



Programme for development cooperation

Ethiopia 2021–2024

Ministry for Foreign Affairs of Finland

CONTENTS

E)	XECUTIVE SUMMARY	4
1	EXPECTED RESULTS OF THE COUNTRY PROGRAMME	6
	IMPACT 1: Sustainable economic growth and improved livelihoods for people in rural areas	6
	OUTCOME 1.1: Agriculture improves sustainable livelihoods in the rural areas of the Amhara regional state	
	OUTPUTS	
	INPUTS	
	OUTCOME 1.2: improved land administration enhances livelihood opportunities and sustainable land management	8
	OUTPUTS	9
	INPUTS	9
	IMPACT 2: Improved health and wellbeing through more sustainable and climate resilient wash	10
	OUTCOME 2.1: Improved coverage of safe water supply and sanitation services (access)	11
	OUTPUTS	
	INPUTS	12
	OUTCOME 2.2: Better quality of water schemes & sanitation facilities	12
	OUTPUTS	12
	INPUTS	13
	OUTCOME 2.3: Improved sanitation and hygiene practices (behavior)	13
	OUTPUTS	13
	INPUTS	14
	IMPACT 3: More equitable, inclusive education of good quality	15
	OUTCOME 3.1: Strengthened institutional capacity for improving learning outcomes in general education	16
	OUTPUTS	17
	INPUTS	17
	OUTCOME 3.2: Girls, children with disabilities and those living in vulnerable positions and situations, especially in emerging regions, have better access to and participation in education	17
	OUTPUTS	
	INPUTS	19

	PLANNED OUTCOME 3.3: Capacities for tvet development strengthened	19	
		INPUTS	19
2	RISKS,	MONITORING AND EVALUATION	20
	2.1	Risk management	20
	2.2	Monitoring, evaluation and learning	20
	2.3	Tentative financing plan	22

EXECUTIVE SUMMARY

The long-standing relationship between Finland and Ethiopia is based on decades of bilateral cooperation. Ethiopia is in transition, which provides opportunities for major reforms, but at the same time, has brought tensions to the fore, increasing the volatility of the country.

This Country Programme builds on the Sustainable Development Goals (SDGs), the national strategies of Ethiopia, and the priorities of Finnish development policies. Ethiopia faces major challenges to achieve a number of SDGs, such as SDGs 1 and 2, no poverty and zero hunger, and SDGs 4 and 6, quality education and clean water and sanitation. The Government has ambitious plans, such as the 10-year Perspective Plan, to improve access and quality of basic services, and the Homegrown Economic Reform Programme, to carry out macroeconomic reforms and structural transformation. Climate resilience, gender equality rights of women and girls, and non-discrimination with focus on persons with disabilities, are cross-cutting objectives of the Finnish development policy, which are mainstreamed in this Country Programme.

The most important lessons learned from the previous programme period are the following:

- Although the country context has changed, the impact areas of the previous programme remain relevant and in line with Government priorities.
- Covid-19 and ethnic and political conflicts have affected results.
 Flexibility is needed in the new Programme and its implementation to be able to react to new situations
- It has been a strength to have projects working both at the grass-root and at the federal level. This has facilitated participation in the policy dialogue in sector working groups.
- Finland has been successful in leveraging additional resources from other donors and the Government. This should continue to be a key feature of Finnish assistance to Ethiopia.

In the first impact area, Finnish assistance in rural economic development will contribute to sustainable economic growth and improved livelihoods for rural people in particular in the Amhara and Benishangul Gumuz regional states. This will be achieved through the development of agricultural value chains and land tenure security. Systems development in rural land administration will have a nation-wide impact. A new rural economic development programme will be designed after the end

of the current programmes. The programmes support more inclusive private sector led economic growth, which is one of Finland's strategic goals in Ethiopia

In the second impact area, more sustainable and climate resilient water supply, sanitation and hygiene (WASH) will contribute to improved health and wellbeing. Finland will support improved *access* to WASH, enhanced *quality* of WASH and a range of *behaviour change* in WASH, both at the community and institutional level. In line with Finland's strategic goals in Ethiopia, Finland will contribute to the WASH policies becoming more equitable, inclusive and climate-resilient. In rural water supply, community participation will be key. Capacity building for the provision of better WASH services for all contributes to another strategic goal aiming at institutional transformation

In the third impact area, Finland will support efforts to provide more equitable, inclusive education of good quality. In basic education, the emphasis in policy dialogue will be on pre-primary education and school-level support. Specific attention will be on emerging regions and rural areas, and on children with disabilities and those in vulnerable positions and situations. Institutional transformation of educational establishments will be supported. Finland will explore possibilities to provide support also to technical and vocational education and training.

There are synergies between the impact areas, such as school WASH. Moreover, there are synergies with other actors, such as non-governmental and international organizations

1 EXPECTED RESULTS OF THE COUNTRY PROGRAMME

This chapter presents the expected results of the Country Programme by impact area. The Country Programme is based on the context analysis presented in the Country Strategy.

IMPACT 1: Sustainable economic growth and improved livelihoods for people in rural areas

(Agrobig II: SDGs 1 and 2, targets 1.4; 2.4; 5.5; 8.3) (REILA II: SDGS 1.4; 5.a; 13; 15.3.)

This impact area contributes to the strategic goals of Finland's Country Strategy for Ethiopia by empowering rural people with access to sustainable economic growth and improved livelihoods through the development of agricultural value chains and land tenure security. The impact area currently targets Amhara and Benishangul Gumuz regional states, but also has significant impact at national level through the development of national rural land administration system.

Agricultural production is the main source of livelihoods in Ethiopia. Food production in high potential agricultural areas enables diversified production abounding in both quantity and quality. The improved Land Administration system will accelerate the registration of rural land. The reliable land tenure security will encourage farmers to invest in their land, leading to improved agricultural productivity and higher yields. This creates multiple possibilities in agricultural value chains development and strengthens food security as well as enhance climate change adaptation and mitigation.

Targeted support in the different phases of value chains, where value adding potential is biggest, will enhance profitability and viability of respective actors. This will help agricultural production to meet the market needs and to increase the income levels of value chain actors. It will strengthen the availability, accessibility, and affordability of food to consumers. Economically viable and profitable enterprises in value chains will be able to create job opportunities. Targeted actions for vulnerable women and youth will improve their job opportunities, and through these opportunities, improve their livelihoods and status in a sustainable manner.

While the current two programmes in this impact area are extended until 2022, a new programme with a new Theory of Change for Rural Economic Development (RED) will be designed in 2021. At that occasion, new innovative ways to support RED will be explored.

OUTCOME 1.1: Agriculture improves sustainable livelihoods in the rural areas of the Amhara regional state

To achieve this outcome, rural people's opportunities for sustainable livelihoods will be improved by developing value chains, including improved production and productivity, enterprise development and increased number of jobs. Developing value chains enables commercial orientation of the agriculture sector and supports functionality of the whole food system. Direct support to the private sector through capacity building and access to finance facilitates the development of small-scale agro-processing industry in the Amhara regional state. In addition, promotion of climate-smart agriculture will improve climate change adaptation and mitigation. The programme includes targeted actions to empower female farmers through loans and capacity building.

Work at the regional level generates information and knowledge to support participation in the sector policy dialogue at the federal level. Finland aims to contribute to the discussions on the agricultural policy reform, national adaptation plans and women's economic empowerment in rural areas.

The key assumption is that agriculture policy reform will accelerate the transformation of the economic structure in Ethiopia. This would take place by implementing the agriculture-led industrial development policy and increasing the productivity of agriculture.

OUTPUTS

1.1.1 Production and productivity of selected crops is sustainably increased 1.1.2. Agricultural value chains are developed; SMEs and decent jobs are created

Agricultural production and productivity are developed through Farmer Field Schools, introduction of new climate resilient technologies and access to inputs to smallholder farmers. Access to loan and grant funds is crucial for smallholder farmers and rural micro-enterprises in order to enhance self-employment. Similarly, it is of importance for micro-scale businesses to graduate into small and medium enterprises, as well as

to create new jobs. The gender gap in production is narrowed and participation of persons in vulnerable positions and situations in value chains is promoted. In addition, efforts to reform regional level technical offices (agriculture; trade and market; cooperative promotion and women, children and youth affairs) will support the development of an enabling environment for market oriented agriculture.

INPUTS

- AgroBIG II -programme
- Participation in the Agriculture Policy Reform in the Rural Economic Development and Food Security sector working group
- Synergies and linkages with Finnish research institutes, NGOs and Finnfund investments (e.g. EthioChicken), as well as the Public Sector Investment Facility (PIF) and EU financed research programmes

OUTCOME 1.2: improved land administration enhances livelihood opportunities and sustainable land management

This outcome has a key role in achieving Impact 1 since land serves as a base for food production, income generation, collateral, social asset and political power. Secured land tenure is fundamental for sustainable land management and use of natural resources. Secured land rights also encourage farmers to invest in agricultural technologies that foster climate change adaptation and mitigation. Land administration ensures stability in relation to the division of land between individuals and legal entities. Access to land is of particular importance for women so that they can explore their capacity in agricultural production. This is indispensable for the livelihoods, income and food security to benefit the entire family. The creation of standardized systems for the land administration creates transparency and harmonization for the sector and secure land tenure for farmers, especially for women and persons in vulnerable positions and situations.

Although the Government owns all land in Ethiopia, farmers, both men and women, have traditional extensive user rights to their lands. When land rights are officially registered, tenure security is increased and conflicts over land diminish. As additional land available for agriculture shrinks, boosting yields on existing land under cultivation will have to be the predominant strategy for achieving food security and growing incomes in the agriculture sector.

OUTPUTS

- 1.2.1 Land tenure security in rural Ethiopia is improved
- 1.2.2 Land administration system is improved and appropriate

Access to land and other productive resources, through secure tenure and changes in corresponding legislation and practices, are among the key factors contributing to food security and improved livelihoods. The assumption is that this encourages farmers to use their land in a sustainable way and to make investments to raise the productivity of the land as well as decreases land degradation. The creation of standardized systems for the land administration creates transparency and harmonization for the sector and secure land tenure for farmers, especially for women and persons in vulnerable positions and situations.

Finland seeks to maintain and further develop effective cooperation between the development partners in the land administration sector. This is particularly important, as there is no sector programme or sector budget in land administration. It is crucial that the Rural Land Administration Department (RLAUD) of the Ministry of Agriculture has the capacity to coordinate the land administration sector and to have the standardized systems used for the whole country.

The land administration policy in Ethiopia is under reform as part of the agriculture policy reform. The key assumption is that there is swift progress in the land administration reform, in particular with regard to rural financial institutions, land rent market and the preparation of regional land use plans. As the REILA programme has had a leading role in developing rural land administration certification and information systems, Finland is a highly respected partner in policy dialogues. Finland, jointly with other development partners active in land administration, participates and contributes to policy reform discussions at the regional and federal levels.

As improved land-holding rights alone are not sufficient to ensure improved livelihood and well-being for the rural population, many other parallel improvements and developments are required. However, it is also clear that improvements in the conditions of rural households and people cannot easily be achieved without clearly improved land-holding security.

INPUTS

- Responsible and Innovative Land Administration (REILA II) –programme
- Participation in the policy dialogue in the land administration sector and the Agriculture Policy Reform discussion

IMPACT 2: Improved health and wellbeing through more sustainable and climate resilient wash

(SDG 6, Targets: 6.1 and 6.2)

Ethiopia's performance in access to clean and affordable water (SDG 6.1) and sanitation (SDG 6.2) is still very weak. The country has some of the lowest levels of access to WASH globally. There are still more than 30 million people lacking safe water and more than 68 million people living with only basic and traditional sanitation and hygiene facilities. Only 32 % of the health facilities and 62 % of the schools have improved water supply. The Open Defecation Free (ODF) status of the country is staggering around 32% with a big geographic variation.

If the population in rural and urban areas had better access to quality water supply and sanitation, and if they adopted good hygiene practices, their health and wellbeing would improve substantially. Improved access and quality of WASH have a positive impact e.g. on undernourishment and stunting, which are still at high levels in Ethiopia. Moreover, communicable water-borne diseases constitute a major health problem in the country

The One Wash National Programme II (OWNP II) is a long-term government plan with an objective to achieve by 2030 sustainable, climate resilient and equitable access to safe and affordable water for all, along with improved, low environmental impact sanitation. Finland's support to the WASH sector in Ethiopia is part of the OWNP II.

Finland aims to improve access to clean water and sanitation; improve the quality of the operations in terms of climate resiliency and functionality of water schemes and sanitation facilities; and to achieve a range of behavior change in sanitation and hygiene both in communities as well as in institutions. Public, private and community capacity will be increased for gender sensitive and disability inclusive WASH provision.

Due to Covid-19, the role of WASH has become even more significant. Awareness raising in cleanliness, hand washing and social distancing at water schemes, as well as at schools, in particular during opening and closing times, helps to minimize disruptions in education, health and other social services. Finland's Covid-19 related support in the WASH sector started in 2020 and will continue in the coming years.

This impact area contributes in particular to Finland's strategic goal of institutional transformation to build strong and accountable institutions, which can deliver

accessible, inclusive and climate resilient services of good quality to all. The impact area is in line with Finland's development policy, i.e. its priority area on climate and natural resources.

OUTCOME 2.1: Improved coverage of safe water supply and sanitation services (access)

Improved access to safe WASH will be achieved through the construction and/or rehabilitation of climate resilient water schemes in rural, urban and drought prone areas, both for communities and for institutions. The institutions will include schools, health centers, public and communal latrines as well as multi-village water schemes. Particular attention will be paid to the needs of women, girls and persons with disabilities.

Finland will support the use of the Community Managed Project (CMP) approach in rural areas. In CMP, rural communities in selected woredas are trained to build and maintain the facilities. The regional states, which benefit from the technical assistance, will cover the investment costs. It is assumed that the security situation will enable to carry out the activities in the rural areas and that governmental staff will remain committed

As a result, women and girls both in urban and rural areas will have to use less time to collect water. Construction and maintenance of water schemes will provide work for people. Sanitation marketing centers will provide skills training and decent work opportunities for women.

OUTPUTS

- 2.1.1: Climate resilient and inclusive rural, urban and institutional water schemes are constructed/rehabilitated
- 2.1.2: Equitable safe and improved sanitation and hygiene facilities are constructed/ rehabilitated at households and institutions

To achieve improved access to safe water supply and sanitation, new WASH facilities will have to be constructed and existing ones rehabilitated and maintained. It is also necessary to improve the enabling environment, e.g. to establish a regulatory body for the sector, to create innovative financing methods, and to involve the private sector in the service delivery.

INPUTS

- Bilateral CoWASH IV programme
- Contribution to the multi-donor Consolidated WaSH Account Phase II (CWA II)
- Active participation in the WASH sector policy dialogue
- Cooperation with Finnish NGOS working in the WASH sector

OUTCOME 2.2: Better quality of water schemes & sanitation facilities

Finland will continue to promote quality issues in the WASH sector policy dialogue. Quality issues include factors such as functionality, sustainability, water quality and inclusiveness. The quality of the water schemes and sanitation facilities is considered good when their functionality rates are high. This requires improved operation and maintenance, which is not possible without skilled human resources to maintain the schemes, availability of spare parts and revenue collection. WASH management entities, such as water utilities, boards and rural WASH Committees need to be established and further strengthened, so that they are gender sensitive and disability inclusive. High functionality rates also require that the schemes are climate resilient in order for them not to dry out during drought. To avoid this, climate resilient WASH measures, such as early warning systems and water resource mapping, need to be introduced. Moreover, concepts and tools such as Water Safety Plans (WSP) are taken into use to ensure that the quality of water is adequate for human consumption. Inclusiveness requires that water points and sanitation facilities are accessible to persons with disabilities. This second outcome strengthens the first one by assuring its sustainability.

OUTPUTS

2.2.1: Improved functionality and operational efficiency of water schemes 2.2.2: Improved functionality and operational efficiency of sanitation facilities

Before constructing new water schemes, assessments will be carried out to ensure that the schemes are climate resilient. Climate resilient solutions include multi-village, rural and urban schemes, which require high technology and are contracted to construction companies. Capacity building for operation and maintenance will be organized. Members of rural water committees (WASHCOs) and urban water boards will be trained. The committees organize the collection of user fees. Persons will also be trained to take care of the operation, maintenance and cleaning of public,

communal and institutional latrines and hand washing facilities. School staff will be trained in the management of menstrual hygiene rooms at schools

INPUTS

- Bilateral CoWASH IV programme
- Contribution to the multi-donor Consolidated WaSH Account Phase II (CWA II)
- Active participation in the WASH sector policy dialogue
- Cooperation with Finnish NGOS working in the WASH sector

OUTCOME 2.3: Improved sanitation and hygiene practices (behavior)

Ethiopia succeeded to decrease open defecation from 90 % in 1990 to about 32 % in 2016. However, behavioral change has stagnated and some have returned to the tradition of not using latrines. The Government launched an open defecation free (ODF) campaign in 2019. The objective of the ODF campaign is to eliminate open defecation and to be able to declare Ethiopia ODF by the end of 2024. There is a need for transformative actions to improve sanitation services, behavior and the health status in a sustainable manner. This requires a massive public awareness campaign and a lot of capacity building in sanitation and hygiene. The need to change the sanitation and hygiene behavior has become even bigger due to Covid-19.

OUTPUTS

2.3.1: Capacity strengthened to adopt good sanitation and hygiene practices

Materials will be prepared to carry out public awareness campaigns. Through the campaigns, people will gain improved knowledge and capacity to adopt good sanitation and hygiene practices. This includes sustainable adoption and use of improved toilets, handwashing with soap, and safe handling and treatment of water at water points. Covid-19 prevention activities include awareness raising on social distancing, as well as the importance of frequent hand washing.

INPUTS

- Bilateral CoWASH IV programme
- Contribution to the multi-donor Consolidated WaSH Account Phase II (CWA II)
- Active participation in the WASH sector policy dialogue
- Cooperation with Finnish NGOS working in the WASH sector

IMPACT 3: More equitable, inclusive education of good quality

(SDG 4, Targets 1, 2, 3, 4, 5, 4A)

Ethiopia's record in sustaining the expansion of education has been described as spectacular. The overall number of enrolments has almost quadrupled to 28 million learners, with an increase of the net enrolment rate in primary education from 22% in 1996 to nearly 100% at date. However, the expansion has taken a toll in poor learning environment, inadequate resources, lack of proper monitoring and response at the school level, resulting in significant inefficiency of the education system, and a decline in quality of education.

While education spending has been a constant quarter of the annual budget, only a third of it has been spent on primary education, the foundation of all learning. There are also considerable inequities in access and quality of education, and hundreds of thousands of children's school attendance and learning is jeopardized due to recurrent emergencies. The result of hampered access, poor quality of education and early dropout is a lack of necessary basic skills.

The quality and relevance of vocational skills training is also low. There is a mismatch between the TVET curriculum and the needs of contemporary industry and linkages between TVET, industries and universities are weak.

A new 10-year strategy "Ethiopian Roadmap for Education and Training" and the new Education Sector Development Programme VI (ESDP VI) aim to tackle the key challenges: equity, quality, relevance, good governance, and national unity in diversity. Massive investments in digitalization of education are foreseen and this could yield new opportunities and modalities for co-operation, also aiming to expand flexibility in times of crisis such as the recent pandemic. Major reforms are envisaged, including curriculum reform, changes in teacher education, streaming secondary education, strengthening TVET, and the establishment of pedagogical universities.

The consequences of Covid-19 will be experienced during several years to come. Evidence indicates that school closures do not only cause delays in curriculum implementation but also a major learning gap which may slow down the capacity of the system to reach the set targets.

Finland's support to the education sector is in line with Finland's Country Strategy for Ethiopia, and it contributes to two of its strategic goals: inclusive political and social transition and institutional transformation that advances reforms and provision of

services. It is also in line with Finland's Development Policy and its Priority area 3 on education and peaceful democratic societies.

OUTCOME 3.1: Strengthened institutional capacity for improving learning outcomes in general education

If children benefit from quality, equitable, and inclusive pre-primary education, they will acquire better foundational skills for learning, thus, be better prepared for primary school and more likely to reach better learning outcomes. Quality pre-primary education also helps reduce repetition and dropout rates in primary school, thus improving internal efficiency of education. When schools are supported through a range of quality assurance modalities, and teachers are trained to focus on learning, learners will get adequate support to overcome barriers to learning. Conducive, learner-centered, gender-sensitive and safe school environments encourage girls and learners with disabilities to attend and stay at school.

Finland will continue to support efforts to improve quality of education through the sector programme, with the specific focus on pre-primary education and school-level support. Specific attention will be given to improve access and quality of education in emerging regions and rural areas, and to improve educational opportunities for children with disabilities and children in vulnerable positions and situations.

In policy dialogue, Finland will emphasize early identification of learning needs; play-based and developmentally appropriate pre-primary education that supports the development of foundational literacy skills; effective use of school inspection to serve the school improvement programme; and strengthening of systems of support for schools.

To reach the aim of improved learning outcomes requires a context where education reform is well budgeted, the capacity of the government to implement the sector plans remain adequate and education data is being used as a basis for planning and decision-making.

OUTPUTS

- 3.1.1 Capacity for inclusive pre-primary education strengthened
- 3.1.2 Quality assurance strengthened for improved attendance, retention and learning for all

Finland will support efforts of the Ministry of Education (MoE) to introduce 2-year preprimary education, and focus on enhancing inclusive pre-primary teacher training, and ensuring that pre-primary education is free, compulsory and accessible for all children of age 4 to 6.

Teacher effectiveness is the most important factor on student learning, and its role is critical in improving learning overall. Evidence shows that schools receiving support at the school level are likely to improve attendance, retention and learning for all. Hence, Finland will support the efforts of the MoE to develop schools through quality assurance modalities, such as school inspection and the school improvement programme, as well as teachers' continued professional development, and licensing. Efforts to digitalize education may offer new areas of co-operation.

INPUTS

- Continued support to General Education Quality Improvement Programme (GEQIP-E)
- Support to a possible new sector programme for primary education
- Continued technical assistance for inclusive education to GEQIP-E
- Policy dialogue through the Education Sector Technical Working Group (ESTWG.

OUTCOME 3.2: Girls, children with disabilities and those living in vulnerable positions and situations, especially in emerging regions, have better access to and participation in education

While measures needed to improve education are largely the same across Ethiopia (Outcome 3.1), there is a significant need to provide additional support to the emerging regions and to develop education provision for learners who are at risk of not completing general education.

Flexible means of providing education, in particular in pastoralist areas and in emergencies, can improve access to education. School meals have proved to be

another measure to increase access rates while nutritious food also facilitates learning and has a positive impact on children's cognitive development as a whole. Children with disabilities still face barriers to access and participation despite good progress made in developing inclusive education. The Inclusive Education Resource Centres (IERCs), which provide support for learning, need to be supported for better functioning. Achieving inclusion requires a whole-system approach and a joint vision based on an agreed definition of inclusive education. While this will be at the core of Finland's policy dialogue, specific emphasis will be on learners in the most disadvantaged circumstances.

To improve the access and participation of children in vulnerable positions and situations, resource mobilization must pay more attention to equity. Emergency responses must recognize development needs including education. Inclusive education requires improved collaboration across sectors and actors under the leadership of the Inclusive Education Directorate of the MoE.

OUTPUTS

- 3.2.1 Access to education increased for those living in vulnerable positions and situations
- 3.2.2 Institutional capacity to support inclusive education strengthened

Due to diversity of living and climatic conditions as well as conflicts and violence many children have been denied of their right to education. Resuming education and returning to normalcy requires specific interventions that look at wider conditions for learning. If alternative models of primary schooling and resources available will be used for the most disadvantaged, more girls, children with disabilities and children living in vulnerable positions and situations have better opportunities for learning and development. The planned revisions in teacher education need to take this into account. Finland will promote this through policy dialogue and technical assistance.

The IERCs have a potential to make a real difference in learning, for children with disabilities and for all learners through on-going development and enhanced sustainability and expansion. A systemic development of inclusive education is promoted through the collection of more context-relevant data, more flexible means of provision of education and more context-sensitive and diversified curriculum. Capacities for managing inclusive education will be strengthened in teacher education and local levels of administration.

INPUTS

- Continued support to GEQIP-E
- Continued Technical Assistance on inclusion to GEQIP-E
- Support for "Education Cannot Wait" multi-year resilience programme
- Synergies with NGO projects to empower girls and children with disabilities, refugees, etc.

PLANNED OUTCOME 3.3: Capacities for tvet development strengthened

Due to rapid population growth and limited access to secondary education, there are millions of youth without adequate education or skills to play a productive role in the economy and to have a meaningful life in the society. The new Roadmap in Education and Training envisages strengthening of the Technical and Vocational Education and Training (TVET) sector. Finland will explore the possibilities to support TVET, possibly in areas such as TVET teacher education or inclusiveness of TVET.

INPUTS

The preferred modality would be a sector programme, in which Finland could focus on a particular area of interest. The sector programme could be complemented e.g. by twinning programmes.

2 RISKS, MONITORING AND EVALUATION

2.1 Risk management

All development cooperation involves risks. Development cooperation is often conducted in complex and difficult conditions – in countries where the administrations may be weak, people live in extreme poverty and corruption is a problem.

The risks involved in the implementation of Country Programmes are assessed and monitored closely, but sometimes they materialise despite the taken precautions. Anticipating and managing risks is an essential part of the implementation of the Country Programmes: Risk assessments are done regularly and impact the programme design and decision making process at all stages. Risk mitigation measures, their success and materialized risks are reported annually.

The main conclusions of the risk analysis are that there are a number of significant strategic risks related to the security situation, political developments, human rights, natural disasters, demographic growth and population movements. They are difficult, if not impossible, to manage, therefore flexibility in the implementation of the Country Programme is needed to adapt to new situations in the country. Operational and financial risks are otherwise considered moderate but when they relate e.g. to the security situation, they can be significant.

In the context of Programme implementation, the risks are managed through careful planning, screening and selection of partners and funding channels. All Programmes report on the use of funding and the results of their work. The Ministry and Embassies follow the progress, the use of funds, and the reliability of reporting through steering groups, monitoring visits, independent evaluations and reviews and regular communication. Ministry also commissions external auditing companies to perform regular audits.

2.2 Monitoring, evaluation and learning

Country teams are in charge of monitoring the performance of Country

Programmes for Development Cooperation. This work follows the MFA's principles

and guidelines, especially the Guidelines on Results-based Management, the Manual for Bilateral Programs and the Evaluation Guidelines. In joint arrangements, Finland will participate in joint reviews and evaluations, and aims to support the development of local monitoring and evaluation frameworks and capacity.

The Country Programme is monitored closely. Monitoring and evaluation activities are identified in the monitoring and evaluation plan, which is updated and followed up regularly.

The main needs for knowledge relate, on one hand, to the achievements and performance of on-going programmes, such as the GEQIP-E sector programme, which will undergo both a mid-term review and an exit evaluation. On the other hand, there are needs for knowledge and understanding that will enable the design of new programmes in rural economic development (RED) and in technical and vocational education and training (TVET). The required knowledge will be acquired from existing documentation and discussions with relevant partners. Consultants may be recruited to support in the assessments and to complete programme designs.

The collective monitoring and evaluation cycle of Finland's Country Programmes includes monitoring, evaluation and reporting activities, which are carried out simultaneously for all Country Programmes and in a fixed format. These include yearly reports, biannual synthesis reports, mid-term review and external evaluations.

In preparing the **annual results report** of the Country Programme for Development Cooperation the country team assesses not only the Programme performance as per the results framework but also assesses the validity of the theories of change and related assumptions and risks vis-á-vis the context. The theories of change may be adapted to changed circumstances or implementation strategies, if deemed necessary. The annual report is discussed within the respective regional department.

A synthesis report of the annual reports are prepared as a joint effort by the regional departments every two years. The departments synthesise main findings or trends found in all of the Country Programme yearly results reports.

Country teams will carry out a **mid-term review** of the Country Programme. The mid-term review results and recommendations are used for decision making on whether changes are needed in Country Programme impact areas. The MFA Evaluation Unit may carry out an evaluation of Country Programmes towards the end of the Country Programme cycle.

2.3 Tentative financing plan

The financial frame for 2021–2024 is approximately 75 million euros. The financing plan consists of the bilateral development cooperation that is programmed under the Country Programme. It does not include humanitarian aid, private sector instruments or NGO funding.





