

Ministry of Foreign Affairs of Finland - ITÄ-20

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**FINAL REPORT**

MID-TERM EVALUATION

FINLAND'S DEVELOPMENT COOPERATION IN EASTERN EUROPE AND CENTRAL ASIA, 2014-2017- WIDER EUROPE INITIATIVE, PHASE II

**Final Report**

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND - Unit for Eastern Europe and Central Asia (ITÄ-20)

Gunnar Olesen (Team-Leader)

Eleonora Fayzullaeva

Pekka Virtanen

Farrukh Tyuryaev

Roosa Tuomaala

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## LIST OF ABBREVIATIONS AND ACRONYMS

A2J	Access to Justice
AA	Ayil Aymak village in the Kyrgyz Republic
ACI	Areas of Critical Importance
AG	Advisory Group
ADB	Asian Development Bank
AfT	Aid for Trade
AKDN	Aga Khan Development Network
AKF	Aga Khan Foundation
AKHS	Aga Khan Health Services
BCF	The business challenge fund
BHR	Bureau for Human Rights
BOMCA	The Border Management Programme in Central Asia
CA	Central Asia
CAHMP	Central Asia Hydrometeorology Modernization Program (WB)
CB	Capacity building
CCO	Cross-cutting objectives
CEP	State Committee of Environmental Protection of Tajikistan
CES	State Committee for Emergency Situations and Civil Defence of Tajikistan
CIS	Commonwealth of Independent States ( <i>Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan</i> )
CMS	Case Management System
CoDWSS	Community-Driven Water Supply and Sanitation Project (Oxfam GB)
COP	Community of Practice
CPAP	Country Programme Action Plan
CRPD	The United Nations Convention on the Rights of Persons with Disabilities
CSO	Civil Society Organization
CTA	Chief Technical Advisor

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CWFA	Committee for Women and Family Affairs
DAC	(OECD) Development Assistance Committee
DoF	Department of Fisheries
DV	Domestic Violence
DW	Decent Work
DWT/CO	Decent Work Technical Support Team and Country Office (ILO)
EAP	European Union Eastern Partnership
EC	European Commission
EEU	Eurasian Economic Union
EHU	European Humanities University
ENVSEC	Environmental and Security Initiative
EU	European Union
EUR	Euro
EUWI	European Union Water Initiative
FAO	Food and Agricultural Organization of the United Nations
FINKMET	Finnish-Kyrgyz Meteorology Project (FMI)
	FINTAJ Finnish-Tajikistan Meteorology project (FMI)
FINTAJ	Finnish-Tajikistan Meteorology Project (FMI)
FinWaterWEI II	Programme for Finland's Water Sector Support to Kyrgyz Republic and Tajikistan
FLA	Free Legal Aid
FMI	Finnish Meteorological Institute
FOCUS	Focus Humanitarian Assistance
GBAO	Gorno-Badakhshan Autonomous Oblast
GCP	Government Cooperation Programme
GIS	Geographical Information System
GTK	Geological Survey of Finland (Geologian tutkimuskeskus)
GIZ	German Agency for International Cooperation (Gesellschaft für Technische Zusammenarbeit)
GUG	Main Department of Geology under the Government of the Republic of Tajikistan
HACT	Harmonised Approach to Cash Transfers

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HAUS	Finnish Institute of Public Management Ltd
HRBA	Human-rights based approach
ICI	Institutional Cooperation Instrument
IIC	Inter-Institutional Cooperation
ICT	Information and Communication Technology
ILO	International Labour Organization
INGO	International NGO
IO	International organization
ISO	International Organization for Standardization
IWRM	Integrated Water Resource Management
JICA	Japan International Cooperation Agency
KGZ	Kyrgyz Republic
LAC	Legal Aid Centres
LM	Labour market
MFA	Ministry for Foreign Affairs
MoJ	Ministry of Justice
MoU	Memorandum of Understanding
M&E	Monitoring & Evaluation
MSDSP	Mountain Societies Development Support Programme
MoLSD	Ministry of Labour and Social Development
MSD	Ministry of Social Development
MTE	Mid-term Evaluation
NGO	Non-governmental organization National Project Advisory Group (NPA)
NPD	National Policy Dialogue
OECD	Organisation for Economic Cooperation and Development
OKA	Overall labour cost rate
OSCE	Organisation for Security and Co-operation in Europe
OSH	Occupational safety and health
PADOS	Participatory Democracy, Open Governance & Efficient e-Government Services (HAUS project)
PAR	Public Administration Reform
PB	Project Board

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PD	Project Document
PM	Project Manager
PMU	Project Management Unit
PPCR	Pilot Programme for Climate Resilience
PSC	Project Steering Committee
PwD	Persons with disabilities
RA	Result Area
RoL	Rule of Law
RSC	Regional Service Centre (UNDP)
SALAC	State Agency for Legal Aid Centres
SAGMR	State Agency on Geology and Mineral Resources of the Kyrgyz Republic
SAEPF	State Agency of Environmental protection and Forestry
SDC	Swiss Agency for Development Cooperation
SC	Steering Committee
SIDA	Swedish International Development Agency
SGLA	State Guaranteed Legal Aid
SME	Small and medium sized enterprise
SRS	State Registration Service
SSP	Strategy of Social Protection
SYKE	Finnish Environmental Institute
TA	Technical Assistance
THL	National Institute for Health and Welfare, Finland (Terveyden ja hyvinvoinnin laitos)
TajWSS	The Tajikistan Water Supply and Sanitation Project
TF	Trust Fund
ToC	Theory of Change
ToR	Terms of Reference
ToT	Training of trainers
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNITAR	United Nations Institute for Training and Research

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UNRCCA	United Nations Regional Centre for Preventive Diplomacy in Central Asia
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UPR	Universal Periodic Review
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank
WB-CAHMP	World Bank Central Asia Hydrometeorology Modernization Project
WGEMA	UNECE Working Group on Environmental Monitoring and Assessment
WHO	World Health Organisation
WEI II	Wider Europe Initiative, Phase II
WSS	Water Supply and Sanitation
WTF	Water Trust Fund
WTO	World Trade Organization
ZAGS	Population and Civil Status Acts Registration Department under the State Registration Service

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The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Ministry for Foreign Affairs of Finland

## 1. Summary

Finland's Ministry for Foreign Affairs commissioned a Mid-term Evaluation of its Wider Europe Initiative-II (WEI-II, 2014-17/18) Programme. The evaluation was conducted between December 2015 and May 2016 and covered the two main target countries, The Kyrgyz republic and Tajikistan.

The evaluation objectives include the following:

1. To provide evidence of the performance of the WEI phase-II to date and likely performance in the future (i.e., is WEI achieving its objectives, including the cross-cutting objectives) according to the Terms of Reference (ToR) Annex 1.
2. To analyse the reasons explaining success and failure in performance;
3. Special emphasis should be on evaluating the WEI II implementation approach that builds on focusing in least developed countries, use of multi-bi and inter-institutional cooperation instruments, focusing on chosen themes and objectives;
4. To provide recommendations on any interventions that will be seen as needing modifications.

WEI-II is implemented in the Central Asia Region, specifically in countries which experienced the effects of the international and Russian economic crisis, including hardship among the poor segments of the population, large-scale migration and currently some return-migration, and unstable intra-regional relations caused mainly by issues related to the distribution of water resources.

WEI-II is comprised of two parts: The Green Economy Partnership Programme and Democracy Support. Projects listed under each part are found below.

### Green Economy Partnership Programme

1. Aid for Trade in Central Asia, United Nations Development Programme (UNDP,) (Aft) EUR 9 032 000, Kyrgyz Republic, Tajikistan, Uzbekistan 2014-17\*<sup>1</sup>
2. Finland's Water Management Programme in the Kyrgyz Republic and Tajikistan (FinWaterWEI II), Finnish Environmental Institute (SYKE) EUR 8 000 000, Kyrgyz Republic, Tajikistan, 2014-2017\*
3. From the Crisis towards Decent and Safe Jobs, phase II (Decent Work, DW), International Labour Organization (ILO) EUR 4 000 000, Kyrgyz Republic, Tajikistan, 2014-2017\*
4. Towards Sustainable Aquaculture and Fisheries Development in the Kyrgyz Republic, Food and Agricultural Organization of the United Nations (FAO), EUR 1 480 000, Kyrgyz Republic, 2014-2016\*
5. Capacity Building in the Field of Meteorology in the Kyrgyz Republic (FINKMET) Finnish Meteorological Institute (FMI), EUR 502 200, Kyrgyz Republic, 2014-2016
6. Capacity Building in the Field of Meteorology in Tajikistan (FINTAJ), Finnish Meteorological Institute (FMI), EUR 502 500, Tajikistan, 2014-2016
7. Strengthening the Mastering of Natural Resources in the Kyrgyz Republic , Geological Survey of Finland (GTK) EUR, 1 629 000, Kyrgyz Republic, 2014-2017\*
8. Strengthening the Mastering of Natural Resources in Tajikistan , GTK, ERU 1 635 000, Tajikistan, 2014-2017\*

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<sup>1</sup> \*Projects with no-cost extensions into 2018

## **Total Budget: EUR 26 780 700**

### **Democracy Support**

9. Widening Access to Justice for Legal Empowerment in the Kyrgyz Republic (A2J), UNDP, EUR 2 000 000, Kyrgyz Republic, 2014-2017
10. Strengthening Rule of Law and Human Rights to Empower People in Tajikistan (Rule of Law, RoL), UNDP, EUR 2 000 000, Tajikistan, 2014-2017
11. Social Sphere Capacity Building in the Kyrgyz Republic , National Institute for Health and Welfare, Finland (THL), EUR 500 000, Kyrgyz Republic, 2014-2016
12. Strengthening Regional Capacities for Peace , United Nations Institute for Training and Research (UNITAR), EUR 430 000, Kyrgyz Republic, Tajikistan, Kazakhstan, 2014-2015
13. Participatory Democracy, Open Governance & Efficient eGovernment Services (PADOS) in EU Eastern Partnership Countries (PADOS), Finnish Institute of Public Management Ltd (HAUS), EUR 498 600, Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, 2015\*
14. Core funding to the European Humanities University (EHU) Nordic Council of Ministers, EUR 450 000, Belarus, 2014-2016 (not included in the MTE)
- 15.

### **Total budget: EUR 5 878 600**

With the exception of the Participatory Democracy, Open Governance & Efficient e-Government Services project and support to the European Humanities University, the rest of the projects are implemented mainly in the Kyrgyz Republic and Tajikistan. The UNDP Aid for Trade Project covers mainly Uzbekistan and the regional UNITAR Capacities for Peace Project attempted to cover the five countries in the Region: Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. The FinWater WEI II programme also includes some regional activities.

Two main implementation channels have been used: the Finnish Public Institutions and the Inter-Institutional Cooperation (IIC), and multi-bilateral cooperation mainly through the UN organisations. IIC implementation, with a budget of approximately 5 500 000 Euros, includes also two projects implemented under the FinWaterWEI II water management programme. The multi-bilateral implementation includes seven projects, with a budget of approximately 20 000 000 Euros. The remaining sub-projects of the FinWaterWEI II programme amount to approximately 6 800 000 Euros.

The Programme for Finland's Water Sector Support to the Kyrgyz Republic and Tajikistan (FinWaterWEI II) consists of 12 projects, of which 10 are implemented multilaterally or by international non-governmental organizations (INGO) under the coordination of the Finnish Environmental Institute (SYKE). SYKE also implements the remaining two projects under the IIC modality. Hence, overall a large part of the projects evaluated is multi-bilaterally implemented.

The Evaluation methodology used the OECD DAC evaluation criteria: relevance, effectiveness, valuation **methodology** followed the OECD DAC evaluation criteria: relevance, effectiveness, efficiency, sustainability and impact. The team analysed studies of contextual information, earlier evaluations and documentation related to 25 projects. Semi-structured interviews were also conducted with MFA Finland representatives, project-implementers, local stakeholders, beneficiaries and independent observers and visits to selected project sites. The information obtained was triangulated at the project level and synthesised at the programme level. Valuable feedback was received during the debriefing meetings in the Kyrgyz Republic and Tajikistan. The team also presented its findings to the MFA and the stakeholders have provided comments to the draft Final Report, which are taken into account by the MTE.

## Key Findings

The (MTE-reconstructed, implicit) WEI-II **programme strategy** could be improved to serve its guiding purpose. Some of the assumed synergies between components and projects have not materialised and most of its Central Asian regional part has failed to contribute. A more elaborate and realistic strategy could have been helpful in relation to the choice of interventions and formulation of a project design that supports the strategy.

The WEI-II programme was found highly **relevant** in relation to government priorities in the target countries and to the needs of the beneficiaries, as well as to the objectives of Finland's development policies.

Regarding **effectiveness**, for the IIC and HAUS projects, capacity building (the main objective) has advanced largely as planned. Some delays were encountered which affected the implementation some projects. In some cases, the delay in the signing of the memoranda of understanding (MoU) impeded the start of the procurement process. There were also challenges in the procurement of equipment and materials. Staff turnover also caused delays even although this had been identified as a potential risk early on. When all projects experience smoothly implementation, effectiveness is expected to improve considerably.

Although most of the sub-projects under FinWaterWEI II suffered from late start, about half of them are now in good progress. For the other six mostly regional or cross-boundary projects, contract negotiations or planning turned out to be quite complicated and time consuming due to conflicting interests between participating countries, which may also cause problems in the subsequent implementation phase.

For the multi-bilateral projects, complex project goals and objectives and ambitious expected results make implementation more challenging. External factors, such as frequent changes in the counterpart agency management, regional economic crisis, procurement problems and complicated relations between participating countries, also challenged implementation. This notwithstanding, with the exception of the UNITAR-project, projects are carried out with a probability for achieving most of the planned outcomes.

**Crosscutting objectives** are well covered by IIC projects and the FinWaterWEI II programme, when relevant. At this point it is difficult to assess to what extent gender balance in numbers (e.g. course and study tour participants) is translated into equal opportunity in practice. The same applies to equal opportunity for the poor to participate and benefit from the projects. (E.g. in access to information, safe water, among others). Gender equality was actively pursued in all projects. The Democracy Support and UN-implemented Green Economy projects implemented actions to support reduced inequality more directly than the Green Economy IIC projects. The latter focused on climate sustainability, which was very indirectly by the Democracy Support projects

All multi-bilateral projects emphasise gender equality. Related results appear limited in the Fishery project due to cultural and job specific obstacles. Reduction of inequality is addressed through economic development and job creation for the poor (Aft and to a certain extent ILO), and by empowerment of women and persons with disabilities (A2J, Rule of Law). Climate sustainability is/was addressed in the Aft, Fishery and UNITAR projects.

The IIC-modality is relatively **efficient** in securing consistent capacity building between peer institutions with similar professional profiles and mandates. While IIC and HAUS projects show relatively efficiency for direct beneficiaries and key stakeholders, it is rather difficult to assess efficiency in relation to ultimate beneficiaries.

The UN-implemented projects have lower overheads and fee rates than IIC and HAUS projects. High value for money materialises in the target country-based UNDP and FAO projects, while value is reduced in the regionally managed Aft and ILO DW projects by related additional costs, accrued

advantages notwithstanding. The UN projects are efficient in relation to stakeholders. Efficiency related to the ultimate beneficiaries is high in the AfT, A2J and Rule projects, which reach out to large numbers of beneficiaries, and for the FAO-project in relation to a limited number of them, while it seems uncertain in the case of the ILO DW project, which works through the ILO tripartite constituents as intermediary institutions between the project and the beneficiaries.

For the IIC projects, **sustainability** is related to adequate financing of the counterpart institutions to maintain improved service capacities, while the multi-bilateral projects depend largely on Government uptake and continued spread effect after project termination. While challenged by staff turnover and inadequate operational funding, the sustainability prospects of the FMI and GTK projects appear relatively good since they are working with vital public sector institutions. The HAUS and THL projects are highly dependent on effective government uptake. Sustainability of the A2J and Rule of Law projects relies on implementation of legislation, government commitment to resource allocation and continued donor support during the phase-out period. The FAO, ILO and AfT projects appear likely to become sustainable, however, depending on external factors.

Generally, the WEI-II projects **strengthen aid effectiveness** through strong national ownership and active collaboration with both other relevant WEI-II projects and other donors' projects/programmes.

While **external factors** have enhanced WEI-II relevance, they have had a negative effect on project performance by decreasing available funds (reduced Euro-value, taxation of aid funds in both target countries, higher equipment costs in the Kyrgyz Republic, low public sector salaries and reduced Finnish funding). Increasingly restrictive legislation on non-governmental organization (NGO) represents a potential limitation on project performance which, however, has not yet materialised. In reverse, project collaboration with civil society organization (CSOs) supports certain strengthening of their position. Overall donor community policy dialogue with the governments regarding the needs for structural reforms and restrictive NGO legislation seems limited.

At the mid-term stage, **impact prospects** appear promising for most WEI-II projects, except the UNITAR project and with some doubt about the Participatory Democracy, Open Governance & Efficient e-Government Services (PADOS) and the ILO DW-projects, the impact of the latter highly dependent on future government uptake of the DW agenda. The AfT project's impact on the macro-level is likely (support to target countries accession to international organisation) while it is not likely to have the expected impact on the micro-level unless additional initiatives will strengthen the assumed project spread-effect. The A2J and Rule of Law projects may contribute to significant improvements in the justice - related life of large part of the target countries' populations.

Overall the **management procedure** is straightforward and appears adequate for the IIC projects. Routine monitoring of the FMI, THL and SYKE ICI projects is largely outsourced to an external ICI consultant, which reduces the workload of the staff involved from MFA Finland. With the exception of the UNITAR project, the management structure of the multi-bilateral projects, which includes the financial and reporting aspects, has been working well. However, ongoing reduction of MFA staff causes some concern in relation to future management and administration.

There is scope for additional external programme communication to the public and decision-makers which might be of importance to programme sustainability and materialisation of expected spread effects.

**Assumptions** are quite elaborate. Some are very optimistic about foreseen government uptake, the reason why more realistic program and project strategies, supported by Theories of Change, would be pertinent for the future.

Although the **risk** analyses are generally quite thorough, they included to a limited extent only materialised external adversities. Other risks not fully foreseen included need for exchange of project staff and of key counterpart persons, counterpart managerial restructuring and election-impact and

procurement delays. Generally, adaptation to unforeseen situations in the project and MFA level was flexible and adequate, including project strategy changes as a result of reduced available funding and consequent no-cost extensions.

Finland **adds value** to WEI-II through quality technical assistance and beneficiary-appreciated study tours to Finland. The WEI-II programme also adds value to Finland through Finnish visibility in Central Asia (and Eastern Europe) and the funding of some public institutions. Increased international experience and learning from UNDP cooperation has been useful for the Finnish MFA.

**In conclusion**, the WEI-II programme is overall very relevant and with the exception of two of the smallest projects, has been implemented largely as foreseen, without major delays, and is producing expected outputs. Below is a summary of the findings, conclusions and recommendations.

**Table 1: Findings, Conclusions and Recommendations**

Findings	Conclusions	Recommendations
<b>Programme Level</b>		
<p>The strategy is working relatively well in the Kyrgyz Republic and Tajikistan, and in particular the IIC Green Economy, A2J and Rule of Law projects.</p> <p>Assumed synergies have materialised between the IIC Green Economy projects, but not between multilateral Green Economy projects or between the Green Economy and Democracy Support. Regional interventions have not contributed to facilitating synergies.</p>	<p>The WEI-II <b>programme strategy</b> is not fully serving its purpose. Some of the assumed synergies between components and projects as well as the Central Asian regional initiatives have not materialised. A more elaborate and realistic strategy could have been helpful in relation to choice of interventions and formulation of project design requirements that support the strategy.</p>	<p>1. For future WEI interventions, Theories of Change with explicit programme/project strategies and well-underpinned causal relations and realistic assumptions should be applied at programme level and included in project documents.</p>
<p>High turnover of trained staff due to low public sector salaries and training redundancy are among the challenges of capacity building. Preparation of the training design, selection of trainees as well as duration, sequencing and follow-up of training course needs to be given attention.</p>	<p>Effectiveness and sustainability of capacity building depends on several factors. Hence it is worthwhile to assess proposals that include capacity building against a corresponding checklist. Such list might be inspired by the MTE compilation of WEI-II experience (Lesson 3).</p>	<p>2. For capacity building elements in project proposals, the extent to which they comply with common recognised good practice-criteria and avoid related pitfalls should be assessed.</p>
<p>The programme consists of a large number of heterogeneous projects implemented by various organisations, which makes administration challenging. After mid-2016 the capacity of MFA to administer the programme until 2018 is</p>	<p>Ongoing reduction of the MFA WEI-II staff is a cause of concern. While the relevance of and Finnish interest in continued WEI cooperation remains unchanged under the 2016 Development Policy, MFA faces the risk of not being able to</p>	<p>3. In response to MFA WEI-II staff reduction, sector advisers should be used more actively. More project administration should be outsourced and joint monitoring and evaluation of multi-donor programmes with the other donors should be</p>

Findings	Conclusions	Recommendations
substantially reduced due to staff reductions (two positions cut).	manage the programme effectively and efficiently.	developed.
<b>Strengthening Regional Capacities For Peace In Central Asia (UNITAR)</b>		
The implementers could not inform the MTE about trainers, training materials, and needs assessment report or fund utilisation. The website, <i>Community of Practice</i> , (60.000 USD) was communicated vaguely, not informative and consequently not used by trainees. Subsequent MTE conversation with UNITAR and UNRCCA managers failed to shed light on these issues.	During the MTE period, the project had little effect. Reporting was late and inaccurate and the Financial Report had not been submitted	5. The MFA should investigate UNITAR's use of project funds
<b>Green Economy, IIC Projects</b>		
In both Kyrgyz Republic and Tajikistan, public institutions are faced with very low salary levels. At the same time a number of senior staff is approaching retirement, which makes recruitment of competent new staff an urgent need. Ongoing modernisation process also creates the need for adequate funding and technical capacity to maintain the new equipment. Inter-institutional cooperation remains weak. Both countries face economic hardships.	Problems in recruiting competent new staff due to inadequate salary levels and limited resources to maintain the new equipment constitute a challenge to sustainability. Securing substantial additional funding from the government is unlikely, and most of the IIC-project partner institutions aspire to raise incomes and ensure sustainability by selling products and services.	6. Special attention should be paid to retaining and recruiting competent staff, continuing in-house training and securing equipment operation and maintenance. Viability of planned commercial activities should be properly studied. Inter-institutional cooperation with local implementation partners should be strengthened at the practical level. Overall, project implementation should maintain flexibility to respond to changes in both internal and external conditions.
<b>FinWaterWEI II Programme and Sub-Projects</b>		
In Kyrgyz Republic, the ICI sub-project has built extensive stakeholder networks with relevant public, private and civil society actors, providing elements for public participation in environmental monitoring. In Tajikistan the local sub-projects have created effective mechanisms to involve local public, private and civil society stakeholders, strengthening ownership and sustainability and providing lessons learnt for policy development.	Lessons learnt from sub-projects in Kyrgyz Republic and Tajikistan can support evidence-based sector policy development as well as replication of the successful approach to increase broad participation in other regions/ countries in Central Asia.	7. Practical inter-institutional cooperation and active participation of the private sector, civil society and other stakeholders in the development of the water sector with a multi-scalar approach should be strengthened. Information exchange from the Kyrgyz Republic and Tajikistan experience should be promoted actively.

Findings	Conclusions	Recommendations
<b>ILO Decent Work Project</b>		
Increased costs are related to the operations of the office in Moscow. The office was established in Moscow due to convenient project expert coordination and because of lack of security and tax agreements between the ILO and the target countries. The MTE was informed that these issues would be settled by mid-2016 in Tajikistan and probably later in the Kyrgyz Republic.	The ILO is not very visible in the Kyrgyz Republic and Tajikistan. Project communication includes TV spots, but only in Kyrgyz Republic. It has not recognised status as an international organisation, which allegedly prevents increased cost-effectiveness by relocating project management to a target country. The labour market is marked by massive migration.	8. In order to reduce related costs, possibilities for relocation of the ILO DW-Project Management to a target country should be investigated.
Based on official figures more than a third of all labour migrants return to their country of origin because of the crisis in Russia and growing unemployment. The project supports intermediary structures with limited impact on unemployment in the countries.	Most of the expected ILO DW results will only materialise in the long-term, provided there is an uptake by the state and employers. The project did not try to address acute migration-related labour and social challenges through normal ILO instruments, even if attempting to coordinate with other ILO projects with such objectives.	9. The ILO should prioritise the development of new approaches to further strengthen its work with direct beneficiaries.
A number of Finnish funded projects support the principles of Decent Work. In the previous phases attempts to search for opportunities for cooperation with these projects have been made (A2J, Aft).	Through the Ministry of Labour and Social Development, which is the ILO's counterpart agency, the DW project has potential to create synergy with the Finnish funded <i>Strengthening the Social Sphere</i> and <i>A2J</i> projects in the Kyrgyz Republic. Information exchange could be facilitated between the two projects.	10. In order to exploit possible synergies, the ILO DW project should prioritise increased cooperation with Finnish-funded projects implemented in the same countries.
<b>UNDP Aid For Trade-Project</b>		
The grant support scheme in Kyrgyz Republic and the Business Challenge Fund in Tajikistan are to finance selected small businesses in the rural areas of two countries. This support is very useful to clients of the program. The schemes are based on the assumption that their results can be multiplied on a large scale.	Assumptions about the spread effect from these limited-size pilot target groups were not very realistic and that it will require additional efforts, beyond what the project has envisaged, for the objectives to materialise in a sustainable way.	11. To enhance Aft sustainability and efficiency at the micro-level, the system of financial support to selected entrepreneurs and enterprises should be revised by the project.
<b>FAO Fisheries' Project</b>		
The project uses a scientific approach to the support the development of fisheries sector. Government strategic	There is a need to strengthen the association of fish producers by addressing issues related to membership, decision-making,	12. To enhance effectiveness, the project should prioritise improved interaction between public institutions involved in

Findings	Conclusions	Recommendations
sector management and strengthened cooperation across the value chain comprise the main parts of the approach. However, insufficient inter-institutional coordination and weak organizational capacity of the associations of fish producers may reduce or delay the attainment of the long-term objectives.	and commitment of members. This will enable the project to reap effectively the benefits of decentralising the fisheries value chains.	the project.
<b>UNDP Access To Justice And Rule Of Law-Projects</b>		
Free legal aid has been rolled out over a pilot area that comprises approximately half of the country, benefiting the whole population. It includes special measures to ensure access of persons with disabilities and rural women.	In the pilot stage analysis of best practices and lessons learnt is required for new state-run legal aid centres. The newly established institutions need extended support until the government is capable to run and fund the legal aid system.	13. To sustain and increase the quality of the newly established state centres system for legal aid, UNDP should continue to assist them in both countries, within the current project time frames. Institutionalised monitoring should be an integral part of the national legal aid system.
A considerable number of legal and policy documents were amended with A2J-support, but many of them lack cost estimation, arguments for feasibility and planning of implementation in order to obtain government uptake.	Government uptake of A2J and Rule of Law-outputs (including nationwide free legal aid) appears realistic, considering realistic cost estimations if proper exit strategy and donor support is secured during the transition period.	14. In both countries, the UNDP should continue efforts to involve the ministries of finance (national budget owners) in project implementation to facilitate prioritisation and integration of the costs of amended laws in the national budgets.
Key Outputs include legal aid law amendment and cost-estimation, National legal aid system, persons with disabilities issues, domestic violence, legal aid quality standards, policy consultations. CSO's outputs, media involvement and monitoring of closed and semi-closed institutions (Tajikistan).	Both projects cover a large number of heterogeneous interventions implemented by different partners, hence making it challenging to trace interactions between various sub-outputs and assess their potential sustainability.	15. While developing (Kyrgyz Republic) or amending (Tajikistan) the project exit strategies, UNDP should sustain and harmonise key achieved outputs, focusing on quality rather than number of project interventions.

## **1. INTRODUCTION**

### **1.1. Evaluation's Rationale**

Most of the WEI interventions launched in 2014 have reached their mid-term phase by 2016 and are expected to conclude by the end of 2017. This evaluation will be used by the MFA as basis for planning Finland's development cooperation from 2018 onwards. The report is divided into the following sections: Section 1 presents the evaluation rationale and methodology. Section 2 provides an outline of the WEI-II programme, country context and strategy. Section 3 reports the MTE's findings, with nine sub-sections organised in accordance with the evaluation criteria: Relevance, Impact, Effectiveness, Efficiency, Sustainability, Aid effectiveness, Coherence, Management and administration and Finnish value added. Conclusions and recommendations are presented in Sections 4 and 5, respectively.

### **1.2. Objectives**

**The objectives of the evaluation are:**

1. To provide evidence of the performance of the WEI phase-II to date and likely performance in the future (i.e., is WEI achieving its objectives, including the cross-cutting objectives) according to the ToR- Annex 1.
2. To analyse the reasons explaining success and failure in performance;
3. Special emphasis should be on evaluating the WEI II implementation approach that builds on focusing in least developed countries, use of multi-bi and inter-institutional cooperation instruments, focusing on chosen themes and objectives;
4. To provide recommendations on any interventions that will be seen as needing modifications.

### **1.3. Scope and Main Evaluation Questions**

The scope of this evaluation covers Finland's development cooperation in Eastern Europe and Central Asia from 2014 to 2017 as indicated in the programme presentation and logframe published in February 2014. It excludes projects managed by Finland's Organisation for Security and Co-operation in Europe (OSCE) Mission in Vienna and Local Cooperation Funds managed by Finnish embassies.

The evaluation questions were guided by the ToR (Annex 1) and its evaluation criteria: relevance, impact, effectiveness, efficiency, sustainability, aid effectiveness, coherence, management & administration and Finnish value added. The questions are outlined in the Evaluation Matrix in Section 4. The evaluation methodology, including limitations, is found in Annex 2 and 3.

### **1.4. Evaluation Team and Process**

With contract signed on 16 November 2015, the Finnish Ministry for Foreign Affairs commissioned NIRAS-Finland to undertake the Mid-Term Evaluation (MTE) of Finland's Development Cooperation in Eastern Europe and Central Asia, 2014-2017, Wider Europe Initiative, Phase II (WEI-II). The Evaluation Team consisted of international experts: Mr Gunnar Olesen (team leader) and Dr Pekka Virtanen; regional Central Asia experts: Ms Eleonora Fayzullaeva and Mr Farrukh Tyuryaev; and junior expert, Ms Roosa Tuomaala. NIRAS home office backstopping team included Ms Henna Tanskanen, Ms Ericka Mejia and Mr Harold Gordillo.

The assignment started with a kick-off meeting at the MFA Finland on 2th December 2015. The MFA supplied the team with available documentation and contact information of the WEI-II projects. Between December 2015 and January 2016, the team studied the project documentation, held personal or virtual interviews with the project implementers (see Annex 4), elaborated the Inception Report and prepared for field studies in the Kyrgyz Republic and Tajikistan. The field studies were conducted between January -March 2016.

The Inception Report, which included the preliminary findings of the Inception phase and hypotheses to be pursued under and suggested programme for the field studies was presented to and subsequently endorsed by the MFA. Preliminary field study findings and recommendations were presented firstly to the evaluation stakeholders at debriefing meetings at the end of field studies in the Kyrgyz Republic and in Tajikistan and secondly to the Finnish MFA after incorporating the comments from the field debriefings.

The draft Final Report was circulated for stakeholder's comments by the MFA. The Team has considered all comments before finalising the Report. The MTE's findings will be presented at a seminar subsequent to MFA approval.

## **2. CONTEXT AND EVALUATED PROGRAMME**

### **2.1. Broader Context and its Influence on the Performance of the Programme**

#### **2.1.1. Central Asia in Finnish Development Cooperation**

The WEI programme was developed as a regional programme to address key challenges facing the countries of the former Soviet Union (excluding the Russian Federation) in the sub-regions of Eastern Europe, Central Asia and South Caucasus. The Programme was developed at the same time as the EU was intensifying its activities in the respective regions through the Eastern Partnership (initiated in 2008 as an extension of the European Neighbourhood Policy), and the Development Cooperation Instrument for Central Asia (2007), which provided the broader context for the cooperation activities of Finland. The Programme also builds on the Finnish Neighbourhood Area Cooperation ('Lähialueyhteistyö'), which supported cooperation between Finland and North-west Russia since 1992. This cooperation was implemented mainly through outsourcing to Finnish government institutions for cooperation with Russian partners. This modality was later adopted as one of the main implementation mechanisms for capacity building under the WEI programme.

The Finnish approach in Central Asia emphasises the linkage between security and development (including the need to address conflict-related issues, such as cross-border management of water resources) and also seeks to draw on Finnish expertise in key priority areas, such as the environment and information and communication technology (ICT). Promoting stability and well-being in the region is in line with the principles of Finland's Policy on the Eastern Partners of the EU and Central Asia. The development priorities reflect the themes set out in Finnish Development Policy documents (2004, 2007 and 2012). The Paris Declaration on Aid Effectiveness (2005), to which Finland is a signatory, provides the global framework of good practice in development cooperation along with the joint policy commitments of the UN system and the Bretton Woods financial institutions. Although the main policy guidelines have remained unchanged, their interpretation under changing Ministers responsible for development cooperation (five different Ministers between the years 2007 and 2016) brought about some changes in focus.

Most projects implemented under the first phase of the WEI programme, which started in 2009, were completed by the end of 2013. An evaluation of the Initiative in 2012 concluded that Finland is making a very significant contribution as a donor in the region. Moreover, the interventions were demand-driven and had positively influenced the lives and livelihoods of the beneficiaries in partner countries. The current WEI-II programme builds on the first phase and includes some changes based on the new Finnish Development Policy Programme adopted in 2012.

Finland's development cooperation policy focuses on the least developed countries in Africa and Asia. In the Central Asian region the focus was thus narrowed down to Kyrgyz Republic and Tajikistan. According to the new Finnish Development Policy, approved in early 2016 and which became effective immediately, Finland will continue to support Kyrgyz Republic and Tajikistan. The support will be used to strengthen human rights, the rule of law, the business environment, water resource management, and climate change preparedness.

### 2.1.2. Economic and political situation

The Kyrgyz Republic and Tajikistan rank the two poorest countries in the Central Asian region (Table 2).

**Table 2: The Central Asian countries**

Country	Territory km <sup>2</sup>	Population (2016 est.)	Income per cap. (2014, USD)	Capital city	Official languages
Kazakhstan	2.725.900	17.067.000	12.456	Astana	Kazakh, Russian
Kyrgyz Rep.	199.950	5.941.000	1.152	Bishkek	Kyrgyz, Russian
Tajikistan	142.550	8.629.000	903	Dushanbe	Tajik, Russian
Uzbekistan	447.400	30.933.000	1.867	Tashkent	Uzbek
Turkmenistan	488.100	5.417.000	5.330	Ashgabat	Turkmen

Source: UN and IMF statistics, 2016

In addition to field study informants, sources for sections 2.1.2 - 2.1.4 include: Mid-term review of the UN Development Assistance Framework for the Kyrgyz Republic, 2012-2017; National Review of the Kyrgyz Republic in the framework of the Beijing Declaration and Platform for Action, 2015; Tajikistan Economic update, #2, Fall 2015, World Bank Group

When WEI-II was conceived in 2013, the international financial crisis affected Central Asia, leaving hope by then for a recovery that might benefit the accomplishment of Programme objectives. New external factors of importance to the Programme included the deteriorating economic situation in Russia, specifically the depreciation of the Ruble and the international sanctions related to the Ukraine-crisis; Kyrgyz and possible Tajik membership of the Eurasian Economic Union; economic problems in the European Union, resulting in a weakened Euro exchange rate against the USD; and local political developments in the cooperation countries.

The economic deterioration in Russia affected the WEI-II context through decreased remittances from Kyrgyz and Tajik citizens working in Russia; increasing number of returning migrant workers to their home countries, and reduced exports to Russia. These implied a strained livelihood for large part of the population and consequently an increased need for development cooperation. Kyrgyz membership in the Eurasian Economic Union (as from 12 August 2015) has reduced Tajik exports to the Kyrgyz Republic as well as access to cheap Chinese goods for the poorer segments of the population.

**Tajikistan** faced a rapidly worsening economic climate in 2015 and was not expected to improve before the end of 2016. In 2015 the local currency, Somoni, dropped from 6.2 to around 8 against the USD. Inflation, interest rate and unemployment are rising while government revenues are falling. According to a World Bank household survey (2016), between November 2015 and January 2016 the average per capita income decreased in all subgroups (urban population, rural population, 40% among the least well-off population and 60% among the richest population). This was attributed to reduced remittances, self-employment income and decreased agricultural activity during the winter season. Notwithstanding the seasonal fluctuations, the continued decline of the Russian Ruble resulted in the steady decrease of revenues. According to the National Bank, remittances decreased by 33.3% in 2015 compared with 2014.

In **the Kyrgyz Republic** exports and imports fell during the first half of 2015, a reflection the regional economic environment: deepening recession in Russia coupled with slowing growth in Kazakhstan. Remittances are estimated to have dropped by about 25 percent during the first half of 2015. It is not clear to what extent these dynamics may be influenced by the Kyrgyz Republic's accession to the

Eurasian Economic Union (EEU). Agricultural output and remittances have a major impact on poverty. Agriculture employs a large share of the population; remittances play a key role in household consumption.

### **2.1.3. Local and international political development**

Local political developments in cooperation countries so far has not impacted project implementation significantly although concern was expressed in the donor community over increasingly restrictive NGO legislation in both target countries and over taxation of SMEs in Tajikistan. While the Kyrgyz Republic remains the most democratic country in the region, legislation is underway that may limit INGO and NGO operating conditions, and control Islamic radicalisation, which, according to some observers, may suppress the exercise of human rights. However, independent observers expressed to the MTE that, out of fear of increasing Islamic radicalisation in both countries such concern and the verbalisation of the need for general structural reforms, is only articulated to a limited extent.

August 2015, US-Kyrgyz development cooperation was put on hold by the Kyrgyz Government in response to a US human rights award to a Kyrgyz human rights-defender. According to several informants, this incident reflected a general strengthening of Russian influence in Central Asia, possibly to be contested by increasing Chinese influence, which is already manifested in large infrastructure projects (“new Silk Road”) and extraction of mineral resources.

Finally, alleged endemic corruption in the target countries (referred to by numerous MTE informants), combined with low salaries in the public sector, poses a challenge that part of the development cooperation has to relate to, including through the effects of high counterpart staff turnover.

### **2.1.4. Regional water-resource issues**

Considerable similarities between Central Asian countries notwithstanding, since the independence in 1991, intra-regional relations have been marked by occasional ethnic clashes and border disputes related to the complicated Soviet border drawing. In addition, geography provides for antagonistic national interest related to essential water resources. Distribution of water resources in Central Asia causes a conflict of interest between suppliers (Tajikistan and Kyrgyz Republic) and users (Uzbekistan, Kazakhstan and Turkmenistan). Tajik, in particular, and Kyrgyz interests in using water resources for power generation to meet their own needs and for export are opposed by the Kazakh, Turkmen and Uzbek viewpoints, which insist on irrigation as an operation built under the Soviet era with hydroelectric power plants. The objective of Bishkek and Dushanbe is to get a fair and market-aligned compensation for the water supply. For these countries, poverty is an acute problem and water is a resource for economic development.

The challenge is how to make their development strategy fit into a regional sustainable development context that benefits all countries. In the wintertime, Tajikistan and Kyrgyz Republic ideally accumulate water in the reservoirs of Nurek, Toktogul and Karakum and release it in summertime for irrigation of arable land in Uzbekistan, Kazakhstan and Turkmenistan, for which they are paid back with electricity and gas in wintertime. However, after the collapse of the Soviet Union and the unified energy system of the region, the downstream countries began to sell gas and electricity to neighbours at market prices. Supply was stopped because of unpaid debts. Hence, in most areas of Tajikistan, population and industry suffer in during the fall and winter months due to severe limits imposed on electricity supply.

Tajikistan and Kyrgyz Republic, therefore, attempt to ensure energy security through year-round operation of existing hydropower plants and construction of new large ones: Rogun (on the Vakhsh River) and Dashtijum (on the river Panj) in Tajikistan and two Kambarata plants (on the Naryn River) in Kyrgyz Republic. These plans alarm the neighbouring Uzbekistan, which fears that additional regulation of these rivers will allow Tajikistan and Kyrgyz Republic to control the flow of water for the

development of irrigated agriculture. As a result, the water issue leads to constant reproaches and complaints, destabilising the region rather than bringing it closer together.

## **2.2. Introduction of the Programme**

### **2.2.1. Overview of the WEI II Programme and its Resources**

WEI II is comprised of two parts: The Green Economy Partnership Programme, and Democracy Support. Listed below are the projects funded under WEI II.

#### **Green economy**

1. Aid for Trade in Central Asia, United Nations Development Programme (UNDP,) (AfT) EUR 9 032 000, Kyrgyz Republic, Tajikistan, Uzbekistan 2014-17\*<sup>2</sup>
2. Finland's Water Management Programme in the Kyrgyz Republic and Tajikistan (FinWaterWEI II) , Finnish Environmental Institute (SYKE) EUR 8 000 000, Kyrgyz Republic, Tajikistan, 2014-2017\*
3. From the Crisis towards Decent and Safe Jobs, phase II (Decent Work, DW), International Labour Organization (ILO) EUR 4 000 000, Kyrgyz Republic, Tajikistan, 2014-2017\*
4. Towards Sustainable Aquaculture and Fisheries Development in the Kyrgyz Republic, Food and Agricultural Organization of the United Nations (FAO), EUR 1 480 000, Kyrgyz Republic, 2014-2016\*
5. Capacity Building in the Field of Meteorology in the Kyrgyz Republic (FINKMET) Finnish Meteorological Institute (FMI), EUR 502 200, Kyrgyz Republic, 2014-2016
6. Capacity Building in the Field of Meteorology in Tajikistan (FINTAJ), Finnish Meteorological Institute (FMI), EUR 502 500, Tajikistan, 2014-2016
7. Strengthening the Mastering of Natural Resources in the Kyrgyz Republic, Geological Survey of Finland (GTK) EUR, 1 629 000, Kyrgyz Republic, 2014-2017\*
8. Strengthening the Mastering of Natural Resources in Tajikistan , GTK, ERU 1 635 000, Tajikistan, 2014-2017\*

**Total budget: EUR 26 780 700**

#### **Democracy Support**

9. Widening Access to Justice for Legal Empowerment in the Kyrgyz Republic (A2J), UNDP, EUR 2 000 000, Kyrgyz Republic, 2014-2017
10. Strengthening Rule of Law and Human Rights to Empower People in Tajikistan (Rule of Law, RoL), UNDP, EUR 2 000 000, Tajikistan, 2014-2017
11. Social Sphere Capacity Building in the Kyrgyz Republic , National Institute for Health and Welfare, Finland (THL), EUR 500 000, Kyrgyz Republic, 2014-2016
12. Strengthening Regional Capacities for Peace , United Nations Institute for Training and Research (UNITAR), EUR, 430 000, Kyrgyz Republic, Tajikistan, Kazakhstan, 2014-2015

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<sup>2</sup> \*Projects with no-cost extensions into 2018

13. Participatory Democracy, Open Governance & Efficient eGovernment Services (PADOS) in EU Eastern Partnership Countries (PADOS), Finnish Institute of Public Management Ltd (HAUS), EUR 498 600, Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, 2015\*
14. Core funding to the European Humanities University (EHU) Nordic Council of Ministers, EUR 450 000, Belarus, 2014-2016<sup>3</sup>

**Total budget: EUR 5 878 600**

The WEI-II budget also includes appropriations for the European Bank for Reconstruction and Development (EBRD): EUR 1 300 000 and for Ukraine: EUR 150 000 that are excluded in the evaluation, and administrative costs: EUR 200 000. Hence, the total amount appears somewhat less than the 46 M Euros, mentioned in the ToR, and the 40 M Euros mentioned in the MFA WEI-II Brochure due to loss of uncommitted funds and overall budget cuts in the Finnish Development Cooperation.

With the exception of the Participatory Democracy, Open Governance & Efficient e-Government Services (PADOS) project, support to the European Humanities University and some FinWaterWEI II regional activities, the projects are implemented in the Kyrgyz Republic and in Tajikistan. The UNDP Aid for Trade project also covers Uzbekistan, and the regional UNITAR Capacities for Peace project attempted to cover the five countries in the Region: Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

The two main implementation channels used include the: 1) Finnish Public Institutions, the **Inter-Institutional Cooperation** channel (IIC)<sup>4</sup> and 2) international, mainly UN, organisations, **multi-bilateral cooperation**. **IIC implementation** (includes two projects under FinWaterWEI II) have a budget of approximately 5,5 mil Euros and the **multi-bilateral implementation** (seven projects) approximately 20 mil Euros.

FinWaterWEI II (water security programme), consists of 12 projects (see Annex 2), of which 10 are multilaterally/INGO implemented under the coordination of the Finnish Environmental Institute (SYKE). SYKE implements the remaining two projects under the IIC modality. Hence, in the overall picture, the larger part of the projects evaluated is multi-bilaterally implemented.

Based on the recommendations of the midterm-evaluation of the former WEI-I programme and the subsequent MFA management response, as outlined in the ToR, WEI-II was to:

1. Concentrate activities on fewer countries: according to the need-criterion, the two least developed Central Asian countries, the Kyrgyz Republic and Tajikistan, were chosen as the main recipients.
2. Concentrate support on a reduced number of projects and project-clusters, in order to enhance project impact and potential synergy between projects and clusters. The former

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<sup>3</sup> The MTE EHU-related findings were excluded from the Report since the MFA, during the MTE and together with other donors, initiated an investigation of the use of funds by the EHU. However, in the annexed project sheets an overview of Finland's support to the EHU is provided.

<sup>4</sup> Under the more general framework of Inter-Institutional Cooperation, the Institutional Cooperation Instrument (ICI) has specific implementation guidelines and a monitoring system through an outsourced ICI consultant.

five clusters with 27 projects were reduced to a total of 14 projects. A major part of which (12 projects) concentrated in two inter-related parts, Green Economy and Democracy Support.

3. The choice of WEI-II interventions was further decided by the degree of success found under WEI-I. The successful ones were continued.

Hence, all Green Economy projects continue similar interventions that received funding from Finland channelled through UNDP, ILO and FAO and through the Finnish public institutions FMI, GTK and SYKE.

Under Democracy Support, the UNDP A2J project in the Kyrgyz Republic and Tajikistan, and Rule of Law project in Tajikistan follow-up to earlier projects with a similar purpose implemented through Eurasia Foundation. Finnish support to the UNITAR regional peace project and the Social Sphere Capacity Building through the Finnish National Institute for Health and Welfare (THL) are new projects.

Regarding the WEI-II projects in East Europe, core funding support to the multilateral EHU is a continuation from WEI-I.

Finland is the main funding contributor for the WEI-II projects. The EHU receives support from a Trust Fund, the main contributors of which include the Nordic Council of Ministers and the EU. Being an EU member country, Finland has provided additional contribution.

### **2.2.2. Objectives of the Programme**

The Wider Europe Initiative – Finland’s Development Cooperation in Eastern Europe and Central Asia, 2014–2017 the objectives include the following (WEI II Brochure 2014):

#### The Green Economy Partnership Programme:

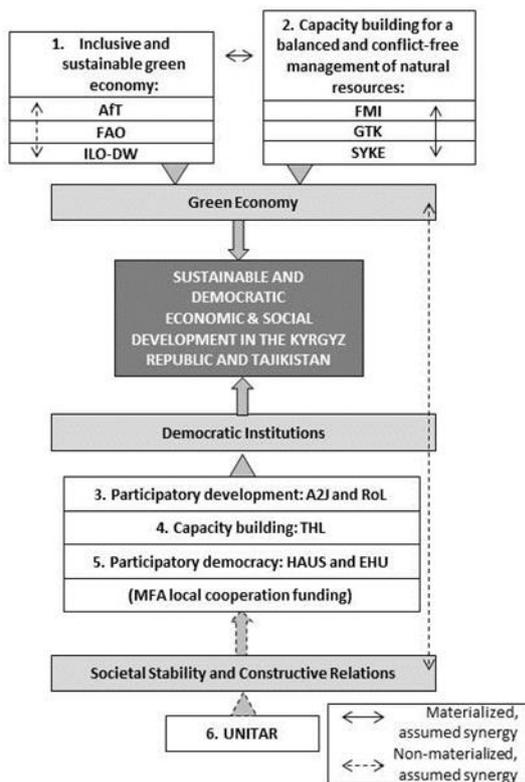
- Supports the region’s economic, social and environmental sustainability. Moreover, all projects promote gender equality, the reduction of inequality and climate sustainability.
- Promotes an inclusive, green economy that strengthens human well-being, promotes social equality, and is based on the sustainable use of natural resources
- Builds on the UNDP’s Aid for Trade programme and the ILO’s project “From the crisis toward decent and safe jobs”. The FAO’s project on Fishery and Aquaculture Management in Kyrgyz Republic complements them.
- Balanced management of natural resources is the prerequisite for sustainable development and for ensuring human well-being. The countries’ own systems aimed at adapting to climate change need support.

#### Democracy Support

Democratic public institutions are indispensable elements of a well-functioning state. They ensure equal treatment of the citizens and lay the foundation for economic and social development and for equitable social policy.

### **2.2.3. Implementation Strategy**

In the absence of a proper logframe and theory of change, the MTE reconstructed the overall strategy of the WEI-II Programme (Figure 1). The MTE also used as reference WEI II’s objectives and the team’s observations and findings.



**Figure 1: Reconstructed WEI-II Strategy**

Finland’s development cooperation principles (gender equality, reducing inequality and climate sustainability) promote sustainable and democratic economic and social development in the Kyrgyz Republic and Tajikistan. This is in line with the national priorities and the needs of beneficiaries and addressed through technical assistance targeting:

1. An inclusive and sustainable green economy, supported by the Aft, ILO-DW and FAO-projects in the Kyrgyz Republic, Tajikistan and (Aft) Uzbekistan.
2. Capacity building provided by Finnish experts for a balanced and conflict-free management of natural resources (part of the green economy), supported by the FMI, GTK and SYKE-projects in the Kyrgyz Republic and Tajikistan.

Synergy is assumed between (1) and (2) and between the involved counterpart institutions in the Kyrgyz Republic and Tajikistan under (2).

Democratic public institutions are foundations for economic and social development and equitable social policy, and therefore supported through technical assistance targeting:

3. Participatory development through access to justice and rule of law-projects in the Kyrgyz Republic and Tajikistan, respectively
4. Capacity building provided by Finnish experts for enhanced social protection through the THL-project in the Kyrgyz Republic
5. Participatory democracy through the HAUS-project, in Eastern Partnership Countries, and core funding for the EHU (Belarus/Lithuania)

(In addition to the WEI-II programme, support to democratic development through civil society is provided through local cooperation funding by Finnish embassies, which is not part of the MTE.)

Societal stability and constructive relations between the Central Asian countries is regarded by the MFA as an important goal and a condition for preserving the benefits of the above interventions, hence this purpose was supported through (6) the regional UNITAR-project.

Synergy is assumed between (3) and (4) through the THL, A2J and ILO-DW projects and on the overall level between the Green Economy, Democracy and Security projects.

Generally, aid effectiveness is promoted through complementarity and coordination with other relevant donor interventions. It is an overall implicit assumption that although Finland is a small player it can still make a difference through strategic choices of continuous support to

- Central projects, selected through a successful legacy, and potential synergetic impact, and
- Improved functioning of key institutions through IIC with Finnish counterparts, where a strategic observation is that the effect of institutional capacity building projects is supposedly enhanced through decentralisation. The GTK and SYKE projects in the Kyrgyz Republic include piloting decentralisation of the respective sector administrations to the provincial level. The logic is that in Phase 1, the national level was strengthened and national sector strategies developed. Decentralisation requires building capacities of not only of national institutions but also the provincial level institutions, which the WEI II projects now support in pilot areas.

Finally, as mentioned earlier, it is part of WEI II strategy to continue successful projects and to concentrate the support in the Kyrgyz Republic and Tajikistan.

As described in this Report, the MTE found that the WEI-II strategy is working relatively well, particularly in the Kyrgyz Republic and Tajikistan, and in particular regarding the IIC Green Economy, A2J, Rule of Law and FAO Fisheries projects. With the exception of the FAO Fisheries project, the contributions of the multi-bilateral Green Economy projects, and of the Democracy Support projects implemented in East Europe, appear ambiguous.

Assumed synergies have materialised between the IIC Green Economy projects (1) and (2), whereas synergy has not materialised between the multilateral Green Economy projects and only to a limited extent between the Green Economy and Democracy Support programme components. The regionally oriented interventions, in particular the UNITAR-project, have not contributed strategically as foreseen, reflecting their “thin” connection with the rest of the Programme.

Hence, WEI II could gain from a more elaborate strategy that might be provided through a proper Theory of Change, with well-underpinned causal relations and realistic assumptions.

### **2.3. Stakeholders and their Roles**

WEI-II stakeholders include, on the supplier side, the MFA and implementing Finnish and multilateral agencies: FMI, GTK, SYKE, THL, HAUS, UNDP, FAO, ILO, UNITAR and the EHU Trust Fund. In addition to other donor agencies with activities in the same sectors as the WEI-II projects, the SYKE FinWaterWEI II programme is implemented by United Nations Economic Commission for Europe (UNECE), Organisation for Economic Cooperation and Development (OECD), World Health Organisation (WHO), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), Oxfam GB and AKDN (Aga Khan Development Network).

On the beneficiary side, the stakeholders include the following:

1. The Governments of the Kyrgyz Republic and Tajikistan
2. Government counterpart ministries/agencies responsible for project implementation in cooperation with the above supplier agencies

3. Beneficiary institutions at different levels in different projects (that may coincide with counterpart agencies and may be involved in project implementation):
  - Macro-level: Ministries with national coverage and public agencies with a specific national coverage-mandate (such as the meteorological institutes of the Kyrgyz Republic and Tajikistan).
  - Mezzo level: Private organisations with national coverage, such as trade unions, employers' organisations and business organisations.
  - Micro-level: beneficiary associations, such as fishermen cooperatives or village councils, and individual beneficiaries.
4. CSOs involved in project implementation
5. Other donor agencies with similar activities

The role of the MFA is to (a) define the programme; (b) provide funding; (c) select implementers, and (d) provide advice in relation to initial proposals and subsequent implementation. It also advises on the work of the project-related implementation governing bodies, oversees the quality of the process through project reporting and monitoring, and evaluates the process and supports information dissemination.

The role of the implementers is to (a) provide adequate technical and other assistance; (b) plan, implement and monitor projects in cooperation with the counterparts and (c) report on the progress.

The role of the target countries' governments is to (a) make decisions and corresponding agreements about international cooperation projects based on national needs and priorities; (b) delegate implementation responsibility to the identified counterpart agency; (c) disseminate information; and (d) fine-tune project implementation through policy dialogue with the citizens. In addition, governments ensure that agreed government project uptake materialises and produce sustainable impact.

The role of the counterpart agencies is to mobilise required resources and plan, implement and monitor projects in cooperation with the implementers. They also support the work of their governing bodies.

The role of beneficiary institutions is to (a) define the needs that the projects are to accommodate; (b) mobilise required local resources; and (c) plan the detailed implementation in cooperation with the implementers and project governing bodies.

Participating CSOs provide technical assistance and/or to implement parts of the project, contribute to raising awareness and represent the ultimate beneficiaries through advocacy.

Donors contribute to the attainment of project results through coordination and advice as relevant. The donor community facilitates policy dialogue with the target governments in order to ensure alignment with national priorities.

### 3. KEY FINDINGS

#### 3.1. Evaluation Matrix

The matrix below provides a brief overview of the broad and detailed evaluation questions as presented in the Terms of Reference of the MTE. It contains the indicators used by the evaluation team to assess the information and observations in order to provide answers to the questions. Methods and data sources are also listed. These are organised in relation to the nine evaluation criteria.

Subsequently, section 3.2, provides an overview of the overall progress of implementation. In sections 3.3-3.9, the findings are structured in accordance with the evaluation criteria. For most criteria, it was useful to relate them to the two main WEI-II implementation channels, IIC and multi-bilateral projects, and to address the FinWaterWEI II programme that follows a particular strategy and logic. More detailed information about each project is available in project sheets elaborated by the team (Annex 6).

**Table 3: Evaluation Matrix**

Criteria	Evaluation Question	Detailed question	Indicators	Source of data and/or methods
<b>Relevance</b>	Consistence with: - Partner country policies and poverty reduction strategies? - Finland's development policy? - Needs of final beneficiaries?	Focusing on: - Whose poverty and inequality? - Whose sustainable development? - Complementarity with regard to EU strategies in the region?	- Compatibility with partner country, Finnish & EU policies & strategies - Beneficiaries and needs identified in Programme documents and reports - Needs expressed by beneficiaries	- National policy documents, Programme documents and reporting - Interviews with stakeholders, final beneficiaries & other donors - Interviews with ITÄ-20 staff
<b>Impact</b>	- Progress towards achieving overall objectives? - Impact on the lives of final beneficiaries (women & men)?	- Are intended changes starting to take place? - Impact via prices, jobs, access, authority, assets or empowerment?	- No. of men/women benefiting from capacity & institution building, improved infrastructure & services	- Programme documents & reports - Interviews with implementers, stakeholders and beneficiaries - Project site observations
<b>Effectiveness</b>	- Achievement of purpose? - Achievement of CCOs?	- Do the purpose and results contribute to reduction of poverty?	- Reported outcomes vs. logframes - Plausibility of adopted (implicit or explicit) theory of change	- Progress reports/ indicators - Interviews with implementers, stakeholders and beneficiaries

<b>Efficiency</b>	<ul style="list-style-type: none"> <li>- Have activities transformed resources efficiently into intended outputs?</li> <li>- Inclusiveness of approach?</li> </ul>	<ul style="list-style-type: none"> <li>- Can the costs be justified by the achievements?</li> <li>- Were resources used efficiently for participation of all stakeholders?</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation rate of project activities &amp; outcomes per work plan</li> <li>- Number and type of stakeholders &amp; their level of participation</li> </ul>	<ul style="list-style-type: none"> <li>- Programme documents &amp; reports</li> <li>- Interviews with implementers, stakeholders and beneficiaries</li> <li>- Project site observations</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>- Will benefits be maintained after end of external support?</li> <li>- Has an adequate phasing out plan/strategy been prepared?</li> </ul>	<ul style="list-style-type: none"> <li>- Factors that enhance or inhibit sustainability?</li> <li>- Likelihood of sustaining CCO achievements after programme?</li> </ul>	<ul style="list-style-type: none"> <li>- Salary levels and ability to cover recurrent operational costs</li> <li>- Exit and/or maintenance strategy</li> <li>- Existing government policy on CCO</li> </ul>	<ul style="list-style-type: none"> <li>- Programme documents &amp; reports</li> <li>- Interviews with implementers, stakeholders and beneficiaries</li> <li>- Country background data</li> </ul>
<b>Aid Effectiveness</b>	<ul style="list-style-type: none"> <li>- Implementation of the Paris Declaration principles?</li> </ul>	<ul style="list-style-type: none"> <li>- Has it promoted ownership, alignment, coordination and complementarity?</li> </ul>	<ul style="list-style-type: none"> <li>- Active participation by project in national development coordination</li> <li>- Active coordination among donors</li> </ul>	<ul style="list-style-type: none"> <li>- Programme documents &amp; national policies</li> <li>- Interviews with implementers, authorities and other donors</li> </ul>
<b>Coherence</b>	<ul style="list-style-type: none"> <li>- Have other policies impacted programme implementation?</li> </ul>	<ul style="list-style-type: none"> <li>- Are other policies consistent with the HRBA and CC objectives?</li> </ul>	<ul style="list-style-type: none"> <li>- Contradiction/consistency of programme objectives &amp; activities with partner country policies</li> </ul>	<ul style="list-style-type: none"> <li>- National policy documents &amp; reviews</li> <li>- Interviews with implementers, authorities, MFA ITÁ-20 staff</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>- Quality of programme management (monitoring &amp; reporting, financial management, communication)?</li> </ul>	<ul style="list-style-type: none"> <li>- Clarity of roles &amp; responsibilities?</li> <li>- Identification of assumptions?</li> <li>- Are risks appropriately managed?</li> </ul>	<ul style="list-style-type: none"> <li>- Clear management structure that ensures participation &amp; ownership</li> <li>- Adequate and timely reporting</li> <li>- Realistic strategy to handle risks</li> </ul>	<ul style="list-style-type: none"> <li>- Programme documents, reports; MFA planning and monitoring reports</li> <li>- Interviews with MFA staff, ICI consultant, and implementers</li> </ul>
<b>Finnish value added</b>	<ul style="list-style-type: none"> <li>- What is the added value provided by the Finnish support?</li> </ul>	<ul style="list-style-type: none"> <li>- What are the distinctive features of Finland's support?</li> </ul>	<ul style="list-style-type: none"> <li>- Clearly identified strengths of the Finnish stakeholder, their relevance</li> </ul>	<ul style="list-style-type: none"> <li>- Programme documents, interviews with implementers &amp; stakeholders</li> </ul>

### 3.2. Overall Progress of the Implementation

For the IIC and HAUS projects, capacity building (the main objective) has advanced largely as planned, while procurement of equipment and materials faced and caused some delays. Staff turnover also tends to cause delays, even if this has been identified as a potential risk. In some cases signing of MoUs was delayed, impeding the start of the procurement process. When all projects are fully operational, effectiveness is expected to improve considerably. Most of the sub-projects under FinWaterWEI II suffered from a late start, but half of them are now progressing well. For the other six, mostly regional or cross-boundary projects, planning turned out to be quite complicated and time-consuming due to conflicting interests between participating countries. This may also cause problems in the subsequent implementation phase.

For the multi-bilateral projects, complex project goals and objectives and ambitious expected results made implementation more demanding. External factors, such as frequent changes in the management of ministries and agencies, regional economic crisis, procurement problems and complicated relations between participating countries are also obstacles to effective implementation. This notwithstanding, with the exception of the UNITAR-project, projects are carried out with a probability for achieving most of the planned outcomes.

Overall, the Finnish CCOs are well-considered in the IIC projects and the FinWaterWEI II programme, when relevant. Reduction of inequality is addressed through economic development and job creation for the poor (Aft, Fishery and to a certain extent ILO), and empowerment of women and persons with disabilities (A2J, Rule of Law). At this point it is difficult to assess to what extent gender balance at the level of outputs (e.g. course and study tour participants) is translated into outcomes in terms of equal opportunities for men and women. The same applies to equal opportunities for the poor (e.g. in access to information, safe water, among others). However, based on the field studies, the contribution of the IIC projects and the FinWaterWEI II programme can be assessed as positive. All multi-bilateral projects emphasise gender equality, while related results appear limited in the Fishery project due to cultural and job specific obstacles. Climate sustainability is addressed in the Aft, Fishery and UNITAR projects.

For the IIC projects, sustainability is dependent on adequate financing of the counterpart institutions to maintain the improved service capacities, while the multi-bilateral projects largely depends on Government uptake and continued spread effect after project termination. Although challenged by staff turnover and inadequate operational funding, sustainability prospects of the FMI and GTK projects generally appear relatively good since they are working with vital public sector institutions. The HAUS and THL projects are highly dependent on effective government uptake. Sustainability of the A2J, Rule of Law relies on implementation of legislation, government commitment to resource allocation and continued donor support during the phase-out period. The FAO, ILO and Aft projects appear likely to become sustainable pending external factors.

Generally, the WEI-II projects strengthen aid effectiveness through active collaboration with both other WEI-II projects and other donor-supported projects and programmes. While external factors have enhanced WEI-II relevance, they have had a negative effect on project performance by decreasing available funds (reduced Euro-value, taxation of aid funds in both countries, higher equipment costs in the Kyrgyz Republic, low public sector salaries and reduced Finnish funding). Increasingly restrictive NGO legislation represents a potential limitation on project performance – which has, however, not yet materialised. In reverse, project collaboration with CSOs implies certain strengthening of their position.

At this early stage the impact prospects appear promising for most WEI-II projects, except the UNITAR project and with some doubt about the PADOS and the ILO DW projects where the latter largely depends on the long-term commitment of the tripartite ILO-parties. Regarding the Aft project, an

impact at the macro-level appears warranted although it is doubtful at the micro-level unless additional initiatives are taken to strengthen the assumed project spread effect.

In the following sections, the findings are structured in accordance with the ToR evaluation criteria. For most of the criteria, it was useful to relate them to the two main WEI-II implementation channels, IIC and multi-bilateral projects, and to address the FinWaterWEI II programme, which follows a particular strategy and logic, separately. More detailed information about each project is available in project sheets elaborated by the team (Annex 4).

### 3.3. Relevance

In order to establish the overall WEI-II relevance, the evaluation attempted to identify the extent to which its objectives and achievements are consistent with:

#### 1. *Relevant policies and poverty reduction strategies of the Kyrgyz Republic and Tajikistan*

The brief answer is “yes”, regarding the **objectives** of applicable WEI-II projects. The degree of explicitness stated in the IIC project documents vary from general statements about national prioritisation of the policy area (FMI, THL) to specific legislation (GTK). Regarding the multilaterally implemented projects, the reference to national policies is normally indirect through stated consistency with national Country Programme Action Plan of the United Nations Development Assistance Framework (UNDAF-CPAP), agreed with the Governments. Regarding WEI-II projects implemented in East Europe, the PADOS Project Document refers to consistency with relevant national policies of the cooperation countries.

#### 2. *Finland’s development policy, including its human rights based approach and priority areas: (Democratic and accountable societies that promote human rights; inclusive green economy that promotes employment; sustainable management of natural resources and environmental protection and human development.)*

WEI-II project objectives are consistent with Finland’s Development Policy. The 11 projects and the FinWaterWEI II programme are designed to cover two of its priority areas (Green Economy and Democracy Support) and focus on the two least developed countries in the region. The two projects implemented in Eastern Europe also address the priority area of Democracy Support. The Human Rights Based Approach (HRBA) is reflected in the objectives of all projects. The human rights dimension is more obvious in projects that deal directly with end beneficiaries than in projects that focus on institutional capacity building. The priority areas are reflected in the activities of all projects to the extent relevant (see Section 3.5.2).

Although outside the scope of the MTE, the WEI-II programme is also found relevant in relation to Finland’s new development policy (see Box 1: 2016 Development Policy).

### Box 1: 2016 Development Policy

The 4 main goals of Finland's new development policy<sup>5</sup> are:

- (i) The rights and status of women and girls have been strengthened,
- (ii) Developing countries' own economies have generated jobs, livelihood opportunities and -being,
- (iii) Societies have become more democratic and better-functioning, and
- (iv) Food security and access to water and energy has improved, and natural resources are used sustainably.

The WEI-II programme is well in line with these goals. The new policy supports activities with direct impact on gender equality and the know-how and opportunities of women and girls, such as improving access to high-quality water supply, decent toilets, strengthening the sustainable management, use, and control of renewable natural resources and ecosystems. Finland will contribute to international and EU policy-making in climate and environmental, agricultural and corporate social responsibility issues, supporting UN sustainable development goals. Societies' capacity to be better prepared for natural disasters and survive crises will be strengthened by mainstreaming these aspects in development cooperation.

To contribute to the achievement of the above goals, Finland will fund collaboration between research and educational institutions, private sector, civil society and the public sector to generate necessary know-how in e.g. the natural resource sector and in climate change mitigation. Potential measures include expert services by Finnish public bodies or research and educational institutions to strengthen specific competences in the partner country. Here Finland also seeks to ensure practical coordination and complementarity between national and international actors.

The 2016 policy also introduced a new investment support mechanism – the Public Sector Investment Facility. It can be used to support developing countries' public sector investments in order to strengthen their capacities with the help of Finnish technology and expertise. The investment support includes a loan to the developing country in question, guaranteed by Finnvera (state owned export credit agency), and could be used e.g. in connection with the IIC modality.

### 3. *The needs of the final beneficiaries*

All project documents reflect on the results of the needs assessments that attempt to define and delimit the final beneficiaries. In general, the outcomes of the "technical institution-building" projects are supposed to indirectly benefit the whole population and in particular the poorest households, which are the most exposed to effects of unsustainable management of natural resources and/or climate change.

Green Economy projects addressing income, employment and work conditions are designed so that the segments of the population that are in need would benefit from the project interventions. E.g. the Aid for Trade and Fishery projects support, through micro level activities, beneficiary groups or

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<sup>5</sup> Finland's Development Policy: Government report to Parliament, 4 February 2016. Helsinki

cooperatives through capacity building and access to financial resources or equipment. In reverse, the ILO DW project mainly works with "intermediary" institutions - government agencies, trade unions and employers' associations – on developing policies and strategies that are to benefit the vulnerable parts of the population. Given the present conditions in local labour markets, the relevance of the ILO DW using resources for participation in an international pilot project to improve labour market statistics may be questioned.

The Democracy Support projects that address access to justice, rule of law and social protection all directly focus on the vulnerable segments of the population. The Access to Justice and Rule of Law projects reach out to large numbers of beneficiaries at district and village levels, in the Kyrgyz Republic and Tajikistan.

Regarding the ToR questions:

4. *Whose poverty and inequality is the WEI II reducing? And,*
5. *Whose sustainable development is WEI-II promoting?*

The answers coincide with the Programme's prioritisation of Finland's Development Policy crosscutting objectives in so far as enhanced gender equality is addressed by all projects, in training courses. Hence, the Programme aims at reducing gender inequality with emphasis on rural women in the Access to Justice and Rule of Law projects while the Aid for Trade and Decent Work projects attempt to reduce the poverty particularly of women by some of the project activities focusing on their needs, including AFT special attention to job-creation for women, with an average participation of women in these programmes of 25-30%.

In IIC projects, poverty and improved well-being are addressed indirectly, e.g. in GTK projects by supporting job-creation in the mining sector and providing technical support for efficient drinking water supply. Women and the poor are targeted in the local level sub-projects of FinWaterWEI II (Oxfam GB, AKDN, and UN Women).

Apart from the attention to the gender aspect, beneficiaries are mainly defined as the population at large with certain priority to the poorer segments in Green Economy projects, supporting SMEs and strengthening sustainable management of natural resources (including climate-proofing). The UNDP Access to Justice and Rule of Law projects prioritise persons with disabilities (PwD). Hence, the WEI II Programme aims in particular at reducing the poverty and inequality of women and PwDs and, generally, of the poorer parts of the population.

Regarding the sustainable development that WEI-II projects aim to promote, it is assumed that the beneficiary is society at large, but with the largest benefits for its most vulnerable segments, who would be the first to be hit by a non-sustainable development and adverse effects of climate change.

Finally, regarding the question:

6. *To what extent has WEI II complemented the EU strategies in the region including the European Neighbourhood Policy, Eastern Partnership and the EU strategy for Central Asia.*

The EU Strategy for Central Asia emphasises, in accordance with the EU Council's conclusions (22 June 2015), the priority areas: Good governance; human rights; enhanced investment to climate, which includes the transfer of innovative technology; fighting organised crime, terrorism and security threats; and the challenges related to shared natural resources, particularly water, and Central Asian exposure to climate change. Hence, the WEI-II programme as a whole is complementary to the EU Strategy for Central Asia as reflected in the objectives of the Green Economy and Democracy Support parts, most specifically for the Strengthening Regional Capacities for Peace-project, which was to cover several of the above issues.

For the **FinWaterWEI II programme**, the United Nations Economic Commission for Europe (UNECE, to which the Kyrgyz Republic and Tajikistan adhere) Water Convention and its Protocol on Water and Health and the European Union Water Initiative (EUWI) provide the key framework (and international legitimation) for the project objectives and approach. The National Policy Dialogues (NPDs) on Integrated Water Resources Management (IWRM) and Water Supply and Sanitation (WSS) are the main operational instrument of the EUWI Component for Eastern Europe, the Caucasus and Central Asia. The EU strategies seek to support a regional and multilateral approach to water management in Central Asia. The Access to Justice and Rule of Law projects complements the EU Strategy regarding Good Governance.

The IIC Green Economy projects operate mainly in a development framework characterised by projects funded by the World Bank group and some key European bilateral donors, such as Germany. However, through the Finnish partners' international networks in their respective sectors, the Kyrgyz and Tajik partners have also strengthened their links with European and global networks, such as the World Meteorological Organisation and the Global Framework for Climate Services regarding FMI projects.

The THL project relates to the EU Strategy and cooperates with the EU on its implementation within the Ministry of Social Development. The HAUS project is the most directly integrated with the EU Eastern Partnership and European Neighbourhood Policy. Hence, WEI-II appears aligned with the EU priorities on a general level in supporting several of the EU priority subjects and the above projects are aligned with the relevant EU instruments. However, in most projects no specific references to EU policies or interventions were found, as opposed to several references to, and cases of cooperation with, UN and World Bank (WB) strategies and programmes.

**In summary**, the WEI-II programme is highly relevant in relation to the Government priorities of the target countries and to the needs of the beneficiaries, although in an indirect manner for particularly the IIC, HAUS and ILO projects, as well as to the objectives of Finland's development policies. Gender equality is actively pursued in all projects, while the Democracy Support and UN-implemented Green Economy projects work for reduced inequality and poverty alleviation more directly than the Green Economy IIC projects. The latter, in reverse, are directed towards climate sustainability, which is not addressed, or very indirectly, by the Democracy Support projects.

### **3.4. Impact prospects**

The MTE looked for indications of possible impact in terms of progress towards achieving the WEI-II goals, which are:

#### Green Economy Partnership Programme

An inclusive, green economy that strengthens human well-being, promotes social equality and is based on the sustainable use of natural resources, with the sub-goals:

- Promoting decent work in the Kyrgyz Republic and Tajikistan
- Developing the SME sector, especially value chains in agriculture in the Kyrgyz Republic, Tajikistan and Uzbekistan, and in the fisheries sector in the Kyrgyz Republic
- Promoting sustainable, transparent and equitable management of water and other natural resources in the Kyrgyz Republic and Tajikistan
- Inter-institutional development cooperation in the Kyrgyz Republic and Tajikistan
- Direct support to WSS service provision through the local level sub-projects of FinWaterWEI II in the Kyrgyz Republic and Tajikistan

## Democracy Support

Democratic institutions, access to and quality of legal services and strengthen human rights and civil society, with the sub-goal: Strengthening rule of law and human rights so that they meet international standards in the Kyrgyz Republic and Tajikistan

Secondly, the MTE looked for indications of possible WEI-II impact on the **lives of final beneficiaries** (women and men) e.g. in terms of assets, prices, employment, access, authority and empowerment.

Problems faced by the MTE in identifying and attributing impact.

WEI-II consists of projects with different life spans and trajectories, which naturally lead to different degrees of achievement (see 1.4 above). A few projects continue from phase 1, while several others have not yet progressed very much – or even started. This makes use of comparable indicators of impact difficult.

Regarding the several projects where the Finnish support is aligned with (or integral part of) other interventions, it may not be possible at all to find evidence that can attribute impact specifically to the Finnish element. Instead of attribution, in such projects it may be more meaningful to look at the contribution of the Finnish funding to broader development efforts in the respective sectors.

Finally, coherent programme level analysis of WEI-II was complicated by obvious weaknesses in the programme logframe indicators (problems in attributing changes in high-level indicators to project activities, while project-level indicators mostly consist of disconnected concrete activities and specific material outcomes).

## Green Economy, IIC projects

The impact of the IIC capacity building projects on the lives of final beneficiaries is mainly indirect, i.e. it takes place through improved capacity of the relevant state institutions to monitor and sustainably manage the resources and provide both stakeholders and the public reliable and updated information about them. Such capacity improvements were achieved as indicated in the progress and training reports (e.g. people trained and contents of training) as well as new skills (e.g. appropriate laboratory practices and new analytical skills) reported by direct beneficiaries. In terms of access to information, the projects have had a direct (albeit limited) positive impact on the lives of final beneficiaries, while it is too early to assess the possible impact in terms of assets, prices, employment, authority and empowerment.

## **FinWaterWEI II programme**

The local level sub-projects of FinWaterWEI II, on the other hand, are likely to have a direct positive impact on the lives (e.g. health and time-consumption) of the final beneficiaries, particularly the women, through improved infrastructure (access to safe drinking water and sanitation facilities in particular) services and risk awareness on the community level. It is too early to assess the impact on final beneficiaries of the only regional sub-project in the implementation phase (Syr-Darya nexus) as the focus was on providing adequate data and analysis for regional water management purposes.

## Green Economy, UN-implemented projects

For *Aid for Trade*, indications were found of project impact on the macro and meso-levels through effective support to the accession to EEU and World Trade Organization (WTO) in the Kyrgyz Republic

and Tajikistan respectively and to the development of business organisations in all three participating countries. In reverse, limited impact prospects were found in relation to the micro-level, since replication of project achievements from limited groups of beneficiaries, whose lives are being improved by the project, is not likely to happen by itself, but will require additional efforts, not least from Local Government.<sup>6</sup>

For the *Decent Work* project it was found that impact prospects are limited, since the project mainly works through intermediary state agencies on issues that might impact positively on end-beneficiaries, not least regarding Occupational Safety and Health, but where such results are long-term and depend on Government uptake.

The *FAO Fisheries project* has a comprehensive approach to the development of the fisheries sector in the Kyrgyz Republic. Having laid the foundation for scientific and professional development of the industry, the project appears in a good position to decentralise the whole value chain: extension service, fish seed production, supply networks and institutionalisation of associations of fish producers, which is likely to improve the livelihood of the end-beneficiaries.

#### Democracy Support

In the only finalised project, the UNITAR implemented: *Strengthening Regional Capacities for Peace in Central Asia*, effectiveness and sustainability was assessed as low (sections 3.4 and 3.7), hence impact is not likely. For the almost finalised HAUS-implemented *PADOS* project, effectiveness was assessed as high, whereas sustainability seems uncertain, and in the absence of field studies in its target countries, so does the impact.

Regarding the THL-implemented *Strengthening the Social Sphere in the Kyrgyz Republic*, only the first round of capacity building of managerial staff has taken place and while sustainability appears promising, it was not yet possible to identify impact indications.

Results already produced by the UNDP-implemented *Access to Justice and Rule of Law* projects indicated impact in terms of strengthened legal services, particularly Legal Aid, and empowerment of the poorer parts of the population, not least women, in the Kyrgyz Republic and Tajikistan respectively. In addition, the projects strengthen participating human rights CSOs that are otherwise under some pressure. Impact prospects are reinforced by cost-estimations that underpin corresponding legislation, thereby enhancing likely sustainability through Government uptake.

**In summary** at this early stage, impact prospects appear promising for most WEI-II projects, except the UNITAR project and with some doubt about the *PADOS* and the ILO DW projects where the latter largely depends on the long-term commitment of the tripartite ILO-parties. Regarding the AfT project, an impact on the macro-level appears warranted, while it is doubtful on the micro-level (proposed financial scheme for support to selected cooperatives and entrepreneurs) unless additional initiatives are taken to strengthen the assumed project spread-effect.

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<sup>6</sup> In the previous project phase, examples indicate the spread-potential, such as the AIMS system, which reported on reaching 215 000 customers.

### **3.5. Effectiveness**

The effectiveness of WEI II is measured first as the extent to which it has, or probably will, produce results indicating that it is achieving its objectives (3.5.1). Secondly, it is examined if the accomplished or expected results are contributing to the reduction of poverty and inequality and if they have enhanced gender equality and climate sustainability (3.5.2).

#### **3.5.1. Indications of achievement of objectives**

##### **IIC capacity-building projects**

In capacity building, achievement of purpose is difficult to assess beyond the effort (training done, study visits, number of female/male participants) and possibly production (or improved quality) of some key analysis, documents and data, which the partner institutions were not able to do before. Acquisition (and competent use) of some new equipment may also be observed. The FMI projects are close to termination (2016), and the GTK projects have been operational nearly 2 years, but some others are too new for assessment of purpose achievement.

Outputs of both FMI projects scheduled for the period have been largely achieved, and capacity building has advanced largely as planned. As anticipated in the project document, procurement has been slow in both countries. The FINKMET project in the Kyrgyz Republic is slightly behind the schedule, mainly due to close linkage with a World Bank project. The WB project has been very slow in producing the investments in meteorological instruments and related ICT (large part will probably only take place at the end of 2016, when both projects are scheduled to end), for which FMI project was supposed to provide training – while the training can be done, its effectiveness will not be best possible if the actual equipment to be used in the future is not available.

Outputs planned for the 2 GTK-projects until end of 2015 have largely been achieved. There have been minor delays due to administrative changes, slow procurement procedure and slow installation work of some parts of infrastructure. Entry of the Kyrgyz Republic to the Eurasian Union caused some additional procurement costs. After some initial problems in turnover of participants for training (particularly in Tajikistan), the main objective of capacity building has advanced largely as planned. As the projects are complementary to, but not dependent on projects by other donors in the partner institutions, possible delays in the latter have not caused delays in the GTK projects.

##### **The FinWaterWEI II Programme**

- The SYKE-ICI project at Issyk-Kul/Kyrgyz Republic started relatively well based on phase 1 (national level) experience and results, and has advanced largely as planned.
- The SYKE-ICI project in Tajikistan providing capacity building for 2 laboratories started effectively only in September 2015 due to late signing of MoU by the Tajik partner. Since then, there has been relatively good progress, albeit with some planned changes in the order of project activities due to availability of experts and some changes in partner institutions' priorities.
- The UNECE Syr-Darya nexus project is relatively well advanced (albeit without participation of Uzbekistan), with key targets being achieved and communicated to partners (although there were challenges in this aspect at the beginning).
- Local level WSS projects (Oxfam GB, AKDN) started in Tajikistan in 2015 after lengthy negotiations, but are now progressing as planned (both are parts of larger programmes of the implementing agencies). In addition to an estimated 6,000 direct beneficiaries of improved water supply and sanitation (WSS) in Ayni and Rudaki districts (Oxfam GB) and some 12,000 beneficiaries of various small-scale improvements (mainly infrastructure) in the Gorno-Badakhshan region (AKDN), the local projects will provide relevant experience for project planning implementation in different

environmental and socio-economic contexts for evidence-based policy development in the WSS sector through an advanced aid-coordination network.

- The inception phase of the local level project in the Kyrgyz Republic (UN Women) has started, while the remaining six sub-projects are at varying stages of inception and therefore it is too early to evaluate them.

Regarding the **Democracy Support** projects, *Strengthening the Social Sphere in the Kyrgyz Republic* (THL, ICI-project), and *PADOS* (HAUS) ), the main objective and activity is capacity building through course based in-service training for a limited number of civil servants over a relatively short period of time. For both projects, capacity building outputs (THL: planned for the first year of implementation up to December 2015; HAUS: all activities (workshops) to be finalised by end-2015 (but no- cost-extended to May 2016) were largely achieved as planned. In both cases, there were slight delays in 2015, for the THL project due to elections in the Kyrgyz Republic.

### **Multi-bilateral WEI-II projects**

In the AfT, ILO and FAO WEI-II projects, goals and objectives reflect support to the economic development of the countries through capacity building of regulators, producers, traders and their associations, with a focus on human rights and sustainable development, including the right to decent work.

#### UNDP Aid for Trade project (AfT)

The project purpose of providing additional opportunities for decent employment and entrepreneurship with special attention to the needs of the poor and excluded needs is pursued through the implementation of 4 outputs. As the ongoing Phase III is implemented in three Central Asian countries (Kyrgyz Republic, Tajikistan and Uzbekistan), three outputs are also directly related to these countries, while the first output unites the country-related outputs into one main objective of the project, promoting regional cooperation and trade. The outputs are based on three main components: capacity development for trade policy makers; strengthening trade support institutions by capacity development and; helping agro-processing stakeholders to increase exports.

In phase III, the project is making good progress at the national levels with high-level trade policy work, including that the project team established itself as a partner to Government agencies. In Kyrgyz Republic, the country's accession to the Eurasian Economic Union demanded considerable project flexibility in response to government requests for adaptation of the large number of regulations. In Tajikistan, support to the inter-ministerial WG in adjusting national trade policy to WTO accession was considered effective and appreciated by the Government. Several donors work with national ministries on WTO membership and regional trade cooperation (including the German Agency for International Cooperation (GIZ), United States Agency for International Development (USAID), WB, and EU); however, effective coordination at project management level and by the Ministry of Economic Development makes it possible to avoid overlapping.

Good progress has been made in supporting market access. The development of business intermediary organizations, associations of producers and processors and extension service as well as support to business development promotes a positive investment climate in the Kyrgyz Republic and Tajikistan, including a culture of consultation and understanding of the value of trade facilitation. At the micro-level, selected enterprises and entrepreneurs in different value chains were supported.

Enterprises and cooperatives in the Kyrgyz Republic are supported by grants for purchasing equipment and in Tajikistan, financial support is provided by subsidized loans under the Business Challenge Fund (BCF). This scheme was initially tested in Sughd and in the third phase of the project, extended to Khatlon. The scheme includes a transparent open circuit issuing subsidized loans and annual interests ranging from 8 to 12%. In Tajikistan, average real effective interest rate in small organization as Sarvaty

Vakhsh (which is operating BCF in Khatlon) is 26-28%, including up to 20% operational cost according to AMFOT information. Operation in remote areas with low population density is higher than in urban area. The interest rate also includes an inflation rate of 5.6% (National Bank of Tajikistan information), provisions costs of 2-3% of the loan portfolio, capitalization, 5-10% for the increase of the loan portfolio; exchange rate difference of 5-25% since the loans are issued in local currency, which should be covered by the interest rate to make the fund financially stable. The distribution of subsidized loans scheme (BCF) is designed for only one round and the entire AfT-allocation for phase-III has already been used for 17 credits. Hence, the microfinance institution will use its own (more than 26%) interest rate for the next loans, when will then not be attractive for the targeted small entrepreneurs.

The first business proposals are being implemented and the first results in terms of job creation can already be seen. The project monitors the effective use of transferred equipment and the performance of supported businesses regarding establishment of new jobs, implementation of quality standards and the introduction of new replicable technology.

However, it was not yet possible to assess how the support of 15-20 selected SMEs and cooperatives may effectively contribute to sustainable poverty reduction, even within the selected communities. The effectiveness of such support schemes largely depends on good coordination with local authorities and other development partners.

At the regional level, the project revised its output in March 2015 realigning to emerging regional issues and simplifying its approach to facilitate implementation. However, to date the regional output remains delayed. Progress made in first term of 2015 in the delivery of capacity building included a series of workshops, trainings, exchange visits and support to the participation of producers in exhibitions and fairs.

#### ILO Decent Work (DW) project

The development objective is to support inclusive job-rich growth, improve employment opportunities, working conditions and social protection of women and men, by contributing to the implementation of the ILO Decent Work Country Programmes (DWCP) in the Kyrgyz Republic and Tajikistan. Its achievement is based on six Areas of Critical Importance, from the ILO strategic framework, linked to outcomes and indicators. The corresponding six immediate objectives, which identify the interventions, are: improvement of labour market information and analysis system; targeted labour market policies and programmes applied by constituents to facilitate transition to decent work for young people; strengthening the National Social Protection Floors through reforming social security system; providing support and to promote Occupational Safety and Health in the SME sector; capacities development of the constituents to promote transitioning from informal to the formal economy; and enhancing the constituents' capacities to address regulatory aspects on labour market inclusion

The implementation of the majority (60-80%) of outputs is on schedule with indicator milestones met, according to internal monitoring system data. Donor-induced change in project financing (transfer of financing to a later period and corresponding provision of non-cost extension) required significant revision of project objectives and outcomes, which made them more focused.

The project focuses on "intermediary institutions" and contributes to capacity building of the constituent parties; and policy changes in line with the strategic priorities. Synergy between the interventions appears limited and cooperation with other Finnish funded projects with similar objectives (THL, A2J), is not prioritised. Effectiveness has decreased as the result of recent changes in counterpart's governmental structures (new Deputy Minister of Labour and transfer of social protection from the MoL to the Ministry of Health in Tajikistan; merger of the ministries of Labour and Social Development in the Kyrgyz Republic).

Due to procedural and internal programme's limitations the project has not been able to provide flexible responses to new specific needs of beneficiaries, including those related to the large migration, return of migrant workers and skills development of rural women challenged by the migrations. This reduces the impact of the project in responding to the emerging needs of large numbers of ultimate beneficiaries.

#### FAO Fisheries and Aquaculture project

The project objective is increased accommodation of the right to food through sustainable aquaculture development and capacity to sustain ecosystem services of main inland water resources. This is to materialise through: i) contributing to increased aquaculture fish production; ii) building scientific and research capacity and iii) influencing policies that promote sustainable aquaculture as economic activity while ensuring that ecosystem services of main inland water resources are sustained.

The project is consequently to generate the following outputs: procurement related to decentralized fish seed production and supply networks; capacity development for improved science-based advice, specific education for local counterpart's decision making personal and network of extension service organizations and institutions.

After change of Chief Technical Advisor and significant subsequent positive changes in the interaction with partners, the project has started several promising developments: improve the Ton, Tup, Karakol and Toktogul Fish Farm/Hatchery facilities to function as brood fish centres cum hatcheries, starting fish farms, organising fishermen and fish farmers in associations (which, however, require substantial support in further organizational development and capacity building) and facilitation of legislative frameworks.

Capacity building of scientists from the Department of Fisheries (DoF) and Biology and Soil Science Institute (under National Academy of Sciences), through preparation of four PhD students has so far not had not provided visible results. Upgrading of specialists in fisheries development at the Kyrgyz National Agrarian University through curriculum development and provision of learning materials and textbooks is well coordinated with cooperation with the University of Eastern Finland. However, weak interaction between local institutions involved in the project reduces the impact. In particular, the Agrarian University and the Biology and Soil Science Institute (under National Academy of Sciences) have not reached agreement about the use of the Laboratory. Coordination between the State Agency for Environmental Protection and Forestry, Biosphere Territory Issyk-Kul, and the Agency for Hydrometeorology improves the knowledge base of the project and allowed it to link with the FinWaterWEI II project.

Progress reporting for the six outputs indicates that, out of 36 activities, three have been completed, four are on-track, 14 are on-track but behind schedule, three require corrective actions, while there is no progress reporting for 12 activities. Most of the latter relates to Output 4 (Trained counterpart personnel) and Output 6: (network of extension services reaching the rural areas).

#### Strengthening Regional Capacities for Peace in Central Asia

This UNITAR-implemented (together with United Nations Regional Centre for Preventive Diplomacy in Central Asia (UNRCCA) capacity building regional project (2014-2015) aimed at reinforced capacity of mid and high level decision makers to manage cross-border threats and consolidate regional cooperation in Central Asia. The project implementation plan was not provided to the MTE. All courses were held May- September 2015.

Evaluation field studies, including interviews with UNRCCA representatives in the Kyrgyz Republic and Tajikistan, showed that while results were produced on the output level, they were not well related to project objectives. The expected outcome: *Expertise of mid- and high-level civil servants in the management of cross-border issues are reinforced through the interaction of civil servants at regional*

*level* was not fulfilled, as the trainees had barely interacted with each other upon course completion. They had been appointed through the MFAs in the participating countries and had only to a limited extent been able to share what they had learned with work place-colleagues. Only 17 % were “high-level”. Course participants expressed at interviews that the project would have been more effective with clearly targeted selection criteria and appointment of trainees.

Trainees indicated that the trainings served more to individual and national purposes, than the stated regional peace-oriented objectives. Trainees mostly had a positive assessment of trainers, facilitators, course materials and the regional dynamics between participants. Some held the opinion that topics should have been selected more in line with the overall purpose and that a course on Public Private Partnership would be hard to apply in the context.

There was no feedback (as expected by trainees and articulated during trainings) to trainee’s regional project proposals, which were jointly developed at the courses.<sup>7</sup> The *Community of Practice* (CoP) website, that was an expensive part of the project for follow-up communication was not duly presented. An MTE visit to the website showed that it was almost empty and had not been used. Trainees met had participated in only one course each. Sequencing of courses might have enhanced project effectiveness in line with common capacity building experience. Opposed to project reporting, in the sixth extra training session (September 2015) intended to mobilise participants from Uzbekistan that had not been represented; nevertheless only a UN staff located in Uzbekistan participated. The Project Completion report does not inform about the challenges and /or interventions taken to mobilize expected trainees. The implementers could not inform the Evaluation about trainers, training materials, needs assessment report or use of funds. Subsequent talks with regional level UNITAR and UNRCCA management did not shed more light on these issues. It is implied by MTE that UNITAR Quality Assurance Framework (QAF) developed in accordance with 2010-2012 Strategic Plan must have been followed while elaborating course materials.

Project effectiveness is, consequently, assessed to be low. More systematic selection of participants, same persons’ participation in courses, follow-up and use of CoP might have helped. In mid-May , 2016 the MTE was informed by the EA that ” Level III evaluation is being designed to assess not only the extent to which the knowledge and skills transferred during the training sessions have been applied on the job, but also the progression toward the achievement of the long-term outcome (outcome 2).”

#### A2J and Rule of Law

The UNDP-implemented A2J (Kyrgyz Republic) and Rule of Law (Tajikistan) projects have similar goals in improving the legal context by providing access to state funded free legal aid services to vulnerable layers of the population, including rural women and people with disabilities. Both projects cover three key areas: improving *enabling environment (legal, normative and policy frameworks)*, ensuring *supply of existing or newly established legal aid services for vulnerable population* and enhancing *demand* for the above services among the target groups.

For both projects, the establishment of legal centres is now in line with the plan after initial delays. They run comprehensive outreach components including out-door information, awareness campaigns,

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<sup>7</sup> Information about a follow-up project elaborated on the basis of the participants’ joint proposals was not presented to the MTE or mentioned by course participants during the field studies, and was not annexed to the UNITAR comments as stated in the UNITAR Memo of May 12, 2016

print and electronic and online media reflecting key project themes and interventions. The majority of projects' interventions contain significant capacity building. The projects conducted baseline needs assessment for all key outputs. Their niche in the justice sector is in institutionalised state-guaranteed free legal aid (SGLA), inclusion of civil cases into the Law on SGLA; implementation planning and implementation- cost estimation developed simultaneously with the Law where both projects have achieved their objectives. The innovative approach of cost estimation was applied as capacity building for the Government.

There is a growing awareness among lawmakers about the complexity of the ongoing legal reform process and necessity of holistic approach to it.

#### A2J key outputs achieved or being achieved within planned timeframes

Involvement in legal/policy framework improvement to comply with international standards is manifested in revision of 8 laws and policy documents Legal aid (LA) provision, ratification of "Convention on the Rights of PwD" (CRPD), domestic violence, legal culture of the population) jointly with state and CSO stakeholders.

Formal and informal legal aid centres (LAC) (9 centres in 2 pilot provinces and Bishkek city) established jointly with the Ministry of Justice (MoJ) and with CSO participation. E.g. the NGO *LBD consulting* was sub-contracted by the Project to provide professional legal services and assist in capacity building of LAC staff in the pilot provinces, Chui and Osh, and in Bishkek city, LACs served 1.747 beneficiaries, out of which 55% were women and 7% PwD, in 5 months of 2015 after opening in August.

The National Legal Centre for state guaranteed legal aid (SGLA) is to be established under the MoJ in 2016. Earlier free legal aid was put on top of existing responsibilities of lawyers, not covered in their salaries thus being a burden for them. With the new structure, paid SGLA staff with ToR provides free legal aid. Monitoring of LAC is to be conducted jointly with the Ministry of Justice. Together with the Advocatura (Bar Association) the MoJ is developing LA quality standards, earlier non-existent. A Work Group established under the Ministry of Labour and Social Development (MoLSD), to elaborate minimum quality standards for social protection services, simultaneously develops an implementation plan with cost estimation.

Field studies showed that LACs under village municipalities (Ayil Aymak (village commune) AA) provide initial legal aid mainly of general character requiring no particular professional knowledge, different from the LACs under the MoJ; This initial aid is crucial as, without a lawyer's appeal, nobody might consider restoring lost documents, which is one of the most challenging issues in rural areas. A considerable part of the population is without essential life certificates and proof of land/property ownership) without which a citizen cannot access social protection systems. The State Registration Service (SRS) has piloted *one stop shop* centres (OSS) where the population can access, in the same premises, up to 10 different services to obtain new or restore missing basic documents (ID/ passport, birth, marriage, certificates, among others). The OSS contributes to transparency of services and supposedly decreases the level of corruption. The SRS, jointly with the MoJ, organises mobile group services in remote rural areas to assist in documentary services, in particular, to vulnerable groups. The Population and Civil Status Acts Registration Department (ZAGS) under the State Registration Service (SRS) rolled the automated registration system out to village level through establishing automated registration systems in 10 pilot village municipalities.

The domestic violence (DV) component produced significant results through partnership with MoLSD and UN Women. However, field studies showed that although project beneficiaries are mainly women, the DV issue is rarely explicitly articulated in legal cases, while DV constitutes a root cause of numerous divorce cases. The CSO sub-components: Partnerships with CSOs ("Equal opportunities" and

“Legal Aid for PwD”) has produced tangible results mainly focused on the rights and empowerment of PwD, e.g. modelling accessible legal institutions (See Annex 6 for details).

### RoL

The project is involved in legal/policy framework improvement to comply with international standards including revision of nine laws and national policy documents (related to A2J, LA provision, CRPD ratification, community based rehabilitation, domestic violence, Convention against Torture (CAT), jointly with state and CSO stakeholders. However, field studies made it clear that Tajikistan’s CRPD ratification still represents a challenge related to the Government’s cost concern in the light of the country’s current economic situation.

The SGLA concept was officially endorsed mid-2015 and the State Agency for Legal Aid centres (SALAC) has been established. It institutionalises state guaranteed legal aid as part of MoJ and included in the national budget. Government ownership is confirmed by the endorsement of the National Vision Concept on SGLA signed by the President of the country. Currently 14 LACs are run by a CSO (Bureau for Human Rights, BHR) four by the Ombudsman office and seven by Helvetas (INGO funded by Swiss Agency for Development Cooperation (SDC); state-run LACs will start in 2016. In 2015, BHR provided legal aid to 3,837 persons, including 2,561 women, 405 PwD and 56 minor children. International consultants conducted a cost analysis for the Concept Vision-implementation and three scenarios were proposed for the state working group consideration. Currently operating LACs (under BHR, Ombudsman and Helvetas) are fully donor funded. SALAC will open new centres, which will be fully under the government funding from 2023. Until then, SDC will support LACs.

A Case Management System (CMS) is utilized in all types of LAC. It allows for quantitative and qualitative management of legal aid provided by the centres.

Policy dialogue between state and non-state sectors in the RoL area provides a platform to advocate and lobby issues, which could prevent the project from successful implementation: The dialogue is run by SDC on the national level, the provinces being covered by the Rule of Law project.

The domestic violence component produced significant results through partnership with UN Women, Ministry of the Interior, the State Committee on Women and Family Affairs (CWFA) and CSOs: Draft instructions were developed for CWFA work with victims of domestic violence and for the police in dealing with domestic violence (See Annex 6 for details).

Access is obtained to closed institutions (penitentiary system and psychiatric clinics) through partnership with the Ombudsman office. Prisons are planned re-constructed with individual cells, further to inspiration from a project study tour to Finland. Planned interventions include support to the implementation of the State Programme on Human Rights Education for 2013-2020 with related monitoring and visiting closed institutions by the Commissioner for Human Rights in Tajikistan.

However, the value of engaging both A2J and RoL into a large number of legal/normative acts developments seems ambiguous. There is an apparent need for a selective approach and prioritisation of donor support prior to engaging into law making/amending process. Moreover, the multiplicity of activities (e.g. A2J Output 2 has 14 activities related to different co-implementers and RoL Output 2 has 18) make it hard to identify what is the key innovation introduced and which are side outputs. Links and interdependence of activities is hard to trace. Field studies showed in both projects that well-trained professional lawyers in LACs, currently funded by the Project, will be reluctant to work for state LAC as the remuneration is considerably lower.

**In summary**, for the IIC projects, capacity building (the main objective) has advanced largely as planned, while procurement of equipment and materials has faced (and caused) some delays. In some issue-areas training is not possible before equipment and material is available, thus these are linked. Change of staff also tends to cause delays, even if this has been identified as a potential risk. Signing of

MoUs has been delayed in some cases, impeding start of procurement. When all projects, are fully operational, effectiveness is expected to improve considerably.

Thus extension to 2018 makes sense for most projects, and would probably be useful also for the FMI project in the Kyrgyz Republic in the light of the delays in WB investments to which training is linked. Based on available information, the quality of capacity building and equipment procured (based on joint needs assessments) has been good in terms of responding to needs of trainees and implemented to their satisfaction. While interpretation has been needed in most trainings, common professional basis, use of competent interpreters and investment in English courses for the counterpart staff have helped to make capacity building by the Finnish partner institutions relatively effective.

For six sub-projects under FinWaterWEI II, mostly regional or cross-boundary projects, planning has been delayed due to conflicting interests between participating countries, which may also cause problems in the subsequent implementation phase. Four sub-projects have only started recently and thus assessing achievement of purpose on their part is too early. Two sub-projects based on phase 1, which started already in 2014 are likely to achieve purpose largely as planned.

For the UN-implemented projects, external factors have presented challenges to the effective implementation of all activities. This notwithstanding, the activities of most projects are carried out with a probability for achieving planned outcomes, with the main exception of the UNITAR project.

### 3.5.2. Contribution to Crosscutting Objectives (CCO)

The table below summarizes the coverage of the CCOs by all the programmes/projects from the WEI II.

**Table 4: Coverage of the Crosscutting Objectives**

†Colours: Green is Directly Targeted, Yellow is Indirectly Targeted, Red is Not Targeted

†	Reduction of inequality	Gender equality	Climate sustainability
<b>FMI</b> <b>FINKMET</b> <b>FINTAJ</b>	Indirect goal, dangerous weather phenomena hit the poorest most.	Both genders encouraged to participate. Good Gender balance.	The core objective of the project
<b>GTK</b> <b>Kyrgyz Republic,</b> <b>Tajikistan</b>	Indirectly by improving access to information and adaptation to environmental hazards.	Both genders encouraged to participate. Gender balance has been moderate.	Focuses on better follow-up and adaptation to climate change.
<b>SYKE</b> <b>FinWaterWEI II</b>	RA 4, <i>Rights holders' capacity</i> (WHO, Oxfam, UN Women). Indirectly by RA 1, Integrated water resource management.	Women are a specific target group in the FinWaterWEI II sub-projects of Oxfam, AKDN, and UN Women.	Direct objective of the RA 3, (UNECE, AKDN).
<b>THL</b>	Increasing capacities of civil servants to improve the implementation of the SSP	Strengthen maternity protection and in general addressing women's role in the society.	Not targeted.
<b>PADOS</b>	Effective, transparent government, supposed to benefit the vulnerable parts of the population.	Equal gender representation in workshops and integrating gender equality to systemic reform agenda	PADOS endeavours to introduce green office concept to save energy in target countries.

<b>ILO</b>	Contributes to the reduction of inequality by improving employment opportunities.	The project is to improve the policy framework for labour market inclusion of women.	Not directly targeted.
<b>FAO</b>	Reduces rural poverty and improves food security by improving livelihoods in remote rural areas.	Emphasis of involving women in project activities and encourages women to take up aquaculture as income generating activity.	Component for management and conservation of ecosystem at the Issyk-Kul Lake and Toktogul Reservoir.
<b>UNDP AfT</b>	Creates employment and increases income of beneficiaries particularly in rural areas	At least 30% female participation across all activities achieved in the Kyrgyz Republic and Tajikistan, but not yet in Uzbekistan. There are activities for women in the private sector in all three countries.	Business ideas need to comply with minimum environmental sustainability criteria. Micro-finance in Tajikistan targets green ideas.
<b>UNDP RoL</b>	Legal empowerment of vulnerable people. Improving Government capacity to provide access to justice, including for PwD. CSOs involved in implementation and policy dialogue	Focus on women from low income families, in rural areas, with disabilities and victims of domestic violence. The majority of beneficiaries are women.	Not targeted.
<b>UNDP A2J</b>	Legal empowerment of vulnerable people. Improving Government capacity to provide access to justice for them, including PwDs.  LACs provide aid to migrant families left behind	Support to drafting the Law "On social and legal protection from domestic violence" and National Action Plan on gender equality for 2015-2017, including financial assessment of the plan 16% of budget is for gender activities.	Not targeted.
<b>UNITAR</b>	Reduced inequality was addressed through applying HRBA and by training sessions on Good governance and Human Security.	Goal of min. 30% female trainees fulfilled. No information about foreseen gender mainstreaming of training materials.	Climate sustainability was addressed in courses on Natural resource management and Sustainable development.

### IIC projects

Climate sustainability is a key element of most IIC projects; it is the core objective of FMI projects, and included in result area 1 of GTK projects. Gender equality was enhanced through promoting equal possibilities for both women and men in the IIC projects. The share of female participants is high in FMI projects, whereas there is slightly less progress in GTK projects (Tajikistan in particular). Gender balance in capacity building is sometimes limited by sparsity of suitable female staff, notably in geophysics.

Poverty alleviation and inequality are considered on the broader level of indirect impacts, which (at least in theory) are favourable to the poor in particular through improved access to water and other natural resources, such as land, reduced vulnerability to natural disasters, and job creation e.g. in the mining sector. HRBA is most evident in terms of public access to information, which most IIC projects try to increase, and improved administrative procedures. While the level of addressing inequality and explicit concern for HRBA in the project documents (PD) is variable, relevant aspects can usually be identified (see Table 3).

The THL and HAUS projects both address gender equality at the levels of capacity building (gender composition of trainees/ students) and objectives. The THL project directly aims at reduced inequality in the Kyrgyz society by addressing the needs of new vulnerable groups in the society in transition: persons with disabilities and families of migrants. In the HAUS project, this objective is accommodated through strengthening of effective and transparent democratic government, supposed to benefit particularly the vulnerable parts of the population. It has attempted to address climate sustainability through introducing the “green office”-concept and related energy saving in target countries.

### **The FinWaterWEI II Programme**

The programme targets directly or indirectly all three CCOs. Climate sustainability is the key objective of RA 3 and relevant sub-projects of the FinWaterWEI II programme (notably the AKDN implemented sub-project), and integrated in other RAs. Reduction of inequality and promotion of gender equality at different levels of water use (including both water resources management and WSS) are pursued through programme focus on equitable and integrated water management: e.g. water-related health issues are closely linked to the reduction of inequality, poverty and marginalisation, and have a strong gender dimension.

Participation of women and marginalized groups at different levels is facilitated and encouraged, in particular under RA 4, where women are a specific target group in the local sub-projects (Oxfam GB, UN Women, which have specific guidelines for addressing gender issues). In Tajikistan the programme has participated actively in creating a Gender and Water Working Group under Oxfam’s Tajikistan Water Supply and Sanitation Project TajWSS Network. Gender-specific indicators are included under all RAs. HBRA is also pursued in all RAs, focusing on both the duty bearers (public authorities and other service providers) and rights holders (local communities and other service users).

### **Multi-bilateral WEI-II projects**

#### AfT, ILO and FAO

The projects promote economic growth by trade globalization (AfT), improving management of Fisheries Associations (FAO) and improving employment opportunities and job-rich growth (ILO), thus creating conditions for increasing family incomes and promoting empowerment which contributes to the reduction of inequality. Moreover, all projects use human rights-based approaches, gender sensitive and environment friendly solutions, supposed to contribute to climate sustainability.

Gender equality has been pursued through equal access to basic rights and services, increasing opportunities for participation of women in the labour market and providing equal opportunities for both genders. ILO DW aims to improve the policy framework for labour market inclusion of women as well as facilitate the development of a new national occupational safety and health (OSH) profile in the area of safe motherhood in Tajikistan. AfT plans to achieve critical thresholds of women’s participation in all activities: capacity development and extension service, business development and financial support. The AIMS platform in 2015 had 85 249 more users than the previous year with an average female participation of 50.35%. For 2016, the objective is at least 30% female participation across all activities.

The FAO project focuses on developing gender sensitive technologies and participatory resource-constraint assessment. While fish farming and fishing is often viewed as male activities, the project attempts to encourage women to take up aquaculture as income generating activity. In 2010, the GCP/KYR/003/FIN project assisted in the development of two women's farmer groups in the Issyk-Kul province and the current project continues to work with these groups

#### Climate sustainability

The FAO project has a component for management and conservation of ecosystem at the Issyk-Kul Lake and Toktogul Reservoir, while the AfT project has potential negative environmental consequences due to increased pressure on land, water resources and ecosystems of the Central Asian countries. However, risks are taken into account and the project promotes environment friendly technologies. Activities include trainings on energy efficient greenhouses and organic fertilizers in Uzbekistan. In Kyrgyz Republic, sustainable development of natural resources was highlighted with conferences at rice and walnut festivals. Moreover, in Tajikistan the BCF developed micro-financing target innovative green business solutions. Climate sustainability has not been mentioned in the ILO project directly, however, the general ILO DW concept has special attention to the issue.

#### UNITAR project

This project addressed reduced inequality through training courses on *Good Governance* and *Human Security* and climate sustainability by a course on *Natural Resource Management and Sustainable Development*. The gender composition of trainees, trainers and facilitators was almost 50/50.

#### A2J and Rule of Law

These projects do not relate to climate sustainability. They are HRBA aligned and support reduced inequality in being designed to involve state bodies, justice sector actors and rights holders (the general population with special focus on rural women, children and youth at risk, PwDs, CSOs and communities). E.g. the policy dialogue between the state and non-state stakeholders as an including measure.

A2J plays a significant role in creating an enabling environment for gender equality in the Kyrgyz Republic through participation in the development of the Law on Social and Legal Protection from DV, National Action Plan on Gender Equality for 2015-2017. In the Rule of Law project, gender equality measures include legal aid to rural women, women with disabilities and victims of domestic violence, involvement in drafting the CEDAW National Action Plan, assistance in reporting to CEDAW and inter-ministerial instructions to prevent and combat DV. Young girls are covered by the DV awareness raising *HeforShe* campaign on violence against women.

Youth and children at risk are mentioned as target groups to access free legal aid. However, they were excluded as the target audience turned out to be too broad for the capacity of the pilot LACs. Migrants' families and ethnic minorities are not mentioned. In the Kyrgyz Republic, another UNDP-project deals with ethnic minorities, and within the UN family, the IOM deals with migrant issues. However, LACs provide aid to migrant families, such as regarding residence of migrants spouses left behind, divorce and alimony.

**In summary**, CCOs are overall well considered in the IIC projects and the FinWaterWEI II programme, when relevant. In some sectors (e.g. geophysics) and countries (Tajikistan) there are few women with adequate professional competence, thus promotion of gender equality is more difficult. At this point it is difficult to assess to what extent gender balance in numbers (e.g. course and study tour participants) is translated into equal opportunity in practice. The same applies to equal opportunities for the poor (e.g. in access to information, safe water, among others) and subsequent ability to improve their living conditions. But the overall contribution of the IIC projects and the FinWaterWEI II programme can be assessed as substantial and positive.

All multi-bilateral projects emphasise gender equality, while related results appear limited in the Fishery project due to cultural and job specific obstacles. Reduction of inequality is addressed through economic development and job creation for the poor (the Aft and to a certain extent the ILO-DW projects) and empowerment of women and PwD (A2J, Rule of Law). Climate sustainability is addressed in the Aft, Fishery and (indirectly) UNITAR projects.

### **3.6. Efficiency**

The Section aims to establish how the WEI-II project activities transformed available resources into intended outputs or results, in terms of quantity, quality and time and the extent to which WEI-II costs are justified by the achievements.

#### **IIC capacity-building projects**

The larger part of the budgets of the WEI-II IIC projects are consumed by expert fees and other costs related to capacity building by Finnish experts. However, it is difficult to assess the efficiency of capacity building (the main focus of these projects) since outcome (increase in capacity) is not yet known/measurable (except in a few projects that continue from phase 1, such as the GTK projects). While numbers of trainees, trainers and training days can be provided (in most cases), they provide no actual indication of gains in capacity.

Overall, interviews with the participants gave a positive assessment of the quality and relevance of different capacity building activities provided by the Finnish IIC partners, and were able to indicate various concrete issues where the activities had given them new skills or improved their capacity to perform professional tasks more efficiently and/or with better quality results (e.g. new methods of air quality monitoring, use of modern ICT data management programmes, digitalisation of paper-based geological data, among others). Capacity building investments thus appear to have been relatively efficient.

The partner institutions perceive access to new equipment as an important part of capacity building. While the procurement of new equipment is limited to 10% of the total budget in IIC projects, the partner institutions valued highly the new equipment provided, and often expressed desire to be able to use more funds for that purpose (e.g. FINTAJ for additional three mobile air quality monitoring units). On the other hand, the partners were well aware of the challenges of maintaining new equipment, and emphasised the need to secure provision of consumables and spare parts from local or regional (i.e. Russian) sources.

#### **Timeliness of implementation, related to time-plan and budget**

There have been some delays in starting for many projects, but generally, implementation is relatively efficient when started. Hence, the use of the budget varies from almost full compliance with the time-schedule in short capacity building projects like the PADOS project and the FINTAJ project, to lagging seriously behind. For example, the **THL** project had used approximately 30% of the budget by end-2015. In the category of fixed assets, the figure was 29%, and in the category of Finnish Government expert fees, 33%. These figures are well below those planned; the realized costs being approximately 69% of those budgeted for the period. The FINKMET project's rate of implementation by the end of 2015 was only 62%, albeit for different reasons (delays in procurement). Projects that continue from the previous phase, such as both GTK projects, have in most cases been able to implement activities more timely than new projects.

Delaying factors in different projects include problems with procurement, taxation of aid funds at target institutions/CSOs and customs (after Kyrgyz EEU accession). While delays in implementation may increase the share used for management purposes in the multi-bi projects, in IIC projects the share of management costs is pre-defined. Hence, it does not reduce cost-effectiveness.

## Cost-structure, fee-level, overheads

There is some variation in average daily rates for Finnish government expert fees. An intervening factor is the overall labour cost rate (OKA<sup>8</sup>) charged by the institutions for Finnish experts. For GTK the rates for 2014 were 1.71 for indirect employee cost rate, and 1.81 for overhead cost rate, resulting in a 3.06 overall labour cost rate (OKA). When calculated on the same basis for FMI, the OKA rate is 2.77, and for the THL project it is 2.72. In the Green Economy IIC projects, Finnish expert fees are 51-54% of the budget in GTK projects and 35% in FMI projects. Comparison between GTK and FMI managed projects shows that GTK expert salary costs per unit are 15-20% higher and make up considerably larger part of the overall budget (some 16-19%). However, the amount of international TA varies between projects, and the figures are thus not strictly comparable.

In the IIC projects, the costs accrued by, or directly benefiting the partner country agency, such as allowances, travel costs, management fee, procured goods or equipment that will become the property of the partner country agency, and the share of the contingency that is reserved for the partner agency, must amount to the minimum of 25 % of the total project costs. Under WEI-II, such costs amount to 33-35 % in FMI projects, and 28-30% in the GTK projects, and 28% in the THL project, while there is no such allocation in the HAUS project. In the **HAUS** project, out of the 498.600 euros budget, fee and administrative costs amount to 317.600, including HAUS management and administrative cost of 179.600 against 138.000 for expert fees (the rest is reimbursable costs, of which 178.590 was used for a no-cost extension granted until the end of May 2016).

In line with the normal understanding of the overhead-concept, for HAUS it may be defined as the percentage of management and administrative costs of the budget, resulting in an overhead of 36%. For comparison with the IIC projects (the HAUS project is not under the ICI modality), their OKA-rate overhead of ca. 80% should be related to the Finnish expert fee budget share of ca. 52%, leaving an overhead of 40%, a level similar to HAUS.

The applied HAUS daily fee rate for Finnish experts is 600 euros, a similar level as applied by FMI and THL (and similar to the short term international TA rate of IOs, such as UNDP) while the GTK rate is more ca. 700 euros (based on budgeted amounts and expert days). Considering the relatively smooth and efficient implementation of the IIC capacity building projects, the efficiency of using Finnish experts appears to be decent when compared with other international actors.

## Quality assurance

In the IIC projects is provided through a joint Project Board (and in the case of the GTK projects, also a Steering Committee) review of plans and reports, which in the case of ICI projects are also checked and approved by an external ICI consultant before they are submitted to MFA. Similar to other projects, in the HAUS project PD, the experience of HAUS and Estonian implementation partners and its representation in the composition of the project's Steering Committee is emphasised as guaranteeing

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<sup>8</sup> According to the MFA guidelines, OKA coefficient is the actual salary payment (working hour pay) to the employee multiplied by a standard rate for 'indirect employee cost rate', which is then multiplied by 'overhead cost rate'. The former includes holiday pay, social security contributions, among others, and the second includes things like administration and premises. OKA-coefficients, based on actual cost calculations, are revised annually by the institution.

quality assurance. In addition the project was prepared by relatively extensive analysis. However, available reporting does not indicate specific QA in relation to needs of trainees.

## **The FinWaterWEI II Programme**

### **Timeliness of implementation, related to time-plan and budget**

The programme includes 12 sub-projects, of which 5 sub-projects in the implementation phase were examined by the MTE. Of the two ICI sub-projects implemented by SYKE with local counterpart institutions, the one in the Kyrgyz Republic is more advanced due to efficient start based on previous cooperation, while the start was delayed in Tajikistan. Otherwise implementation of both projects is now progressing relatively efficiently. More detailed assessment of efficiency is subject to same reservations as the other IIC projects (see above). Unlike the other regional/cross-border sub-projects, which are still in the planning phase, the Syr-Darya Nexus project started in 2014 and is expected completed by end- 2016 as planned, and has already produced the key outputs.

Negotiations progressed rather slowly in the three district/community level sub-projects, of which the AKDN and Oxfam-GB implemented projects in Tajikistan are now in full implementation and progressing well (the UN Women implemented project in Kyrgyz Republic was delayed until early 2016).

### **Cost-structure, fee-level, overheads**

The main cost in the IIC sub-projects consists of Finnish government expert fees and related expenses, for which the OKA covered by SYKE is 2.81. In the Kyrgyz Republic, sub-project allocation to the partner agency amounts to 29 % and fees for Finnish government experts amount to 43% of the total budget, while in the Tajikistan sub-project the partner agency gets 38 % and Finnish government expert fees were 45% of the budget. The fee levels of SYKE are close to that of FMI, while the share of international TA component is approximately midway between those of GTK and FMI. In the Tajikistan sub-project, the share going to the partner organisation is particularly high. Considering the relatively smooth and efficient implementation of the two projects, the efficiency of using Finnish experts appears to be well in line with comparable actors.

In the AKDN project, TA costs and administration fee amount to 30% of the total budget of the 1<sup>st</sup> year. In the Oxfam GB implemented project, TA and administrative costs amounted to 63% of the budget for the planning phase (first 10 months), but are expected to be approximately 35% over the whole project period. Finnish contribution covers 90% of the overall project budget (and administrative costs), while the Finnish share of the TA costs is 67%. Thus the share of TA and administration is approximately 28% of the total Finnish contribution. The relatively low TA and administrative costs in proportion to fixed assets reflect the focus on infrastructure development. Considering the type of project, efficiency appears relatively good if the outputs are produced as planned (too early to assess).

Quality assurance on programme-level is provided by the Steering Committee. In addition, the PD mentions consultative Advisory Groups in Kyrgyz Republic and Tajikistan for information sharing and monitoring. In practice representatives of FinWaterWEI II team have participated in NPD steering group meetings held during programme implementation and have used these platforms for coordination and information sharing. Quality assurance in the ICI sub-projects is provided through a joint project board (PB) review of plans and reports, which are also checked and approved by an external ICI consultant before submission to the MFA. The Syr-Darya Nexus sub-project is implemented by UNECE, which is also responsible for quality assurance together with the expert partners (the Royal Institute of Technology in Stockholm, FAO and Global Water Partnership). In the local sub-projects implemented by AKDN and Oxfam GB in Tajikistan, quality assurance is based on the implementing institutions' own systems.

## Multi-bilateral projects

### Timeliness of implementation, related to time-plan and budget

In the **AfT** project, the objectives for phase III are ambitious and complex, which led to a review of the matrix of the project in June 2014. Therefore, some activities are postponed or delayed on country level and some regional activities were re-designed or cancelled. The delivery rate is decent across the countries, with the notable exception of the regional output. In Tajikistan and Uzbekistan nearly 90%, slightly lower in Kyrgyz Republic, related to under-performance of a national trade coordinator whose contract was not extended.

Regarding the **FAO** project, according to the original timeframe outlined in the project document, three activities (20 percent of the budget) were scheduled to start in the first year of the project, further three (20 percent) in the 1<sup>st</sup> quarter of 2015) and the remaining nine activities (60 percent) in the 2<sup>nd</sup> quarter of 2015. As the implementation of the majority of these activities were scheduled for the first half of 2015, it is reasonable to conclude that while delayed, the majority of the activities in Outputs 4 and 6 are generally delayed by only six months or less.

For the **ILO DW** project, the majority (60-80%) of outputs were reported of expected quality and delivered in line with budget and implementation plan. Due to changes in the donor financing scheme and redeployment of funds, the coordinator position will not be filled in Tajikistan. The ILO is not registered in either country, due to a reasons related to the complexity of following tax and justice regulations. In Tajikistan, the ILO therefore operates under the UNDP umbrella, while the project office is located in another building. In the FAO fishery and ILO DW projects, no-cost extensions are likely to enable the projects, by use of rational planning and prioritisation, not to prevent the achievement of planned results.

Within the **UNITAR** project, five courses were conducted, in May-September 2015, covering four countries. Lack of participation from Uzbekistan led to an extra course to include Uzbek participants in September 2015 using budget savings agreed with the donor.<sup>9</sup> The PD defined the task-division between the lead agency, UNITAR, and UNRCCA. Financial reporting was not made available to the MTE.

The **A2J and RoL** projects produced expected outputs within approved time and budget. No-cost extensions of both projects through mid-2018 did not have negative implications on implementation. A2J has a very transparent financial reporting system (UNDP in the Kyrgyz Republic was nominated number one UN agency in 2015 for transparency and accountability to donors and stakeholders).

### Cost-structure, fee-level, overheads

In the **AfT-project**, two fulltime staffs, CTA and Project Coordinator, manage the project from the Regional Office in Istanbul, which entails considerable salary support costs.<sup>10</sup> To optimise project

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<sup>9</sup> The project implementation plan was not provided to the MTE, which could, therefore, not assess the timeliness of the interventions.

<sup>10</sup> The project finds that the regional team adds value to the project by coordinating activities and ensuring cross-fertilisation between the teams, linking work done within the region, ensuring project integration in regional activities by other donors and representing the project as a regional player.

economy and reallocate duties further due to re-shuffling of funds to 2018, the CTA and Project Associate positions were reduced by end of January 2016. 600 000 Euros will be re-invested in 2018 through submission of new activities to the Board.

In the **FAO project**, from total project budget of USD 1.940.000 (excl. USD 305.000 Government in-kind contribution), USD 501,000 was spent on consultants' salaries and national project personnel, while USD 361,500 was spent for international procurements (research, mini hatchery& mini feed mill).

In the ILO DW project with USD 5.400.000 budget, salaries amount to USD 1.712. 000, including sundries among others, a total of USD 2.140.000 in support costs, against activity costs of: USD 1. 978. 000. It appears that the location in Moscow increases project salary and other related costs, (even if the project emphasises economies from sharing facilities with other ILO projects in the regional office and that salary-post adjustment related savings from relocation to target countries would be partly balanced by hardship allowances). The office is located in Moscow due to lack of security and tax agreements between the ILO and the target countries, and for convenient coordination with specialists and two other ILO projects. However, the MTE team was informed that this issue should be settled by mid-2016 in Tajikistan and later also in the Kyrgyz Republic<sup>11</sup>. In 2015, the MFA and the ILO agreed a 10 months no-cost extension into 2018.

The **UNITAR**-project budget of 588,500 USD contained trainee-associated costs, 307.000 (52%), trainer-associated costs, 60.000 (10%, trainers' daily fee 500), course content development, 75.000; *Community of Practice (CoP)*-website content development and maintenance, 60.000 (11%); overhead, 38.500 (7%). Applied international expert fee rate was USD 500 (ca. 400 euros by mid-2014). Actual project cost-effectiveness cannot be assessed in the absence of financial reporting<sup>12</sup>. However, budgeted course content development, and in particular the CoP-maintenance costs appear high. However, budgeted course content development, and in particular the CoP-maintenance costs appear high.

Out of the **A2J**-project's 2014-2015 expenditures: 1.124.802 USD, staff, admin and general management costs was: 223.889 (20%, the UNDP overhead being 8%). Out of total **Rule of Law**-project 2014-2015 expenditures: 1.155.313 USD, 296.709 (25,6%, and overhead 8%) were spent for same purposes. Applied international expert fee rate was USD 650 (ca. 600 euros by 15 04 2014). Judged by the level of support costs and overheads, these UNDP implemented projects appear highly cost-effective in the WEI-II context.

### Quality assurance

In the **AfT** project, quality is assured internally by the International Team Leader and Programme Monitoring Officer and seems well covered at country and regional level, based on a well-designed

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<sup>11</sup> The project expressed that costs would not differ considerably if ILO DW office was located in Kyrgyz Republic or in Tajikistan, since the project is renting low-cost office space in ILO MOW Office, and since salary post adjustment are not much lower in Kyrgyz Republic and Tajikistan than in MOW.

<sup>12</sup> The MTE was informed by UNITAR mid-May, 2016 about the extended due date of July 3, 2016 for the final financial report, agreed with the donor. Earlier, it was informed about technical issues related to the UNDP financial management system, through which the funds were processed, as the reason for delay.

project monitoring system. In order to strengthen internal monitoring, each project office recruited an M&E officer. In addition, the project working group/steering boards, which include all major country counterparts, monitor project progress.

Quality is assured internally in the **FAO** project by the FAO Representative in the Kyrgyz Republic and appears well covered. Also regular meetings of all key partners allow to ensure transparency and accountability of the project, as well as to monitor the quality of the project activities.

In the **ILO DW** project, two National Project Advisory Groups (NPAGs) were established with the main function to advise on the strategy of project implementation. The monitoring system is, in cooperation with the Moscow M&E Office, regularly assess project achievements and, if necessary, adaptation of work plans and priority interventions.

The **UNITAR-project** courses were to be based on needs assessment prior to proposal submission and on customized training materials that reflect regional specificities. However, interviews with the EA representatives indicated that no needs assessment had been made, since they saw themselves sufficiently informed about the regional context. The quality of training materials could not be traced, since they were not made available, including at the COP-website.

In the **A2J and Rule of Law** capacity is an issue at all levels, including the MoJ, ZAGS, notary offices, communities and CSOs. Therefore, capacity building is an integral component related to all key outputs. The capacity development packages address capacity gaps at the policy level (Policy Dialogue and CSO engagement in legal reforms) and at the institutional level (functional reviews and training manuals). Both projects provide capacity development to state institutions and CSOs. While capacity building opportunities for state institutions are mainly focused on institutional development, CSOs are offered opportunities to enhance their knowledge and expertise in the rule of law area. A lesson learnt during the implementation is that for greater impact, capacity building of stakeholders must cover both supply (state actors) and demand (CSOs, target groups, among others) sides.

The Evaluation's meetings with beneficiaries and stakeholders showed that the quality of legal aid services is an issue for the A2J and RoL projects, as the state standards for legal aid were non-existent. To counter this problem, working groups were established under MoJ to develop LA quality standards.

A2J quality assurance of legal aid services is currently implemented through project monitoring: database analysis and feedback from interviews with clients based on random selection. So far monitoring has mainly focused on the quantity, not the quality of services.

Quality of training and trainers for vulnerable groups in **A2J** is assured through experts that assess the available materials on legal empowerment including ethic norms and will develop new training modules focusing on vulnerable groups' rights with innovative technique and methodology. To existing state training centres (e.g. for judges, lawyers and prosecutors) and educational institutions it will be recommended to use new training modules to provide all duty bearers with access to training.

In the **RoL-project**, quality control of LAC provided services is implemented through periodic random checks and is a part of the Case Management System (CMS) to ensure that lawyers are using the CMS correctly. Capacity building for the Ombudsman's office, the MoJ and medical professionals included better preventive legal services, implementation of PwD rights, and international practice of investigation of cases of torture and other ill-treatment. Needs assessment was undertaken in both A2J and RoL to enhance quality of SRS/ZAGZ registration services to the population inclusive of women and PwD.

**In summary**, with the exception of the UNITAR project, the MTE found that the activities of the multi-bilateral projects are overall transforming the available resources relatively time and cost-efficiently into the intended outputs, without major delays or excessive use of funds (it is not yet possible to assess the results, cf. Section 3.5) in terms of quantity, quality and time. Overall, their project-related

costs are found justified by the achievements, considering the lower fee-level (compared with IIC projects) and the accrued economies from using existing UN facilities. However, cost-effectiveness is reduced for the UN projects implemented from regional UN offices, by significant related costs.

### **3.6.1. Resource provision and efficient use for participation of all stakeholders (right holders), inclusiveness and other short-term process achievements**

In the **Green Economy IIC projects**, the main counterpart institutions have participated quite actively, and capacity building needs (both training and fixed assets) have been identified jointly based on inventories of existing situation at the counterpart institutions and new ideas gathered from study visits to Finland and neighbouring countries. Due to very concrete level of activities and involvement of the personnel who are actually responsible for the tasks, the capacity building targets have been achieved mostly as planned. As the initially allocated resources have been sufficient to reach set targets, use of resources can be assessed as fairly efficient. However, both inter- and intra-institutional collaboration in concrete areas (e.g. between laboratories) leaves room for improvement. While the project can bring indirect benefits to stakeholders outside the immediate partner institutions, these have not been directly involved in project planning or implementation (except for coordination between other projects/donors).

The **FinWaterWEI II programme** deals with different levels of stakeholders through its sub-projects. Among the sub-projects currently implemented, the UNECE Syr-Darya nexus project has worked largely as planned, mainly with different regional actors of the public sector, albeit without participation of the Uzbek authorities. In the IIC projects the needs are defined jointly with counterpart institutions. The IIC sub-project implemented by SYKE in Tajikistan has concentrated mainly on the staff of the two laboratories under the Committee of Environmental Protection of Tajikistan (as it is the first year of implementation), while its sister project in the Kyrgyz Republic has actively reached out to engage both public and civil society stakeholders active in water-related issues in the target area (Issyk-Kul oblast) based on the long term interventions and previous phase of the project in the country. The participatory approaches have been relevant to specific objectives and relatively efficient in terms of resources allocated.

The local level projects in Tajikistan implemented by INGOs have established strategies for the participation of different stakeholders (local authorities, communities and the private sector) in project planning and implementation, and have established effective coordination mechanisms for WSS support activities on both local and national level. As the local sub-projects focus on strengthening of public services (such as WSS), the major part of the resources are provided by the project, but substantial contribution is also provided by the local authorities and community members. Creating lasting WSS management institutions at local level is one of the main targets of the projects.

The course/workshop/study-tour based **THL and HAUS** capacity building projects deal with intermediary professionals in and under the concerned ministries and do not attempt to reach out to the final beneficiaries (right holders).

In the **A2J and Rule of Law** projects, the main activities are directly targeted towards the inclusion of vulnerable groups. In the **UNDP-AfT and FAO** projects, meetings of working groups and steering boards involve a fairly broad participation of project partners and beneficiaries in budgetary and spending issues. Macro and meso-level activities increase the capacity of decision-makers and civil servants and build scientific and education potential.

The **ILO-DW** project's main focus is on the development of policy and regulatory documents, including development of new OSH profiles and Social Protection Floors, and capacity building of representatives of the three constituent ILO parties. The project does not work directly with end-beneficiaries but through the tripartite constituents: Ministry of Labour, trade unions and employers' organisations.

**In summary,** IIC is a particular modality of cooperation for institution-level capacity building (with a high proportion of the budget for TA) with relatively straightforward objectives and approach. The cost-structure represents some variation within the applied fee-level between the institutions, but not significant in terms of cost-efficiency. Overall, the modality is relatively efficient in securing consistent and tailored capacity building between peer institutions with similar professional profiles and mandates. While the IIC projects show relatively good efficiency for direct beneficiaries and key stakeholders, it is difficult to assess efficiency in relation to more indirect beneficiaries and stakeholders, although some potential concrete benefits (e.g. hydro geologically more efficient location of water wells, improved anticipation of natural hazards) were identified during the field interviews.

Benefiting from existing international structures and a lower price structure, the UN-implemented projects have lower overheads than the IIC and HAUS projects, which focus on capacity building using short-term international consultants, reflected in a high proportion of the budget allocated to salary and travel costs. Corresponding high value for money materialises in the target country-based UNDP and FAO projects, while this value is reduced in the regionally managed AfT-project and the ILO DW project, by related additional costs.

They mostly show relatively good efficiency related to stakeholders. Efficiency related to the ultimate beneficiaries is high in the A2J and Rule projects, which reach out to large numbers, and for the AfT and FAO-projects in relation to a limited number, while the concrete benefits for ultimate beneficiaries seems uncertain now, depending on the long-term commitment of the tripartite constituents in the case of the ILO DW project.

### **3.7. Sustainability**

The Section aims to identify the likelihood of continued benefits from the WEI-II results after the termination of external support by identifying and assessing the importance of factors that influence sustainability, such as National partners' ownership and commitment, financial, institutional, technical, socio-cultural and environmental factors, and by identifying and assessing possible project exit strategies.

#### **IIC projects**

In all IIC projects, capacity building of staff in government institutions or ministries is a major element. In most, and the largest, projects (GTK) running over several years, capacity building is to lead to an overall upgrading of a counterpart institution, which in most cases is also supported by project provision of new and improved modern equipment (subject to 10% of total budget cap under the IIC modality). In natural resources sector the main projects are those of FMI implemented with the meteorological institutes, and those of GTK implemented with the geological institutions in the Kyrgyz Republic and Tajikistan. Two smaller and shorter projects, *Strengthening the Social Sphere in the Kyrgyz Republic* (THL) and PADOS (HAUS), mainly consist of specified capacity building (workshop-based training).

All relying on the effects of upgrading human capital, the sustainability of the IIC projects is conditioned by the continued availability of the upgraded human resources and by the availability of sufficient funds. In other words, main sustainability challenges consist in:

- (i) Trained staff not leaving their workplace for possible better-remunerated employment elsewhere and
- (ii) Sufficient public financial resources being allocated for the counterpart institutions, or ability to create/increase substantial income from selling services and/or products.

Both conditions are difficult (in some cases impossible) to accommodate in legally binding terms. The project documents and agreements do not contain a government commitment to adequate future funding of the institutions ex ante or staff obligations against leaving the workplace (except in the case of Tajikistan, where university graduates can be contracted to serve 2 years in public institutions after graduation).

Regarding measures targeting the continued presence of trained staff, in some cases, such as the FMI projects, salaries in counterpart institutions have increased substantially, but are still too low to attract competent young staff. In the GTK projects, some of the staff trained by the project has moved to other tasks. However, in most cases outgoing staff has trained incoming new staff, as the result of such demand by the counterpart institution. And at least in the case of the GTK project in Tajikistan, almost all those trained have remained in the service of the Geological Institution, albeit some in different units. Still, both the GTK and FMI projects also face other sustainability challenges since large part of the senior counterpart institution staff will retire within the next few years, which may reduce sustainability if not adequately prepared for.

The other main concern is securing adequate resources for consumables and maintenance of new equipment (e.g. reagents for laboratory tests, special gases and filters for meteorological equipment, renewal of ICT programme licenses, among others). While IIC projects have procured relatively little equipment as the emphasis is on human capacity building, experience with new equipment provided by previous donor projects showed that these issues must be carefully considered (some new equipment has turned unusable soon after project termination as the institutions were unable to cover consumables and maintenance costs). Adequate training for use and maintenance of new equipment is also crucial, and in some cases the IIC projects have supported partner institutions in recovering existing equipment for use. To avoid such problems it is important to prepare a medium-term maintenance plan before project termination and make sure that the needed consumables and spare-parts, as well as capacity for technical maintenance are available in-country or at least within the region (or from Russia).

In general for the mentioned IIC **capacity-building projects** (including the two IIC sub-projects under FinWaterWEI II), a high degree of awareness about the above sustainability challenges were translated into four groups of measures to enhance sustainability at different levels of project practice:

Institutional upgrading, hence, enhanced attractiveness for both staff and political decision-makers:

- New solutions and plans (including increased sale of products and services) act as template for future modernization.
- Focus on training in operation and maintenance of new equipment.

Training of trainers and substitutes:

- Emphasis is put on training local experts to be trainers for other local staff members (to compensate for those leaving the institution for a better paid market) or expansion of the modernization process to new units (e.g. the SYKE ICI project in the Kyrgyz Republic).
- More than one expert is trained for each task to ensure competent operation in case of absence or permanent departure of trained staff members (e.g. GTK project in the Kyrgyz Republic).

Creating long-term professional networks:

- During project implementation, close contacts between experts from different institutions are established and expected to continue beyond the project period. GTK also highlighted access to new cloud-based platform for sharing information between Central Asian partner institutions and GTK after the project.

Planning to ensure ownership and adequate cost recovery mechanisms:

- Plans to cover operation and maintenance costs after project termination are to be prepared in the GTK and FMI IIC projects.
- Improving the access to training material and technical guidelines (e.g. by translating all materials to Russian and/or Tajik).

Most of the counterpart institutions of the IIC projects indicated, however, commercialisation (sale of products and services) as the main new approach to improve financial sustainability. Currently commercial contracts are an important source of income for the geophysical expeditions in the Kyrgyz Republic (80% of income) and Tajikistan (30% of income). The other geological expeditions and the meteorological institutions provide most of their services to other government institutions (or even for the general public) for free or for a nominal fee, which does not cover the costs. While there is probably some demand for such products and services, the change would require legal revisions and careful consideration about which parts of data should be freely available to citizens and public institutions, and which parts can be sold on commercial basis.

The ongoing capacity building and modernisation processes are likely to enable the institutions to produce new products and services with enhanced commercial interest, and upgrade the quality of those already produced. However, increased reliance on the market also includes serious risks, such as volatility of income. The Geophysical Expedition in the Kyrgyz Republic, which currently has the most substantial share of commercial income among the IIC partner institutions, was obliged to send staff on unpaid leave in 2015 due to the economic downturn the country is facing. Realistic market studies are thus needed to evaluate the benefits vs. losses and risks of different strategy options.

The PDs of the GTK projects have a chapter on **exit strategy**, which mainly emphasises awareness of the cost implications of new equipment (including ICT software and access to internet) and importance of government budget to secure adequate salaries for staff. The PDs of the FMI projects do not include explicit exit strategies, but seem to assume (at least implicitly) that the work of the counterpart institutions is an indispensable part of the public sector, which should guarantee adequate public funding.

In the **THL project**, sustainability is sought through the promotion of sustainable ties between Finnish and Kyrgyz experts to last beyond the project period, training materials translated into Kyrgyz and Russian and published in cooperation with the beneficiary as the final step of the project and through support to the strategy work of the MSD, aligned with other donors. According to the counterpart, project provision of video-equipment for MoLSD nation-wide distance learning has been a valuable contribution of lasting value.

In the **HAUS project**, sustainability is only referred to through the implicit affiliation to the EU Eastern Partnership activities and assumptions that include government uptake in the six East European cooperation countries. There are no contingency plans and as there is only a four-months non-cost project continuation in 2016, further to a Final Conference in January 2016, based on savings on the project reimbursable costs, project continuation is not foreseen. Surprising for a project with transparent E-governance capacity building as the main objective, a common E-platform for current and future exchange between the trainees has not been established.

### **The FinWaterWEI II Programme**

In both IIC sub-projects sustainability is hampered by low level of salaries, which makes recruiting and maintaining competent staff difficult and leads to problems in maintaining the equipment received from different donors. A number of senior staff is close to retirement age, which threatens to leave a gap in human resources. Improved collaboration with laboratories is supported to reduce operational costs, although on the practical level the process has not advanced much. In Tajikistan the staff of the two target laboratories has different employment status. This is reflected on salary levels, state

employees receive higher salaries in comparison to service employees, and may affect cooperation negatively (in particular when they move to the same laboratory building but have different salary levels for equal tasks).

The ICI sub-projects support development of a strategy to make the partner institutions financially sustainable in the long-term. A key strategy proposed by most partner institutions is increased sale of products and services, which in most cases would require changes in the legal framework. In the Kyrgyz project, capacity was already strengthened in the SAEPP's central laboratory in Bishkek in phase 1, and this know-how is now shared and transferred to the regional laboratory.

The UNECE Syr-Darya sub-project strengthens capacity of administrations and the management basis for further improving the use and management of water resources, and such improvement is expected to influence the situation positively beyond the project duration.

In the local level sub-projects implemented by Oxfam GB and AKDN, active participation of the beneficiary communities in needs assessment and project planning & implementation, and close cooperation with local administration is expected to secure local ownership and technical support for maintenance of infrastructure. The implementing agencies also provide awareness raising and training in operation and maintenance of the infrastructure (mainly WSS systems) and support the establishment of the institutional framework for maintenance and revenue collection.

In the Oxfam GB sub-project the sustainability of the WSS will be ensured by the collection of full cost recovery tariffs (approved by relevant national authority) by the community/scheme level water users' associations, and establishing a clear ownership structure. A key objective of the sub-project is to provide evidence for developing institutional models suitable for replication in different socio-economic and geographical contexts in Tajikistan. Both sub-projects build on successful pilots under the implementing institutions' larger programmes, and receive further support by liaising with policy-making levels through networks of stakeholders.

### **Multi-bilateral projects**

With broad international, continuing and particularly in the case of the UNDP, more or less all-comprehensive mandates, the objectives of the **Finnish-funded WEI-II UN projects** are broad and ambitious. Hence, related sustainability challenges comprise not only government uptake in the form of funding take-over after termination of donor funded project, but also to a wide extent in their embedding in new legislation, that is reproduce project activities on national scale.

While the evaluation has not identified explicit exit strategies of the five projects in question, in fact lobbying for and assisting in the creation of new legislation, including adherence to relevant international conventions, appear the main sustainability measure of the A2J, Rule of Law and Decent Work projects.

The **ILO-DW** project promotes renewed OSH profiles, collection and analysis of labour market information, new methods for collection and analysis of statistical information, improves the capacity of trade unions, employers' association and the state labour inspection. Strengthening the capacity of the structures responsible for the creation of regulatory and operating conditions for the development of principles and approaches of decent work creates preconditions for sustainability of the project' impact. However, such impact is conditioned by the long-term commitment by the ILO tripartite constituents. The project has limited interaction with the end-beneficiaries and does not offer tools for

direct reaction to external challenges, such as economic crisis and migration. In particular, the project has not responded to the needs of a large number of returning migrant workers, which need special activities to become re-integrated in the local labour market. Therefore, sustainability appears uncertain at this stage.<sup>13</sup>

**AfT** sustainability prospects vary with its different levels of work. At the macro level, the project is contributing to capacity development of policy-makers, supporting trade policy development and adding expertise when joining new international trade and economic structures (WTO, EEU). This support impacts on the long-term strategy for the countries' international economic relations. At mezzo-level, the project is making a significant contribution to the development of intermediary business organizations, developing a system of advisory support to businesses, promoting the formation and development of free economic zones thus contributing to the improvement of the investment climate and identifying the strengthening of economic and trade activity, both internal and external.

Project activities appear less sustainable at the micro-level. Financial support through grants or subsidized loans to BCF-selected enterprises and entrepreneurs is not in itself likely to have a sustainable impact on poverty at a wider level. Many supported businesses report a significant increase in sales and an increase in revenues, in some cases 30-40%. But these calculations do not take into account the project grants or subsidies. The number of new jobs, created by project-supported businesses, is small in relation to overall high unemployment in the project regions and therefore not a good example of a systematic approach. Proposed piloting of schemes requires a substantial contribution from the local authorities or subsidies from other donors and need further improvements and adjustments. The approach to distribution of grants in the Kyrgyz Republic, to support cooperatives while considering the current features of the financial support system in the country, appears less sustainable than the Business Challenge Fund scheme in Tajikistan, which provides a return on investment of funds and an extension of financial support.

The activities of the **FAO** project at the level of support to the development of policies, scientific potential, improved management and training of personnel for the industry, fishery extension service and decentralization processes, appear positive for a sustainable impact. However, the support to selected fishermen associations and the approach to the development of the entire value chain do not appear balanced, as the associations have problems with self-identification, internal leadership, decision-making processes and equal commitment of all members. Hence, significant efforts on further institutional development and on strengthening the decentralization process are required.

**A2J:** The National Legal Centre for SGLA in the Kyrgyz Republic to be established by end 2016 is part of MoJ and will be supported from the state budget after A2J phase out. MoJ started to cover the salaries of the lawyers, running costs of formal LAC: energy, security and cleaning. The informal LAC legal experts are expected to get full salary from Ayil Aymak (community administration) management. Pilot

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<sup>13</sup> The project is of the opinion that the likelihood of sustainability is enhanced since activities should be continued by the ILO constituent-parties. Moreover it mentions that the project set-up is to pro-actively address the needs of the constituent parties within the defined outputs and that, in the light of cuts in project funding, it has no means to in addition address migration-related issues.

phase outputs need thorough analysis of best practices and lessons learnt: e.g. LAC, professional lawyers aid in courts in remote rural areas; legal clinic under University in terms of costs vs. money and outreach.

Concern was articulated that the CSO-lawyers currently funded by the project may be reluctant to work in state run LAC as the remuneration of state employees is considerably lower.

The sustainability of legal aid in remote areas provided by professional lawyers upon completion of A2J is uncertain. Civil cases have a long life span, which presents a challenge for achieving indicated targets in LBD Consulting contract; currently the salary and transport for LBD Consulting lawyers are covered by A2J. MTE field studies revealed that professional lawyers will be reluctant to work in state funded LACs upon project completion because of lower state salaries. The sustainability of media involvement and adherence to the LA and PwD ideas upon completion of A2J is also uncertain (currently journalists are being covered from A2J for creating the topic related media products) and should be a part of the discussion about the project exit strategy as should also the involvement of professional lawyers like LBD Consulting.

Government ownership in the **Rule of Law**-project is confirmed by the commitment of the MoJ and the Ombudsman's institution. International consultants made a cost analysis and three scenarios to run the LACs were proposed for the state working group's consideration. The concept of Free State run legal aid lays the ground for the development of a sustainable system which will be funded from the national budget. The legal aid services will be a part of the state lawyers' terms of reference

The relation of CSOs to state-run LACs in the transition period needs more elaboration: the government intends to open a bid for state run LACs and invite CSOs to participate. Hence the lawyer salary level in the state run LAC will be an issue as currently the lawyers are funded by the projects where remuneration is much higher. As an option CSOs may be involved into CB and monitoring of LAC.

In the process of field studies and discussions with the top officials, the government articulated that it will pick up the most cost-effective and evidence proven LAC model for the state funding. The government is still hesitant about ratification of the Convention on the Rights of Persons with Disabilities (CRPD) as it is not convinced about its funding capacity within the available budget and in the light of other competing priorities for the legal reform.

The reform of penitentiary system for alternative types of punishment and access for monitoring groups to closed and semi-closed institutions, and the creation of the Ombudsman on Children's issues are other examples of good political will to continue the process of legal reform and democratisation. However, no attempts have so far been made to estimate the costs of these reforms.

The exit strategy of the A2J-project will be developed in the second half of project implementation period.

For the RoL-project, the exit strategy is included in the project document. According to the strategy, the state will fully cover funding for LACs by 2023. Until then, SDC will continue funding the LACs in Tajikistan.

In the **UNITAR-project**, sustainability was to be promoted through trainee access to the interactive *Community of Practice*-website. However as mentioned above, by February 2016 no trainees had

visited the website. In addition, no indications of sustainability appeared in narrative reports or are at focus group meetings with trainees, except some of the trainees having organized own E-contact.<sup>14</sup>

**In summary**, sustainability and exit strategies are overall even more important as a result of new uncertainty about the expected project continuation, which appeared to have replaced proper exit strategies on many projects. For the IIC projects, sustainability is concretely related to adequate financing of the counterpart institutions to maintain the improved service capacities, while the multi-bilateral projects largely depend on Government uptake and continued spread effect after project termination.

Sustainability of the A2J and Rule of Law-projects relies on implementation of legislation, government commitment to resource allocation and continued donor support during the identified phasing out period. The FAO, ILO and AfT projects appear likely to become sustainable pending external factors.

### **3.8. Aid Effectiveness**

The Section is to clarify the extent to which WEI-II is aligned with the Paris Declaration principles in terms of ownership, alignment, harmonization, management for development results and mutual accountability as well as coordination and complementarity.

Overall, ownership, management for development results and mutual accountability is ensured for the multi-bilateral projects through the UN contributions to the national development strategies, agreed between the UNDP and the governments and of which the Finnish funded UN projects are part. Management for development results materialises in the governing arrangements for the individual projects (see Section 3.10).

This Section, therefore, mainly focuses on alignment, harmonization, coordination and complementarity, while the part of it that deals with the IIC-projects refers to the specific conditions for these projects, where general agreements between the Finnish and the target countries' governments have not yet been signed.

The Section is introduced by the below textbox on Coordination of Development Cooperation in Central Asia.

#### **Box 2: Coordination of Development Cooperation in Central Asia**

Based on OECD data, the major development partners (DPs) of the Central Asian countries are the US and Turkey, with the EU, Germany, Japan, Russia, Switzerland and the UK in the next category. Among smaller donors, in terms of aid volume, Finland is in Central Asia in the same category as Norway (5-10 M€/year). Finland has, similar to the UK, Switzerland, Russia and Kazakhstan, focused on the poorest countries of the region, Kyrgyz Republic and Tajikistan. Russia's input in development cooperation has increased considerably since 2007, focusing in particular on Kyrgyz Republic. China, which is active in trade and large infrastructure projects, is a major partner in Central Asia, although the scope cannot be assessed from OECD statistics.

Coordination for development cooperation can be divided into three stages based on their integration with national development planning and governance systems. While the focus of donor

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<sup>14</sup> 12 May 2016 the MTE was informed by UNITAR that information on sustainability will be included in the Final Completion Report that will be shared with the donor on 3 July 2016.

coordination is on better coordination among DP's, in aid coordination DPs and governments focus on aid-effectiveness. At the level of development coordination, DPs and governments focus on government leadership. Kyrgyz Republic seems to be in transition from donor to aid coordination, while in Tajikistan the ambition appears to already be on development coordination.

In the Kyrgyz Republic, formalized donor coordination to improve the flow of information among donors, government agencies and civil society was set up in 2004. It consists of the Development Partner Coordination Council (DPCC), a three-member Co-Chairs Group elected annually and a Secretariat. Currently the DPCC has 22 members (including observers) and meets monthly. Finland is a member. In addition it has several thematic sub-groups. The Co-chairs Group leads in moving the coordination processes and agreements forward, while the Secretariat ensures logistical and management support to the Council and the Co-chairs, acts as focal point for donor coordination and liaises between the donors and Government on selected issues. Migration to aid coordination was initiated in 2015, when the Donor Coordination Unit in the Prime Minister's Office started collecting information on off-budget support on quarterly basis through an Aid Management Platform (AMP), into which DPs are expected to enter and update project information. Previously the DPs did not report off-budget support to the Government.

In Tajikistan a Development Coordination Council (DCC) was created in 2006. It includes some 30 multilateral and bilateral partners, with six thematic clusters including working groups for specific sub-themes, such as Water and Climate Change. The Development Coordination Council grew rapidly into an effective forum for information sharing and donor coordination, which has contributed substantively to joint reviews and policy dialogue, among other processes. A parallel Principals' Group is the coordination body of main donor representatives with focus on political issues. In addition, there is a high level Development Forum chaired by the President, without a regular meeting schedule. It is a forum for reviewing and assessing the overall development in the country.

The Government took an active role already in 2006, when a State Committee on Investment and State Property Management (SCI) was created. One of its key activities is the coordination of foreign aid through (1) collecting and distributing information about all DPs and all types of assistance, and (2) coordinating and monitoring DPs' aid activities. Its foreign aid coordination is carried out in close interaction with sector ministries (in particular the ministries of Foreign Affairs, Finance, Economic Development and Trade, and Justice) and local district administrations. It reports to the Government and the Executive, and publishes annually directories on the profiles of the DPs and on foreign aid (based on information submitted by DP's to the Aid Coordination and Project Monitoring System database created in 2011).

### **IIC projects**

The IIC projects were planned with national partner institutions based on their needs, and are implemented jointly with them to ensure ownership and management for development results. Overall, they prioritise coordination with and complementarity to other donor interventions in the same field, and when possible also synergies between their activities in the two target countries, as can be illustrated with the following examples:

Regarding the **FINKMET** project, Kyrgyzhydromet also benefits from substantial modernisation support under a regional project funded by the WB. FMI has signed a MoU on cooperation with the WB in the Kyrgyz Republic, whereby FINKMET contributes to the WB-project and complements it through training activities. However, this example also shows that alignment may not only have positive effects, as delays in getting some of the meteorological and ICT equipment through the WBP has actually turned FMI training, that was linked with equipment, less effective. UNDP and Asian

Development Bank (ADB) have similar projects in the Kyrgyz Republic, and FINKMET has also sought to coordinate its activities with them.

The **FINTAJ** sister project of FMI in Tajikistan also coordinates activities with the Tajikistan component of the same regional WB project, but here the projects are focusing more clearly on different substance areas (air quality monitoring, not included in the WB project), which has helped to avoid delays caused by retarded implementation of the other. The national partners, Tajikhydromet and Kyrgyzhydromet cooperate with each other in the context of their respective FMI projects. Study visits and training workshops are arranged jointly, and FMI experts combine missions. Joint activities further develop well-functioning bilateral cooperation between the two institutions. In addition, the IIC projects (including FMI, GTK and the FinWater ICI sub-projects) collaborate closely in both the Kyrgyz Republic and Tajikistan.

The **GTK-project in the Kyrgyz Republic** already established contact with other regional projects in phase 1, such as the UNDP funded Central Asia-Climate Risk Management. Informal coordination has continued in the current phase, and is expanded also to relevant bilateral projects. In the **GTK project in Tajikistan** similar informal coordination is developed, notably with a large German-funded project. Collaboration is established with a relevant WB funded regional project in both countries. Further development of the regional geo-portal (established in phase 1), which is included in both GTK projects, encourages regional cooperation and strengthens cooperation between different projects.

### **The FinWaterWEI II Programme**

Alignment, harmonization and management for development results are explicitly addressed in the Programme Document. On terms of national level ownership, the key forum in both countries is the National Policy Dialogue (NPD) and its working groups, but also country level donor coordination groups bring together key water sector donors in both countries. In the EU context, the EU Water Initiative (EUWI), EU Central Asia Strategy and, to a lesser extent, the Environment and Security Initiative (ENVSEC) provide the main points of reference. The IIC sub-projects were planned and are implemented jointly with key national partner organisations, which provide strong ownership. The local level sub-projects collaborate actively with local authorities, as well as local communities to ensure local ownership.

The programme collaborates closely with all the major donors that are committed to support national water sector reforms in both countries, and participates actively in national aid coordination platforms in the water sector. The local FinWaterWEI II sub-projects implemented by INGOs in Tajikistan are good examples of multi-donor efforts to develop evidence-based sector policies, building on lessons learnt about effective and sustainable construction and operation of WSS infrastructure from previous and ongoing projects financed by different donors and coordinated closely with both the government authorities and other donors.

As most sub-projects are parts of larger multi-donor programmes, coordination, harmonization and complementarity are integrated in the programme strategy. The two SYKE implemented ICI sub-projects collaborate with each other and with the other IIC projects under WEI-II. They have also established strong informal coordination with other donor-supported projects in the water sector in both countries. Four of the FinWaterWEI II sub-projects are implemented through INGOs (Oxfam GB and AKDN) and UN organisations (UN Women and WHO), which pursue a comprehensive strategy in line with national and UN priorities and join contributions from several donors. The remaining six sub-projects form an integral part of major IOs' sector programmes: Five are implemented by the UN Economic Commission for Europe (UNECE), and one by the OECD Environmental Action Programme Task Force.

The **THL project** is coordinated with EU inputs to strategy development of the MLSD, which again was coordinated with a functional analysis of the MSD undertaken by USAID experts. It supplements the ILO Decent Work agenda in the Kyrgyz Republic. Alignment with international INGO-borne endeavours to support the ultimate project beneficiaries is promoted by the project cooperation with HelpAge. Ownership is expressed in close, and appreciated, cooperation and joint strategy development with the counterpart, MoLSD-

### **Multi-bilateral projects**

The **AfT, ILO and FAO projects** feed into the globally coordinated UN-approach for development cooperation and are endeavouring mutual complementarity when relevant, particularly between the AfT and the ILO Decent Work Project. However, this cooperation was limited to a small number of joint activities in the previous phase of the project, focusing on inclusive DW-approaches in trade and private enterprises. At this stage, cooperation between the two projects is not prioritised, although there is an apparent scope for synergy.<sup>15</sup>

There is quite extensive cooperation and coordination between AfT and projects implemented in the region by UNDP, USAID, GIZ and World Bank related to accession of economic organisations (WTO and EEU) and to regional cross-border trade. A good example of coordination and interaction is presented by the cooperation between the FAO fishery project and FinWaterWEI II on water quality monitoring in the Issyk-Kul region.

Regarding cooperation between the projects implemented in two countries simultaneously, the AfT and the ILO/DW project, there is regular exchange of experience and knowledge, joint actions, mutual exchange visits and joint training programmes. The projects pay attention to possibilities of strengthening regional cooperation between the partner countries.

The **A2J/Kyrgyz Republic and RoL/Tajikistan** niche among other players in the Justice sector is to establish a National machinery for state guaranteed legal aid (SGLA) as part of MoJ, estimate implementation costs and integrate the implementation plan in the Law. In the Kyrgyz Republic, these areas are not covered by other donors. RoL is coordinated with the Access to Justice-project funded by SDC.

Current and previous donor and stakeholder experience in the field of legal aid had been thoroughly studied by the EU, OSCE, International Development Law Organization, American Bar Association, Soros Foundation, GIZ, GmbH, Eurasia Foundation and SDC. In both countries there is a well-working donor sector coordination group, chaired by UNDP, including key players in RoL area.

In 2012, the Tajikistan Ombudsman office, a key RoL-partners, was accredited B-status of compliance with the Paris Principles. According to the recommendations, in 2015 15 employees were given training on compliance to Paris principles plus another 10 trained on gender issues specifically.

The **PADOS** project is fully aligned and coordinated with the EU Neighbourhood Initiative and Eastern Partnership. Also the **THL** project is coordinated with an EU-intervention with a similar scope.

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<sup>15</sup> The MTE was subsequently informed that the AfT and ILO DW projects are cooperating about a joint regional conference on Trade and Employment is to take place June 2016. and about foreseen ILO-DW cooperation with the A2J project being cancelled due to funding cuts. In the new project ILO is focusing much more on the policy and macro level where synergies are more difficult to achieve.

However, it does not appear that most of the Central Asian WEI-II projects are very aware of the EU priorities as expressed in the EU Strategy for Central Asia. Interviewees expressed that the US, and increasingly also EU, cooperation with the region is influenced by security considerations, which are not close to Finnish priorities.

**In summary**, generally the projects have provided substantial effort to strengthen aid effectiveness through active collaboration with both other WEI-II projects and foreign donors and their projects/programmes. Experience indicates that it is important to plan well, be flexible and maintain certain level of autonomy in order to avoid delays in own project due to delays in the collaborative project, as was the case with the FINKMET and respective WB project.

However, it should also be noted that active participation in multi-donor funded interventions (either through joint funding or through Finnish-funded projects that are parts of multi-donor programmes) tends to decrease possibilities to attribute project outcomes and impact to specific Finnish interventions, and hence, to evaluate these as expected in the current MFA evaluation approach. For example, when the multi-bilateral and FinWaterWEI II sub-projects are well aligned with the Paris principles, their being part of larger programmes makes attribution difficult if not impossible. Instead of attribution to specific Finnish interventions, it is possible to assess the project's contribution to a broader development effort, for example by participating in joint evaluations of the respective larger programmes. This would facilitate assessment of project results in the relevant development context, and eventually its contribution to the high-level development objectives of the WEI-II programme.

### **3.9. Coherence**

The Section will assess the extent to which WEI-II project implementation and results were influenced by contextual factors beyond development cooperation and if such influence hinders or reinforces achievement of WEI-II development objectives. In addition, it will be assessed if Programme-external factors are consistent with the WEI II human rights based approach and crosscutting objectives.

External factors influencing WEI-II implementation and results may relate to national, regional and international economic and political factors with an impact on the Central Asian, Kyrgyz and Tajik development framework. This includes fluctuations in the international economy at large, while the economic and political development in the larger Eurasian region is of particular importance given the bearing on Central Asia.

#### **3.9.1. Influence of other factors on WEI-II performance**

As mentioned in Section 2.1, the broader international, and in particular the Russian, economic crises have had an impact on the background, in which the programme are implemented, and generally increased the relevance of WEI-II through increased needs of the beneficiaries. A general consequence is that government uptake of projects may become less certain under experienced fiscal austerity. A specific consequence is that the weakened Euro exchange rate against the USD has reduced expected available project funding at the programme outset correspondingly. In addition to its direct and resource consuming importance for the AfT project, Kyrgyz membership of the Eurasian Economic Union (as from 12 August 2015) has reduced Tajik exports to the Kyrgyz Republic and caused substantial extra costs in import of equipment from outside the Union

Local political development in cooperation countries has so far not impacted significantly on project implementation, although recently introduced taxation of aid funds in the Kyrgyz Republic and Tajikistan is an unforeseen contextual change that reduces available project funds. However, increasingly restrictive NGO legislation might eventually have a negative impact on WEI-II projects that partly depend on NGO implementation, such as the UNDP managed Rule of Law and A2J projects. In reverse, integration of NGOs in WEI-II projects can be seen as a means to maintain working Government-NGO relations, as for example through the policy dialogue under the Rule of Law project

in Tajikistan. It was expressed to the MTE, that the overall donor policy dialogue with the governments on structural and democratic reforms is limited by fear of Islamic radicalisation.

Alleged endemic corruption in the target countries (referred to by numerous MTE informants<sup>16</sup>), combined with low salaries in their public sectors, is a challenge that part of development cooperation has to relate to, including through the effects on high counterpart staff turnover. Nevertheless, WEI-II projects, not least those working with improved access to justice, appear able to reduce corruption in their fields of work. The viewpoint was met that governments have a positive attitude to curbing corruption on the lower levels.

INGO implementation of the two **FinWaterWEI II** sub-projects in Tajikistan is not likely to be negatively affected by the new NGO legislation as the activities focus on strengthening service delivery and public infrastructure rehabilitation in poor rural areas, and are implemented in close collaboration with local authorities. The same sub-projects have not suffered substantially from the falling Euro and Ruble exchange rates as they rely mostly on locally produced inputs.

Particularly in Tajikistan an efficient system of **aid-coordination** has improved replicability and scaling up of local (pilot) projects in the WSS sub-sector, as well as their efficient use in evidence-based policy development for the sector. While donor-coordination has developed toward aid-coordination also in the Kyrgyz Republic, the government uptake for scaling up and policy development has not advanced as far as in Tajikistan. On the other hand, the more open and democratic political atmosphere in the Kyrgyz Republic has facilitated development of new avenues for public participation in different issue areas, such as environmental monitoring, which is also explored by the respective SYKE ICI project. However, a turn to more restrictive NGO legislation may paralyse such developments.

Reduced Finnish funding (which did not involve cuts in agreed project budgets) has created more uncertainty about cooperation continuation possibilities, while the Programme management has responded flexibly to this challenge by no-cost extensions of several projects. In projects where the extension has not increased the share of management costs (IIC projects in particular), the extension has not reduced efficiency. In some projects, such as the FAO Fisheries project, the extension has clearly improved sustainability, while in the FMI FINKMET project a no-cost extension would improve effectiveness.

### **3.9.2. Other factors' consistency with WEI-II HRBA and CCOs**

Regarding the WEI-II human rights based approach, the increasingly restrictive NGO legislation poses a problem in relation to the HRBA, since respect for human rights is connected with the effective existence of an active civil society.

However, the contextual conditions for the materialisation of the WEI-II crosscutting objectives: reduced poverty and inequality, enhanced gender equality and climate sustainability, seem basically unchanged (with the exception that the SME taxation system in Tajikistan does not stimulate AfT endeavours to reduce poverty).

**In summary**, while external factors have enhanced WEI-II relevance under the economic crisis and return of migrants, they have had a negative effect on project performance by decreasing available

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<sup>16</sup> On the Transparency International Global Corruption rating, the Kyrgyz republic and Tajikistan rate as number 123 and 136 (from the top) respectively.

funds (reduced Euro-value, taxation of aid funds in both countries, higher equipment costs in the Kyrgyz Republic, low public sector salaries and reduced Finnish funding). Increasingly restrictive NGO legislation represents a potential limitation on project performance – which has, however, not yet materialised. Overall policy dialogue with the governments on structural reform appears limited by fear of Islamic radicalisation according to independent observers.

### **3.10. Management and Administration**

The Section is to assess the quality of WEI-II management in the MFA and partner organizations (executing agencies, local institutes), including monitoring and reporting, resource and personnel management, financial management, cooperation and communication between stakeholders, including the adequacy of the defined roles and responsibilities between the involved institutions. Moreover, it will address whether important assumptions and risks have been adequately identified, and if the risks have been appropriately managed, which may include flexible adaptation to unforeseen situations.

#### **3.10.1. MFA management of the WEI II Programme**

In the MFA, the WEI-II Programme is managed in the Department for Russia, Eastern Europe and Central Asia, where it falls under the Unit for Eastern Europe and Central Asia (ITÄ-20). The unit is responsible for monitoring developments in 11 countries, bilateral relations between Finland and these countries, and external EU-relations to them. It also monitors national coordination of the European Neighbourhood Policy and its funding instrument (ENI), development cooperation project management and supervision, as well as Economic and Joint Commissions with Kazakhstan, Ukraine, and Uzbekistan. In addition to the Director and a staff, the unit consists of sub-sections for Eastern partnership, Central Asia, and Development cooperation, which currently has three staff members working under a senior adviser. In 2016, development cooperation staff will be reduced by one member, which will have a negative impact on the capacity to monitor the programme effectively.

There is no Finnish Embassies in the Kyrgyz Republic and Tajikistan. The former is managed from the Finnish Embassy in Astana, Kazakhstan, with five permanent staff in addition to the Ambassador. However, in 2016 the post of the only development policy specialist will be terminated. Tajikistan is managed by the Roving Ambassador for Central Asia, with only two staff. The impact of personnel cuts at the Astana Embassy will not be affecting Local Cooperation Funds (LCF) in Tajikistan. Embassy of Astana is in charge of LCF in the Kyrgyz Republic, while the roving ambassador's office in Helsinki is in charge of LCF in Tajikistan.

An important element of programme and project level monitoring under WEI-II are the regular MFA missions in the context of a complex programme with a vague common logframe. They have also made possible timely interventions by the MFA when necessary. Monitoring from Helsinki has been complemented by visits and other monitoring of development policy from the expert at the Embassy in Astana, who has expertise in the environmental sector (which could perhaps have been used more). As there is no Embassy in the main WEI-II partner countries (the Kyrgyz Republic and Tajikistan, which are divided between two Ambassadors), the role of MFA-Helsinki has been more prominent than in most major development cooperation programmes e.g. in Africa. In the case of ICI projects, routine monitoring is reduced through outsourcing to an external ICI consultant, who reports to MFA. In the FinWaterWEI II programme, overall management has been outsourced to SYKE.

The support of sector advisers from the Unit for Sectoral Policy of MFA (KEO-20) has been important in particular during the preparatory phase (appraisals and statements to the MFA Quality group) of all the projects, but also to some extent through participation in monitoring missions. The unit consists of a director with 20 staff, including 14 senior sector advisers. In the context of reduced human resources at MFA, their role in programme and project monitoring is likely to increase.

For reasons linked to its conception (e.g. reflecting changing Ministers of Development Cooperation with somewhat different interests), the WEI-II programme is rather fragmented. Monitoring on the basis of programme-level logframe indicators is complicated due to problems in attributing possible changes in high-level indicators to project activities. Project-level indicators, on the other hand, are mostly linked to concrete activities and specific material outcomes (reports among others). To some extent the fragmentation of the programme is reflected in MFA monitoring, which has focused more on individual projects than overall assessment of programme contribution to set objectives – jointly with the development partners and government institutions involved in the process.

The Ukraine crisis has consumed substantial resources and attention within ITÄ-20, which reduced the political weight of the ‘development cooperation’ element. The Ukraine crisis is reflected in 21 MEUR – mostly not anticipated – spent for support to Ukraine during the last three years. With the exception of the support to Ukraine, most WEI-II implementation has been only marginally connected with the EU.

In this context the MTE is concerned about the MFA capacity to administer the programme until 2018 with considerably reduced staff (2 posts cut as of mid-2016). Dealing with a programme of very different projects (and programmes) with the reduced capacity will be challenging. However, many projects are actually parts of larger programmes of implementing IOs and INGOs, which provides an opportunity for MFA to intensify joint monitoring and evaluation with the other stakeholders. In line with the Paris principles, it would make sense for the MFA to actively seek to initiate and participate in joint evaluations of these programmes, and base WEI-II monitoring (and possible final meta-evaluation) on programme level efforts. This might be supplemented with evaluation of IIC-projects, which are a particular category, and a final evaluation of FinWaterWEI II (possibly based partly on programme evaluations of its projects).

MFA WEI-II dissemination in Finland and elsewhere includes the overall programme Brochure (Finnish, English and Russian versions), print material on most individual projects (English and some in Russian), and same information is available on the MFA website (in Finnish), which serves the needs of specialised “development audience” well. For example, FinWaterWEI II has published relevant material (like brochure, active website and Twitter account as well as some articles). No attempt appears done to reach out to a general public about WEI-II or its individual projects, even if some of them could represent good stories with ambitious goals of introducing E-Governance in six East European countries (PADOS), reforming the social system in Kyrgyz Republic or helping rural women in knowing and using their rights.

### **3.10.2. IIC and HAUS projects**

FMI projects are implemented jointly by FMI and counterpart agencies/project owners, (Kyrgyzhydromet and Tajikhydromet). Representatives from FMI, national partners and the collaborating WB project form the Project Board (PB) of each project, which has the authority over project budget and activities, including approving reports, annual plans, budgets and possible changes. PB meetings are held twice a year (more often if needed) either on-site or using phone or Internet. They have had a useful role in terms of strengthening ownership and ensuring relevance of project activities, as well as coordination with the WB.

The GTK projects are coordinated by GTK, which is responsible for the implementation strategy, financial follow-up and reporting. The projects are implemented by GTK jointly with national counterpart institutions (Main Department of Geology under the Government of the Republic of Tajikistan GUG and the State Agency on Geology and Mineral Resources of the Kyrgyz Republic (SAGMR). Each project has a PB, which consists of representatives of GTK and the national partner institution; it takes key decisions regarding implementation, monitors progress, approves annual plans and completion report and can make minor budget reallocations. The PBs has been useful for ensuring

ownership and effective but flexible implementation. Different from other IIC-type projects, the highest decision power lies with the Steering Committee (SC), consisting of representatives from MFA and GTK. The SC monitors progress and advises implementation (including final approval of work plans). The PB and SC meet twice a year and may also use video/phone/internet conference facilities for smooth cooperation. Due to relatively elevated budget (considerably higher than in the ICI modality), the SC has been useful to ensure compatibility with MFA's objectives.

In the Green Economy IIC projects, achievement of project objectives is monitored against logframe indicators. The project management submits reports about semi-annual progress and expert missions to MFA. The Finnish partner institutions (FMI and GTK) are responsible for the financial management of their projects. GTK, FMI and FAO have also conducted mid-term self-evaluations of their projects in late 2015 or early 2016. As the projects have relatively clear objectives implemented through on-the-job capacity strengthening between peer institution staff members, the logframes are simple and easy to monitor. The current arrangement has been adequate for the task.

Within the WEI-II programme, the 5 ICI projects (2 FMI, 1 THL, and 2 SYKE projects under FinWaterWEI II) are supported by a sub-contracted ICI consultant, who checks and approves reports before submission to MFA and supports more generally in project management if needed. The SYKE management contract for FinWaterWEI II does not fall under the ICI framework, but the two IIC projects implemented by SYKE do so. This arrangement has worked effectively, reducing substantially the workload of the respective MFA staff.

Overall, the standard management model used in the IIC projects is adequate for this type of relatively simple interventions as it provides clear roles and responsibilities and guarantees adequate level of management while reducing the routine management work of MFA. The downside is that – as all project implementation units – they rely on a parallel management structure.

In terms of management of external communication and dissemination, FMI and GTK have not reported about a dissemination plan of project achievement. Basic project information is accessible for the public at the websites of the Finnish institutions and brochures on the projects have been elaborated.

**The THL** project is responsible for the implementation and monitoring of the project from the Finnish side. MoLSD is responsible for the implementation and monitoring of the project from the Kyrgyz side. A Project Board meets twice. The MoLSD has appointed an Advisory Group to follow up the project. A subcontract with the INGO HelpAge includes practical assistance to the fielded experts in logistics, translation and interpretation, and funding is transferred through HelpAge. The project follows the normal ICI-management format, including use of the ICI consultant. In the **HAUS** project Steering Committee, an MFA representative is chairing the meetings and all parties contracted or sub-contracted to the program are represented. The MTE found that timing and quality of the reporting of both projects provided an adequate tool for monitoring and decision-making. Financial Management is undertaken by THL and HAUS, which both employ a Project Manager and a financial administrator. The ICI consultant reviews the financial reports of the THL project.

Unlike other WEI-II projects, the THL project is not represented in the WEI II Brochure produced by MFA and addressed to the Finnish public, since it was conceived at a later stage. Public dissemination related to the PADOS and THL projects are not included in the respective activities and budget, even though public and decision-makers' awareness of the projects may be important in the light of their ambitions about benefiting large groups of end-beneficiaries – which, however, are supposedly not aware of these endeavours.

### 3.10.3. The FinWaterWEI II Programme

The programme is managed by SYKE and implemented by various stakeholders. Day-to-day management of the programme is done by the FinWater-team, which consists of a programme coordinator and administrator, and local coordinators (programme officer in Tajikistan and assistant) in Kyrgyz Republic) in the two countries. Monitoring and reporting in the FinWaterWEI II programme is more complex than other WEI-II components due to many sub-projects, of which several are parts of other programmes with their own monitoring and reporting systems and schedules. SYKE arranged a specific FinWaterWEI II coordination meeting in 2015 to enhance exchange between the Finnish funded projects. The management arrangement has worked well with the ICI sub-projects, and the initial reactions from the INGO and IO partners starting to implement the local sub-projects have also been positive, although negotiations took more time than expected. Trying to get the regional projects (to be implemented by IOs) started has consumed a lot of time, and only one is currently ongoing. As the causes of the latter delays are mostly external to the management team, it is too early to make an assessment.

The main management body of FinWaterWEI II is the SC, which consists of representatives from MFA Finland, Ministry of Environment, Ministry of Agriculture and Ministry of Health and SYKE. It meets minimum three times a year. The overall decision power rests with the MFA. In addition, consultative Advisory Groups have been established in the Kyrgyz Republic and Tajikistan. They contribute to coordination, information sharing and monitoring and meet three times during project duration. This arrangement has facilitated contact with national project partners considerably. The two ICI sub-projects follow the ICI-management format, including use of the external ICI consultant, which has reduced MFA workload and improved the quality.

SYKE monitors the financial reporting of sub-projects and submits biannual financial reports and accounts to MFA. Upon approval by MFA, the implementing agencies of the sub-projects submit the budgets and requests for payment to the FinWaterWEI II-team for review/approval and subsequent payment. The maximum management fee level for the sub-projects implemented by IOs is 8%; special justification is required if this level is exceeded. Financial management of the ICI sub-projects has been efficient and smooth, but SYKE is still working to establish adequate reporting practices with the new implementing agencies.

FinWaterWEI II uses the programme website as the main platform for external communication, and has also produced an informative 12-page brochure. The programme/SYKE has prepared communication instructions for the projects. By communication SYKE aims to disseminate information to beneficiaries and decision makers as well as to strengthen the interactivity of the Programme. Among the sub-projects, the IIC project in the Kyrgyz Republic is using public media actively to communicate its activities; though mostly in Russian (rural stakeholders might be better reached through Kyrgyz language). The other sub-projects rely on existing and proven communication channels established by the implementing institutions in the context of the broader programmes to which the sub-projects contribute.

### 3.10.4. Multi-bilateral projects

Multi-bilateral projects are being implemented in three cases through the regional offices: UNDP in Istanbul, ILO in Moscow and UNITAR in Geneva. FAO works through the country office in close collaboration with the Kyrgyz Ministry of Agriculture, like the A2J and Rule of Law projects being managed through the UNDP representations in the respective countries. The management system in each case corresponds to that of UNDP, ILO and FAO.

In the **FAO project**, the National Project Coordinator with the help of the Project Management Unit (PMU) has overall responsibility for project implementation in cooperation and coordination with the Project Steering Committee (SC) with main partners and Finnish participation, which proposes plans

and reports before submission to the Tripartite meeting, which makes the final decisions. The CTA and FAO Fishery Officer supervise the day-to-day activities of the project. Tripartite meetings involving the Ministry of Agriculture, the MFA-Finland and FAO are held at the end of each project year to review progress and principal outstanding issues and approves plans and changes in project document. Appropriate ways of communicating project messages to beneficiaries and other stakeholders are identified by the SC.

The **AfT project** is implemented from UNDP Regional Service Centre for Europe and the Commonwealth of Independent States (CIS), located in Istanbul. The Regional Service Centre is responsible for overall management, backstopping and monitoring, coordinated with participating countries' UNDP Offices. The project is directed by a Project Board, chaired by the Director of the UNDP Regional Centre. The PB also consists of representatives of the MFA of Finland and of the UNDP country offices from the beneficiary countries. The project board may decide to expand its membership as appropriate.

The **ILO Project** Board, which consists of the CTA, Decent Work Technical Support Team and Country Office Moscow-based specialists on International Labour Standards, Employment, Social Protection, Labour Inspection and OSH, Employers' and Workers' Organisations and the MFA of Finland, meets annually to review the progress and annual work plans, evaluate strategic decisions and provide general advice. The PB is responsible for approving project revisions (i.e. major changes in the project document). In addition, national project coordinators contribute with comments and views for improving project implementation in both countries. The project communication strategy includes a series of video clips, addressed to workers in the informal economy, Kyrgyz local TV in 2016.

The FAO, ILO and AfT projects are monitored against the logframes and indicators. For the FAO project, the CTA prepares Annual Reports and six-monthly Progress Reports. Annual Reports are submitted through the FAO Representative in the Kyrgyz Republic to the FAO Headquarters for review and submission to the donor. In the ILO project, monitoring is done bi-annually against the baseline established in the beginning of the project through Semi-Annual Progress Reports produced by the country project staff, and Monthly Reports of National Coordinators.

For AfT, monitoring includes a range of measures conducted on bi-annual and annual basis. On a bi-annual basis, a quality assessment shall record progress towards the completion of key results. Based on the existing internal monitoring systems in the UN sister organizations all three projects have managed to establish an effective system of monitoring and reporting, which ensure the provision of quality and correct information on the progress of projects implementation, to help keep track of all challenges and complexity and take the appropriate evidence based managerial decisions. Annual Review Reports are prepared by the Project Manager and shared with the Board. As minimum requirement, the Annual Review Report cover the whole year with updated information and a summary of results achieved against pre-defined annual targets at the output level

The **A2J and Rule of Law** projects have a Steering Committee (A2J) / Project Board (Rule of Law). Members are the Senior Beneficiary and key project partners (MoJ, MoLSD, State Registration Service, MoYouth, Ministry of Economy, UNICEF, UN Women, civil society and the MFA of Finland. The Committee/Board takes consensus decisions. The UNDP Operations Unit provides administrative, personnel, procurement and logistical support to the projects. The projects are monitored against logframes and indicators on outcome level. A2J and RoL partners are involved in the monitoring of project implementation.

Both A2J and RoL have comprehensive dissemination segments (web-sites, information campaigns, brochures, leaflets, posters, print and electronic media products) covering the project components. In A2J a considerable share of information dissemination was outsourced to the project partner, the "Journalists" association (62.000 USD), which mainly used the funds for awareness-raising campaigns,

directed towards the population at large, in national and local print media with limited circulation. Considering that the project target groups are not least the rural population and vulnerable groups such as people with disabilities, rural women, and youth at risk (who are not reached by such media), it was discussed whether funds would be better invested in folders, posters, radio, social media and SMS. This would supposedly also be a more sustainable solution, since the actual campaigns depend on continued availability of funds. The evaluation met well-working local initiatives that included schools' street theatre.

Rule of Law project dissemination was implemented through several of abovementioned channels, including involvement of Project partners. Field studies showed that the general brochures were not always available in LACs. However, the overall assessment was that the most effective dissemination is not through media, but ear-to-ear. When services are available and accessible, the target population will be aware of their existence.

**Strengthening Capacities for Peace in Central Asia** was implemented by the regional UNITAR office in Geneva in cooperation with UNRCCA, without a Steering Committee given the limited project size and duration. Project management consists of the Project manager/coordinator from UNITAR, responsible for overall coordination and a Project manager/coordinator from UNRCCA.

According to the PD, courses were to be monitored by UNITAR and UNRCCA experts during the process. Monitoring should also include collection of data to facilitate evaluation of project design, implementation and results. According to focus group meetings with trainees, the last part has not materialised. Public dissemination was not envisaged and the courses were not covered in the media or at donor meetings.

**In summary**, the management procedure is overall straightforward and appears adequate for the IIC capacity building projects. Routine monitoring for the FMI, THL and SYKE ICI projects is largely outsourced to an external ICI consult, which reduces the workload of the involved MFA staff.

Also for the multi-bilateral WEI-II projects, the MTE found that the overall management and administration structure, including the financial part and reporting, has adequately supported decision-making, implementation and inclusion of stakeholders, with the exception of the UNITAR project. There is scope for improvement regarding awareness about the importance of external project communication in Finland and towards target country public and decision makers in order to support expected project spread effects.

An important element of both programme and project level monitoring are the regular MFA missions, which have been crucial in the context of a complex programme with only vague common logframe. They have also made possible timely interventions by MFA when deemed necessary. M&R reflecting programme-level logframe indicators is complicated due to problems in attributing possible changes in selected high-level indicators to project activities. Project-level indicators, on the other hand, are mostly linked to concrete activities and specific material outcomes (reports among others), not impact in the broad sense. The problems are related to the 'extraneous' way the logframe (which is only available in Finnish) was linked to WEI-II, more as an afterthought than an integral part of the programme design. Apparently it has not been actively used for monitoring purposes.

According to the MFA, UNDP-implemented projects are well structured in terms of organizational, logistical and financial management and monitoring. Accountability and reporting appears transparent and timely and particularly regarding results based management, learning from UNDP procedures has been useful for the MFA.

### 3.10.5. Risks and Risk Management

IIC projects and the FinWaterWEI II programme

In the IIC projects, the main assumptions are related to (i) adequate support of the governments and existence of sufficient political will to implement agreed reforms, (ii) sufficient motivation and resources (both human and financial) for the counterpart agency to take operational responsibility after project termination, (iii) availability of all the necessary technical data and information about management practices to plan and implement the necessary reforms jointly, and (iv) adequate capacity and opportunity to disseminate the new skills and experience to colleagues and other stakeholders. The FinWaterWEI II programme also lists sufficient cooperation between stakeholders as an assumption. In general, the assumptions concerning adequate resources from the counterpart governments and institutions for follow-up may have been too optimistic. Resource allocation is dependent on broader economic and political factors, which lay mostly beyond the projects' sphere of influence. However, the issues have been discussed with counterpart leadership, who have taken them up to their superiors. The other two assumptions have been met at least on minimum level by all IIC projects and the FinWaterWEI II programme.

Concrete risks identified in the PDs can be divided to three groups: (i) practical issues related to availability and stability of counterpart staff with necessary professional skills, minimal technical infrastructure and problems related to slow procurement processes; (ii) national level political changes leading to changes in key personnel, more restricted public access to information, political and/or social instability, and financial constraints and insufficient commitment resulting in lack of follow-up; (iii) factors beyond national control, such as natural disasters and accidents and adverse external political or economic developments. The PDs also include as risks some issues on which the respective project can directly influence (and thus not risks but issues for the projects to actively address), such as lack of coordination with other donors. According to the PDs problems with practical issues were to be addressed through project management structures (Project Boards or directly with counterpart coordinators), while the external risks, which are beyond the projects' direct influence, were to be addressed through political lobbying and mitigated through flexible use of project resources.

The risk assessments have in general been relevant, and many of the identified risks have already materialised. These include delays in procurement and unforeseen expenses due to new customs legislation in the Kyrgyz Republic, delays due to availability of experts and change of training participants, changes in key personnel of the counterpart institution, problems in collaboration with stakeholders, and delays due to national level changes (elections) in the Kyrgyz Republic. Strained relations between countries remain a major impediment for the implementation of regional sub-projects under the FinWaterWEI II programme, and natural disasters have caused some delays. There have also been some unexpected delays in signing contractual agreements, and close liaison of project activities with other donor projects has caused some delays. The main adaptation measures used to address all types of materialised risks have been flexibility (e.g. transfer of funds between budget lines, revision of work plans and intensification of implementation, access to required data through alternative channels) and joint discussion of the issue between implementing partners (e.g. change of participants in training was resolved after discussion with the counterpart organization). Flexibility has also improved when projects have been prolonged with no-cost extensions. Although lobbying through counterpart institution leadership has been attempted, the results have apparently been meagre.

The Democracy Support capacity building projects implemented through THL and HAUS rests on assumptions relating to the overall societal and political context and dissemination capacity of trainees:

- THL: The new strategy of social protection (SSP) of the Kyrgyz Republic and its action plan will be finalised and approved; MSD is committed to implement it and MSD staff is able to participate in trainings.
- HAUS: All Eastern Partnership countries are committed to the join the PADOS programme and send representatives to multilateral and bilateral events; continue and implement reform programmes; continue their dialogue with the EU and engage in the Eastern Partnership; Programme participants will distribute experiences and best practices to colleagues and decision makers and that political, societal and economic conditions will enable the process.

For the THL project, a key risk identified is instability of public administration, in particular constant turnover of staff, in addition to political instability, which may prevent continuity in policy-making and foreseen implementation of the SSP. For the HAUS project, risks identified relate to adverse external developments; lack of follow-up in the six EAP countries due to financial constraints and insufficient commitment; lack of coordination with other donors and a supply driven approach.

## **Multi-bilateral projects**

### Assumptions

In the AfT, ILO and FAO projects, assumptions are related to: (i) local and national level political will and commitment to develop sustainable aquaculture and inland fisheries, the Decent Work concept and regional cooperation and trade; (ii) target institution and counterpart personnel being receptive to project outputs and plans developed under the project; (iii) information collected and studies carried out are of such quality that they allow the stakeholders to take right decisions at national level in support of development and management of the sector.

In the A2J and Rule of Law projects, it is a general assumption that improved knowledge and awareness on rights and available means for disputes resolution by accessible and affordable justice services will decrease the level of societal violence and protect the rights of vulnerable groups. Rule of Law assumptions were not clearly spelled out in the Project document.

In the UNITAR project, assumptions are related to participants' willingness to go through pre and post-tests, training modules being customized to reflect regional specificities, full participation in the course and that participants are accustomed to use the *Community of Practice*-website.

### **AfT, ILO, FAO**

Risks identified include: (i) Central Asian countries suffer from certain economic and security challenges (ii) lack of Micro Finance Institutions ensuring financial sustainability of Business Challenge Fund in Tajikistan; (iii) Challenges on integrating project activities with existing area-based projects; (iv) Ineffective coordination between projects and programmes implemented by different international agencies (AfT); (v) Illegal fishing as a danger to the fish population in the Issyk-Kul lake (FAO); (vi) potential negative social implications from the Ruble crisis and decrease of remittances and (vii) potential increase in unemployment due to high number of returning labour migrants.

### Risks materialised

(i) The financial Crisis in Russia and Central Asia and depreciation of Russian Ruble made trade in Central Asia difficult; (ii) Kyrgyz CIS accession created obstacles for trade between Central Asian countries (iii) high inflation rate in the region from end-2014 onwards resulted in lower business activity and (iv) frequent staff rotation and government structure changes (relocation in ministries of Social protection and Labour in Tajikistan).

### Adaptation to materialised risks and unforeseen situations

Adaptation to unforeseen situations include: (i) the contract of the national trade coordinator in AfT Kyrgyz Republic was not extended (ii) AfT Adaptation and revision of an indicator system and less

complex actions structure; (iii) new management arrangements in AfT project – reducing the CTA position; (iv) due to UNDP’s organisational restructuring, the Project Board composition also changed (AfT) and, (v) The ILO and FAO projects got 10 months extensions in response to delays in implementation and to changed donor financial system, which required revised objectives, expected results and activities, but also allowed the projects to become more realistic and increase confidence in the achievement of all project goals and objectives.

Overall, government political and financial commitment to implementation of legislation and regulation, which has been prepared and adopted in cooperation with projects, represents a serious challenge. For example, centralized decision-making in Uzbekistan represents an enabling factor for the project; making counterparts from the government formulate requests to the project in a precise way with a clear strategic and sector vision.

In Tajikistan, the authorities also have quite accurate expectations to projects, while it becomes complex when additional commitment and financial allocations are needed from counterparts. Therefore, endorsement of laws and policies alone does not guarantee success, since authorities may not be able to implement their own decisions. In the Kyrgyz Republic, an open attitude met to several options may reflect limited control over implementation and commitment by frequently changing decision-makers.

UNDP-counter measures to lack of political will are mainly focused on intensifying and introducing regular consultations on implementation of project activities with all involved actors. To prevent risks from materialising, the projects established close links with government entities and built donor community network to advocate for Government action. All project activities carried out were closely consulted with and had the explicit endorsement of relevant government institutions on beforehand.

## **UNITAR**

Risks identified were related to security, violent confrontations, instability in the region and withdrawal of state support as a result of political changes. A risk materialized is no participants using the CoP, hence inability to achieve Outcome 2: “Opportunities for regional cooperation in the management of cross-border issues are reinforced through the interaction of civil servants at regional level” and Output 2.1: “Users active on the Community of Practice (active defined as accessing CoP at least three times per week). No mitigating measures had been applied at the time of the field studies (the MTE was informed by the project management 12 May 2016 about remedial actions being put in place to make the COP functional).

## **A2J, Rule of Law**

Identified risks include political destabilization and armed conflict; corruption, government policy and practices not implemented inability to secure funds to operate legal aid. The key challenge of the project articulated in the PD, RoL is associated with sustainability of the results and maintaining high political will in the rule of law and access to justice area. The major Rule of Law-risk is the need to maintain high political will in the rule of law and access to justice area, which remained valid throughout of 2014 and 2015. While the Government of Tajikistan has on numerous occasions expressed its commitment to reform justice sector, translation of commitments to action remains slow and demands long time frames. Delays in adoption of the Concept on state guaranteed legal aid affected the project’s targets on state run legal aid. There is an ongoing concern with the GoT’s attitude towards NGOs.

The risk associated with the introduction of HACT (*Harmonised Approach to Cash Transfers*, which implies that donor financing go directly to project partners’ financial department and are managed by their financial system) into the UNDP financial management were not foreseen, while it consumed additional time and effort of the PMU.

Challenges caused by the low capacity of project partners were not spelled out in the risk management log of A2J but was mentioned in progress reporting. These challenges were countered by extensive capacity development assistance and continuous coaching and monitoring, hence increasing national capacity and ownership.

**In summary**, assumptions are mainly elaborate and realistic, while some are very (too) optimistic about government uptake. Risk analyses are generally thorough and good; however they were only able to include materialised external adversities to a limited extent. Risks not fully foreseen include need for exchange of project staff, exchange of key counterpart persons and managerial restructuring, election-impact and procurement delays. Generally flexible adaptation to unforeseen situations on project and MFA level include changed strategies related to no-cost extensions.

### **3.11. Finnish value added**

The Section will examine the extent to which value is added to WEI-II by distinctive Finnish features of the support. Such features would be likely to enhance Finnish visibility within the countries and sectors where cooperation takes place. Features might consist in Finnish expertise or products being used in fields where Finland is supposed to possess a comparative advantage from its economic endowment or societal traditions, such as forestry, computer technology, education, compensatory measures against disability or a society largely free of corruption. They might also consist in particular ways of providing support that enhances its effectiveness and efficiency (where the IIC-channel can be regarded as one such way of supporting, which brings Finnish expertise in play in a direct way).

The **IIC projects** and inter-institutional cooperation are designed to bring the Finnish expertise in the fields of meteorology and geology, social protection of vulnerable groups and E-governance into play through the respective state institutions and companies in which they are accumulated: FMI, GTK, THL and HAUS.

These institutions have high professional standard within their fields of competence and possess well-developed experience in development cooperation, which aims to transfer of this standard through capacity building to institutions with similar purposes in cooperation countries. Moreover, as parts of public administration, the Finnish institutions implementing the IIC projects have no direct interests in developing business in their field and can thus work impartially, confidentially and free of corruption-risk. In the absence of Finnish embassies in the cooperation countries, IIC cooperation serves as a tool for Finnish visibility and for the establishment of relations on different levels between the countries. This is similar to the role often ascribed to Finnish NGOs in other countries. However, they are not very active in Central Asia.<sup>17</sup>

It might be added that twinning-like IIC-cooperation is supposed to result in professional and human relations between the Finnish partner institutions and their local counterparts, which is expected to last beyond the termination of the cooperation project. This can result in a lasting international network with the Finnish partners in a central position. However, it was also acknowledged that the intensity of such contacts will naturally be reduced if there are no financial resources for cooperation in the future.

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<sup>17</sup> The Team met no references to possible viewpoint that Finnish added value might be served sufficiently through the EU, since Finland is an EU member country.

Finally, it is worth mentioning that Finnish interests are served through IIC-cooperation by the fact that the cooperation is also a funding instrument through which the TA fees and related expenditures remain mostly in Finland, as opposed to those being used for running international organisations.

In the **FinWaterWEI II Programme** with 12 subprojects, SYKE was chosen to manage this part of WEI-II based on the priorities of (i) Enhancing cooperation and coordination with state administrations, and (ii) Improving the quality of the programme by involving a wider range of expertise from this specialised institute. SYKE has broad experience and expertise in the water sector (ranging from water quality measurement to sector policy development) on different levels, which add value to its programme management. SYKE's previous experience from similar projects under the ICI instrument (including in Central Asia) is highly relevant for implementation of the IIC sub-projects.

FinWaterWEI II has also increased the involvement and visibility of Finnish NGOs in Tajikistan and the Kyrgyz Republic (e.g. a study tour to Kyrgyz and Tajik participants was organized whereby they took part in the Global Dry Toilet Conference in 2015), and dialogue has been facilitated between WaterFinns and the Kyrgyz Alliance for Water Supply and Sanitation. SYKE team members and other Finnish experts have participated in several national, regional and international meetings and events, presenting Finnish practices and experiences, and encouraging exchange between different stakeholders.

It was assumed that the use of different support instruments under the SYKE-managed programme would increase the number of Finnish experts serving in international organisations in the cooperation countries/Central Asia. However, this has not happened, except possibly in the UNECE Syr-Darya sub-project, where a Finnish expert is coordinating the project. SYKE staff also mentioned that improved synergy through stronger co-operation between the Finnish-implemented IIC projects under WEI-II could be an important change-factor in the two countries, and politically acceptable as the Finnish IIC-partners (and Finland) are considered relatively neutral and without major direct economic interests.

### **Multi-bilateral cooperation**

Regarding the projects managed by FAO, ILO and UNDP, Finnish inputs were represented by support from the University of Eastern Finland to curriculum development under the FAO project. Related to the wider Rule of Law-issues in Central Asia, the former President of the Finnish Bar Association, Dr Pekka Hallberg, contributes with publications and lectures in the countries.

Active Finnish participation in project governing bodies is a tool for following and possibly benefiting from international expertise in development cooperation. Thus, it was mentioned that knowledge of good and innovative UNDP practices had been useful for the MFA. Study tours to Finland have been useful for project implementation and elicited inspiration and initiative to bring the gained knowledge home. Finnish funding is visible through the MFA logo, which appears on all project-related print materials and dissemination of information, and appreciated by beneficiaries.

**In summary**, Finland adds value to WEI-II by the provision of Finnish TA expertise and study tours to Finland. WEI-II adds value to Finland through Finnish visibility in Central Asia (and Eastern Europe); contribution to the funding of Finnish institutions and increasing their international experience; and related to learning from cooperation with the UNDP, seen by the MFA as useful for the management of Finnish cooperation.

## 4. CONCLUSIONS

### 4.1. Programme level

#### 4.1.1. Effectiveness

1. The (reconstructed, implicit) **WEI-II programme strategy** is not fully serving its guiding purpose, some of the assumed synergies between components and projects have not materialised and most of its Central Asian regional part has failed to contribute as foreseen. A more elaborate and realistic strategy could have been helpful in relation to the choice of interventions and to the formulation of project design requirements that support the strategy.
2. **Regional cooperation in Central Asia**, one of the WEI-II objectives, has proven difficult. There was no proper Uzbek participation in the regional *Strengthening Capacities for Peace in Central Asia*-project and in the Syr-Darya nexus sub-project (under FinWaterWEI II). While the AfT-project is duly implemented in the three target countries, its regional component lags behind. However, despite delays in start-up, the regional UNECE projects under FinWaterWEI II contain a potential for promotion of intra-regional cooperation on water issues, a major source of conflict.
3. As in large part of development cooperation in general, **capacity building** is an expensive core element in most of the WEI-II programme, through:
  - Tailored institutional and individualised in-service training, combined with some delivery of equipment, in IIC projects
  - Course/workshop-based capacity building projects (THL, HAUS, UNITAR)
  - Study tours to Finland and other countries with relevant experience in most projects.

Effectiveness and sustainability of capacity building depends on several factors including needs assessment, selection of trainees, their possibility to practice new skills and continued presence in institutions to be strengthened, quality of training and materials used, sequencing, trainers' contextual understanding, follow-up and strategies to integrate new skills into institutional memory, as briefly indicated in the "Checklist" in Section 3.5.2. Hence, it is worthwhile to assess proposals that include capacity building, and their budgets, systematically in relation to such factors.

#### 4.1.2. Efficiency

4. The projects implemented by UN organisations (that benefit from an existing development cooperation structure to which Finland contributes through its UN membership) are generally less expensive than the IIC and HAUS projects, which focus on human capacity building using short-term international consultants, reflected in a high proportion of the budget allocated to salary and travel costs. This way, they contribute to the funding of the involved Finnish institutions. However, in the light of an overall good IIC-project performance, it cannot be concluded that their cost-effectiveness is lower than the UN-implemented projects.

Within the UN implemented projects, those implemented by the UNDP (and FAO) from their offices in the target countries are the most cost-effective due to shared existing facilities. More so for the UNDP in the Kyrgyz Republic where the A2J-project shares the justice sector CTA with several other projects, than in Tajikistan where the Rule of law-project has its own CTA. In reverse, for the projects managed from regional offices, UNDP AfT from Istanbul and ILO DW from Moscow, larger parts of the projects are consumed by related support costs.

#### 4.1.3. Sustainability

5. WEI-II operates in a demanding **context** in the target countries that includes protracted economic crisis and consequent challenges to the social fabric and peoples' livelihood through massive migration; in response to perceived increasing Islamic radicalisation, legislation that restricts the possibilities of civil society and widespread corruption, which combined with low public sector salaries is dysfunctional for the public sector and creates high staff turnover.

However, project implementation has managed to provide good short-term responses to these challenges, including through an inclusion of CSOs, which supports their societal position and dialogue with the authorities, mobilisation of local resources (Aft, FAO, A2J, RoL) and successful capacity building of vital state institutions (meteorology, geology and water management projects). Overall remaining challenges related to sustainability consist in:

- Recruiting and retaining good professional staff at counterpart institutions
- Assuring that assumed spread effect of projects will materialise through state agencies (PADOS, THL, ILO A2J, RoL) and at the micro-level (Aft, FAO, FinWaterWEI II local sub-projects)
- Assuring assumed government take-up of projects when public finances are strained

#### 4.1.4. Management and administration

6. Overall, MFA programme management has worked well and allowed for a degree of MFA hands-on project management in the target countries, notwithstanding limited staff resources in Helsinki and at the Embassy in Astana, which have been usefully supplemented by the outsourcing of part of the administration to the ICI consultant. However, ongoing reduction of the involved staff in Helsinki and Astana is a cause of concern for the Evaluation. While the relevance of, and Finnish interest in, continued WEI cooperation remains unchanged under the 2016 Development Policy, MFA management capacity risks to become significantly reduced.

#### 4.1.5. Finnish added value

7. As a side-benefit for Finland, the WEI-II programme and in particular the Finnish-implemented IIC projects, has created **visible Finnish presence** in, and increased Finnish knowledge about, the Central Asian sub-region, part of the larger neighbouring Eurasian Region. The HAUS project contributed to the materialisation of European Union's Eastern Partnership objectives. Study tours to Finland produced positive results including in relation to legal reforms, e.g. strategies to lobby ratification of the Convention on the Rights of Persons with Disabilities, attitude change toward state penitentiary institutions, revising the role of the Ombudsman and international quality standards for social protection services. However, more information about the WEI-II programme and individual project achievements might be disseminated in Finland and internationally, since large part of it would be of interest to decision makers and the public

### 4.2. Project and sub-programme level

#### 4.2.1. Relevance and Effectiveness

8. The ILO-implemented **Decent Work (DW) project** (Kyrgyz Republic and Tajikistan) is to materialise the broader ILO Decent Work concept in the target countries. The International Labour Organisation was created back in 1919 as a tripartite organisation to regulate then acute employers-workers antagonisms, with the states in an intermediary position. Later, as a specialised UN Agency, the ILO was given additional broad mandate areas, such as social welfare and training, while now challenged by general changes in the labour market structure.

The ILO is not very visible in the Kyrgyz Republic and Tajikistan, without recognised status as an international organisation (which allegedly prevents increased cost-effectiveness by relocating project management to a target country), and with a labour market marked by massive migration. Through advisory services and capacity building, the DW project addresses involved state agencies in particular, such as for labour market statistics, health insurance and occupational safety and health. These services are much appreciated by the counterpart agencies, including not least the trade unions. The MoLSD being the ILO counterpart agency, the DW project has potential synergy with the Finnish funded *Strengthening the Social Sphere* and *A2J* projects in the Kyrgyz Republic, of which the parties were, however, not aware.

The MTE found that most of the expected ILO DW results will only materialise in the long-term, provided there is an uptake by the state and employers in the frame of its defined outputs. The project did not try to address acute migration-related labour and related social challenges through normal ILO instruments, while it tries find synergies with other ILO projects that focus on skills development for vulnerable groups. Given the present conditions in local labour markets, the relevance of participation in an international pilot project to improve labour market statistics may be questioned.

#### 4.2.2. Effectiveness and management

The above concern is accentuated in the **UNITAR**-implemented Democracy Support project, *Strengthening Capacities for Peace in Central Asia*: short-term course-based capacity building for a limited number of (envisaged) top-level civil servants from the five Central Asian countries. Overall, project effectiveness was found low and impact prospects limited, which may be ascribed to insufficiencies with learning potential for future, similar projects, including:

- Trainees selected on the basis of too broad criteria did not represent envisaged target groups
- Different persons were selected for the different parts of a consecutive series of courses
- Implementation was slow, reporting late and inaccurate, Financial Report still not submitted
- There was no Steering Committee, hence no donor participation in project management.

#### 4.2.3. Effectiveness and sustainability

9. Overall, the **Green Economy IIC projects** (meteorology, geology and water management) have performed well. Implementation is smooth, the main objective, capacity building, has advanced largely as planned; CCOs are accommodated when relevant; and the projects complement other relevant donor-funded projects. This has been achieved because the projects are based on previous regional projects in Central Asia, have simple but flexible management and cooperation arrangements and pursue clear and relatively practical targets. However, low salaries and problems in maintaining equipment received from donors is a challenge to future sustainability.

While the majority (10) of the 12 sub-projects under the **FinWaterWEI II programme** started late or are only starting now due to bureaucratic delays (particularly the regional sub-projects), now six of them are being implemented. Three of them are designed to gain experience on effective and sustainable project implementation for potential replication in other places. The ICI sub-project in the Kyrgyz Republic includes experience and information exchange between organisations and projects in the Issyk-Kul region and beyond, including NGOs and citizens. Lessons learnt from this project can support replication of the approach in other regions. The two local-level projects implemented by INGOs in Tajikistan participate in WSS coordination between donors and the Government. Due to well-developed donor-Government coordination in the sector in Tajikistan, experience from these – and other similar donor-financed projects - is likely to contribute to evidence-based policy development and efficient expansion/replication of best practices.

10. Finnish-implemented **Democracy Support projects** include the **THL** ICI-project Strengthening the Social Sphere and the **HAUS** PADOS project, both short course/workshop-based capacity building projects for a limited number of middle/top-level civil servants, which are smoothly implemented. Where THL focuses on the MoLSD, including decentralised services, in the Kyrgyz Republic, HAUS gathers small groups of trainees from six East European countries for revolving workshops in the countries. The projects share ambitious objectives and optimistic assumptions about considerable trainee capacity to spread acquired knowledge and skills and influence new policies.

Notwithstanding the high degree of trainees' satisfaction met by the Evaluation in the Kyrgyz Republic (and reported by HAUS), not least with study tours to Finland, it was found that such course-based capacity building projects require not only solid anchoring with the counterpart (as with the Kyrgyz MoLSD, less certain in the six PADOS countries) but also, in the light of high staff turnover, institutionalised follow-up that may include interactive websites. Hence, lack of follow-up, which for PADOS might have been linked with the European Union's Eastern Partnership initiatives, risks to reduce the sustainable project impact.

11. The UNDP-implemented regional **AfT project** (Kyrgyz Republic, Tajikistan and Uzbekistan) produces its most effective results on the national level, whereas the regional part lags behind. In the Kyrgyz Republic and Tajikistan through its appreciated support to the involved government structures that deal with the countries' adherence to international economic organisations, EEU and WTO respectively. Similar appreciation was met with business organisations for AfT support to them as well as with the micro-level beneficiaries for the grants and subsidised loan support to production and commercial activities. However, the MTE found that assumptions about the spread effect from limited-size pilot target groups were less realistic and that it will require additional efforts, beyond the project-envisaged, for the objectives to materialise in a sustainable way - similar to good examples of replication of project results from the previous phase of the project; e.g. the business ideas in Sugd, Tajikistan, continuing entrepreneurs networking in Batken, Kyrgyz Republic, replicated business ideas in Namangan province of Uzbekistan and the AIMS system, which reports on reaching more than 215 000 customers.
12. In response to a sharp decline in Kyrgyz fish production over the last twenty years, the **FAO Fishery project** provides a thoughtful approach to the development of the fishing industry. Professional growth of industry specialists, a scientific approach to the further development of fisheries, Government strategic sector management and strengthened cooperation across the value chain are the main parts of the approach. However, insufficient inter-institutional coordination and weak organizational capacity of the association of fish producers may reduce or delay the implementation of the long-term objectives.
13. The UNDP-implemented **Access to Justice project A2J** (Kyrgyz Republic) produces significant results through its components on different levels, supplementing other donor interventions in the justice sector. Project results were of immediate importance to a large number of ultimate beneficiaries for resolving widespread legal problems. Demand for such services has to be seen in the light of a slow and expensive justice system – and a slow and cumbersome administrative system – that would normally leave the above problems unresolved among the poorer parts of the population to the detriments of the weaker parties.

The Rule of Law-project (Tajikistan) deals with provision of free legal aid, similar to A2J, while the law and Convention on the Rights of Persons with Disabilities-adoption is relatively more important, as is the policy dialogue meetings for local population, authorities and CSOs. For both projects, government uptake appears relatively realistic in the light of project-estimations of the costs of implementing the related new legislation, provided an adequate exit strategy and that donor support are secured during the transition period.

## 5. RECOMMENDATIONS

### 5.1. Programme level

#### Recommendation 1

Related to conclusion: 1

To: the MFA

For future WEI interventions, Theories of Change with inherent explicit programme/project strategies and including well-underpinned causal relations and realistic assumptions, should be applied at programme level and included in project documents.

Possible Implementation modalities: (see Lesson 1 below)

#### Recommendation 2

Related to conclusion: 3

To: the MFA

For capacity building elements in project proposals, the extent to which they comply with common recognised good practice-criteria and avoid related pitfalls should be assessed:

Possible Implementation modalities:

- The Report's compilation of factors with positive and negative impact on capacity building might be used as inspiration for elaborating an authoritative MFA checklist, which may draw on the international capacity building-knowledge body.
- The checklist should be made available to the implementing partners.

#### Recommendation 3

Related to conclusion: 6

To: the MFA

In response to MFA WEI-II staff reduction, sector advisers from KEO-20 should be used more actively, in particular those already familiar with the WE-II programme; more project administration should be outsourced; and more joint evaluations with other donors should be undertaken, notably in projects that are parts of larger programmes (e.g. most of the FinWaterWEI II sub-projects).

Possible Implementation modalities:

- Inviting sector advisers to take part in WEI-II monitoring missions and management meetings,
- Active Finnish participation in joint evaluations of multi-donor programmes to which WEI-II projects participate (e.g. the Oxfam GB implemented sub-project of FinWaterWEI II in Tajikistan)

#### Recommendation 4

Related to conclusion: 9

To: the MFA

The MFA should investigate UNITAR's use of project funds, including in relation to the "Community of Practice"-website and its maintenance.

## 5.2. IIC Project Level

### Recommendation 5

Related to conclusion: 10

To: executing Finnish state institutions and counterpart institutions

Project implementation should maintain flexibility to respond to changes in both internal and external conditions

Possible Implementation modalities:

- Special attention should be paid to sustainability regarding issues like retaining and recruiting competent staff, continuing in-house training and securing maintenance
- Inter-institutional cooperation with local implementation partners should be strengthened on practical level, not only on the level of formal agreements (e.g. between laboratories under different institutions)
- Internal two-ways communication within the institutions should be strengthened, e.g. by involving operational staff more actively in project design and monitoring, and making internal channels of communication more deliberative and transparent.

## 5.3. FinWaterWEI II level

### Recommendation 6

Related to conclusion: 10

To: (SYKE and counterpart institutions under FinWaterWEI II)

Practical inter-institutional cooperation and active participation of the private sector, civil society and other stakeholders in the development of the water-sector, with a multi-scalar approach, should be further strengthened.

Possible Implementation modalities:

Exchange of experience from alternative ways already initiated in the Kyrgyz Republic, where the ICI (SYKE) sub-project at Issyk-Kul has built extensive stakeholder networks with relevant public, private and civil society actors, providing initial elements for eventual public participation in environmental monitoring, and in Tajikistan, where the local sub-projects by Oxfam GB and AKDF have created effective mechanisms to involve local public, private and civil society stakeholders in project planning and implementation, strengthening ownership and sustainability and providing lessons learnt for sector policy development.

## 5.4. Multi-bilateral Green Economy Project level

### Recommendation 7

Related to conclusion: 8

To: The ILO DW project and ILO representatives in the Kyrgyz republic and Tajikistan

In order to reduce related costs, possibilities for relocation of the DW-Project Management to a target country should be investigated.

Possible implementation modalities:

- Relocation will be possible when the relevant documents in the countries are ratified completely and formal restrictions are expected to disappear by mid-2016.
- Use of modern means of communication and distance interaction would make it possible to cooperate with the regional ILO office in Moscow without major problems.

### **Recommendation 8**

Related to conclusion: 8

To: The ILO DW project

In the light of large migration, and return-migration under the crisis in Russia, the project should explore the possibilities for developing new approaches to strengthen its work with direct beneficiaries.

Possible implementation modalities:

- Needs assessment in cooperation with partners (labour, employers, relevant Government institutions including the Committee on Women and Family affairs) to be followed by project initiatives for the benefit of returning migrants and rural women ,
- Support to the constituent ILO counterparts for developing policies and strategies in this area
- Enhance the use of new, international ILO approaches and instruments that can be applied for this purpose.

### **Recommendation 9**

Related to conclusion: 8

To: The ILO DW project

In order to exploit possible synergies, the ILO DW project should prioritise cooperation with the Finnish funded AfT, A2J, Rule of Law and Strengthening the Social Sphere-projects implemented in the same countries.

### **Recommendation 10**

Related to conclusion: 12

To the UNDP, AfT-project

In order to enhance AfT sustainability and efficiency at the micro-level, the system of financial support to selected entrepreneurs and enterprises should be revised.

Possible Implementation modalities:

- The approach to distribution of grants and credits in the Kyrgyz Republic and Tajikistan needs to be replaced by a more sustainable program of loan distribution (using and further developing the Tajik experience)

- The Tajik scheme also needs to define a more realistic interest rate which would cover the related expenses of the micro-credit institutions and be attractive for other investors (local state structures or external investors),
- Supported businesses have to be interconnected to enhance systemic social and economic impact, e.g. development of chains of house rug weaving, souvenir production or agricultural products with export potential.

### **Recommendation 11**

Related to conclusion: 13

To the FAO, Fisheries project

In order to develop real decentralization in the value chains and enhance effectiveness, the project should strengthen the institutional capacity of the fishermen associations and prioritise improved interaction between the public institutions involved in the project.

Possible Implementation modalities:

- After a needs assessment, and considering the existence in Kyrgyz Republic of organizations with experience in public organisation development, a relevant organization could be engaged to carry out actions for needed institutional development of the associations.

### **Recommendation 12**

To UNDP, Kyrgyz Republic re the A2J project and to UNDP, Tajikistan re the RoL project

Related to conclusion: 14

In order to sustain and increase the quality of the newly established state centres system for legal aid, UNDP should continue to assist them in both countries, within current project time frames, with:

- International TA regarding legal aid quality standards;
- Analysing lessons and good practice from the ongoing pilot period and sharing these with other players in the sector; e.g. use of mediation, and monitoring of equal access to and quality of legal aid services nationwide;

Implementation note:

In the Kyrgyz Republic donor support through additional fundraising may be required to sustain the National Legal Aid Centres. (In Tajikistan donor (SDC) support is secured through 2023).

### **Recommendation 13**

Recommendation To UNDP, Kyrgyz Republic re the A2J project and to UNDP, Tajikistan re the RoL project

Related to conclusion: 14

In both countries, the UNDP should continue the efforts to involve the ministries of Finance (national budget owners) in project implementation, in order to facilitate prioritisation and integration of the costs of amended laws in the national budgets.

Possible implementation modalities:

The ministries could be invited for Membership of the Steering committee/Board, and/or Participation in project monitoring Facilitating policy dialogue.

#### **Recommendation 14**

To UNDP, Kyrgyz Republic re the A2J project, UNDP, Tajikistan re the RoL project

Related to conclusion: 14

While developing (Kyrgyz Republic) or amending (Tajikistan) the project exit strategies, UNDP should sustain and harmonise key achieved outputs, focusing on quality rather than number of project interventions

Possible implementation modalities:

Key achieved outputs include cost estimation of law implementation, policy dialogue, reform of the penitentiary system (Tajikistan), domestic violence, and CSO outputs including how to retain experienced CSO-employed lawyers.

## **6. LESSONS LEARNT**

1. To enhance the sustainability of their results and achievement of their objectives, projects need to rest on a **Theory Of Change** (ToC) that contain, not only realistic assumptions (that now often are ambitious and optimistic) about government take-up and risks, but also:
  - Dynamic assessment of the importance of external political and economic factors that impact on project implementation
  - Stakeholder mapping that includes different population segments, economic sectors and sub-sectors, different professions and interest groups, and how these are affected by and likely to react to project implementation,
  - Assessment of barriers and bottlenecks for achievement of stated objectives,
  - Realistic assessments of the political and financial feasibility of government take-up of the activities on national scale, that include cost-estimation of the consequences,
  - Consequent possible inclusion of key stakeholders in the project governing bodies, such as the Ministry of Finance and Local Government, in order to enhance sustainability of results through envisaged spread-effect of project.

ToCs go further than logframes, which usually concentrate on project-inherent action and only deal with external factors as assumptions, in making the abovementioned conditions and measures visible and explicit. They are also useful tools for identifying logical gaps between direct project/programme outcomes and overall objectives (and related indicators) in the PD. ToCs are increasingly used in international development cooperation, not least in the EU-system (earlier called “Intervention Logic”) from where inspiration may be found.

2. Support to **regional confidence building and cooperation** between the five Central Asian countries is up against strong external factors that include countries’ different international political and economic orientation as well as antagonistic interests between up and down-stream countries regarding water resources. While the attempt to address the problem directly through the

UNITAR-“peace project” was not implemented very successfully (and so far also not the regional Aid for Trade-component), UNITAR-trainees were motivated for enhanced contact and cooperation on the “practical level”, where also FinWaterWEI II subprojects are active. Hence, possible future Finnish interventions in Central Asia may serve regional cooperation to the extent they contain cross-border activities that correspond with tangible interests of the concerned parties.

3. **Capacity building** is a key concept in much international development cooperation. Activities under this heading often constitute large part of projects and are normally expected to be expensive; using much international TA. However, more differentiation between different categories of capacity building might often be useful, as illustrated by table 5.

**Table 5: WEI-II Capacity Building Experience**

<b>Factors to be considered</b>	<b>Risks, alternatives and remedial action</b>
Political and financial feasibility: prospects for using upgraded skills	Limited Government commitment and resources for future funding may decrease the CB sustainability. Upgraded capacity may enable institutions sale of services, hence increased resources.
Training needs analysis jointly with partner institution, including operational staff	Partner institution may be too optimistic about own technical and financial capacity. Directors with little operational involvement may dominate planning and favour sophisticated equipment over practical needs.
High staff turnover decreases sustainability, CB increases opportunity for better salaries in private or NGO sector.	Train staff to train other (new) staff in line with Counterpart own CB planning. No activity solely dependent on one staff member. Contractual obligations against leaving workplace.
International (Finnish) TA is the best/readily available, but expensive.	Local /regional TA is cheaper, share context, and interpretation may not be required.
Interpretation is time-consuming and part of the message is “lost in translation”.	<b>In-service training:</b> Language courses for counterpart staff increase capacity to use modern techniques and decrease language barrier.
Selection of right trainees is essential	Should be right mix of decision-makers, managerial and operational staff and gender balanced
Sequencing and continuity is required	Same trainees should continue in series of trainings. Continuous contact between trainers and trainees. Trainees should be able to share experience at workplace
Without follow-up, CB effect may be lost. Ties between trainers and trainees beyond the project period are hardly sustainable on their own.	Publication of processed training materials in local language jointly with counterpart. Websites provide flexible and cheap follow-up channel, provided responsible (donor) anchoring. Sharing course experience

<b>Specific for courses/workshops</b>	
Duration and modality of CB must be compatible with type of activity strengthened	One-off and/or purely classroom training may not be adequate for process-type practical activities
Multi-country workshops encourage international networking between trainees. Joint seminars between projects are likely to produce synergies.	
<b>Specific for study tours</b>	
Study tours are highly motivational	Attached with prestige, they may lead trainees to other jobs
Study tours to Finland have proven to be of inspirational value. Study tours to similar countries may provide more adequate experience.	Knowledge and skills gap between Finnish and Kyrgyz/Tajik institutions needs to be taken into account. Risk of little opportunities for practical learning. Language and ICT skills of staff taken into account when selecting participants to study tours

Capacity building may not only be composed differently between the, usually interlinked, elements of human and institutional capacity building, but also covers a wide range of activities between the main dividers of individualised in-service training and stand-alone external courses. However, for all, effectiveness and sustainability depends on several factors including selection of trainees, their continued presence in the institutions to be strengthened, quality and sequencing of and follow-up to training. As one of the elements, it might be useful to apply WEI-II experiences, as compiled by the MTE in the above table, for the assessment of future capacity building-proposals.