Resources Development)

Nepal (Rural Village Water Resources Management Programme in Far Western Nepal under Natural Resources Sector; in planning: Rural Water Supply and Sanitation in Western Nepal - replication of the earlier RWSSP in Lumbini, completed in 2006;)
In addition, support is given to individual projects and programmes in various regions and countries:

African Regional Programme includes watershed management programmes in Ethiopia and Sudan (2008-2012) under ENTRO.
In Central Asia and South Caucasus: water sector cooperation between Kyrgyzstan and the Environmental Centre of Finland (SYKE) and a regional programme in South Caucasus also with SYKE. Both are EU initiatives.

Mekong Region Commission: The WUP-FIN Project has been designed to complement the MRC's Water Utilisation Programme (WUP), which promotes the implementation of the 1995 Mekong Agreement on acceptable flow levels in the River Mekong supporting mainly knowledge base development as well as modelling and impact assessment tools.

Lake Victoria Environmental Management Project (LVEMP) is a regional project directly involving five countries that share the Lake Victoria Basin (LVB). The development objectives of the proposed LVEMP II are to: (i) Strengthen regional and national institutions for coordination of sustainable management of the transboundary Lake Victoria basin resources; (ii) Facilitate environmentally friendly investments in the Lake Victoria Basin; and (iii) Enhance conservation of biodiversity and genetic resources of targeted fish species.

Finnish Water Forum was established in April 2009 involving interested stakeholders of Finnish water sector. The objectives of the FWF are to: (i) Strengthen cooperation and knowledge sharing of ministries, institutions and private sector as well as improve general business environment in water affairs; (ii) Improve the water sector and its competitiveness; and (iii) Support the implantation and monitoring of water sector strategies

Finnish international water sector strategy ("Suomen kansainvälinen vesistrategia") was approved in December 2008, but available so far only in Finnish. This outlines also development cooperation. Before this the MFA used the strategy for the water sector development cooperation from 1992 with small modifications.

3. Purpose and Objective of the Evaluation

The main purpose of the evaluation is to provide external professional analysis on lessons learned on sustainable use of water resources through the development cooperation in the last two decades, with the emphasis on the ongoing decade and future projections, and professional views and recommendations on

1) political importance of water and water sector's opportunities for the Finnish aid in view of the changed policies and global best practises and on
2) targeting and modalities of the possible future support to the sector. Issues related to sustainability and adaptation to climate change shall be the central elements in the evaluation and
3) possible new innovative ways to contribute to the development of the sector and mitigation of the problems in the sector. The evaluation is expected to be future oriented, strategic evaluation.

The specific objectives are:
analysis of the status of global water resources and the problems and challenges foreseen and analysis of the commitment/potential of the developing countries to deal with climate change problems;
analysis of the main features of lessons learned of the Finnish aid to the sector
analysis on how the lessons and experiences in the sector have affected the share and nature of the assistance to the water sector; professional view of the future projections of aid in the light of lessons learned and the new policy that requires actions on the sustainable use of natural resources and adaptation to climate change;
The results of the evaluation will serve the decision makers within and outside the Ministry (Parliament, Commission for the Development Policy, CSOs) as well as advisors and other staff members of the Ministry.

4. Scope and tasks of the evaluation

The evaluation shall cover the period from 1995 to the present time, including the projections for future. The evaluation is expected to be future oriented strategic evaluation but the past performance and especially the lessons learned shall be assessed to the extent it is necessary to achieve the above mentioned objectives. The evaluation shall also give a short overview of the global water resource problems, especially in the developing world. This analysis would offer a wider basis for reflecting the future challenges and opportunities in the sector.

The evaluation will look at the bilateral and, to the extent possible and adequate, multilateral and multi/bilateral cooperation. Aid channels and mechanisms used for achieving the agreed goals to the water sector support will be analysed. The evaluation shall analyse also the policies and best practises applied. In cases where international organisations have been selected as channels of support the evaluation team shall pay special attention to compliance and coherence and complementarity of the policies and practices among the partners and with the policies of the partner countries or

other donors in the sector. As the multilateral channels are chosen either to ease up the administrative burden of the MFA suffering from scarce resources or to achieve greater impact by cooperating with other actors the team should pay special attention to how the MFA is shouldering the duties and responsibilities as one of the financing donors and whether it is up to approvable standards.

The evaluation team is expected to concentrate especially on issues of impact/influence and sustainability, coherence, compatibility and their inter-linkages. Crosscutting issues shall be paid due attention where considered of particular importance (for ex. gender etc.). The same concerns the issues of Finnish value added in supporting the water sector. In questions of coherence, compatibility and connectedness the evaluation team shall study to what extent the principles of Paris Declaration have affected or should affect the choice and modalities of the interventions or whether some kind of balance be sought in applying the best practises.

The evaluation team shall study also the present aid and/or sector policies and strategies of Nordic donors and other like-minded countries and their contributions to the water sector in the selected case countries of this evaluation.

Certain aspects of water will be reviewed through representative examples. For example watershed management in forestry and agriculture interventions of Finland (Vietnam as case country) and water& environment as a crosscutting issue in environmental and water sector interventions (Vietnam as case country).

The existing material i.e. project documents, appraisals, mid-term reviews, completion and other evaluations shall be utilized to the extent possible. An in-depth study of documentation is an important aspect of the evaluation and an adequate time shall be reserved for it. The supporting interviews at the HQ and the field visits and interviews in the case countries shall be arranged so that maximum benefit can be achieved from the time allocation for them. According to the work hypothesis the field visits could be paid to Vietnam, Ethiopia and Nepal. No specific country reports are demanded, only short discussion papers/reports to provide evidence base. The central findings and conclusions shall be synthesised in the main report.

The evaluation will be realised in three phases (see for more details under Time Schedule and Reporting).

5. Evaluation Issues

The evaluation team is expected to assess the topic of this evaluation against the known global trends and challenges in the water sector. This main feature shall govern also the use of common OECD/DAC evaluation criteria (relevance, efficiency, effectiveness, impact, sustainability) and those used by the EU (coordination, complementarity, coherence and compatibility).

Below is a tentative set of questions related to evaluation criteria. The evaluation team should, however, use their professional experience and knowledge by adding questions deemed necessary.

Key questions:
Water as an international political issue? How does affect the aid to the sector? Or should it be reflected in the aid and in which way?
Why has the water sector got less attention in allocation of Finnish aid funds in the recent years?
What position has the sector in development plans and budgets of the partner countries?
Would it be advisable to seek for a balanced mix of different type of approaches and instruments to support the sector and efforts of the developing countries or opt for the joint actions with other development actors?
Should Finland shift the assistance to the sector taking a different thematic angle than previously (the main focus was on water supply and sanitation)?
How to make a difference with Finnish contributions to the sector (nationally/regionally/ globally)?
To what extent the intervention decisions have been based on the existing land use and integrated watershed management plans?
How the Finnish approach and implementation of interventions have affected sector reforms, policies and budgetary allocations to the sector and how the lessons learned should guide future decisions?
What kind of support would correspond best with the immediate urgent needs in the water sector of the developing countries in general and the main partner countries of Finland in particular? Are the needs concurring with sustainable use of water resources?
What aid channels and modalities would be most adequate?
What contextual factors should be emphasised?
Relevance
To what extent the approach of Finland to support the sector has been/is relevant from the point of view of the most urgent needs of the partner countries on one hand and of the global water sector challenges on the other? Lessons learned?
How would you assess the importance of adapted aid modalities and implementation practises for the relevance of the Finnish aid?
Efficiency
What lessons can be learned from transforming the available resources into results?
Effectiveness
How well the results have furthered the attainment of the purpose and objectives of the Finnish interventions? Particular points of interest for lessons learned?
Impact
What are the overall effects and influences of the Finnish support to the sector, intended or unintended, long term or short term, positive or negative? On the policies and strategies? On the overall financing and on possible changes in the emphasis or targeting of funds to the sector?

How would you assess the weight/importance of external factors for the achieving of the intended results on one hand and the planning, design and M&E of the interventions on the other?
What are the main conclusions on lessons learned on the possibilities to influence the institutional culture, reforms and behaviour at community level? Which factors are essential?
Sustainability
Have the benefits produced by the Finnish interventions been maintained after the termination of the Finnish support or will they do so in future?
What are the central strengths/weaknesses that have promoted or respectively hampered the sustainability? Have opportunities taken into account or have they been omitted and why? In short, what kind of positive features of or limitations for sustainability can be identified?
To what extent the crosscutting issues have played a role in promotion of sustainability in a positive or negative sense?
What are the most important lessons to be learned for future?
Coordination, Complementarity, Coherence, Compatibility and Connectiveness
To what extent the above issues have been taken into consideration in the planning, design and implementation of the Finnish interventions? To what extent have they been driving factors for the Finnish support to the sector?

6. Methodology

Traditional evaluation methodologies shall be used but also new innovative ones are encouraged. A careful review of existing documentation is of particular importance and should be given a due attention to in the first preparatory phase. A well formulated approach and methodology combined with a realistic time schedule and evaluation matrix form a solid basis for the field visits. During the field visit all modern interactive methods shall be taken into use to extract the information needed to complement and countercheck the evidence found in the documentation. Debriefing sessions with relevant stakeholders prior to departure from target countries shall be arranged and also the embassies and the MFA consulted on the observations and to identify the possible gaps and errors in information. Complementary interviews and e-questionnaires can be organised in the final stages of report drafting.

7. Expertise needed

The evaluation should be carried out by a three-member team assisted by an junior expert conversant with identification and tentative analysis of background documents. One of the team members shall come from a developing country. All the team members shall have solid experience in evaluation and in the water sector. The team leader shall be able to analyse the sectoral performance and sector challenges from a wider angle (economic, ecological challenges, climate change). The experience of the team members shall be complementary and include longer term experience of working in the developing countries. Experience in research is a strong factor in assessment of the tenders.

8. Work Plan and Schedule and Reporting

The evaluation shall be carried out in approx. five (5) months from the signing of the contract. The final report shall be available not later than December 2009. The work plan shall be prepared so that the holiday season of the month of July is taken into account. The evaluation shall proceed in stages the tentative time table for which is the following:

Desk Study; The Desk Study is broken down in three different entities: 1) As basis for the evaluation the main outlines of global water problems (status of global water resources, existing/identified problems and critical areas/issues) shall be prepared; 2) a thorough inventory and study of adequate background material will be carried out in compilation of which the MFA and the Embassy in selected case countries will help. The main responsibility lies, however, with the evaluation team. The analysis of the background material will be complemented by interviews at the MFA HQ; 3) on the basis of the gathered information a more detailed work plan will be prepared than the one presented in the tender document. Also the final distribution of the tasks between the team members will be fine-tuned as well as the methodology. Preparation of evaluation matrix on key issues and indicators might be beneficial to ensure coherence and connectedness at the aggregate level of analysis of the gathered data. As preparation for the field visit major lines of themes, questions and interview plan shall be prepared.

At the end of the Desk Study an Inception Report shall be submitted to the MFA for approval.

Field Visit A comprehensive study tour to selected countries/institutions and interviews should be organised as deemed necessary for obtaining an in-depth view on the state and quality of water sector support and on factors affecting it. The working hypothesis is that at least three target countries should be visited (Nepal, Vietnam, Ethiopia - minimum two to three weeks in each country). At the end of the field visits an oral presentation on the observations and findings to the key stakeholders shall be arranged. Upon return from the field a conference call/video conference or a meeting at the premises of the Development Evaluation will be organised for presentation of the findings to the EVA-11. The Draft Final Report shall be submitted to the Ministry for comments latest one or one and a half months after the field visit. The report shall include already the main observations, conclusions and recommendations of the evaluation team.

Synthesizing Phase During this phase the outcomes of the other phases shall be synthesised and observations, conclusions and recommendations of the team condensed in a final report. The following steps are foreseen: 1) The draft final report will be sent for comments within the MFA, to the Embassy and to other stakeholders. It is expected that this takes approx. two weeks 2) EVA-11will send the comments for the evaluation team for perusal and for finalisation of the work. 3) The Final Evaluation

Report shall be finalised and edited within two weeks after receiving the comments. 4) A public seminar on the evaluation results will be arranged on the basis of the Final Report. The Team Leader and preferably at least one other team member shall attend the seminar for presenting the results and participating in the discussions on the topic.

In reporting the models described in the Evaluation Guidelines "Between Past and Future" of the Ministry shall be used to structure the evaluation process and the various reports (available
http://formin.finland.fi/public/default.aspx?nodeid=15454&contentlan=2&culture=en-US or as a hard copy, which can be requested from EVA-11@formin.fi).
The reports shall be concise and clear and the main body of the text of the final report shall not exceed 50 pages, excluding the annexes. Figures, flow-charts, graphs and other visual means are encouraged to be used to clarify matters rather than long verbal expressions. It is important that the report is clear in defining its findings, conclusions and recommendations in separate chapters. Vague language is not acceptable. The report will include an abstract in Finnish, Swedish and English, and an executive summary also in Finnish, Swedish and English. The abstracts and summaries are not included in the 50 pages. The MFA will take care of translations into Swedish and Finnish.

The summary table of findings, conclusions and recommendations shall be only in English and attached to the English summary.
Instructions to be followed in the layout and design of the final evaluation report will be provided separately by the Evaluation Office. A recently published evaluation report should be consulted.

The evaluation team is expected to check the quality of the evaluation report against the nine (9) criteria of the EU (can be found at the web page of the evaluation unit of the EuropeAid): http://ec.europeaid/evaluation/methodology/guidelines/gui_qal_flr_en.htm.
The consultant shall also fill in the form relevant to these criteria.
The quality standards of development intervention evaluation of the OECD/DAC (2006) should be observed throughout the evaluation. Standards can be found from the web page of OECD: http://www.oecd.org
Further information concerning Finnish Development Cooperation and policy, procurement policy and earlier evaluations can be obtained from http://formin.finland.fi or by sending a request to the Evaluation Office (EVA-11@formin.fi).

9. 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.

SPECIAL EDITION 2008:1 (ENG)	FAO: The Challenge of Renewal. Summary ISBN: 978-951-724-657-6 (printed), ISBN: 978-951-724-661-3 (pdf), ISSN: 1235-7618
REPORT 2007:3	Implementation of the Paris Declaration – Finland ISBN: 978-951-724-663-7 (printed), ISBN: 978-951-724-664-4 (pdf), ISSN: 1235-7618
REPORT 2007:2	Meta-Analysis of Development Evaluations in 2006 ISBN: 978-951-724-632-3 (printed), ISBN: 978-951-724-633-1 (pdf), ISSN: 1235-7618
REPORT 2007:1	Finnish Aid to Afghanistan ISBN: 978-951-724-634-7 (printed), ISBN: 978-951-724-635-4 (pdf), ISSN: 1235-7618
REPORT 2006:3	Review of Finnish Microfinance Cooperation ISBN: 951-724-569-6 (printed), ISBN: 951-724-570-X (pdf), ISSN: 1235-7618
REPORT 2006:2	Evaluation of CIMO North-South Higher Education Network Programme ISBN: 951-724-549-1, ISSN: 1235-7618
REPORT 2006:1	Evaluation of Environmental Management in Finland´s Development Cooperation ISBN: 951-724-546-7, ISSN: 1235-7618
REPORT 2005:6	Evaluation of Support Allocated to International Non-Govermental Organisations (INGO) ISBN: 951-724-531-9, ISSN: 1235-7618
REPORT 2005:5	Evaluation of the Service Centre for Development Cooperation in Finland (KEPA) ISBN: 951-724-523-8, ISSN: 1235-7618
REPORT 2005:4	Gender Baseline Study for Finnish Development Cooperation ISBN: 951-724-521-1, ISSN: 1235-7618
REPORT 2005:3	Evaluation of Finnish Health Sector Development Cooperation 1994–2003 ISBN: 951-724-493-2, ISSN: 1235-7618
REPORT 2005:2	Evaluation of Finnish Humanitarian Assistance 1996–2004 ISBN: 951-724-491-6, ISSN: 1235-7618
REPORT 2005:1	Ex-Ante Evaluation of Finnish Development Cooperation in the Mekong Region ISBN: 955-742-478-9, ISSN: 1235-7618
REPORT 2004:4	Refocusing Finland's Cooperation with Namibia ISBN: 955-724-477-0, ISSN: 1235-7618
REPORT 2004:3	Evaluation of the Development Cooperation Activities of Finnish NGOs and Local Cooperation Funds in Tanzania ISBN: 951-724-449-5, ISSN: 1235-7618
REPORT 2004:2	Evaluation of Finland's Development Cooperation with Bosnia and Herzegovina ISBN: 951-724-446-0, ISSN: 1235-7618
REPORT 2004:1	Evaluation of Finnish Education Sector Development Cooperation ISBN: 951-724-440-1, ISSN: 1235-7618
REPORT 2003:3	Label Us Able – A Pro-active Evaluation of Finnish Development co-operation from the disability perspective ISBN 951-724-425-8, ISSN 1235-7618
REPORT 2003:2 PART 2	Evaluation of Finnish Forest Sector Development Co-operation ISBN 951-724-416-9 ISSN 1235-7618
REPORT 2003:2 PART 1	Evaluation of Finnish Forest Sector Development Co-operation ISBN 951-724-407-X, ISSN 1235-7618
REPORT 2003:1	Evaluation of the Finnish Concessional Credit Scheme ISBN 951-724-400-2, ISSN 1235-7618

EVALUATION

THE FINNISH DEVELOPMENT COOPERATION IN THE WATER SECTOR

2010:3

Evaluation report 2010:3
ISBN 978-951-724-848-8 (printed)
ISBN 978-951-724-849-5 (pdf)
ISSN 1235-7618

Ministry for Foreign Affairs of Finland