

FINLAND'S *development* POLICY IN 2019

Global responsibility transcending
government terms of office and
administrative boundaries



Development Policy Committee

FINLAND'S
d e v e l o p m e n t
POLICY IN 2019

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Foreword by the chairpersons

The proportion of the world's population living in extreme poverty has fallen in recent years to a record low. According to UN estimates, though, this still amounts to some 740 million people – a tenth of the global population.

As a member of the UN, Finland is committed to eradicating extreme poverty by 2030. The sustainable development programme, the 2030 Agenda, obligates us to be involved in resolving other global challenges as well.

The wicked problems of such things as inequality and climate change reverberate across ever wider terrains. Directly or indirectly, they have an impact on more and more people by feeding instability, exacerbating poverty, and generating forced migration and refugee flows.

The problems will not be solved through isolated actions. Rather, we need global efforts to overcome them, involving all countries and actors.

Finland has a lot to give in terms of development policy, even though our development cooperation funds are by no means huge. It is essential to use resources as efficiently as possible and to act so that our activities in all areas support the achievement of the 2030 Agenda goals, both in Finland and the rest of the world.

A key problem has been that development policy is delineated on an overly short-term basis, and in parts incoherently. Successive policies do not form the goal-oriented continuum that the 2030 Agenda requires. Policies that change with each government term of office have created confusion and incoherence between policy

and implementation, which diminishes performance and quality, and burdens administration.

Achieving results in development cooperation programmes and projects requires long cycles that often extend across government periods and different policies. The Development Policy Committee proposes in this report that a basis for development cooperation and policy should be drawn up now at the start of the government term that will also guide future governments. This global responsibility model would strengthen development cooperation's permanent value base, core principles, priorities, and continuity of funding.

Apart from continuity, coherence is also needed. So far, development policy lines have only guided development cooperation. But global responsibility requires that the roles of other policy sectors and actors be clarified and consolidated as part of a global responsibility policy.

The DPC's current four-year term is coming to an end. We warmly thank everyone who has been involved in the committee's work. This work is valuable, because the DPC is the only actor on the outside of development policy lines and funding that brings together the perspectives of political parties, organisations, civil society organisations, expert officials, and researchers and creates a common purpose.

Good development policy always requires monitoring and evaluation, in addition to the constant development of activity. The DPC wants to be strongly involved in this endeavour, including during the government term of office now underway.

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Summary

The solution to global challenges, such as climate change as well as poverty and inequality and the UN's 2030 Agenda for Sustainable Development, calls for a more determined approach by Finland's development policy and development cooperation. In this annual report, the Development Policy Committee (DPC) reviews the options for a more enduring and effective policy basis.

Based on our analysis, we propose a global responsibility model that would embrace the key elements of development policy – such as goals and priority areas plus the funding level and core principles – running from one government term of office to another. This would improve the continuity and outcomes of the work compared to stand-alone programmes running for a single government term, which have led to vacillation and a scattering of limited resources. The global responsibility model would also hone the role of development policy in the national execution of sustainable

development and augment Finland's international efficacy. It would also encourage cross-sectoral cooperation across administrative and operational boundaries.

In the view of the DPC, it is important that the long-term basis of development policy and its strategic updating are drawn up as openly as possible and dealt with in parliament. Moreover, the global responsibility model would need to include a clear plan for increasing the development cooperation budget to the level recommended by the UN. We think that 0,7 per cent of GNI must be achieved at latest within the next two government terms. A minimum of 0,2 per cent of GNI should be designated for the least developed countries. The Development Policy Committee suggests that during the period of the next government, the nexus between development cooperation, humanitarian aid, and peace building be strengthened as part of an approach transcending government terms of office.

1.

Why does
development policy
need a basis that
transcends government
terms of office?

Many of the “wicked problems”¹ of our time, such as inequality, climate change, species extinction, and chronic humanitarian crises require solutions – including by Finland – that we must be able to carry out in a multidisciplinary manner, consistently, and on a long-term basis across government terms of office. Such problems often have deep historical roots, and yet they persist, exacerbated by the pursuit of shortsighted gains. Their impacts now reverberate across wider areas and are directly or indirectly affecting increasingly more people. These phenomena fuel instability, exacerbate poverty, and generate involuntary migration and flows of refugees, and create new harmful situations. The interrelations between wicked problems and such phenomena are entangled. The problems will not go away with one-off attempts. Instead, we need global efforts involving all countries and actors.

The UN’s agenda for sustainable development, the 2030 Agenda, and its 17 goals attempt to meet this challenge and stabilise the world situation. In 2015, Finland committed itself to carrying out sustainable development, and in 2017 drew up a national implementation plan. This includes promoting sustainable development domestically, managing the impacts of Finnish cross-border activity, and the global responsibility dimension, by which the solution to the challenges of sustainable development are addressed in different ways internationally. Finland’s development policy and development cooperation are the mechanisms for this.

Those hardest hit by wicked problems are the poorest and most fragile countries, but the problems also affect Finland in different ways. Our production and consumption patterns have no sustainable basis, and this has negative outcomes both in Finland and further afield.² Also, regular everyday consumption and commodities, such as our morning coffee, clothing, and electronics, link us to the global economy, production, and people’s destinies in developing countries. On the other hand, the crises of developing countries and of fast-growing economies are already evident and will become even more so in Finland in the future. According to the Ministry for Foreign Affairs’ (MFA) Futures

Review (2018), Finland must try to influence the phenomenon of growing global interdependence.

Some of the problems and solutions are common to all countries. For instance, awareness about international tax issues, capital flight, the use of natural resources, and corporate responsibility has increased, including among Finns. People throughout the world are concerned about the state of democracy and human rights. Climate change and the alarming state of biodiversity are realities that determine the future of humanity, and that includes Finland.³

The development of national and international legislation and commitments and their resolute implementation, responsible businesses that generate solutions, a vigilant and effective civil society, as well as science and education all play a central role in promoting sustainable development and managing complex phenomena. Finland’s development policy needs to combine these elements.

The Development Policy Committee (DPC) unanimously considers that Finland must do its utmost to halt unsustainable development. We must make sure that our activity and the policies that guide it really do meet this challenge. Similarly, we must be able to seize new opportunities and to strengthen and learn from positive processes and partnerships. That is why we need to consider more precisely where an actor like Finland is most needed, where we have the most to give and in what capacity. Finland’s forthcoming EU Presidency, its high ranking in sustainable development monitoring, and top position in *The Good Country Index* create expectations that we must be able to meet.⁴

Tackling wicked problems, while on the other hand seizing new opportunities, demands collaboration traversing party lines and day-to-day politics. The timeline of solutions does not comply with changes of Finnish government terms of office but demands a longer perspective and commitment to sustainable development goals. Also, the core values and principles of sustainable development, such as gender equality and non-discrimination, are immutable. Influencing complex phenomena also requires continuous evaluation, learning, and development of our activities and policies from one

1 The term “wicked problems” was first coined by Horst Rittel and Melvin Webber in 1973. The term is now commonly used when addressing complex challenges concerning politics and administration. See e.g. the Finnish Innovation Fund Sitra.

2 See Estimate of the effects of Finnish food production and consumption on the environment and climate, e.g. in East Africa (Sandström, LUKE ja SITRA 2018).

3 See e.g. the WWF’s Living Planet Report 2018

4 Sustainable Development index and Dashboard Report 2018 see <http://sdgindex.org/reports/2018/> or The Good Country Index 2019.

government to another. Sufficient perseverance is needed to achieve results.⁵ This also applies to development policy and cooperation, which, however, lack the long-term goal and vision required by the 2030 Agenda.

Peace and security are fundamental values in any society. Preparedness and readiness to act in different disaster situations provide citizens with a sense of security and confidence in the structures and functioning of society. Nurturing the security structures of developing countries is a matter of long-term collaboration, for which the support country must commit

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itself long-term. This is not only done with an annual budget, but with planning and financial support beyond government terms of office. Continuity is also about the responsible and efficient use of resources. Building up trust and working partnerships takes years, not least in the poorest and most fragile countries. Sudden changes in development cooperation undermine this foundation, reduce effectiveness, and become expensive.

The purpose of this report is to provide a model for sustainable development policy and cooperation that traverses government terms. It is important to clarify what their role is in promoting sustainable development, how they relate to other activities in Finland, and how

they should best be implemented in the longer term. These questions do not come out of the blue; the DPC in its current form bases them on its evaluations of different government periods made over almost 15 years. The recommendations for future development policy are also based on our monitoring work carried out during the previous government terms of office. Thus, the DPC is the only body exterior to development policy lines and financing that brings together the views of political parties, organisations, civil society organisations, expert officials, and researchers, and thereby generates a common purpose.

Development policy evaluations also recommend that the current model of changing governance be transformed into a long-term development policy, the implementation of which would be reviewed and refined if necessary strategically at the start of government terms of office.⁶ The need for a more sustainable basis for development policy has been further emphasised in the DPC's monitoring of the implementation of sustainable development. This is crucially related to the development of the state administration and the strengthening of the MFA's results based management and execution of sustainable development in various fields.⁷ Now is the right time to make bold decisions and implement these recommendations in Finland's development policy.

In line with our government mandate, in this report we examine particularly how development policy is done in Finland from the perspectives of continuity and coherence. How should it be reformed? We go through different options as a basis for a more long-term and more productive policy so that Finland can better respond to the enormous challenges of our time and future. Based on this analysis, we propose that the continuity and coherence of development policy should be strengthened as part of a model of global responsibility that traverses government terms of office. The aim of the model is to sharpen the role of development policy in the national implementation of sustainable development and to encourage cross-sectoral cooperation across administrative and operational sectors. We consider the sorts of principle elements that should be included in the model, for example in terms of long-term goals and the amount and focus of development financing. In addition, we explain how government can upgrade this model, what kind of administration it should be based on, and how to realise the transition to the 2030 Agenda period. ■

5 Finland's Development Policy Results Report 2018, conclusions.

6 Kehitysevaluoinnin vuosiraportti 2017 (Evaluation on Finland's Development Policy and Cooperation, 2017. In Finnish).

7 PATH 2030 – A developmental evaluation of Finland's sustainable development policy and transformation pathways, government strategic research project (2019) and Phenomenon-based public administration, Finnish Innovation Fund (2018).

Development policy as part of a global responsibility policy?

The terms “development policy” and “development cooperation” often appear in unison, including on the pages of this report. Though this is a matter of established practice, it is worthwhile pausing to consider what these concepts actually mean and what their significance is in the sustainable development equation. As with all concepts, development policy and development cooperation live and change according to prevailing policies, patterns of thinking and contexts. It is sometimes good to look at what we mean by them and what we are trying to do with them.

“Development cooperation” is the less ambiguous of the two. The MFA’s Development Policy Results Report (2018) refers to activity that is financed by state budget funds earmarked for development cooperation. It is carried out in collaboration with partners, such as the administration of a developing country or CSOs. The emphasis on cooperation is also evident on the concept itself, which in the language of the sector has superseded the previous concept of “development aid”. What can be counted as development cooperation is defined by the OECD’s Development Assistance Committee. The most important criterion has been that the activity aims for development goals, especially that of reducing poverty in developing countries. Though development cooperation is often defined as an instrument of development policy, the interface between the two concepts is dynamic.

The European Union is the world’s largest funder and pioneer of development cooperation, and so has also played a major role in shaping a common “development language”. Historically, the concept of development cooperation has included not only development aid but also trade and policy-guiding agreements and partnerships.¹ Due to transformations within the EU, development cooperation has become part of Europe’s external relations, which has

among other things had an affect on the status of development cooperation. The need to strengthen one’s authority and position as an independent policy area is also reflected in the terminology. In this context, “Development policy” is more striking than “development cooperation” or “development cooperation policy”. The same phenomenon has also been noticed in Finland.

On the other hand, for decades, non-governmental organizations have contributed to the fact that, in addition to the quality and effectiveness of development cooperation, all donor countries should pay attention and support the development efforts of the poorest countries in all policy areas, not just development cooperation. This notion of policy coherence began to emerge in the EU Member States in the 1990s and has resonated in the EU’s treaties since 1992. The need for a broader “development policy” that looks beyond development cooperation has emerged from this change.

As a EU member state, Finland therefore has an obligation to examine activities that affect developing countries, both within development cooperation, but also more widely at the government level. This principle of policy coherence for development, which translates into Finnish clumsily, became established in the Finnish debate and policy orientations in the early 2000s. Its core idea is to ensure that other policies work in the same direction as development goals, or at least not against them. Both the EU and the OECD monitor commitment to it. For example, trade, agriculture, fisheries, and migration policies have been the subject of such monitoring in recent decades. The activation and new mandate of the Development Policy Committee (2003) was related to bolstering this commitment and the monitoring its implementation in Finland.

1 Cf. Lomé Partnership Agreements between the EU and African, Caribbean and Pacific countries 1975-2000.

The 2030 Agenda for sustainable development has given greater prominence to the notion of policy coherence. Implementing sustainable development requires that developed countries take responsibility for the impact of their actions beyond their borders and support the poorest countries in promoting sustainable development goals. The principle of coherence has been written into the goals that guide the global partnership for sustainable development. However, the 2030 Agenda does not contain clear-cut guidelines on coherence. In Finland, the approach also requires further clarification at the level of both the MFA and the entire state administration.

Development cooperation and development policy are an important aspect of this equation, as they should guide the realisation of Finland's global partnership and responsibility in implementing sustainable development (see the Government Report on the 2030 Agenda for Sustainable Development, 2017). Correspondingly, coherence is an essential part of the implementation of sustainable development and its global partnership. This is the most challenging part of the equation, because it is not tangibly defined, but it is based on general and highly interpretive principles.

According to a preparatory study by the DPC, in Finland too different stakeholders have divergent idea of what policy coherence means in implementing sustainable development.² So let us briefly sort out what is meant by development policy and policy coherence in terms of sustainable development, what policy areas development policy is involved in and what role it should have.

The MFA stipulates that it is the ministry that bears the main responsibility for Finland's development policy. This responsibility and its content require clarification. For example, the Development Policy Results Report (2018) in practice limits development policy to work done with development cooperation finance and international policy advocacy. This is a much narrower view than the interpretations of the EU, OECD and DPC.

On the other hand, the MFA stipulates that other ministries too have their own roles in development policy, as many national, EU level, and international cooperation decisions in other areas affect developing countries. These include, for instance, security, trade, agriculture, environment, and migration policies. The Ministry of the Interior also emphasises that long-term and cross-administrative development policies can influence phenomena that adversely affect Finland's and the EU's internal security, such as uncontrolled migration, radicalisation, and organised crime.

According to the MFA, development policy also has an

important role to play in strengthening policy coherence for development in other policy areas and in introducing a sustainable development perspective into Finland's foreign and security policy and economic external relations.

Such a definition of development policy is problematic because the MFA does not have jurisdiction over other ministries, and other ministries or foreign relations sectors often do not recognise themselves as "development policy" actors. Nor has it been put into practice as desired.³ This is why the issue must be approached in the spirit of implementing the 2030 Agenda, as it already contains the idea and goal of global responsibility. Also, the Government Report on the 2030 Agenda for Sustainable Development (2017) encourages administrative sectors to work together and consider cross-sectoral links in terms of coherence. The Futures Review of the MFA (2018) encourages this too and emphasises continuity.

However, implementing cross-administrative collaboration requires an appreciably stronger common will and goal setting as well as staff resourcing. Determination cannot be generated by development policy, but must emanate from the shared goals of the sustainable development of developing countries, in cooperation between administrative sectors. Further, it is important to create incentives that promote common goals. And there is a need to increase the understanding of the impact of different policy areas in Finland (positive and negative) across national borders, especially in terms of the poorest countries. Foreign policy resolve must be based on a unified foreign policy that operates in line with the principles of global responsibility.

Apart from cross-administrative cooperation and voluntary commitments, there is also a need for openness and a readiness to deal with divergent interests and, where necessary, for binding policies. This should become more apparent in the next government report on Finland's sustainable development. The coordination of sustainable development at the level of the government also needs more comprehensive monitoring of the global dimension.

At the same time, there needs to be an open assessment of whether the current development policy approach serves the promotion of sustainable development or whether Finland should move towards a comprehensive "global responsibility" policy that includes development cooperation, policy advocacy, humanitarian aid, cross-administrative goal and the commitment of society as a whole to global responsibility. In this case, development policy would play a significant but more clearly defined role in implementing sustainable development. The idea of Finland's global responsibility

2 The role of development policy and development cooperation in the state administration - the results of the background study. In Finnish) 10.1.2019. FIANT Consulting Ltd, 2019

3 PATH2030 project (2019), DPC Annual Report 2014, OECD DAC Review, EU:n Policy Coherence for Development, and concerning the global partnership the Millennium Development Goals GAP reports.

would be more clearly shared by the entire government and aligned with the OECD's approach on "Policy Coherence for Sustainable Development". In this context, the concept of "responsibility" could be defined as the responsibility to respect and promote international development commitments in a broad and coherent manner across all sectors of government - and more extensively.

Nor do we have to start from scratch. There are already promising examples of cross-administrative cooperation on global responsibility and voluntary commitments for sustainable development. These include corporate responsibility cooperation (Ministry of Employment and the Economy and MFA), and closer cooperation between the Ministry of Education and Culture and the MFA around the theme "Finland as a problem solver in the global learning crisis". These initiatives also involve other actors in addition to ministries.

Working along similar lines, there is also the broad-based water stewardship commitment to develop corporate water responsibility for achieving the sustainable development goals. This was established by Aalto Univer-

sity, the Natural Resources Institute Finland (Luke), the VTT Technical Research Centre of Finland, the Ministry of Agriculture and Forestry, Ministry of Environment and WWF Finland. The MFA has also joined the initiative. These are concrete examples of the direction in which cooperation should be developed. Correspondingly, during previous government terms, Finland has been involved in promoting coherence as an executor of the OECD Food Safety Pilot in 2012–2013. In addition, the Taxation and Development Network has already been created and will be activated for the 2030 Agenda if there is sufficient political will. Also, the latest evaluation of Forced Displacement and Finnish Development Policy (2019) calls for closer cooperation by Finland on immigration policy, development policy, and humanitarian aid. The DPC has contributed to the fact that sustainable development commitments can be utilised beyond Finnish borders in the poorest countries. Finnish companies in particular have already made such voluntary commitments.



The 2030 Agenda – development policy's new equation:

Development cooperation + influencing + humanitarian aid = development policy

- + foreign policy [MFA]
- + cross-administrative sustainable development global responsibility obligations / goals / sustainable development commitments [all ministries]
- + society's commitment [Finland]

= Finland's global responsibility policy



The ladder of global responsibility goals:

- **Binding national and international norms / legislation**
- **Cross-administrative goals**
- **Cross-administrative cooperation**
- **Goals and sub-goals specific to development policy priorities**
- **Operational commitments of global responsibility for sustainable development (voluntary)**

Alarming figures we still have the power to change

The proportion of the world population living in extreme poverty has dropped to a record low in recent years. The figure is still considerable: over **735,9 million** people (2015). UN member states are committed to eradicating extreme poverty by 2030 as part of implementing the 2030 Agenda for sustainable development. The promising trend has slowed down, however, and Sub-Saharan Africa in particular is lagging behind.¹

About **one in five** of people living in extreme poverty are people with disabilities.²

There are an estimated more than **815 million** undernourished people in the world. Food security has diminished for **11 per cent** of the global population.³

The world's forests disappeared at an annual rate of **5,2 million** hectares between 1990 and 2015.⁴

The population of vertebrate wildlife in the world declined by an average of **60 per cent** between 1970 and 2014.⁵

An increase in temperature of **1,5 degrees** will increase the number of people exposed to deadly heat waves by **350 million** by 2050. The most vulnerable people in the poorest countries will suffer the most.⁶

The need for humanitarian aid is at a record high. Refugee and forced displacement have become globalised and protracted. In 2017, an estimated **68,5 million** people were forced to leave their homes.⁷

Africa has a huge population of young people. By 2050, the population of the entire continent is estimated **to double**. It is therefore highly important for the younger generation to access education and livelihoods.

The population growth forecast for sub-Saharan Africa is declining but is still high. Every woman gives birth to an average of five children. **Less than a third** of women can access the birth control they want.⁸

One of the key reasons for high birth rates is child marriage. Half of Sub-Saharan African girls are married before they reach **18 years** of age.⁹

€50 billion worth of illicit capital flows out of Africa each year.¹⁰ Large-scale capital flight also happens via legal channels.

According to the Freedom in the World 2019 index, political rights and civil rights deteriorated in **68 countries** last year.

1 World Bank <https://www.worldbank.org/en/news/press-release/2018/09/19/decline-of-global-extreme-poverty-continues-but-has-slowed-world-bank>

2 WHO https://www.who.int/disabilities/world_report/2011/report/en/

3 IPCC 2018 Warming of 1,5 Celsius -raporti.

4 <http://www.fao.org/publications/sofo/2016/en/>

5 Living Planet Index 2018.

6 IPCC 2018 Warming of 1,5 Celsius -report; Shock waves: managing the impacts of Climate change on poverty World Bank 2016.

7 UNHCR

8 Contraception prevalence (15-49 years) World Bank Open DATA.

9 UNICEF, Child Marriage 2018: <https://data.unicef.org/topic/child-protection/child-marriage/>

10 The African Union

(AU)/United Nations Economic Commission for Africa (UNECA) High Level Panel (HLP) on Illicit Financial Flows (IFFs) from Africa (the Mbeki panel) 2019.





The international cornerstones of development policy and Finland

Development policy must be based on internationally defined principles. The UN's 2030 Agenda is by far the best, though not perfect, roadmap for sustainable development. Finland can contribute to the model by strengthening human rights, non-discrimination and equality, and global responsibility.

Sustainable development's framework and principles

The idea that sustainable development and reducing poverty and inequality are inextricably linked is not a new one.⁸ But the undertaking for its universal implementation under the direction of a single common agenda is notably more recent. The adoption in 2015 of the UN Sustainable Development Agenda – the 2030 Agenda – was a turning point. For the first time it brought together all countries in the world around a set of common goals and principles. All in all, the 17 sustainable development goals are aimed at both the state and individual actors taking account of both social and economic development and the state of the environment in their operations. With the 2030 Agenda, peace and security also became part of the sustainable development equation for the first time.⁹ The keywords for sustainable development that define this change are people, the planet, prosperity, peace, and partnership. The primary responsibility for its implementation lies with states, but all actors are included.

Sustainable development is firmly based on a shared, but in practice often contentious, value system. Sustainable thinking is determined by intergenerational and intragenerational responsibility, human rights, and gender equality. The impact of decisions must be analysed across future generations. The point is to ensure that these generations have as good or better opportunities as have present generations. Analogously, intragenerational responsibility refers to responsibility for our contemporaries beyond state or nationality boundaries. The central tenet of the 2030 Agenda – *leave no one behind* – is based on this notion. This holds that the sustainable development goals will not be realised unless they are realised for everyone – including the most vulnerable of all. This principle obligates making them a priority and targeting sustainable development efforts so as to reduce inequality. In the same spirit, gender equality and equal treatment concern all areas of sustainable development and not just individual goals. All UN member states are also bound by gender equality but there are continual debates about the principles involved.

Of these values it is gender equality, and particularly sexual and reproductive rights, that incur intense

reservations. Within the increasingly constricted international climate, Finland has spoken out strongly in defence of these rights. The compromise between UN member states is reflected in the fact that the term “human rights” is not used in the comprehensive goals of the 2030 Agenda. Human rights and commitment to them do nevertheless feature in other parts of the Agenda. Compared to the UN Millennium Development Goals, a number of sustainable development goals more strongly reflect the substance of human rights treaties and the human rights principles of universality, non-discrimination, and accountability. For example, sub-goals related to decent work are based directly on international Labour Organisation (ILO) conventions. In sustainable development thinking, human rights, inclusion, and participation are essential. It is therefore important that countries like Finland strongly promote human rights in implementing sustainable development. The 2030 Agenda also places stronger emphasis on the importance of risk management and humanitarian aid, to which Finland is committed.¹⁰

Responsibility for sustainable development is global

The sustainable development goals are not merely limited to the domestic context, rather the impacts of activity have also to be monitored and evaluated from a broader perspective. The guiding principle is the transformation process through which all countries strive for the sustainable development goals. Wealthy countries have a particular responsibility here and also the opportunities. On the one hand, they need to make their own activities more sustainable and consistently take into account the needs of the poorest countries. On the other, wealthier countries are partners of the poorest countries in implementing the common agenda. Development financing channelled through development cooperation is one of the main instruments of partnership, though partnership also covers other cash flows and their responsible management. Trade and support for political, institutional, and technological development are also key channels for sustainable development partnerships. The collection and monitoring of sustainable development data must also be strengthened. This principle of shared responsibility is therefore not limited to development cooperation, but to wider partnerships and to coherence in order to safeguard the sustainable development

⁸ Our Common Future, 1987, and the Rio+20 process 1992-2015.

⁹ See e.g. <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

¹⁰ Sendai Framework for Disaster Risk Reduction 2015-2030, World Humanitarian Summit: Agenda for Humanity and the Grand Bargain.

potential of the poorest countries. In specific terms, this principle is enshrined in Goal 17 on the Global Partnership for Sustainable Development.¹¹ Global responsibility must also be consistently scrutinised in all the goals.

How does Finland realise sustainable development?

Acceptance of the universality of sustainable development is an important part of global development's structural transformation, but its success depends on implementation. According to the SDG Index and Dashboards Report 2018 on countries' progress, so far no country in the world has adequately aligned its course to achieve all of the goals of the 2030 Agenda. Finland is already one of the leading countries in the world in terms of sustainable development (2015), although we have considerable problems in combating climate change (Goal 13) and in sustainable consumption and production (Goal 12).¹² Also, Finland's level of development financing does not accord with Goal 17 on the global partnership. We'll come back to this a bit later.

Finland's sustainable development policy is based on the *Government Report on the Implementation of the 2030 Agenda for Sustainable Development: Sustainable Development in Finland – Long-term, Coherent and Inclusive Action*. The action plan was completed in early 2017 and covers both national and international efforts to promote sustainable development during the government term of office. The principles of implementation - perseverance, coherence and inclusion - as well as the monitoring and evaluation system are defined until 2030. The background is the document *The Finland we want by 2050 – Society's Commitment to Sustainable Development*.

Unlike the social commitment to sustainable development, Finland's development policy lacks a commensurate long-term vision. The basis for development policy is the government report to Parliament, adopted in February 2016 *Finland's Development Policy – One world, common future – towards sustainable development*. The completion of the policy took place simultaneously with the finalisation and adoption of the UN's 2030 Agenda. The priorities of the development policy were worked out earlier, however, in the 2015 government programme, and are reflected in the implementation plan.

The 2016 development policy report to Parliament is valid up until the end of the current government's term of office. According to the report, all four of its priorities contribute to sustainable development through development cooperation and policy interventions.¹³ The continuity of development policy would also increase Finland's international influence in promoting sustainable development.

According to the 2030 Agenda action plan, the focal points of sustainable development domestically are "a carbon-neutral, resource-wise and competent Finland" and "a non-discriminating, equal and competent Finland". Finland undertakes to promote these themes globally and, among other things, to support climate action in developing countries in accordance with the Paris Climate Agreement. However, the action plan highlights the centrality of foreign and security policy and trade policy in achieving

So far no country
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aligned its course to
achieve all of the goals
of the 2030 Agenda.

sustainable development. All sectors of external relations are committed to promoting human rights. All humanitarian cooperation is based on norms governing international humanitarian aid. The action plan determines that Finland carries out an active human rights policy that emphasises non-discrimination, equality and participation rights. There is also the scope here for development policy. In addition, international environmental cooperation plays an important role in promoting sustainable development, as a healthy and clean environment provides the preconditions for sustainable social and economic development.

11 SDG 17 Partnerships for the goals – Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

12 SDG Index 2018: Finland.

13 The new priority areas of development policy were set out in the 2016 report as follows: (I) The rights and status of women and girls have strengthened; (II) Developing countries' own economies have generated jobs, livelihood opportunities and wellbeing; (III) societies have become more democratic and better-functioning; (IV) food security and access to water and energy have improved, and natural resources are used sustainably.

According to a 2018 preparatory report by the DPC, there is uncertainty in the management of development cooperation over the relationship between development cooperation and development policy with respect to the UN's sustainable development programme. Only a third of respondents surveyed for the report strongly agreed that Finland's development policy was solidly based on the 2030 Agenda. About half of respondents somewhat agreed with the statement.¹⁴ At the same time, development policy is perceived as a strong part of Finland's foreign, security and trade policy, which also affects the content of development policy (including the growth of Finnish commercial interests, human rights and equality, the promotion of peace and conflict prevention, and geographical priorities). The 2030 Agenda does not feature as a control framework. The conclusions of the report state that views on the importance and appropriateness of policy coherence vary widely between the Ministry for Foreign Affairs and other ministries.¹⁵ Parliament's Foreign Affairs Committee (2017) has also stated that the 2030 Agenda action plan leaves much to be done on policy coherence largely in terms of development policy. The PATH2030 project for evaluating the implementation of sustainable development draws attention to the same problem. It points out that Finland lacks a common understanding of how to direct its foreign, trade, tax, and immigration policies. Solving this requires a clarification of policy and responsibility chains, more effective implementation guidance, and sufficient resources straight off from the start of the next government term of office.

Putting the human rights based approach even more robustly into practice

By human rights we mean the rights that belong to every member of humanity alike, which uphold human dignity and are the basis for a good quality of life. They are founded on the UN Universal Declaration of Human Rights and international agreements covering various spheres of life and groups of people. The sustainable development notion of *Leave no one behind* is well suited to this framework. But it is important to note that from a human rights point of view, it is precisely rights and their realisation that ensure that people themselves can actively influence their own lives – or, more broadly, the

achievement of the sustainable development goals. They are not the objects of activity "that are included in development", but the agents of sustainable development.

The human rights based approach requires that people – rights-holders – are aware of their own rights and are able to demand their attainment. The other facet of the human rights-based approach is the responsibility of decision-makers and the justice system – those responsible – to protect and fulfil human rights. The strengthening of authoritarian regimes weakens the implementation of this principle around the world and therefore requires special attention.

On the other hand, there has been a strengthening of corporate social responsibility in recent years as part of sustainable development. Finland is also committed to implementing the UN Guiding Principles on Business and Human Rights (UNGPs). The Ministry of Employment and the Economy is in charge of responsible business policy in Finland, one aim of which is to carry out the UN principles. The point is to improve the ability of companies to identify and prevent risks to human rights. Operating models are also provided for handling and correcting adverse impacts. Implementation has included training with the MFA, building dialogue between various stakeholders, and publishing studies, guides and country-specific sustainability reports.

The reports on development policy and sustainable development reinforce commitment to the UNGPs. In addition, a large front of Finnish companies, CSOs and trade unions has started to push for a Finnish corporate responsibility law on human rights in Finland.¹⁷

In development cooperation and policy, human rights in practice mean strengthening the awareness of different groups of people about their rights, supporting ways to seek justice, and obliging states and companies to comply with human rights conventions. Everything is based on the commitment of states to respect international human rights treaties and the rule of law. This approach analyses the root causes of inequality, discriminatory practices and structures, and the unequal distribution of power. It also considers ways to strengthen states' commitment to human rights. The challenge of a human rights based approach lies in consistently applying it in practice. In certain cases, such as support for democratic processes and civil society, its benefits are

14 The role of development policy and development cooperation in the state administration - a total of 17 key persons were interviewed: eight from the Ministry for Foreign Affairs and nine from other ministries (Ministry of Agriculture and Forestry, Ministry of Education and Culture, Ministry of Defense, Ministry of the Interior, Ministry of Social Affairs and Health, Ministry of Economic Affairs and Employment, Ministry of the Environment, Ministry of Finance and the Prime Minister's Office). In addition, the report included a questionnaire, which was answered by 33 people from the MFA and 7 key personnel from other ministries.

15 Kehityspolitiikan ja kehitysyhteistyön rooli valtionhallinnossa -taustaselvityksen tulokset (The role of development policy and development cooperation in the state administration - the results of the background report. In Finnish) 10.1.2019. FIANIT Consulting Ltd.

16 PATH 2030 – A developmental evaluation of Finland's sustainable development policy and transformation pathways, government strategic research project (2019).

17 For more on this initiative see <https://ykkosketjuun.fi/en/>



PHOTO: UNDP AFGHANISTAN

apparent after some delay. The results of efforts are often difficult to measure. That is why a clear strategy, guidance, and instructions are needed for development policy and cooperation to promote different types of objectives.

The advantage of the human rights based approach is that it integrates development policy as part of international and national human rights monitoring and democracy, the rule of law and the strengthening of civil society. It also serves as a guideline for foreign and security policy, external economic relations and cooperation with the private sector. The implementation of a human rights based approach in the context of Finland's external relations as well as in the wider realisation of sustainable development requires the strengthening of the common will and the clarification of operating principles. The human rights based approach became the guiding principle of development policy in the 2012 Development Policy Programme. It is also included in the principles of the current development policy report. Finland's national action plan for sustainable development provides good guidelines for strengthening this

approach also in the future long-term development policy and external relations.

Sustainable development financing commitments and Finland

Development financing covers the various financial instruments used to support development policy and, more broadly, the realisation of the sustainable development goals. They include public development cooperation, domestic and foreign investment, or the tax revenues of developing countries, and the value of trade and production.¹⁸

The best-known and most long-term development finance commitments relate to the percentage of public development cooperation in each donor's gross national income (GNI). As early as 1970, the UN Development Strategy set 0,7 per cent of GNI as the target for public development aid by industrialised countries. This was originally based on an assessment of the need for the transfer of income and know-how from developing countries to bridge the chasm between the global South and North.

Finland affirmed 0,7 per cent as a quantitative target for the first time in 1974. A year later, Finland joined the OECD's Development Assistance Committee (DAC). Finland has only reached the 0,7 per cent target once, in 1991, when GNP decreased due to recession. In recent years, the closest the target was reached was in 2014, when the GNP share of development cooperation reached 0,6 per cent.

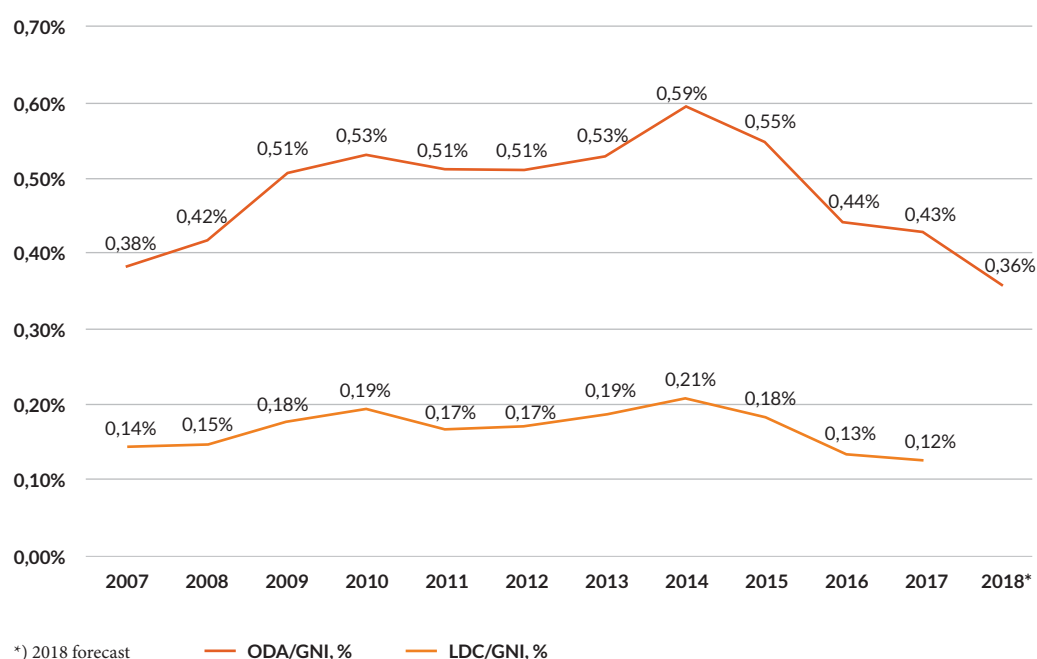
Pressure to achieve the target was also impelled by Finland's EU membership in 1995 and the decision taken by the European Council in 2005. Under this, the old EU member states had to reach a minimum of 0,51 per cent by 2010 and the 0,7 per cent goal by 2015. In recent years, the GNI share of development cooperation has been slightly below 0,4 per cent due to substantial spending cuts. According to preliminary statistics for 2018, the GNI share is still falling to 0,36 per cent. Nevertheless, Finland remains committed to achieving the UN's official ODA goal "in the long term", as stated in the 2015 government programme.

The situation is a problematic one for Finland. The same 0,7 per cent goal is still an essential part of the 2030 Agenda's partnership and implementation. According to this, the total amount of development cooperation

funding must increase to 0,7 per cent of GNI and a minimum of 0,2 per cent GNI must be provided to least developed countries. Affirmation of the goal rests on the UN's Third Development Financing Conference in Addis Ababa (2015), which sought to secure sufficient resources to realise a global sustainable development agenda. Finland is among those committed to the decisions of the conference. The development policy report (2016) asserts that the share of funding for least developed countries will remain above the international recommendation of 0,2 per cent of GNI during the current government term. This policy has not panned out, however, nor is sufficient weight given to the poorest countries in development cooperation funding. Under the present government, Finland has not been able to maintain the 0,2 per cent target. The most development funding the poorest countries received was in 2014 (0,21 per cent of GNI), but currently the share is only 0,12 per cent (2018).

The significance of public ODA in funding for developing countries has altered in recent years. Development assistance continues to play a crucial role on in funding least developed countries and fragile areas, while the importance of investment and private remittances in other developing countries has steadily increased.

Development cooperation payments as a percentage of GNI



Source: Ministry for Foreign Affairs' Unit for Administrative and Legal Development Cooperation Matters

In lower middle-income countries, development cooperation funding also plays a role in supporting vulnerable groups, such as ethnic minorities, sexual minorities and people with disabilities, as the countries themselves are unwilling to subsidise such groups.

Even with the 0,7 per cent ideal figure the funds devoted to world development cooperation would not alone be enough to achieve the goals of sustainable development. In 2018, official development aid amounted to €147 billion. World Bank estimates put just the need for infrastructure investments in developing countries at more than ten times higher than that.

Development thinking has also frequently changed course since the 1970s. Transferring financial resources or expertise is not enough unless the resource base of developing countries is secured by preventing the reverse flow of economic benefits to developed countries. This is why coherence, for example in tax and financial matters and in the value chains of global trade, has become a key theme in strengthening the resource and funding base of developing countries (*Domestic Resource Mobility, DRM*) as an enabler of sustainable development.

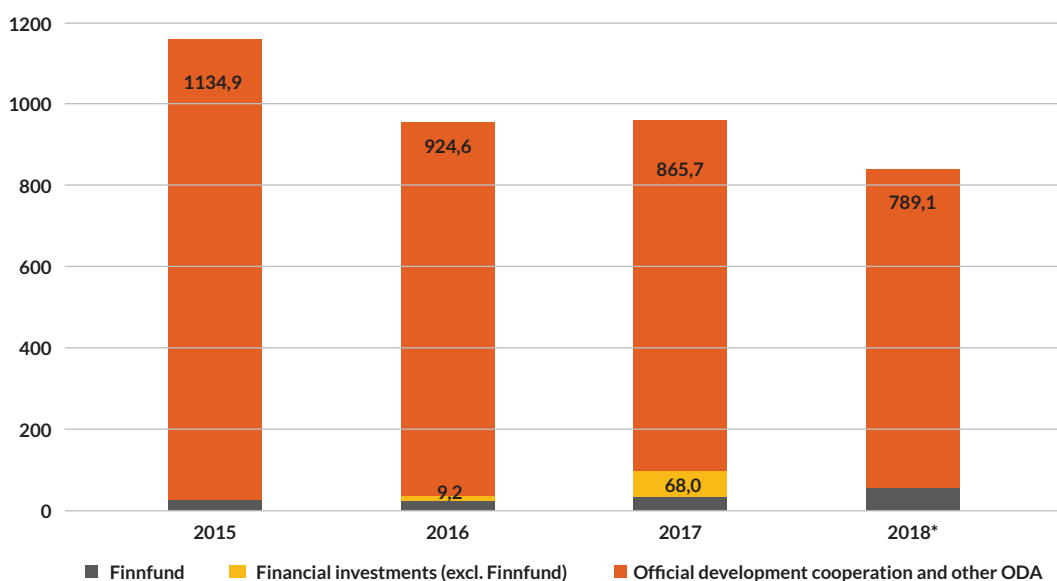
In 2017, the DPC asserted that objectives and actors associated with developing countries' economies and the private sector should strengthen the resource base of

those countries and a broader distribution of economic benefits. The aim is that the economic benefits should be greater than they are now for the people of developing countries, including the poorest. This can be promoted through development cooperation and assistance and, more broadly, through trade, investment and tax policies, and responsible business practices.

The fiscal capacity of developing countries is crucial to strengthening the national resource base. This is influenced by the good governance of the public and private economy and by a well-functioning judicial system, in addition to the tax administration and the state authorities supervising the use of finances. There is also a need for a tax policy to which the political elite will commit itself. Civil society plays a major supervisory role here. And civil society is needed to raise awareness so that the public views taxation as legitimate. The development of international tax rules and their implementation are also an essential part of this equation.

Finland has published its own Taxation and Development Action Plan (2016–2019). It also has a programme of action to combat international tax evasion and a programme of corporate responsibility. However, these do not as yet constitute a single entity that would cover the 2030 Agenda time span.

Development cooperation payments versus financial investments 2015 – 2018 (billions of €)



*) 2018 forecast

Source: Ministry for Foreign Affairs' Unit for Administrative and Legal Development Cooperation Matters

In the debate on the funding for the 2030 Agenda, it is often stated that the sustainable development goals will not be realised without private sector knowhow and investments. On the other hand, there are still massive investments carried out in the world that fight against the sustainable development goals and undermine the resource base of developing countries. Solving the situation requires simultaneously rectifying the gaps, increasing sustainable business, and understanding the needs of developing countries. Nevertheless, business generally requires a stable operating environment, and this can be improved by both national and international legislation (including by the European Union).

The view of the DPC is that development cooperation should be used efficiently and responsibly as a resource for generating development results. It should address the challenges of the poorest countries and people for which private funding is not available. The task is a huge development policy challenge. The private sector must also be involved, alongside other actors, more closely in development policy and the implementation of sustainable development. Therefore, alongside development aid, we also need responsible financial investments in the form of loans and capital.

Financial investments are a resource for development policy goals that should be targeted carefully and their development impact monitored closely. This requires more transparency in the flow of information and the utilisation of different stakeholders' expertise already at the planning phase of financial investments. Transparency is also warranted by the fact that the boundary conditions for the allocation of financial investments are essentially the same as for all other development cooperation: investment targets must be in line with the objectives of Finland's development policy and the policies related to its implementation. An investment should also meet the OECD's DAC criteria for development cooperation, which we will come back to in the next chapter. Furthermore, and contrary to other development cooperation, an investment must meet the terms of the EU statistical authority, Eurostat, according to which an investment is not counted as public expenditure in national accounting. The advantage of financial investments from the perspective of public finances is that they do not increase the government budget deficit. On the other hand, increasing non-budget funding is not in line with general budgeting principles. In order to meet the criteria for financial investment, investments must

have a credible yield and return, and loans an interest repayment plan. In Finland, Statistics Finland defines financial investment eligibility on a case-by-case basis.

In March 2018, the European Commission adopted an Action Plan for Financing Sustainable Growth to direct private funding to support the goals of the 2030 Agenda and the Paris Climate Agreement. According to the Commission, for instance, additional funding of about €180 billion would be needed to meet the EU's targets for the 2030 Paris Agreement. The action plan includes various actions to support the financing of sustainable growth.¹⁹

Development cooperation under duress

The basic task of development cooperation is often defined as reducing poverty and inequality - or even more ambitiously eliminating it. This is an important normative basis, about which there is nevertheless constant debate, including in the context of sustainable development. The key question is whether development policy is an independent policy area or only an expedient for achieving other interests. Therefore, in the debate running parallel to development cooperation and policy - or even ahead of it - concerns about security, economy, trade policy or migration management often come into focus. The pressures are most evident in the use of development financing and in statistics. The main tasks of the OECD's DAC include setting the clearest possible criteria for development aid and promoting the effectiveness of development cooperation. The DAC also evaluates the effectiveness of international development cooperation. Its guidelines and internationally agreed aid effectiveness principles stress the ownership of development priorities by developing countries, the adaptation of development efforts to locally defined priorities and plans, and the coordination and complementarity between national actions and the donor community. Further, the performance principles adhered to by Finland's development cooperation were agreed last at the 2011 Busan Summit. The point of these actions is to contribute to the main task of development aid to reduce poverty and inequality. In recent years, there has been a lively debate on applying aid effectiveness principles in the implementation of the 2030 Agenda, but as yet there are no clear guidelines for this.

The DAC has created rules on which costs can be calculated as ODA and which cannot. It also monitors

19 As a result of the Action Plan, the European Commission has already adopted three legislative proposals in May 2018. Legislative proposals for low-carbon benchmarks (COM (2018) 355) and institutional investors and asset managers (COM (2018) 354) will be finalized during the spring 2019. The third legislative proposal would create an EU classification system for environmentally sustainable investments (COM (2018) 353).

development aid as part of the funding of the 2030 Agenda.

According to the DAC, official development assistance is public (tax and other public funds) assistance, which is directed at promoting the economies and prosperity of developing countries. It targets countries and regions that are on the DAC List of ODA Recipients. This list is updated every three years and is based on GNI. Countries that have exceeded a certain income level for three consecutive years are removed from the list. In addition, ODA may be directed at international development organizations that meet certain criteria.

According to the DAC definition, ODA is by nature a form of donation, meaning the aid recipient does not have to pay it back. Also, soft loans, the interest and other terms on which are modest, are counted as development assistance. Development assistance is usually transferred from the donor country to the developing country, but some official expenses incurred in the donor country (NGO support, administrative and information costs, training costs for refugees and students from developing countries) are also counted as ODA.

Development aid does not as a rule include military support and must not support the donor's military interests. Neither can development aid be used for purely commercial purposes. These boundary lines have been under constant pressure in recent years particularly. Last year, the DAC finalised the reform of aid criteria, whereupon the statistical system was also reformed. The purpose of the DAC has been to harmonise interpretations and improve the comparability of donor countries. The problem has been that countries that are active in the process are also those who have faced significant challenges in meeting previous aid criteria. So the changes have not taken the criteria closer to the ideal of development aid, but rather have provided flexibility for member states' interests. The most important of these concern soft loans, interest subsidy loans, private sector instruments, security interests, and refugee spending in donor countries.

Reporting using the new definitions came into force from 2018 onwards, and figures calculated under the new criteria will be published early in 2019. The DAC will also develop its statistical system to support the 2030 Agenda (the so-called total official support for sustainable development or TOSSD). This is still a work in progress.

An important reform for Finland has been the calculation of refugee costs in the donor country. According to the DAC's earlier practice, only the costs of the first year of

entry for asylum seekers who received a positive decision were recorded as development cooperation. However, this changed in 2017 and, unlike in the past, the costs of asylum seekers who have received a negative decision are now also recorded as development cooperation. Finland has not advocated this line, but will move to the new DAC criteria in 2019 at the latest.

The European Union's development policy has also been in transition. The European Consensus on Development adopted in 2017 updated the EU's development policy for the 2030 Agenda. The consensus strengthens the main objective of EU development policy in reducing poverty and builds on the guiding themes of the 2030 Agenda - people, the planet, prosperity, partnership, and peace. As an agreed policy of the EU institutions, it also applies to Finland, but its implementation is still in its initial phase.

At the same time, EU development cooperation has wanted to be used as an instrument for curbing uncontrolled migration to Europe. The European Commission has placed Africa at the centre of EU development policy as a strategic partner. Finland has stressed the need for the EU to act consistently in cooperation between different policy sectors and to reduce the need for emigration. It is particularly important to reduce poverty, inequality and susceptibility to conflict using various policy and business cooperation methods.

The future implementation of the EU development policy consensus will be significantly guided by the multiannual financial framework for the years 2021-2027, which will be negotiated during the Finnish EU Presidency. This defines the purpose for which the EU's joint development funds are used. As holder of the EU presidency, Finland will have an exceptionally good opportunity to influence the priorities and principles of EU development cooperation. During the Finnish Presidency, the EU will also report for the first time to the UN High-Level Political Forum (HLPF) on progress with implementing the consensus.

Although the consensus sets the EU's development policy line in accordance with the 2030 Agenda, the EU lacks a comprehensive plan for implementing the agenda, such as Finland's comprehensive report on the implementation of the 2030 Agenda. EU member states have asked the Commission to draw up such a plan, though the current Commission has not done so. ■

The DPC determines that:

- Finland's development policy must be part of the implementation of the 2030 Agenda. The next government's development policy must be prepared accordingly as part of Finland's implementation of sustainable development and international advocacy.
- The human rights based approach, non-discrimination, and the policy coherence required by the 2030 Agenda must become the focal point for Finland as "Finland's international brand mark"
- Finland must influence matters and check that within the OECD and the EU development policy and development finance will continue to be oriented to reducing poverty and inequality and promoting sustainable development. It is important that this is achieved with pre-set outcomes and goals.

Ninety per cent of Finns support development cooperation

Finland's development cooperation and development policy have strong public backing. This is the conclusion we can draw from the regular surveys conducted for over two decades by the MFA.

The latest Gallup poll, conducted by Taloustutkimus was released in the summer 2018. It found that the public's perception of the importance of development cooperation had risen to its highest for the past decade.

Nearly half (47 per cent) of respondents to the poll said that they consider development cooperation and development policy to be very important, while 41 per cent felt it was quite important. According to Taloustutkimus, such figures are uncommonly high for any opinion poll.

The poll found that only one out of 10 Finns believes that development cooperation is of little importance. And just 2 per cent thought it was of negligible importance.

The global political situation seems to affect the opinions of Finns. Increasingly more respondents feel that development cooperation could prevent refugee crises and people's need to leave their country of origin.

Respondents felt that Finland's development policy should focus primarily on promoting education (37 per cent). In general, the population's education, skills and professional proficiency would appear to be what Finns consider to be essential to improving conditions in developing countries.

Respondents also thought that Finland must provide health-related development cooperation (13 per cent), and that development policy should focus particularly on helping women and children (11 per cent).

3.

Development policy lacks a basis that transcends government terms of office

Development policy is too short-term and in some cases incoherent, and successive policies do not constitute a goal-oriented continuum as required by the 2030 Agenda. This reduces work efficiency, quality, and is an administrative burden.

Development policy programmes and report are the mainstay of activity

The most important guiding document for development policy is the government report on development policy. This sets out the goals and activities of each government. The report is a bridge between the government programme and the carrying out of development policy. It is also the document that the government presents to Parliament, and on which Parliament votes. Prior to the government of Juha Sipilä, so-called development policy programmes substantiated development policy. The official programme, or the report, has been something of a multipurpose visiting card, both in Finland and around the world. Domestically, it directs the various departments and sectors of a sizable organisation. It also communicates the tasks of development policy to Parliament and other areas of government administration, and tells taxpayers about what development activity aims to do. The shared vision of development policy coordinates cooperation between the MFA and the Finland's missions abroad and informs other partner countries about Finland's endeavours. At best, policy approaches are a tool

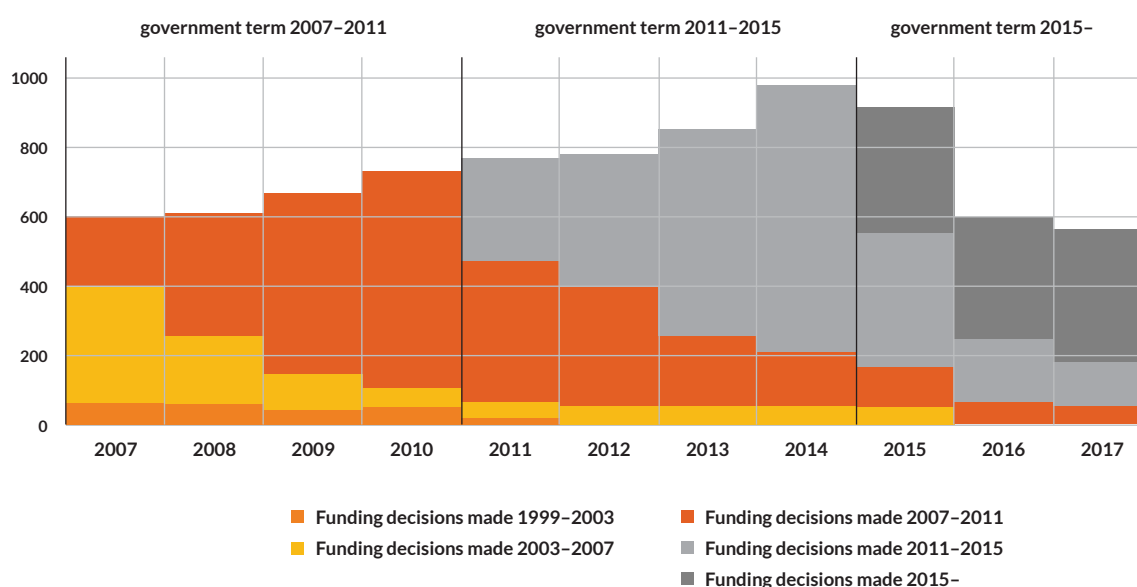
for good policy, governance and transparency. Which is why it is important to pay attention to them.

In practice, though, the planning, financing, implementation and evaluation cycles of development cooperation do not keep pace with government terms of office. The priorities set by each government are clearly reflected in *new* programmes and projects and in policy impact, but most of the ongoing programmes and projects have will have started during the previous government, or for that matter previous governments. This may muddy the waters both in administration and in policy monitoring. In light of a report commissioned by the DPC (2019), the transition to a sustainable development policy based on the 2030 Agenda is still pending. A clear long-term policy decision would supply the necessary guidance.²¹ This would also support the effectiveness of development policy and strengthen a positive cycle, as promoting and monitoring the same main objectives could be developed over the long term. It is also apposite to create policy approaches that are more long lasting than government terms of office. In addition, all international agreements and commitments in development policy, such as Agenda2030, guide action on a long-term basis.

Programmes that change with each government term and the current government report are backed by the notion that the government should decide a

Programmes continue for more than one government term

Exclusive ODA budget item payments, according to the government term when decision on programme launch was made. ¹



Source: Ministry for Foreign Affairs 2018

²¹ Kehityspolitiikan ja kehitysyhteistyön rooli valtionhallinnossa -taustaselvitys, (The role of development policy and development cooperation in state administration - background analysis. In Finnish) FIANT Oy (2019).

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development policy approach of its own. Every minister responsible for development has also sought to leave their mark on development cooperation and policy. Under the last two governments, the portfolio has been in the hands of six different ministers. Further, staff career development at the MFA and the rapid changes from one set of duties to another erode institutional memory and expertise. A solution model should therefore be found that lays down basic principles and long-term goals that are independent of the development policy of government terms of office, but which would leave enough latitude for governments for adjustments or required changes. Finding such a model would enhance the direction and implementation of development policy, expedite practice, and provide much needed continuity. Sudden changes also undermine the cost-effectiveness of development policy.

Development policy alignments alone will not bring about changes; they also require specific political decisions and proficient implementation. In practice, for example, the level and focus of financing for development cooperation determine development policy significantly. This is why funding, human resources, and development policies should run hand in hand. The Development Policy Results Report (2018) shows that Finland's development policy has been fruitful. We want to support and strengthen this in the future too.

Three governments, three separate policy approaches

The development cooperation and policy of the last three governments have been characterised by three

separate policy guidelines emanating from very different approaches. What they have in common is largely a reiteration of the same values, principles, partnerships, and themes of cooperation but with different points of emphasis. According to the evaluation of development cooperation (2017), Finland is doing the right and pertinent things, but long-term goals and principles need to be strengthened. The problem with all the policy guidelines is that in practice they have remained largely divorced from planning of financing and results-based activities.

The 2007 guideline (for the 2007 – 2012 government term) was the development policy programme *Towards a Sustainable and Just World Community*, issued as a government decision in principle. This made development policy and cooperation part of the implementation of sustainable development and comprehensive security. Principles governing activity, such as coherence, complementarity, and effectiveness, also had a central role. The policy itself was implemented robustly under the personal guidance of the then Minister for Development Paavo Väyrynen. The approach chosen emphasised the sustainability of the environment and the economy, while social and human development played a smaller role. On the other hand, the policy identified human rights as a prerequisite for development policy and a standard uniting all foreign relations and actors. This was also reflected in the fact that support for "groups that are easily excluded"²², especially children or people with disabilities, remained a crosscutting theme alongside gender equality and the environment. This approach had been established already in 2004.

Finland's Development Policy Programme (for the 2012 – 2015 government term of office) placed human rights even more strongly at the heart of development policy and formally made development cooperation "human rights based". The preparation of the programme also differed from the previous one. The then Minister for Development, Heidi Hautala, conducted it with an exceptionally inclusive and open approach. This time, there was a great variety of civil society, business, research, and various administrative actors. The result was a broad and comprehensive consensus on what Finnish development policy should be. At the same time, though, the programme became a value-based programme declaration emphasising the principles of development cooperation. On the other hand, in addition to the programme, the human rights-based guidelines and thematic strategies were drawn up that



PHOTO: UNDP AFGHANISTAN

elaborated the broad-based development policy agenda. The undisputed benefits of the Hautala ministerial term were the activation and commitment of the various actors under the official development policy line. It received particularly strong support from NGOs. On the other hand, with the private sector support for Finnfund, for instance, dropped, and the interest subsidy instrument was discontinued. Now, during current government term of office (2015-2019), which is coming to an end, the interest subsidy instrument had been brought back into use and support to Finnfund has redoubled.

With the reforms begun during the ministerial term of Heidi Hautala, broad-based priorities became part of the development cooperation approach and the planning of country programmes. These included 1) a democratic and accountable society that promotes human rights, 2) an inclusive green economy that promotes employment, 3) sustainable management of natural resources and environmental protection, and 4) human development. The 2012 programme set out for the first time cross-cutting goals that defined all activities, such as gender equality, climate sustainability, and the reduction of inequality. In the earlier development policy programmes

for 2004 and 2007, gender equality had already been a "cross-cutting theme".

The 2016 development policy programme was the first time that the document took the form of a report. Since all government reports are presented to Parliament, for the first time a new programme went for handling by the Committee on Foreign Affairs and for debate by a plenary session. The Committee on Foreign Affairs itself has also stated that the report procedure is a good way of bringing continuity and long-term parliamentary guidance to development policy. The Foreign Affairs Committee's report also gave the MFA further impetus for developing effectiveness and reporting on results. The first *Finland's Development Policy Results Report* was submitted to Parliament in November 2018. Previously, there had only been such a report made on development policy concerning its implementation and effectiveness (2014), where Parliament was left to supply subsequent comment. According to the DPC, the involvement of Parliament in development policy and in the initial and latter parts of the government term of office has clearly increased the knowledge, interest, and ownership of the field.

The report's preparation was done at the MFA by officials under the guidance of the Under-Secretary of

State responsible for development policy. After passing through many stages, the report became an independent policy definition containing clear principles, but with no guidelines or strategies created to support them. The report is quite general and descriptive, which has worked well in communications activities outside the organisation. However, its practical guidance was problematic, for example, in terms of the cross-cutting approach, human rights based approach or the implementing coherence. For example, with respect to the forms of private sector support and financial investment, which have played an important role during the government term, it was unclear how exactly the principles of development cooperation apply.

The report set out new priorities, slightly more limited in scope than in the previous programme. These priorities were set out for the first time in the form of results targets, with specific sub-goals and a description of how they were to be promoted. In the light of results targets, Finland's development policy focuses on women's and girls' rights and strengthening the economies of developing countries in order to increase jobs, livelihood opportunities, and wellbeing. A new main theme, taxation, was linked to the latter goal. The priority areas also included the democratic and functioning capacity of societies and the availability of food, water, and energy, and the sustainable use of natural resources. According to the report, the priority areas are reflected in the country programmes for development cooperation as well as in the impact plans and their guidance and follow-up. This reform work began after the report came into force, in the spring of 2016, and is meant to reform the administration also with a view to subsequent governments.

The discrepancy between policy guidelines and

funding became a major issue during the Sipilä government. The contradiction particularly centred on the total amount of resources directed to the goals of development cooperation and their allocation according to the guidelines. As a result of the cuts in appropriations, which were made without a transitional period, for example, about 40 per cent less development cooperation funding was actually used to promote the first priority area – the status and rights of women and girls – than during the previous government, when it was not a priority. Without a commitment running from one government to the next, such a massive collapse of funding politically undermined the most important policy priority area. Neither was the political weight of this priority area sufficient to secure its relative share of development financing, which in turn denotes deficient strategic planning.

In light of these experiences, the DPC finds that a development policy programme that changes with each successive government does not serve the long-term goals of development policy nor does it offer sufficient guidance for achieving them. From the perspective of development policy goals and their effectiveness it is problematic that the programmes of one government, which pursue the same main goals and are based on the same actors and policies, are nevertheless unrelated to those of another. Nor are they sufficiently based on the evaluation and development of activities. There is also a risk that successive policies will add new goals but will not remove the previous ones. A basic prerequisite of policy coherence is that policy should guide finance and strategic planning in addition to setting goals. Furthermore, creating a new development policy, initiating its implementation, plus simultaneously managing ongoing projects inordinately increases staff workload. We need to find a better way to conduct development policy over the long term and to strengthen Parliament's role in it.

The development policy profiles of the last three governments have largely been rooted in the same values, principles and forms of cooperation, which it is possible to establish on a basis that transcends government terms of office. We also need an appropriate updating model for each government term. We must ensure that the funding and activity guidance go hand in hand with such updating. It is important that the long-term basis for development policy and updates are made as openly and dealt with by Parliament. The development policy-setting process should therefore also acquire a standard practice where the different actors have clearly defined roles.

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Parliament's role in it.

For the time being policy guidelines will only steer development cooperation

The goals of development policy goals and through them our response to wicked problems will not come about without a clear division of labour and interactivity that transcend traditional jurisdictional boundaries. Within this adjustment, development policy and cooperation will have to define their role more clearly. What do we want and what can we do with development cooperation? What is the relationship between development cooperation and the broader development policy? And in which goals do we need the cooperation and commitment of other sectors and actors?

The development policy programme guides all development cooperation and policy actors. It is not always entirely obvious, though, who belongs to this grouping. The 2016 development policy report, for instance, stipulates that “Finland’s values and principles and its international commitments will be taken account of in the planning and implementation of all action, irrespective of what field, where and by whom development policy and development cooperation are being implemented.” Yet Finland lacks an action programme that, for example, guides private sector actors involved in development cooperation, which would set out the goals and principles of development cooperation in business cooperation. Current guidance applies only to individual financial instruments.

Traditionally, involvement in development cooperation is defined as encompassing all actors that make use of official development funding. They include the MFA, Finnish missions, other ministries, multilateral organisations, as well as civil society organisations that Finland funds. Also included are research institution projects carried out with development cooperation funding. In these cases, development policy guideline steerage extends from the selection of actors to be financed to project-level criteria and advocacy.

Investments in the form of capital and loans also count as development cooperation financing. For these, development policy guidance is more complicated. For example, designating financial investments specifically for the poorest countries or on specific themes is not always appropriate or even possible, even though this is the aim. In particular, with projects that combining

public and private funding and investment decisions, where an investment may yet be channeled via third party, Finland’s development policy line is by no means the only determining factor. Earnings expectations, risk management, or tax issues also carry considerable weight. An increasingly clear approach and concrete guidance is needed to assess and monitor the development impacts generated by the same activity. Gender equality, climate sustainability, low-emission development, and reducing inequality should be robustly and consistently evident in financial investment decisions too. Finland is also committed to the implementation of the UNGPs. This is also outlined in the 2016 report to Parliament and applies to the entire business arena.

Development policy needs to involve all policy areas

Finland’s development policy guidelines also refer to the role of other policy areas in achieving development goals. This has been the approach of the last four governments, since 2004, though there have been significant differences between different development policy programmes. The 2007 and 2012 programmes further emphasised the need for coherence between different policy areas and its enhancement through regulatory cooperation in which common interests and potential conflicts are to be identified and resolved. In this context, development policy is seen as a holistic activity in all sectors of international cooperation and national policy that affect the position of developing countries and their ability to achieve their own goals. These included foreign and security policy, human rights policy, trade policy, immigration policy, agricultural and forestry policy, education policy, health and social policy, environmental policy, and science and technology policy. The rationale is based on the common EU principle of coherence, which is also promoted by the OECD. The UN 2030 Agenda for sustainable development and Finland’s commitment to consistently attend to its (formerly development) goals in all its activities obliges us to expand the perspective of development cooperation within society as a whole. The parliamentary Foreign Affairs Committee and the Committee for the Future have also taken a far-reaching approach in this respect.²³

The 2012 Development Policy Programme clearly stipulated that development policy and cooperation

are not by themselves sufficient to achieve development goals. The support of other policy sectors and actors is also needed. Promising initiatives, such as on food security and taxation, were started under the current government.

The 2016 government report for its part highlights the role of the private sector in realising development goals and safeguarding resources, but it gives scant attention to coherence across policy sectors. The report sets the goal where “Decisions in individual sectors are made along the same lines and coherently, with awareness of their consequences for developing countries. In this way, activities in one policy area can underpin results obtained in another one.” But the report does not make explicit how to achieve coherence. It also fails to provide guidance on this, even though other policy areas (such as trade, taxation, climate and energy policies) receive attention under the priority areas.

The 2016 government report focuses largely on development cooperation and its impact. On the other hand, the report emphasises a stronger focus on “effective cooperation” with Finnish partners. In addition to the corporate sector, it considered the involvement of civil society and research and education institutions to be important. However, this has not been reflected in funding decisions.

So the current report for the most part only guides development cooperation and principally “traditional” development actors. This may assure the contribution of development cooperation to the implementation of the 2030 Agenda for sustainable development, but not the wider development policy impact. In its conclusions, the Development Policy Results Report (2018) also confirms that a more comprehensive approach with different policy areas and actors could strengthen development results. Statements by Parliament also call for policy coherence on sustainable development.²⁴ So far, this approach lacks a common, long-term basis of a global policy that would look at coherence in the spirit of the 2030 Agenda.

Previous recommendations for guiding development policy

The idea of having a long-term strategic plan traversing government terms of office is not a new one. In 2014, the MFA carried out an extensive evaluation that probed

The 2016 government report focuses largely on development cooperation and its impact.

whether the development policy programmes of 2004, 2007, and 2012 had succeeded in defining a basis for the results-based management of development policy and cooperation.²⁵ The evaluation found that the top level of the MFA still lacks a comprehensive approach to results-based management. Further, the future policy implementation should be guided by a long-term strategic plan that combines a comprehensive result system with budget planning. The evaluation also found that development policy guidelines were drawn up without a systematic process that would draw on the experience gained from results and ensure that the conclusions and views obtained were incorporated into new policy formulation.

The evaluation proposed that to rectify the situation the MFA should establish a long-term plan that future governments could update, supplement, and steer with concise policy instruction statements of 3-5 pages. The evaluation notes that the coherence and promotion of domestic policy suffer from too low a profile and ambiguous mandates, even though the MFA has been active in promoting policy coherence for development at international level. This should be taken into account when setting development policy.

The DPC also took up this idea and made having a more permanent basis for development cooperation a main recommendation of its 2015 annual report. We also submitted a proposal to the Under-Secretary of State and the leadership of the MFA’s Department for Development Policy on the elements to be included in the long-term basis for development cooperation and policy. The DPC stated that the next development policy programme should be based on the sustainable development goals, for which the specific strengths and strategic aims of development policy should be



PHOTO: JOISEYSHOWAA

defined. We also asserted that the main goals and values of development policy, as well as operating principles and crosscutting goals, should be established on a more permanent level. The development policy line should define what Finland aims for in its development cooperation and its broader development policy. This should be consistently promoted in the implementation of Finland's 2030 Agenda.

In addition, the DPC counselled the 2015 negotiations on the government programme that development policy must move out of its comfort zone to join other policy areas and stakeholders. Development policy is not just to do with Finland's relationship with developing countries, but requires changes in a number of policy sectors, including in economic, tax, trade, climate, and energy policies. The experience and understanding of the operating environments of developing countries acquired through development cooperation must be utilised in all activities that affect global development. A stronger mechanism for state administration is needed to ensure that the principle of policy coherence for development becomes a practice in all sectors of government. And the business world needs greater proficiency in development issues for it to achieve a more

responsible and positive development impact in generating business activity.

The DPC considered that the next development policy (2016) would be a major turning point in ensuring continuity, where the recommendations of previous evaluations should be taken into account and where a long-term human rights-based policy serving the implementation of 2030 Agenda should be sought. This was only partially realised.

The extensive budget cuts carried out in the name of fiscal consolidation were directed at development cooperation and were implemented without any period of transition at the beginning of 2016. At the same time, a development policy report with its ambitious goals was finalised. The idea of a long-term plan was buried amidst the crisis, and the report focused on justifying and communicating the legitimacy and necessity of development cooperation. Finland's national interest and cooperation with Finnish partners were also boosted. On the other hand, the report stipulated the need for reforming development policy and the methods of conducting development cooperation, as well as flexibility, efficiency and effectiveness, and their monitoring. ■

A guiding basis for development policy, including for future governments

The DPC recommends that during the next government a basis is drawn up for Finland's development cooperation and policy that will guide the work of future governments. This is to solve the problems posed by the current policy definition, which are:

- The lack a clear and collective vision in development cooperation of Finland's international contribution and path toward achieving the goals of Agenda2030.
- Finland lack of a policy for long-term development priorities and crosscutting goals, as well as policies and strategic guidelines for implementation.
- Development policy guidelines have steered development cooperation only. Apart from development cooperation, broader Development Policy, meaning the role of other policy areas and stakeholders, should be clarified and consolidated into Finland's global responsibility policy.
- The vacillating policies of successive government terms create a lack of clarity and incoherence between policy and implementation:
 - Development programmes and projects, and the achievement of their results, require a longer cycle, often extending across periods of government and policy duration. In practice, the development administration carries out projects launched during the previous government, but is plans new programmes and projects, and carries out advocacy work according to new policy alignments.
- New approaches often increase new goalss, and do not emphasise the continuity of old goals or, conversely, do away with them.
- Because development policies and funding do not proceed within the same cycles, the changing emphasises and priorities of each government are not reflected sufficiently in funding allocations.
- Reforms to implementation guidance get delayed and are often inadequate.
- The implementation of development policy does not provide substance for policy development, nor do consecutive, government-specific policies "talk to one other". So far, policies have not been adequately based on the evaluation and development of operations.
- The roles of policy definition, policy guidance, development policy administration, and stakeholders are indistinct. This is reflected in the preparation of development policy guidelines.
- The creation of a new development policy every four years, initiating its implementation, and administering ongoing projects all at the same time inordinantly and wholly unnecessarily increases staff workload.



4.

Solutions for increasing development policy continuity and coherence

The problems of development policy definition can be solved and overcome through goal-oriented action transcending government terms of office and in line with the 2030 Agenda. Here we present three of the tools that have emerged from the debate. They are similar in content, but they differ in terms of their preparation process, form, and legally binding nature.

A development cooperation law – feasible for Finland

In 2016, the DPC carried out a background report on whether having a law on development cooperation would safeguard its continuity. The report, *Can Development Cooperation Be Regulated by Law*, by researcher Anja Blank looked at whether it would be possible to overcome the problems to do with development cooperation guidance using new legislation, the possible form such a law could take, and the relationship with Finland's international commitments and recommendations. The report also looked at the regulation of development cooperation in other European countries and alternative guidance mechanisms. Examination of the law by the report was confined to the more specific regulation of development cooperation. Broader development cooperation was covered in light of international commitments and principles.²⁶

The background report found that a law on development cooperation was a wholly feasible means of strengthening Finland's commitment to comply with international obligations and clarifying the key rules of development cooperation, and how Finland undertakes to comply with them. It would improve the current situation where the regulation of development cooperation is highly fragmentary. At present, it is regulated through budgetary authority, the general regulation of the state administration, and general laws relating to the implementation of the projects of development cooperation itself. The latter include the Act on Discretionary Government Transfers and the Act on Public Procurement and Concession Contracts. Development cooperation is also regulated by certain specific laws, such as the Act on Concessional Credits Granted to Developing Countries (the so-called Finnfund Act). The weakness of the current regulation is that existing legislation is not entirely designed for development cooperation requirements, nor does it take into account Finland's international obligations in development cooperation. Development policy programmes or government reports, for their part, are not legally binding.

There is opposition to the idea of a law on development cooperation on the grounds that similar legislation in other countries is very general and that such so-called general framework laws are ill suited to the Finnish justice system. The Finland's Climate Chance Act has been seen as an example of this sort of incompatible framework legislation. However, the DPC report argued that the scope

of an act on development cooperation could be much narrower. Its aim would mainly be to regulate a single sector of activity within the scope of one ministry. It would then be possible to apply so-called ordinary law to it, of which there are several examples pertaining to other sectors of government. Also, the role of other sectors could be defined by reference to the international coherence principles that Finland has affirmed.

The DPC report posits the 2015 Sports Act as a model for a development cooperation act, which could derive its structure and from the former as a basis for regulating development cooperation.²⁷ The format of the Sports Act could be applied to development cooperation and policy, and set out the policy elements that transcend government terms of office, which we detail below. On the other hand, the inclusion of development finance targets within the scope of the 2030 Agenda is considered daunting.

The report points out that legislation is the most crucial form of societal guidance. It can regulate in a binding and permanent way the goals, objectives, roles of Parliament and other bodies in development cooperation, and the monitoring of development cooperation. The other guidance instruments cannot achieve the same binding quality and steerability.

When considering new legislation we should nevertheless take account of potential drawbacks, such as a reduction in flexibility and the difficulty of altering set objectives and principles. The report finds that if the law was well prepared these requisites could be secured. It would be possible to alter the law, for instance using decrees.

But developing legislation is a slow and uncertain process. Before a draft law is passed by Parliament, it undergoes a lengthy and laborious drafting work by government ministries in collaboration with different stakeholders. It is often accompanied by a referral procedure and redrafting. After this, the draft bill will proceed as a government proposal to Parliament. Parliament may approve or amend the law, or reject it. Ultimately, it is political will that determines the fate of a law.

Reinforcing the role of Parliament by a parliamentary agreement

Recent years have seen a re-emergence of the debate on the option of strengthening the role of Parliament and parliamentary parties in the management of development

²⁶ EU legislation as well as UN and OECD commitments concerning policy coherence.

²⁷ The points of convergence for a potential development cooperation act include the fact that sports activities regulate goal-oriented activities within one ministry (the Ministry of Education and Culture), where organisations have a strong role to play. In addition, state aid features strongly in supporting physical activity. It also involves the activities of the National Sports Council, which in some respects comparable to the role of the DPC.



Pluses and minuses of a law on development cooperation:

- + It would be the sole binding, and therefore the strongest, instrument for defining the long-term goals, principles, values and financial commitments of development cooperation and policy, and for consolidating the role of development policy as part of the implementation of sustainable development.
- + It would raise the political profile of development cooperation and policy.
- + It would harmonise fragmentary legislation guiding development cooperation.
- Drafting a comprehensive law is a lengthy and laborious process, the outcome of which is uncertain. It would in any case require making an alternative plan.
- Updating and amending the act by decree would be possible, but onerous.
- It would not resolve the requirements for strategic change (e.g. concerning administrative efficiency, quality and effectiveness practices).
- The act would also not be the most effective way to further the cross-administrative cooperation demanded by the 2030 Agenda.
- Only the Constitution has ultimate permanence; a development cooperation act could be repealed.

policy and development cooperation, as an alternative to a development cooperation act. In this case, the government's development policy report could be prepared on a parliamentary basis. This is already the case for some reports, such as the Security Policy Report. In addition, Finland's climate policy has recently been transferred to a review process traversing government terms of office. The MFA's Department for Development Policy has also discussed a model in which parliamentary parties would jointly strengthen the goals and principles of development policy extending beyond government terms. This would reduce the policy fluctuations of changes of government and introduce a long-term approach. The task of the respective government would be to draw up a concise

strategic strategy that would focus on the changes and the results that would be achieved during the government in question. The task of the respective governments would be to formulate a concise strategic line focussing on the changes and the results to be realised during the government term in question.

Parliament's stronger role in preparing development cooperation and policy is underpinned by its budgetary power, with which it can decide on funding allocations and uses. Parliament could also better supervise the relationship between the budget and funding received for development policy and cooperation priorities, and ensure that resourcing also reflects the priorities. Budgetary power is one of Parliament's most important powers, but in practice it is the government that prepares and implements the budget. This link should therefore be further strengthened. One possibility identified would be the establishment of a parliamentary group (or a change to the mandate of the DPC), which would in practice coordinate the preparatory process. However, such a procedure could further distance development policy from its practice and implementation. Further, Finland does not have a tradition of parliamentary agreements to this extent and they do not carry the same weight as Sweden, for example. In 2003 the Swedish Parliament adopted the long-term strategy *Sweden's Policy for Global Development*, the purpose of which is to guide the direction of Swedish development cooperation as part of its foreign relations and to lay the foundation for a coherent development policy that conforms to human rights and sustainable development policy across political and party lines. Responsibility for achieving the targets lies with the entire government, and the policy also extends to development financing. The Swedish government updated the policy in 2016. It had been developed by the parliamentary Committee on Sweden's Policy for Global Development, *Globkom*.

Achieving consensus in Sweden is eased by the broad support for development cooperation and policy by the different political parties. The situation in Finland has been appreciably harder. At the start of the government term under Juha Sipilä in 2015, for instance, the divergence of party positions on development co-operation was so great that common agreement on even the basic principles of international recommendations had not been possible. On the other hand, in spring 2019, an increasing number of parliamentary parties expressed a willingness to commit to increasing development funding on a course with the 2030 Agenda recommendations.

A global responsibility policy transcending government terms of office

The third option, in addition to a law and a parliamentary agreement, is to develop the current development policy and update during the period of the 2030 Agenda. This reform work would not exclude the possibility of a development cooperation act, and could actually help shape it. A new policy would also require robust parliamentary support. Sweden's global policy agreed by parliament provides a model that extends beyond mere development cooperation and involves the entire state administration. The global responsibility policy combines the strengths of different models and, when realised, will respond to current development policy challenges. The DPC proposes that the next government

development policy report could be built on this basis and on that of the 2030 Agenda.

A policy of global responsibility traversing government periods would be based on previous recommendations, according to which development policy needs, on the one hand, a well-established foundation for international long-term commitments and development goals. On the other, there is a need for a strategy that will be updated and guided by each government. The model of global responsibility would include those elements of development policy that would move from one government to another. These could include development policy values, principles, long-term priorities, crosscutting goals and the instruments for guiding them. In addition, the fundamentals that guide the role and focus of different financial instruments should be included in the foundation that traverses government terms of office. The norms of the results based approach, and the monitoring and evaluation of development policy could also be incorporated here. It would also be crucial that the humanitarian aid and development cooperation continuum is a permanent basis for development policy and a model of global responsibility. It would be possible to define the roles of development policy executors and instruments in promoting development policy goals as part of a permanent operational model. We will look at these points in greater detail in the following chapters.

In addition to development cooperation, having development policy within a model of global responsibility that transcends government terms of office would make it possible to clarify the long-term goals of Finland's global policy impact. Further, development policy could be more closely integrated into Finland's national implementation plan for sustainable development and designate common long-term goals with other policy areas.

The model's time span should match Finland's sustainable development implementation, to at least 2028, whereby it would fit better with the implementation cycle of the 2030 Agenda. In this form, the content of development policy could be more detailed than a law, but it could also serve as a test platform, if there is a desire by future governments to consolidate the corresponding elements into law.

Each successive government would review the global responsibility policy but its permanent principle elements, safeguarding its continuity, would not be renegotiated, and after their first approval would run from one government term to another. These elements would include values, principles, main priority areas, funding,

Pluses and minuses of a parliamentary agreement:

- + A parliamentary approach buttresses the monitoring of the 2030 Agenda's implementation. Development policy definition could be part of this.
- + Parliamentary agreement would even out the policy fluctuations in the changes of government and could stabilise the amount and allocation of development funding.
- + There would be the opportunity to utilise consensus already during the negotiations on the government programme.
- + In principle there would be the scope to draw up guidelines for different administrative sectors simultaneously.
- A parliamentary agreement is not binding like a law. Finland has no tradition of broad based parliamentary agreements
 - so it is not an established practice.
- There would be a risk of policy drifting further from development policy practice and management.
- It would be arduous to draw up and negotiate.

humanitarian aid, as well as monitoring and evaluation. We will present these in more detail in the next chapter.

For possible updating needs, each government would develop a strategy in order to guide the necessary practical changes, for instance for the allocation of appropriations or for results targets. This way every government and minister would be able to exercise the political judgment and political guidance pertaining to democracy. At the same time, the strategy would be an arena where relevant information gathered from different sources should be utilised in policy guidance. We will return to this later too.

The global responsibility policy traversing government periods and the government-specific strategies that update it will require the widest possible parliamentary support. They should therefore be approved as reports and widely discussed by the different parliamentary committees.

Since development cooperation and development policy are already a feature of Finland's implementation of sustainable development, the linkage would be strengthened and utilised more extensively by the state administration in the area of global responsibility to. This could take the example of "The Finland we want by 2050", society's commitment to sustainable development. The plan could be integrated with the sustainable development operational commitment tool, coordinated by the Prime Minister's Office, which can already make sustainable development commitments beyond Finland's borders. This could be developed in such a way that other government sectors may – or even would have to – make development policy commitments. For example, with rescue operations programmes the aim is to implement a holistic and human security perspective. They involve joint work by responsible authorities, relevant research institutes, and training activities as well as CSOs and businesses supporting the authorities. Such a model could also be applied in developing countries.

Businesses, communities, universities, educational institutions, and individual citizens should also be encouraged to become more strongly involved in global responsibility. Development policy actors could also challenge other policy areas and groups of actors to be involved in making "*Finland's global responsibility commitments*", which would complement the sustainability goals designated by development policy and the long-term shared goals related to Finland's global responsibility.

The global responsibility commitment would be reflected in the budgets of the various sectors of

government. It would also be important for these different sectors to be liable for the implementation of the commitment annually to the government and Parliament.

Of the different solutions we propose, a global responsibility model would probably be the easiest to carry out. It is based on previous comprehensive evaluations and is essentially related to the reform work of the MFA's Department for Development Policy. It also does not exclude having a stronger parliamentary approach or a participatory process, but on the contrary could make greater use of them. On the other hand, this policy alignment model and the strategies that update it would not be legally binding, like a law. ■

Pluses and minuses of a global responsibility model

- + From the outset, more flexible and detailed than a law or a parliamentary agreement for defining the role and goals of Finland's development policy in realising the global responsibility of the 2030 Agenda.
- + If realised, it would secure both the continuity of development policy and policy manoeuvrability within the same framework.
- + Compared to other options, it could be easily implemented as a continuum of current reforms (under preparation by officials and stakeholders). There is a readiness on the part of the MFA and stakeholders for change of this kind.
- + Parliament's role and linkage to the 2030 Agenda would be strengthened, as to succeed, the model needs a parliamentary agreement / parliamentary support. To be endorsed in the form of a report.
- + It would meet the recommendations of previous evaluation, improve development policy predictability and effectiveness.
- + Once prepared, it would streamline and rationalise development policy guidance and significantly reduce the workload of civil servants during subsequent government terms.
- In terms of commitment and guidance, it would be markedly weaker than a law on development cooperation. While on the other hand the model could be used in drawing up such a law.

Development cooperation regulations – examples from Europe

Many European countries have a permanent basis for development cooperation defined by law or in other respects¹. International recommendations (UN, OECD, EU) plus the need for more coherent, efficient, transparent and effective development cooperation have encouraged this. There is no single model that is applicable everywhere, because each country's legal system has its own characteristics. Also, the autonomy of development cooperation and dependence on other areas of foreign policy may vary considerably from country to country, added to which development cooperation is carried out by very different organizations. The form and scope of regulations therefore vary from country to country. What the various steering mechanisms have in common is the role of parliaments in providing more permanent, long-term guidelines and create a more enduring framework for development cooperation.

In **Sweden**, Parliament adopted a long-term policy already in 2003, the *Policy for Global Development*. The purpose is to guide the direction of Swedish development cooperation and to lay the basis for a coherent development policy. Indeed, Sweden is regarded as a major developer of coherent development policy. In **Estonia**, development cooperation is guided by the principles approved by Parliament (2003), the *Principles of Estonian Development Cooperation*, which are supplemented by a strategic programme for 2016–2020. In Germany, development cooperation is governed by the broad Coalition Agreement of 2013, preceded by the 2009 agreement. This is complemented by Charter for the Future (2014).

Iceland, on the other hand, has the Development Cooperation Act (2008, Appendices 2015), which is fairly short and compact. It refers to Iceland's international commitments to development cooperation and sets out the main goals of development cooperation. In terms of implementation and

monitoring, it sets out the competencies and roles of Parliament, the Ministry for Foreign Affairs, the minister, and the Directorate for International Development Cooperation. Iceland's development cooperation is a key element of foreign policy and its central objective is a holistic and coherent approach to development cooperation. In addition to the law, the Icelandic Parliament has adopted a development cooperation strategy. Iceland is in many respects a good country of comparison for Finland. As with Finland, development cooperation comes within the Icelandic Ministry of Foreign Affairs. However, the authority of Parliament and its Development Cooperation Committee augments the competence of the ministry and the minister. *mentaarinen kehitysyhteistyökomitea*.

In **Belgium**, the first law on development cooperation was passed in 1993, and has since been amended a number of times. The current law was passed in 2013 (Appendices 2014). The Belgian Development Cooperation Act and its scope are considerable. This involves the implementation of development cooperation, extensively defines the concepts of development cooperation, and regulates the number of target countries and their selection. The law first sets out general objectives (supporting sustainable development and implementing a coherent development policy), followed by more detailed means of achieving the goals. Finally, the law sets the goal of coherence in development policy. The law also provides for monitoring. The act obliges the minister to report annually to Parliament on development cooperation. Responsibility for development cooperation lies with the Ministry for Foreign Affairs. Its activities are steered by a strategic committee, which is responsible for i.a. agreeing on new guidelines and changes to the strategy before they are submitted to the minister for approval and foreign ministry guidance.

- 1 • UK: International Development Act (2002), which are complemented by the International Development Reporting and Transparency Act, Official Development Assistance Target Act, and the Gender Equality Act
- France: Law on the French Strategy for Development and International solidarity (2014)
- Austria: Austrian Federal Development Cooperation Act (2002)
- Italy: Development Cooperation Law (2014) aloitti Italian kehitysyhteistyön kehittämisprosessin
- Spain: Law on International Development Cooperation (1998)
- Denmark: Development co-operation Act (2011)



5.

Global responsibility's policy components, strategy for change, and administration

The DPC proposes that at the start of the next term of government, the government should decide on a policy model for global responsibility that will transcend government periods of office. In the model we propose, development policy and the permanent basis for it are to be the essence of global responsibility.

The basis of development policy 2030

The DPC proposes a global responsibility model that would reinforce development policy's permanent value base, principles, priorities, and funding continuity, and make recommendations for them. It would also include the continuum of humanitarian aid and development cooperation together with independent evaluation. The model also responds to the needs for change identified in the sustainable development evaluation (PATH 2030) from a global responsibility perspective.

In this chapter, we flesh out what the elements of the policy model traversing government terms of office could contain, and unpack the nature of the strategy that would be updated by each government. We also discuss the role of the various executors of the goals in development policy and cooperation and more broadly. Our proposals are largely based on the recommendations made by the DPC during the government period now ending and on the reform work already underway by the MFA. Finally, we discuss the administration of the new policy model and its role in implementing sustainable development. We also explain how the transition to a global responsibility policy could be realised.

Development policy's permanent value base and core principles

In Chapter 2 we looked at the value system of sustainable development and Finland's commitment to it. The 2030 Agenda does not contain "operating instructions". It is therefore apposite that there is a debate in Finland on the main values of sustainable development and their importance for development cooperation. The starting point has to be the 2030 Agenda's keywords: people (ending poverty, leave no one behind, equality / non-discrimination), planet (limits), and prosperity (reducing inequality). According to the Development Policy Results Report (2018), adhering to values makes policy more impactful.²⁸ The value base is also more broadly related to Finland's role as a supporter of multi-lateral and rule-based international cooperation.

The 2016 government report Finland's Development Policy states that the planning and implementation of all activities takes into account the values and principles

of Finland and international obligations - regardless of what sector, where and by whom development policy or cooperation is carried out. The report also spells out that this would create long-term guidelines for action that would carry over from one government term to another. However, these guidelines were not made more specific other than as a general principle.²⁹ It is therefore important that the next development policy is based on a strong consensus on the main principles of action, their content, and their binding nature.

As we see it, the shared values of sustainable development and development cooperation policy must guide development policy and, more broadly, Finland's external relations as a whole. *The DPC proposes that the values include, for example, equality and gender equality, health and wellbeing, education, democracy, human rights and the rule of law, peace and broad security, nature conservation and the fight against climate change, as well as a sustainable economy as part of the universal implementation of sustainable development.*³⁰

The DPC proposes that the key principles and modalities of the development cooperation and policy of the previous government be retained, but that more precise attention is paid to compliance with them. *These principles are the human rights-based approach, transparency, and inclusion in Finland and globally, effectiveness and policy coherence that supports sustainable development.* These principles are well in line with the general ones of Finland's sustainable development action plan, which are also intended to extend from one government term to another. They are *long-term action, coherence, and participation.*

The DPC emphasizes that responsible development cooperation requires open information sharing from both donors and recipients. Citizens and media from both developing and donor countries have the right to know where and how public funds are being spent. It is important that the MFA publishes on its website the funding decisions concerning development projects and programmes, evaluations made of activities, and statistics on the use of development cooperation funds. International development plans for Finnish development policy should also be made public.

The principles of results-based management and information management should be followed in development cooperation. Attention should be paid to achieving pre-set performance targets and performance impacts. Progress should be monitored by annual situation

²⁸ Finland's Development Policy Results Report 2018: Six conclusions.

²⁹ According to the 2016 Development Policy report, Finnish values include democracy and the rule of law; gender equality and human rights; freedom of speech; a sustainable market economy and sustainable use of natural resources; and the Nordic welfare state.

³⁰ This format would also be in line with the values-based foreign policy of the Futures Review of the Ministry for Foreign Affairs (2018).

assessment. The activity is to be adjusted if it is necessary in order to achieve the goals. Results-based management should be constantly developed. Guidance on development policy needs to be based more on knowledge and know-how arising from implementation, evaluations, and research. At the end of the electoral term, the next development policy outcome report is to be drawn up, to bring together this information from Finland's overall development policy. The challenges of development cooperation should be raised openly in reporting and to develop foresight and solutions.

Finland's development cooperation and policy must be in line with international commitments and comply with best practices. The main goal is to reduce poverty and inequality. Also, a broader global responsibility policy would strengthen cross-sectoral policy coherence and boost the implementation of sustainable development at national and international levels. (See pages 13-15). Policy coherence for sustainable development means that all policies must take into account the impact on the conditions for sustainable development 1) here and now, 2) for future generations, and 3) in other areas. In addition, the social, environmental, and economic dimensions of sustainable development must be taken into account in decision-making.

Long-term priorities express chosen values

We believe that the current priorities and sub-goals of development policy and cooperation are intrinsically central to the Agenda for Sustainable Development 2030 and, in principle, fit into the pillars of policy traversing government periods.³¹ They express the values of sustainable development and the national core values that Finland wants to promote and for which there is a significant international need and demand. The development in recent years of result management, scorecards, and results reporting are also based on these priorities. A particularly good and workable basis is provided by the Development Policy Results Report, first published by the MFA in autumn 2018. The report is important because it reflects the shift from the traditional "What to support?" thinking centred on development cooperation sectors to an approach within the priorities that asks, "What do we want and what are we able to achieve?" The policy results report contains a scorecard that groups activities on one axis under the four priorities of Finnish

development policy, with a second axis that summarises what outputs and results are achieved by activities and what sustainable development goal each action promotes. As recommended by the PATH2030 Sustainable Development Project (2019), this model should be used more widely. The DPC supports this change and hopes the work will continue.

The choice of development cooperation priorities nevertheless requires inclusive debate and review. The aim should be that the priorities accentuate the goals and unite the different actors in the global responsibility policy. The goals and sub-goals of the current priorities are also very broad and ambitious in relation to the resources for carrying out development cooperation or to the actual impact of programmes and projects. Therefore, development policy activities should be implemented in a more goal-oriented and more strategic manner at different levels of development cooperation (including international influencing), but also across administrative and organisational boundaries. Finland's Development Policy (2016) and the Development Policy Results Report (2018) still mainly examine the priorities in terms of development cooperation and policy impacts.

In terms of the future of development policy, it is important to ensure that it has the broadest possible support. There is a need for a consensus between civil society, business, research, and different sectors of government on what common goals for cross-government development policy and global responsibility policy should be. There would then, within the priorities, be boundaries to consider, in particular:

- Do the current priorities cover all the key players implementing the global responsibility model, and whose participation is needed to do so? Do the current choices of priorities wholly exclude some key players?
- Are the current priorities relevant to the solutions of the world's "wicked problems"? Do they allocate Finland's aid correctly, taking into account the commitment that at least 0,2 per cent of GNI is to be directed to fragile and least developed countries?
- Do the current priorities reflect Finland's expertise? Do they focus on where our expertise is needed, in demand and is effective within the framework of the 2030 Agenda?

³¹ The new priority areas of development policy were set out in the 2016 report as follows: (I) The rights and status of women and girls have strengthened; (II) Developing countries' own economies have generated jobs, livelihood opportunities and wellbeing; (III) societies have become more democratic and better-functioning; (IV) food security and access to water and energy have improved, and natural resources are used sustainably.

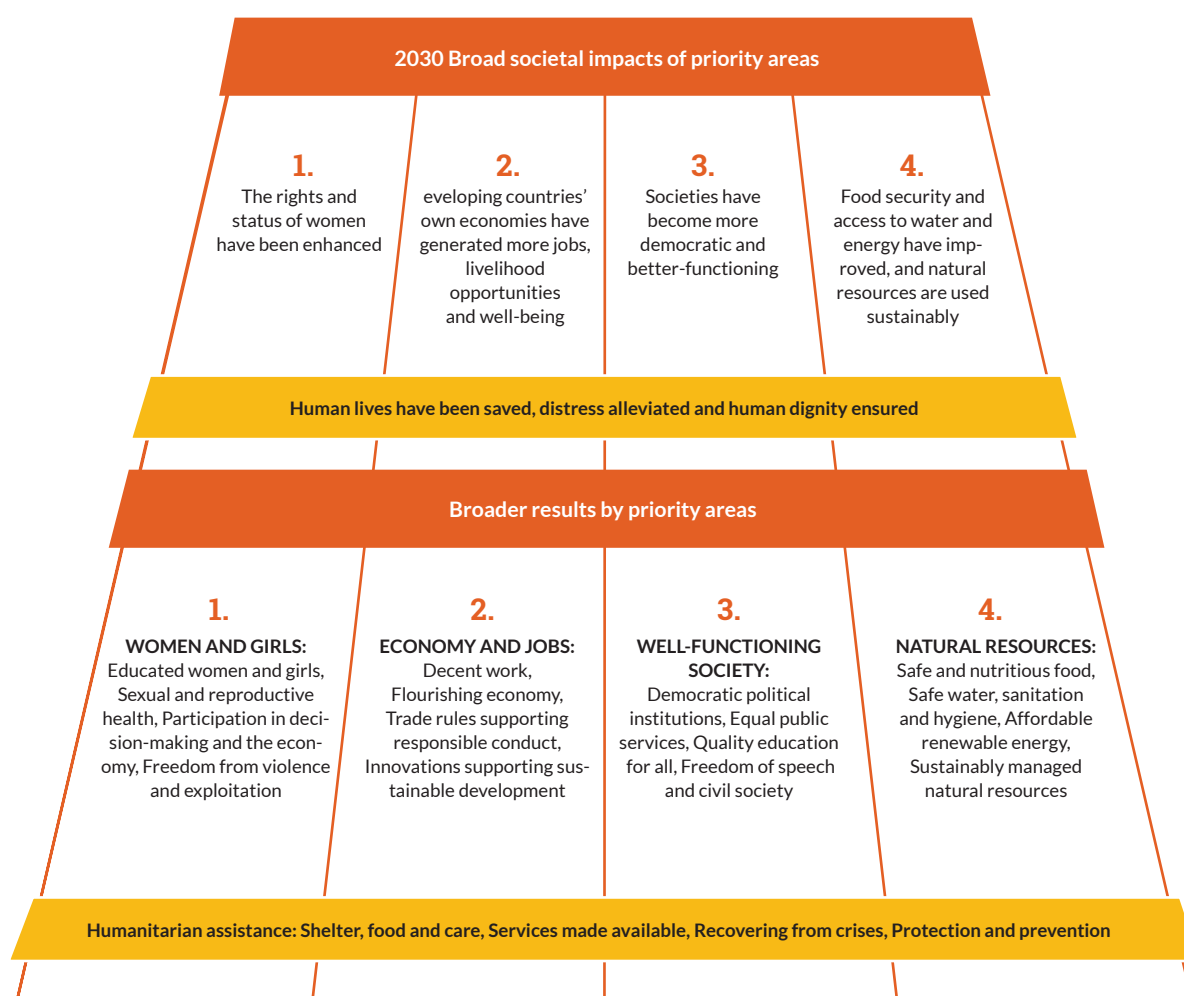
Within the priorities, the boundaries would then be made with particular consideration to:

- In what role is it appropriate for Finland to act (as a responsible executor or funding partner, or as a sparing partner of other policy areas or actors)?
- What sort of development finance will be used to achieve the goal (development co-financing, financial investments, cooperation with other policy areas and actors)?
- What kind of partnerships do the priorities require (multi-actor partnerships, centralised "main projects")?

- What objectives can best be promoted through international influencing and how will advocacy and country-level implementation be combined?

At this point consideration of Finnish added value is in order. Evaluating it must nevertheless take into account the principles of the effectiveness of development cooperation: ownership by developing countries and beneficiaries, mutual donor coordination, and the operating environment itself. Also, increased vulnerability should be taken into account in all priorities, and risk management strengthened.

Finland's development policy report 2016-2019 priority areas and objectives



Finland's Development Policy Results Report 2018, excerpt from chart "Towards sustainable development"

Below are the DPC's proposals for enhancing the priority areas of development policy during the forthcoming government term of office:

1. Gender equality and non-discrimination

The DPC considers it highly important that the status and rights of women and girls is made one of the priorities of development policy. The priority must nevertheless be approached from a broader human rights, equality and non-discrimination perspective: this must remain regardless of the government. The policy must strengthen the status, health and wellbeing of all those in the most vulnerable positions such as people with disabilities, ethnic as well as sexual and gender minorities at different stages of life. It is essential to strengthen children's rights. Closer attention must be paid to the rights of girls as part of this entirety.³²

The policy must strengthen the status, health and wellbeing of all those in the most vulnerable positions such as people with disabilities, ethnic as well as sexual and gender minorities at different stages of life.

The priority should focus on key special measures from the perspective of gender equality and non-discrimination, such as the elimination of violence and exclusion, and asserting sexual and reproductive health and rights. There should be an emphasis on strengthening the leadership and agency of all women, including women with disabilities, and on support for institutions that promote gender equality and non-discrimination.

The current policy climate is extremely challenging with respect to sexual rights. Finland's robust positioning as a defender of sexual and reproductive health and rights is already important in itself and essential to achieving non-discrimination and equality. Strengthening gender equality must be seen as an integral part of Finland's global responsibility policy and the implementation of sustainable development. The change also requires financial resources in line with international commitments. In addition, the national implementation of the EU Gender Action Plan and its objective of making 85 per cent of development cooperation promote gender equality as a main or partial goal. This challenges all those involved - Finland's bilateral development cooperation, NGOs and private sector actors - to increase the amount of activity on equality in their work. The challenge covers not only development cooperation but also external relations' actors. The change in perspective is important: in addition to asking how our activities promote equality in developing countries, we must also be able to give reasons if gender equality is not a goal of our activity or an activity does not have an impact on gender equality.

2. Strengthening developing countries' economies, resources and employment

The emphases and range of instruments of development cooperation during this government period have focused on the role of Finnish companies in growing the private sector in developing countries. In its 2017 annual report, the DPC reviewed the significance of the new priorities and the changes they entailed. Emphasis on the role of companies is an important but by itself too narrow perspective. So, it will be even more important in the future to look at how and under what conditions strengthening developing countries' economies and the private sector will respond to the rights and needs of people in these countries. In the DPC's view, Finland should strive for economic benefits remaining more at the disposal of the poorest people and for economic and social development. It is therefore important to strengthen the resource base of developing countries, the basic conditions for entrepreneurship, industrial policy, and a more widespread distribution of economic benefits, including in the poorest countries.

Finnish companies and innovations can contribute to strengthening the economies of developing countries and generating solutions to the challenges of these countries. Such solutions include access to energy through renewable energy solutions, promoting education through digital services, and developing waste management systems. These solutions are best suited to the rights and needs of people in developing countries. In addition, measures are needed to support local administrative capacity, such as the basic conditions for entrepreneurship, business and innovation policies, education and labour policies, and a wider distribution of economic benefits – including in the poorest countries. Particular attention should be paid to the rights of workers, the promotion of decent work both at policy level (the UN's International Labour Organisation, ILO) and development cooperation through projects, among them business and entrepreneurship development projects.

The DPC proposes to increase the innovation policy that benefits developing countries, and to promote and resource public-private partnerships between universities and other educational institutions to achieve this goal. Nurturing the innovation capacity of partner

countries is a prerequisite for social and economic development and sustainable growth. A good example of this is the transition to renewable energy, the carbon neutral and circular economy, and the use of new technologies. It is of paramount importance that the next development policy report clarifies the principles of innovation work and strengthens their role as instruments of Finland's development policy goals, effectiveness, and human rights-based approach.

We believe that Finland's Taxation and Development Action Plan should continue to be a key part of a global responsibility policy. Further, economic, trade and labour market solutions are needed to ensure that the benefits of prosperity are shared among all population groups and to create increasingly more decent jobs. Goal setting and results monitoring must pay more attention to the quality of jobs.³³ These issues are an important part of the broader 2030 Agenda action plan for sustainable development.

Finnish companies and
innovations can contribute
to strengthening the
economies of developing
countries and generating
solutions to the challenges
of these countries.

33 For more on this see the DPC Annual Report 2017: How is Finland strengthening the economies, private sector and taxation capacity of developing countries? Under chapter 4: How is the achievement of the goals monitored?

3. Well-functioning democratic societies, citizens and education

Public administration and society are themes that have remained a major development policy area down the years (2006-2017).³⁴ In the DPC's view, they should also be retained in Finland's global responsibility policy model. In terms of the priority area, the MFA has stipulated: "Democracy and respect for human rights, a transparent and well-functioning public administration, taxation capacity and public services, a good justice system, an independent media and a free civil society are indispensable for the achievement of development and peace. Finland has a lot to offer in all these sectors, and also in the field of education, which is a cornerstone for development." The DPC shares this starting point. In our previous reviews we have also drawn attention to the narrowing of the state of civil society and freedom of expression. The difficult position of human rights defenders worldwide is a worrying development that needs counter-forces. The defense of the rule of law and a binding international human rights system must be more firmly at the heart of Finnish development policy. This should also be promoted in other areas of foreign policy, in cooperation with other Nordic countries.

An independent media
and a free civil society
are indispensable for
the achievement of
development
and peace.

Support for democracy is support for social peace and sustainable development. Democracy guarantees that development is sustainable, as the benefits of development are more evenly distributed. Supporting democracy helps to achieve the goals of Agenda2030, because in democracies gender equality, education, health, wellbeing, and enhancement of the status of

minorities, all of which Finland highlights, are improving. Further, by supporting democracy, Finland can have a stronger profile in peace building. Finland has much to offer in supporting multi-party democracy, which is why we should put special emphasis on supporting political parties, as they are the lifeblood of a pluralist and functioning democracy. Responsible, representative parties play a key role in building their country's development and peace. Internationally too, our parties, which are renowned for their collaborative faculties, must be used to support democratic systems. Support for democracy through peer learning is a cost-effective form of aid and an excellent way to contribute to strengthening the participation of women in society, which is particularly important for Finland.

The link between education and good quality teaching and democracy, and the preconditions for society to function and develop economically, is plain. The practicability of democracy requires that citizens have a good understanding of the societies' operations, the responsibilities and obligations of the political system, and their own rights and obligations. Teaching is also a theme that has always been one of the most important sectors in terms of development funding. However, teaching, the quality of teaching, learning and education do not figure strongly enough in the current development policy approach.

Under the current government, Finland has been strongly involved in tackling the "Global Learning Crisis" and has actively built up partnerships on the issue, bringing together administration, educational institutions, and organisations.³⁵ In the view of the DPC, this trend is highly desirable and should be strongly reflected in a global responsibility policy. It should be noted, however, that Finland's efforts to resolve the global learning crisis must show a strong commitment to promoting equality through education.

The importance of health and social security as part of a functioning society and stable democracy should be better taken into account in inputs for and prioritising development cooperation and to ensure funding for the main international and multilateral actors in social and health policy. Health and wellbeing must be understood more broadly as capital and investment for the future. Among other things, the status and basic rights of women and girls are closely linked to the primary health care system and the services it provides, as well as how social security is built.

4. Climate and biodiversity: food security, water, energy, and the sustainable use of natural resources

Finland's goal within this priority area is to improve food security and access to water and energy, and that natural resources in developing countries are used sustainably. The MFA and its Development Policy Results Report have found that climate issues and biodiversity that are essentially related to this priority are not sufficiently reflected in policy orientations and funding. Their profile could be raised, for example, by elevating the fight against climate change and the safeguarding of biodiversity to the forefront of this priority and as a cross-cutting goal. This is also supported by the observation that climate finance and developing countries' adaptation to climate change have been neglected, including in terms of funding. The same applies to funding for water management, sanitation and, in particular, agriculture, rural development and fisheries, as well as the sustainable management and use of forests. Finland's biodiversity funding has fallen to one third of its previous level. Finding solutions for the climate and biodiversity crisis will also facilitate business activity in partner countries as well as for us in Finland. Finland's specialised knowledge of bioeconomy and sustainable energy solutions should be utilised more efficiently.

The purpose of crosscutting goals is to ensure that overall development policy and its actors support the main goals and boundary conditions of policy regardless of sector.

Judging by Finland's development cooperation payments, forestry has figured as an important sector since 2012. Sustainable forest and energy policies and the sustainable use of natural resources also support biodiversity. Finland possesses versatile proficiency and technology for forest protection and forestry. In addition, we are thoroughly familiar with local challenges and their solutions.³⁶

Here is the key to sustainable financial investment and broader business partnership with Agenda2030. In addition, Finland's participation in the OECD's pilot on policy coherence for food security in developing countries was a promising step towards a global culture of responsibility and more holistic thinking.

Here financial investments in line with sustainable development and broader business cooperation according to the 2030 Agenda have a central role to play. Further, Finland's involvement in the OECD's Food Security Initiative for Policy Coherence was a promising step towards an operational culture of global responsibility and more holistic thinking.

The links between crosscutting goals and priority areas

The purpose of crosscutting goals is to ensure that overall development policy and its actors support the main goals and boundary conditions of policy regardless of sector. So, it is not enough for Finland to promote the rights of women and girls, for example, by individual projects or influencing strategies only within that particular priority area. Often, the best results are achieved by simultaneously promoting more goals in the planning and implementation of development cooperation and policy. For example, a main goal may be to improve water supply and sanitation. In addition to this there are several sub-goals (non-discrimination and improving the status and rights of women and girls, strengthening food security and climate sustainability).

The position of women and girls and equality between the sexes, the status and rights of persons with disabilities, and climate and environmental issues³⁷ have been an integral part of Finland's development policy for decades. But their position in development policy has vacillated. Until 2004, these *themes* were clearly linked to the main goals of development policy programmes. The concept of developing crosscutting themes was presented for the first time in the development policy programme published at that

36 For instance, households in many Sub-Saharan countries rely on charcoal as fuel.

37 Climate issues emerged alongside environmental issues in 2007.



time. Three themes were consigned for mainstreaming, but at the same time their clear linkage to the main development policy goals vanished. In the 2012 Development Policy Programme, the crosscutting themes were transformed into goals. The idea here was that activity would be goal-oriented instead of being subject to general attention. Over the years, the implementation of crosscutting objectives has been guided by, for example, the *Gender Strategy and Action Plan 2003 - 2007* and the guidelines for 2009 and 2012.

However, the guidelines have not been sufficient instruments for carrying out the goals. Several estimates have shown that there have been difficulties in implementing crosscutting goals. The MFA has repeatedly been criticised in particular for the weakness of gender mainstreaming. Despite a high level of political commitment, the goals have not started to be implemented. One of the key obstacles for implementation has been the absence of definite targets, a plan of action, and meaningful indicators.

The MFA has started the process of revamping the guidelines for crosscutting goals. The aim is to create a longer-term policy for the implementation of these goals, thus ensuring a long-term approach. The point is also to strengthen results-based management for the crosscutting goals by firmly linking them to the entire main results-based management and quality assurance mechanisms of development cooperation. The guidelines redefine the concept of crosscutting goals. The MFA's proposal is that crosscutting objectives will be gender equality, non-discrimination, climate resilience, and low-emission development³⁸. Reducing inequality must remain the main goal of development policy alongside poverty reduction.

The DPC's view is that Finland's long-term crosscutting goals, such as gender equality, attention to climate change, and reducing inequality must be retained. But they need to be updated in accordance with the 2030 Agenda and the Paris climate agreement and be more actively monitored.

In its 2018 annual report on the state of development policy in Finland, the DPC made recommendations for strengthening the crosscutting nature of gender equality. We set out Finland's commitment to the objective of the EU's Gender Action Plan, which states that gender equality must be either a significant or primary goal in 85 per cent of all new programmes by 2020. In this respect, there remains room for improvement by all

actors. The percentage of funding for gender equality in recent years has declined, accounting for some 30-40 per cent of total funding for development cooperation. The policy line would concretise equality as a crosscutting objective, whereby all development actors would also evaluate their projects and programmes from a gender perspective in a more explanatory manner. In addition, the DPC has, among other things, called for a clear strategy, guidance, equality analysis of the operating environment and situations, and statistical and result reporting practices for promoting gender equality.

The OECD's 2017 peer review of Finland drew attention to the fact that environmental and climate issues have not yet been sufficiently mainstreamed into all development cooperation, and they are not sufficiently reflected in resources. At the same time, the terms of the climate goal need to be elaborated. The concept of climate sustainability, introduced in the 2012 Development Policy Programme, has never been adequately defined. In the 2016 development policy report, the concept is no longer mentioned, though it was stated that all of Finland's development cooperation aimed at mitigating climate change and adapting to and preparing for it. The DPC recommends that the goal be, in accordance with the Paris Agreement and the 2030 Agenda, climate resilience and low-emission development, covering both adaptation and mitigation. In addition, the 2030 Agenda emphasises risk reduction and the importance of preparedness and preventive action. These should be included when the development policy is updated.

The World Health Organisation (WHO) and the World Bank have estimated that a little over a billion people, 15 per cent of the world's population, are people with disabilities of different kinds.³⁹ Some 800 million of them live in developing countries, and, according to the estimate, about one in five people living in extreme poverty are people with disabilities. According to the development policy report (2016), also the rights of children and the most vulnerable, notably persons with disabilities, are to be taken account of in all activities. Finland has the know-how and resources to support people with disabilities. There is a particular need for support because they are often excluded from other support. This principle must continue across government terms of office. Promoting the rights of people with disabilities requires long-term social change.

The *Development Policy Results Report 2018* states that in its humanitarian work Finland is already a

³⁸ The goals of climate resilience and low emission development are in line with the Paris Agreement and the 2030 Agenda.

³⁹ https://www.who.int/disabilities/world_report/2011/report/en/

pioneer in promoting the rights of people with disabilities. We have consistently and decisively given attention to this issue in the governing bodies of humanitarian organizations and at international events. In cooperation with others, Finland raised the rights of persons with disabilities at the World Humanitarian Summit in 2016, which approved the *Charter on Inclusion of Persons with Disabilities in Humanitarian Action*. So, in matters of principle Finland acts well, but in terms of practical implementation there is a need for far greater proficiency. Those carrying out development cooperation and humanitarian aid have the will but not always the right knowledge to take into account people with disabilities in practice. It is therefore important that there is substantially more funding for the mainstreaming of disability rights.

In terms of the
consequences of climate
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placed at the centre of
Finland's development
policy.

The continuum of development cooperation, development policy, and humanitarian aid

The DPC considers it important that the linkages between development cooperation, humanitarian aid and peace building are reinforced during the next government. This approach should also feature as a prominent part of Finland's global responsibility policy. Finland has the opportunity to become an international trailblazer here. It nevertheless still requires a fresh

political will, guidance and changes to the programming of cooperation.

The need for humanitarian aid globally is greater now than at any time since the end of the Second World War. At the same time, the necessity for assistance has become more prolonged. The average duration of conflicts has doubled since 1990 and there are already 23 protracted refugee situations that have lasted for over 20 years. Disasters, crises, and development are closely linked to one another. Sustainable development cannot be achieved unless the impact of various crises and disasters on the lives of especially vulnerable people is minimized. The goals of the 2030 Agenda for sustainable development emphasise risk management as a key to eliminating poverty. Disaster resilience and preparedness will reduce vulnerability, human suffering, and the impact of disasters on development results already attained.

The connection between humanitarian aid and development cooperation is usually depicted through continuity thinking. Development cooperation should increase the ability of communities and societies to identify, reduce, and counteract the risks of humanitarian aid in accordance with the Disaster Risk Reduction Framework (2015-2030) agreed at the UN conference in Sendai, Japan. This provides a guide for disaster risk reduction globally. In terms of the consequences of climate change especially, preparedness for natural disasters should be placed at the centre of Finland's development policy.

Humanitarian aid, apart from rescue and aid work, must improve the ability of risk prone communities and societies to anticipate and respond to disasters, in line with the commitments of the Agenda for Humanity agreed at the World Summit on Humanitarian Aid (2016). The reconstruction that follows humanitarian assistance should be seen as an opportunity to build stronger and more sustainable communities to respond to disasters.

The problem at present is that funding concerning the different phases of major disasters and catastrophes comes from different sources and action focusses on post-disaster rescue and humanitarian recovery.

From the perspective of the security, planning, and preparedness, it is crucial that disaster-prone countries develop their national capabilities and capacities. It is important to support such countries' own security structures in order to be better prepared for possible disaster situations. The development of and support

for these structures require systematic and long-term cooperation and funding from donor countries.

The DPC stresses the importance of maintaining the continuity of humanitarian aid and long-term development cooperation – risk prevention, preparedness, rescue, assistance, recovery, and reconstruction. Peace-building goals should also be added to the equation. The coordination of development and humanitarian aid requires bringing risk awareness to development thinking and removing obstacles to the continuum of humanitarian and development actors and funding.

Different models of humanitarian funding based on forecasting and predictability need to be promoted to ensure a timely response to disasters and the continuity of development cooperation through crises and disasters. Funding must also be directed to where it is needed most. The poorest and most fragile states particularly need assistance, as by themselves they are unable to prepare for the consequences of crises and disasters. In this case, development cooperation should reach the most vulnerable communities in fragile states, such as in Afghanistan and Somalia. Prolonged humanitarian crises also require a longer presence and multiannual humanitarian funding to achieve a fruitful continuum. This link between development cooperation and humanitarian aid should also be clearly recorded as the basis for Finland's global responsibility policy across government terms of office.

The MFA's *Evaluation on Forced Displacement and Finnish Development Policy*, published in spring 2019, examines how consistently Finland's development policy and its goals concerning of forced displacement have been implemented and how coherence could be strengthened in development cooperation and within the state administration. According to the evaluation, policy guidance and practices related to forced displacement should be better aligned with the goals of humanitarian aid, development cooperation, and peace building. In addition, the evaluation points out significant shortcomings in, among other things, the implementation of the human rights based approach in different types of refugee situations. The "climate refugee" situation also requires Finland to update its approach.

Development cooperation financing needs a financing model that transcends government terms of office

The government's draft budget for 2019 added €32,4 million to Finland's actual financing for official development cooperation. With this increase, the level of funding was estimated to increase from 0,39 per cent (2017) to 0,41 per cent of GNI. However, in the light of the preliminary data for 2018, no increase in Finland's GNI ratio is expected, rather the trend would be the opposite. The amount of development cooperation for 2018 would seem to be only 0,36 per cent of GNI.⁴⁰

Finland is therefore appreciably far from the 0,7 per cent international commitment it has affirmed as a member of the UN, the OECD, and the European Union. This same 0,7 per cent target is an essential part of the implementation of the 2030 Agenda, which Finland is supposed to promote and set an example globally. In its new draft budget the government promises, however, that the 0,7 per cent target will be achieved "in the long term". The DPC has previously criticised this formulation, used also in the government programme. We do not think that an approximate approach is sufficient, if Finland wants to be a sustainable development vanguard. The OECD's DAC has for years required that Finland produce a plan for rectifying the situation. The MFA's *Futures Review* (2018) also calls for this. The overall level of development financing, its targeting and the relationship with other forms of financing should therefore be clarified in a financing model traversing government terms of office.

The issue has also been subject to parliamentary scrutiny, as Parliament monitors funding developments as part of the implementation of 2030 Agenda. The DPC's approach is that Finland should reach the 0,7 percent of GNI at the latest during the next two government terms. In practice, this would require over the course of the next two government periods a one-off increase of potentially €200 million in 2020, followed by an annual increase of €128 million until 2028.⁴¹ The one-off bigger increase (of €200 million) would compensate for cuts made to grant-based support during the current government term (€330 million / year). In addition, financial investments in the form of loans and capital should remain at about €130 million annually. We consider it important that during this government term revenue from auctioning emission allowances

40 Apart from economic growth, this is influenced by fact that financial investments appear in development cooperation payments only at the stage when a loan is invested in a developing country.

41 The estimate is based on figures provided by the MFA to the DPC on 12 October 2018.



PHOTO: KEHITYS LEHTI

channelled for support to industry is re-allocated to development cooperation. This was done in 2012–2015. In 2014, for instance, €69 million of revenue from auctioning emission allowances was channelled into development cooperation. In recent years, the amount of revenue has been much higher. Because Finland's climate financing – and in particular the financing of adaptation to climate change in developing countries –, has been significantly reduced, the deficit should be adjusted using income from emission allowance auctions. Another key issue is the channelling of returns and income from financial investments, which must go to development cooperation.

Finland is a party to over 100 international environmental agreements. These extensively cover environmental aspects of climate change, species conservation, chemicals, and waste management. In a number of agreements, Finland has committed itself, in addition to national implementation, to supporting those developing countries involved in an agreement in their efforts to tackle common challenges. Support has been channelled through public development funds, and cuts in funding

have had a significant impact on the financing of international environmental cooperation.

Many development aid donor countries count the costs of receiving refugees as part of development cooperation funding and statistics. The DAC has, in line with its previous practice, recorded development costs as the first year of entry for successful asylum seekers. This changed in 2017 and, unlike in the past, development cooperation can now also include the costs of asylum seekers who have received a negative decision. Finland will also be following this practice in 2019.

The transparency of statistics is now more important in order to clearly differentiate the official development cooperation conducted in developing countries, the funding used by different actors and administrative sectors, and domestic refugee costs. Refugee expenditure should not be a substitute for the grant-based development financing. A financing plan beyond government periods is not just a computational exercise; rather a commitment to the 0.7 per cent path must be made in accordance with development policy goals, priorities, and the principles of the 2030 Agenda. Apart from total funding,

it is essential to look where funding is allocated. Finland is also committed to directing at least 0,2 per cent of GNI to least developed countries. Here, too, the distance to the goal has grown alarmingly. At present, Finland's development financing for least developed countries is only 0,13 per cent. That is why the 0,7 per cent of GNI path must be based on the actual increase in the amount of grant-based development aid and its allocation to the poorest and most vulnerable people.

The development policy priorities as well as the results achieved and verified effectiveness must become more clearly apparent in the allocation of funding. Care must also be taken to ensure that different activities and funding methods are coherent. Therefore, the enhancement of development impact assessment should be continued in terms of social, environmental, and economic impact. It is particularly important that financial investments support, among other things, the goals of Finland's Tax and Development Action Plan, such as transparency of ownership and country-specific tax information. Financial investments must also strengthen the principles of gender equality, environmental sustainability, and corporate responsibility.

The form of funding also matters, as not all funding is suitable for promoting all the goals and principles of the 2030 Agenda. Responsible financial investments are needed, for example, for climate action and for the promotion of renewable energy, business, and jobs, or to support the public sector in developing countries in the form of partnership loans. Combating and adapting to climate change are also solutions to protecting biodiversity. Therefore, they must also play a key role in financial investment and business cooperation. With the help of the grant-based aid, we can, for example, support the development of democracy and the rule of law, and improve the position and rights of the most vulnerable people, especially in fragile situations and in the poorest countries. The 2030 Agenda's "Leave no one behind" principle, for instance, requires an increase precisely in grant-based development aid. On the other hand, eradicating poverty and improving employment in developing countries also require private investment and development finance that supports them, as well as the management of capital flows for sustainable development. Effective and internationally competitive development finance instruments in the form of investments are needed to fund private investment in poor countries.

Funding principles and reform needs

Finnish development cooperation funding must be viewed as financing for sustainable development and as part of the implementation of the 2030 Agenda goals. Implementing development policy as part of a global responsibility policy requires holistic work across sectoral and organisational boundaries. A strong role for the private sector, CSOs, and research is needed. Finland's national interests can be taken into account within the limits of development cooperation and policy objectives and the principles that guide them both in Finland and in partner countries. Each actor brings its own strengths to development cooperation as an *advocate of development goals*. Funding must support this principle. This requires a more focused approach to development finance. Accordingly, the main priorities of development policy and their goals should be to direct funding and human resources. Decisions on funding must be transparent.

Finland's Development Policy Results Report 2018 recommends increasing the size of programmes where good results have been achieved. The report stresses that the allocation of development funds should not, however, continue to be based solely on attaining results, but always requires a wide range of considerations. Finland's support is often focused on difficult challenges in risk-prone environments. Support is justified in these areas, even if the achievement of the goals is uncertain.

According to the independent evaluation of development cooperation, CSOs play an important role in supporting the most vulnerable people in situations not covered, for example, by Finnish bilateral cooperation. Therefore, the share of development cooperation funding for CSOs should be raised to 15 per cent.

Funding allocations can also be examined in the light of Finland's international commitments that are monitored both nationally and internationally as part of the 2030 Agenda framework. Significant challenges include climate finance in developing countries, resourcing of the Taxation and Development Programme, and the strengthening of gender equality goals in line with the EU's common level.

Finland is part of the commitment by industrialised countries to raise \$US100 billion in annual funding for climate finance for developing countries by 2020. Funding is supposed to be new and additional, that is, separate from development cooperation funds. For Finland, this would mean about €200 million of public funding

a year from 2020 to 2025 (as far as the current commitment had been made). Finland needs to draw up a plan for the annual level of the funding target for 2020 to 2025 so that the public funding contribution will increase to at least €200 million annually by 2020.

Finland is involved in the international development partner initiative the Addis Tax Initiative and committed itself to doubling its support for enhancing the tax systems of developing countries from 2015 to 2020. Funding for this objective has been worryingly erratic, and it has not been possible to keep up with the commitment. In 2015, the Finnish share of funding amounted to €4,3 million, which rose slightly by 2016. However, support plunged to €2,7 million in 2017 and then to €2,3 million in 2018. This year, the situation will be rectified, and for 2019 and 2020 €7 million have been budgeted for tax systems' development. The DPC considers it important that this positive course is fulfilled.

Concerning the priority focus on women and girls, Finland is committed to the goal of the EU Gender Action Plan, which states that gender equality must be either a significant or primary component in at least 85 per cent of all new development cooperation programmes during the next government term. This is an ambitious goal to ensure the growth of funding to support for the goal and Finland's international influencing.

The continuity and coherence of the support given for priorities must also be examined seen in light of priorities emerging within them. For instance, if the role of education is to be strengthened, it must also be reflected in the allocation of funding for it. Apart from continuity, there must be sufficient flexibility in development funding for new needs and ways of working, including within the framework of the country programmes of development cooperation. For example, the current mechanisms of development cooperation do not in themselves comply with the utilisation of development innovations, as the logic and time span of the innovation process are completely different from the logical framework used in development cooperation. We should note that support for innovation requires a different financing model that supports the innovation process from the idea to being scalable, economically viable and achieving results with positive development impacts.

The number of private sector financial instruments should not be increased in principle. Rather, existing instruments should be developed, and in particular their ability to produce and monitor development impacts

and to ensure long-term financing (e.g. Finnfund and PIF interest subsidy, and Business Finland's Business with Impact programme, BEAM). In addition, synergies should be sought with other corporate financial instruments and other forms of financing for development. For example, SIDA in Sweden and DANIDA in Denmark, which are responsible for development cooperation, have financial instruments for CSOs, which they use to work with companies to develop their business operations to be more sustainable. This separate funding allows an organisation the opportunity to work with a company on an independent basis in an expert capacity.

Funding must serve the continuum between humanitarian aid and development policy, and take into account predictive needs concerning emerging crises and disasters. Finland has four-year cooperation agreements on humanitarian aid via many international organizations (including UNHCR, UNRWA, OCHA, WFP and ICRC). Humanitarian funding channeled through Finnish NGOs is short-lived, however, which makes it difficult to plan operations and causes inefficiency. On the other hand, UN organizations continue to channel funding received from states to organisations responsible for the actual implementation of projects, leading to long financial chains. Sweden and Norway have multiannual partnership agreements with humanitarian organisations, including both UN agencies and CSOs. Finland participates in the principles of Good Humanitarian Donorship and Grand Bargain, both of which recommend multiannual humanitarian funding. For the purpose of multiannual humanitarian assistance channeled through CSOs, a (separate) partnership instrument, like programme support, should be created. The effectiveness of aid is also linked to the coordination and complementarity of humanitarian aid and development cooperation. It is imperative that financial instruments are flexible enough to avoid interruptions in this continuum.

From the outset, humanitarian aid should endeavour to build a sustainable future. However, in situations of humanitarian crisis, child protection and education are often the least-funded sectors. This undermines the basis for creating a sustainable future as a conflict or disaster ends. In future, Finland must focus its humanitarian aid more strongly on child protection and education. Finland has an abundance of expertise as an advocate for girls, people with disabilities, and education, so this is a natural direction for Finland's humanitarian strategy.

The DPC's recommendations on development financing

- A financing model that transcends government terms of office must take into account the different goals and tasks of development policy. More attention needs to be paid to financial planning.
- Finland must reach the 0,7 per cent level of GNI at the latest during the next two government terms. Finland urgently needs a plan transcending government terms that will credibly increase development cooperation funding to 0.7 per cent GNI. At least 0.2 per cent GNI of development aid must be directed to least developed countries. The next government must immediately start implementing this with its own government programme.
- Emission allowance auctions and the returns and revenue from financial investments should be used for development cooperation and climate financing.⁴²
- Funding should support the coordination of humanitarian aid and development cooperation, particularly in countries afflicted by persistent or protracted crises, conflicts and / or state fragility.
- There must be transparent and clearly differentiated statistics on official development cooperation conducted in developing countries, the funding used by different actors and administrations, and on domestic refugee costs. Refugee expenditure should not be a substitute for actual grant-based of developmental financing.
- A financial plan that transcends government terms must increase the proportion of grant-based aid, in addition to increasing the level of funding. Attention must also be paid to the consistent and complementary use of different forms of funding in line with the 2030 Agenda's goals, principles, and development policy priorities.
- Increasing the development cooperation budget and the appropriate use of funds will require an increase in the number of personnel. This must be taken into account by the state administration when deciding on the levels of person-years of the MFA and its various departments and missions.

Results-based management, monitoring and evaluation of development policy as part of carrying out the 2030 Agenda

At the MFA, the development of results-based management will be continued so that the development policy implementation guidance is based on the analysis of performance and implementation information and learning from successes and challenges in all implementation levels and partnerships. Data gathering will mainly be based on

electronic information systems and the systematic analysis of annual reports from the point of view of results and the further development of work. At the end of the electoral term, the next development policy outcome report will be compiled, bringing together this information from Finland's development policy as a whole. The aim is it would be easier to get information on results than before. At the same time, we should remember that not all changes are easy to measure, especially in the short term, although they may be of great importance in the long term.

⁴² Among the members of the DPC, the Confederation of Finnish Industries does not favour channelling revenue from emissions' trading to development cooperation. According to the confederation, returns and revenue from financial investment should instead be earmarked for investment-based development financing.

The evaluation of development policy and development cooperation (development evaluation) is a part of the State Budget Act and State Budget Decree on the relevance, efficiency, effectiveness and impact of the activities of the MFA, as well as their evaluation obligations (accountability). This work is guided by the Development cooperation evaluation norm⁴³ and is the responsibility of the MFA's Development Evaluation Unit, which is a functionally independent unit in the MFA. The unit carries out extensive strategic evaluations. In addition, it regularly evaluates projects, programmes, and various forms of funding.

Development cooperation evaluation helps with enhancing the experience-based learning and quality of development cooperation by providing independent and independent information on activities. It is also a central aspect of transparency and openness. The results of any previous evaluations need to be taken into account in the planning and implementation of activities and there should be adequate monitoring and reporting.

The task of evaluations is to assess the success of development policy and cooperation in relation to their assigned objectives. These goals have been defined, for example, in Finland's international commitments, its development policy report, the MFA's own strategic plans, and in the plans for financing packages and projects.

Evaluating accountability and effectiveness are highlighted in Finland's current government programme, development policy report, parliamentary statement on the report, and in the broader international development policy context, especially in the 2030 Agenda, to which Finland is committed.

The selection of evaluation topics is based on the OECD DAC's evaluation principles and other international principles, such as on the independence of evaluation activities, the usefulness of evaluations, and topicality. The DPC stresses that evaluations must serve the strategic planning and reporting of development policy and cooperation. In terms of the usability of evaluations, it is highly important to anticipating future data needs. As a rule, work on evaluations is guided by the content and operational goals and related data needs of development policy and cooperation set by the current government. In addition, an evaluation yields information that is useful for drawing up the development policy of the next government.

The UN's Sustainable Development Goals and 2030 Agenda demand a more comprehensive assessment

that would serve as a framework of reference for both development policy and foreign policy as a whole, and would be a central aspect of Finland's other policy sectors. Synergies and policy coherence between different policy sectors should in the future be assessed in cooperation with other ministries and institutions. Finland therefore also needs a national evaluation policy.⁴⁴ Data collection and evaluation goals must be set in relation to the resources used.

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Concerning sustainable development, the situation in Finland is monitored annually under the national monitoring system, and the national sustainable development policy is evaluated once during each electoral period by external evaluation. The national monitoring system also includes indicators of global responsibility. On the basis of these, it can be stated, among other things, that Finland actively participates in civilian crisis management operations in relation to its population. When looking at the level of development financing, Finland does not maintain the level of other Nordic countries. Climate finance for developing countries has also fallen from its peak years. Workable indicators would be needed to measure the global consumption footprint and handprint of Finland and the Finns.

A permanent mandate
and clear role for the DPC

The Development Policy Committee is a parliamentarily and societally representative and independent

advisory body on development policy. We create a common vision by political parties and stakeholders on current issues of development policy and make proposals for the government and MFA on carrying them out. We monitor and evaluate the implementation of Finland's development policies and international commitments. We also issue statements and an annual report, assessing the state of development policy in Finland. The DPC's assessments provide concrete recommendations for development policy-making. Key themes for this period have been developing the private sector, gender equality and development finance, and policy coherence for sustainable development. The DPC's tasks have incorporated the UN 2030 Agenda for Sustainable Development and the Government Report on the Implementation of the 2030 Agenda for Sustainable Development (2017) as part of a broader long-term national implementation. No other player has a similar role.

The DPC offers a forum for development policy discussion (including seminars and training), exchanging information, and formulating positions. We organise public events and strengthen cooperation between different stakeholders and interest groups to promote the sustainable development goals. This is also accompanied by the activation of national (and in particular) parliamentary debate and communications (Parliament's foreign affairs and future committees).

There is a nationally and internationally recognised need for the wide range of expertise and activities of the DPC,⁴⁵ but uncertainty about the continuation of its mandate and vague institutional position in the administration of the MFA call for a change in order for the DPC to work more appositely than at present. The DPC has proposed to the MFA that the DPC mandate should be elucidated and written as a statute. This should, among other things, define the location of the committee and strengthen its independent status, tasks (including the binding nature of the committee's recommendations), continuity (the committee would continue to operate until the government sets up a new one), and the status of the expert secretariat as a unit serving the committee. The DPC's advisory role and evaluative tasks should be preserved and developed in accordance with its own vision. The committee's tasks complement the MFA's independent evaluation activities. Further, our recommendations should be included more systematically in strategic planning for development policy.

Updating the strategy role during each government term

The DPC proposes that the model for global responsibility, which would traverse government periods, be updated in line with each government programme. As the most important policy guidance instrument for development policy, the strategy would strengthen the will and commitment of each government to promote sustainable development and Finland's global policy. This would be substantially more succinct than previous reports and programmes, about 3-5 pages summarising the key changes needed.

The need for change is based on an analysis of the development policy situation and development policy activities. Related to this are analyses of the altered operating environment in the world and in target countries, the recommendations of evaluations and assessments, information from beneficiaries and people conducting projects in target countries, and from scientific research.

In line with the principles of democracy, a strategy that is updated by each government would reflect the needs for policy change. It would also reflect the commitment of each minister to the activities and goals and communications work of his/her own administrative sector.

The needs for strategic change could relate, for example, to changes in funding priorities, the strategic management of additional appropriations, policy interventions, humanitarian aid needs, the development of financing channels, innovations, or for that matter human resources management.

The strategy would also examine the overall goals of the MFA's sustainable development goals (e.g. equality and human rights work, sustainable development goals of trade policy), and would update the progress of cross-administrative goals, made new initiatives and commit to them. This approach would bring development policy closer to other external relations sectors and would strengthen cross-administrative cooperation between different ministries. The approach could also be used in planning Finland's global advocacy work.

A strategy updated during each government term could also be utilised as part of a policy unifying foreign policy agendas, as recommended by the PATH2030 sustainable development research project (2019). This would emphasise the integration of external relations and help the "policy glut" in which the abundance of different policies cannibalises their effectiveness. At the same time, the

45 See e.g. the evaluation of the effectiveness of the DPC, 2003-2015, (Uusikylä); Finland's Development Policy Programmes from a Results-Based Management Point of View 2003-2013; OECD DAC Peer Review Finland 2017. Finland's Development Policy Results Report 2018 also refers to recommendations made by the DPC.

strategy would hone the implementation of sustainable development and increase the importance of the issue in external relations. Common foreign policy and cross-administrative joint goals could also be used as Finland's international business card and as a tool for more robust global advocacy. This would also enhance the MFA's contribution to the national coordination of sustainable development.

The DPC considers that a strategy published in each government term must be published in the form of a report to Parliament, as it would activate parliamentary debate and facilitate parliamentary committee hearings. The parliamentary committees that are particularly important here are the Foreign Affairs Committee and, in terms of responsibility for monitoring sustainable development, the Committee for the Future. Parliament's motions for their part would create pressure for continued policy development and commitment to sustainable development.

The strategy would guide the MFA's Department for Development Policy department and the activities of the regional departments and country programmes, as well as the coordination of the sustainable development component of Finland's global responsibility.

Governance model for a global responsibility policy

Development cooperation and development policy

The MFA's Department for Development Policy guides the practical implementation of development cooperation and policy advocacy. It is therefore important to develop its procedures. Work on reforming development policy practices started in spring 2016 and the planning work will be in its final stages just when there is a changeover of government terms, and so it is important to ensure its continuity. The point of the reform is to strengthen the conditions for a more effective development policy. Its main focus is on leadership, development cooperation structures, processes and systems, and personnel. Evaluations of development cooperation in recent years have paid particular attention to these issues. The DPC has also pronounced on them in its previous reports. However, developmental needs arise above all from within the administration of

development cooperation and the collective mindset. The reform work has been carried out in an inclusive manner and has been supported by the staff. This allows staff more time to focus on the content of development policy rather than on administrative tasks.

Developing management is related to the need to better understand development cooperation as a whole, strategic results-based and information management, as well as development cooperation steering (including themes and sectors). This area also includes the "clarification" of development cooperation priorities, about which the DPC has commented in its previous reports.

The key issues in the developing priorities have been the review and specification of development policy goals and the consequent result chains. The aim is to clarify the interrelationship between the different levels of development goals (output, medium-term impact, and impact) and the means and activities deployed. In addition, each theme will be considered as part of a set of development policy priorities, so that the same action can simultaneously promote more goals (eg equality, non-discrimination, water / sanitation, food security and entrepreneurship). The DPC has also called for thematic management to ensure the systematic monitoring of priorities in funding, operational planning, implementation, and performance monitoring, as well as in policy advocacy work.

The work on reforming the structure and processes of development cooperation should, on the other hand, include efforts to simplify and harmonise the factors related to the allocations for and practices of development cooperation. These include updating guidelines, quality management, better risk management, and clarifying operators' responsibilities, as well as developing performance and statistical monitoring systems. The aim is that funding for the different priorities and their sub-goals can be monitored more closely.

In practice, it is the administration and its civil service that have ensured the continuity of development policy and cooperation beyond periods of government. Cuts in appropriations for development cooperation and the reduction in the number of person-years are reflected in the shortage of staff and the burden in the administration of development cooperation. At the MFA's Department for Development Policy an increasingly small staff are responsible for an increasingly disparate set of tasks. The extent of understaffing is also evident in the Finnish missions in the partner countries. No administration can work without sufficient resources. Adequate and competent personnel »



in terms of the priorities and goals are a prerequisite for all results-based management. It is also understandable that the increase in development spending and the appropriate use of funding require an increase in staff. This should be taken into account when deciding on the man-year levels of the Ministry of Foreign Affairs, its various departments and delegations at the top levels of the state administration. It is also plain that the increase in the development cooperation budget and the appropriate use of funding require an increase in staff numbers. This should be taken into account at the top levels of government when deciding on the person-year levels of the MFA, its various departments and delegations.

From a coherent global responsibility model to sustainable development implementation

Finland's administrative model for sustainable development has received much international attention and praise, including at UN level.⁴⁶ The 2030 Agenda, Society's Commitment to Sustainable Development, and the government's foreign and development policy have formed a common vision and goal oriented framework for the national implementation of the 2030 Agenda. The sustainable development report (2017) stipulates that the successful promotion of sustainable development will place significant demands on political decision-making and governance. According to the report, decision-making and action must be long-term and transformative, coherent and focused on global partnership as well as highlighting ownership and inclusivity. This challenge is common to the entire government.

Finland's sustainable development policy and the national implementation of Agenda2030 will be assessed by a comprehensive and independent evaluation every four years, for the first time in 2019. The PATH2030 evaluation project, completed in February 2019, also covered Finland's foreign and development policy. Many of the shortcomings identified by it relate to the challenges of global partnership discussed in this report, including the poor visibility and impact of development policy in cross-administrative cooperation (Finland's positions in international tax, trade and immigration policies). The assessment of shortcomings will also reduce the conflict of interest and the lack of common global advocacy goals. The Sustainability Report (2017) states that the sustainable development implementation plan will be updated in

line with the recommendations of this evaluation.

A basis for development policy and cooperation across government terms of office and its definition from the perspective of Finland's global responsibility would open up the opportunity to address the problem areas identified by the PATH2030 project and thus strengthen the global responsibility dimension in different administrative sectors. From a global responsibility perspective, safeguarding the conditions for the sustainable development of developing countries is task common to all ministries, not just the MFA. At the same time, development policy will have a significant but more clearly defined responsibility as part of Finland's external relations, especially concerning the poorest countries, fragile situations, and the most vulnerable groups. Strengthening the global responsibility dimension also requires augmenting the human resources and expertise of other ministries.

The National Commission on Sustainable Development and the DPC are key arenas of actors in the dialogue of Society's Commitment to Sustainable Development concerning these issues. The task of the commission is to integrate the implementation of the 2030 Agenda into domestic sustainable development work and to monitor and evaluate the implementation of the 2030 Agenda. The DPC, on the other hand, monitors and evaluates the implementation of Finland's development policies and international development commitments, especially the implementation of 2030 Agenda in Finland with respect to development policy. Further, we monitor the implementation of the government programme and the government's development policy. Responsibility for implementing the global dimension lies with every ministry. The work on monitoring global responsibility is shared by the commission and the DPC.

Responsibility for coordinating the national implementation of the 2030 Agenda and supporting national sustainable development policies lies with the General Secretariat on Sustainable Development, which operates at the Prime Minister's Office, and which plans, prepares, coordinates, and ensures the national implementation of the 2030 Agenda. Representatives of the National Commission on Sustainable Development, the Ministry of Foreign Affairs, and the Prime Minister's Office are actively involved in the work of the secretariat. The chairperson of the DPC also participates in the General Secretariat.

The report on sustainable development will be updated at the start of the next government term. At that time, the activities of ministries and committees



PHOTO: UNDP

will be developed from the perspective of cross-administrative goals and cooperation. This work will be supported by an audit by the National Audit Office of Finland on administrative structures for sustainable development, which will be completed in autumn 2019. The National Commission on Sustainable Development and the DPC can also make use of existing examples from different sectors and further develop them according to the needs that emerge in evaluations. Voluntary sustainable development operational commitments also play an important awareness raising and disseminating role on global responsibility for sustainable development. The chairs of commission and the DPC, the secretariat and the members jointly discuss how to network among actors working for the same goals and how to make better use of cooperation in identifying and scaling best practices in terms of Finland's global responsibility.

How to move towards implementation?

In the view of the DPC, the 2030 Agenda should, in line with parliamentary statements and positions⁴⁷, and the recommendations of the PATH2030 project, advance

the government programme as a basis and steer it more assertively. Then government programme's policies will have to comply with the goals of the 2030 Agenda. This would require, for example, that the 0.7 percent GNI target path of development finance be recorded in the government programme more definitely as part of Finland's budgeting for sustainable development. At the same time, it would generate pressure for strengthening and concretising cross-administrative cooperation, including in terms of Finland's global responsibility. In addition, in line with the PATH2030 recommendations, target levels for the 2030 Agenda goals and their monitoring should be defined this year, the role and resources of scientific support should be bolstered, and sustainable development should be better taken into account in foreign and development policy and other administrative sectors. The next step would be to draw up the next development policy report with the involvement of various stakeholders, and with an approach that traverses government terms of office and administrative sectors. This report encourages such a course and provides it with a tangible model as part of the national implementation of sustainable development. ■

⁴⁷ See e.g. Statements of Parliament VNS 1/2017 vp – EK 27/2017 (in Finnish).

Members of the Development Policy Committee

2016–2019

Chairperson

- **Centre Party of Finland**
Aila Paloniemi, MP
Substitute: Anniina Ruottu, Ph.D., M.Soc.Sc

Vice-Chairpersons

- **Left Alliance**, Hanna Sarkkinen, MP
Substitute: 3rd Vice-Chair Kalle Hyötynen
- **National Coalition Party**, Saara-Sofia Sirén, MP
Substitute: Daniel Lahti, Chair of the Student Union of the National Coalition Party Tuhatkunta

Members

- **Swedish People's Party**
Anders Adlercreutz, MP
Substitute: Ida Schauman, Chair of the youth members of the Swedish People's Party
- **Social Democratic Party**
Maarit Feldt-Ranta, MP
Substitute: Sirpa Paatero, MP
- **Green League**
Jani Toivola, MP
Substitute: Outi Alanko-Kahiluoto, MP
- **Christian Democrats**
Antero Laukkanen, MP
Substitute: Tomi Kuosmanen, Senior Officer
- **The Finns Party**
Mika Niikko, MP
Substitute: Aleksi Niskanen, Assistant to MP
- **Blue Reform Parliamentary Group**
Kari Kulmala, MP
Substitute: Maija Karjalainen, Secretary of International Affairs
- **KEPA, Finnish NGO platform**
Timo Lappalainen, Director

- **The Finnish NGDO Platform to the EU Kehys**
Rilli Lappalainen, Secretary General
Substitute: Jussi Kanner, Advocacy Officer
- **Confederation of Finnish Industries EK**
Jannika Ranta, Adviser
Substitute: Tuuli Mäkelä, Adviser
- **The Federation of Finnish Enterprises (FFE)**
Timo Palander, Development Director
Substitute: Thomas Palmgren, Manager of International Relations
- **The Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA), the Finnish Confederation of Professionals STTK, and the Central Organisation of Finnish Trade Unions SAK**
Pia Björkbacka, Adviser for International Affairs at SAK
Substitute: Leila Kurki, Senior Adviser at STTK
- **Central Union of Agricultural Producers and Forest Owners (MTK)**
Seppo Kallio, Director
Substitute: Leena Suojala, Expert
- **UNIPID (University Partnership Network for International Development)**
Jussi Pakkasvirta, Professor
Substitute: Katarina Frostell, Project Manager
- **Foreign Ministry's partnership organisations**
Julia Ojanen, Programme Director at Plan Finland
Substitute: Miikka Niskanen, Director of Humanitarian Aid, World Vision Finland
- **Women and girls priority area (UNWOMEN, UN Association, Family Federation of Finland, Finnish Youth Cooperation – Allianssi)**
Elina Multanen, Executive Director, Finland National Committee for UN Women (2016 -2017) and Elina Korhonen, Expert, Family Federation of Finland (Väestöliitto) (2018 – 2019)
Substitute: Helena Laukko, Executive Director, UN Association

Expert Members of the Development Policy Committee

Ministries

- **Ministry of Transport and Communications:** Head of Unit, Mr. Harri Pietarila, Finnish Meteorological Institute, (Antti-Pekka Hyvärinen)
- **Ministry of Agriculture and Forestry:** Ministerial Adviser, Ms. Marjukka Mähönen, (Markus Schulman)
- **Ministry of Justice:** Director, Ms. Johanna Suurpää, (Niklas Wilhelmsson)
- **Ministry of Education:** Counsellor for Cultural Affairs, Ms. Zabrina Holmström
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- **Ministry of the Interior:** Senior Officer, Ms. Ulriikka Johansson, (Vesa Kotilainen)
- **Ministry of Social Affairs and Health:** Ministerial Adviser, Ms. Satu Leino, (Tuomas Leppo)
- **Ministry of Labour:** Ministerial Adviser, Ms. Leena Pentikäinen, (Sonja Hämäläinen)
- **Ministry of Finance:** Senior Adviser, Ms. Anne af Ursin, (Eeli Jaakkola)
- **Ministry of the Environment:** Head of Unit, Ms. Tita Korvenoja, (Marjaana Kokkonen)
- **Prime Minister's Office:** Head of Unit, Mr. Sami Pirkkala, (Lauratuulia Lehtinen)

Ministry for Foreign Affairs

- **Development Co-operation and Development Policy:** Under-Secretary of State, Ms. Elina Kalkku
- **Department for Development Policy:** Deputy Director General, Ms. Riitta Oksanen, Head of Unit Ms. Katja Ahlfors
- **Political Department:** Deputy Director General, Mr. Timo Kantola
- **Department for the Americas and Asia:** Deputy Director General, Mr. Pekka Kaihilahti
- **Department for Europe:** Deputy Director General, Mr. Juha Ottman
- **Department for Africa and the Middle East:** Head of Unit, Mr. Juha Savolainen
- **Development Evaluation:** Director for Evaluation of

Development Cooperation, Mr. Jyrki Pulkkinen

- **Department for Communication and Culture:** Director, Ms. Erja-Outi Heino
- **Department for Russia, Eastern Europe and Central Asia:** Mr. Juhani Toivonen
- **Department for External Economic Relations:** Director, Mr. Pasi-Heikki Vaaranmaa

Other expert members

- **International Chamber of Commerce ICC Finland:** Secretary General, Mr. Timo Vuori
- **National Commission on Sustainable Development:** Secretary General Annika Lindblom, (Marja Innanen)
- **Peace Union of Finland:** Board Member, Mr. Kalle Sysikaski, (Maria Mekri)
- **SASK:** Executive Director, Mr. Janne Ronkainen, (Juha Vauhkonen)
- **Red Cross Finland:** Secretary General, Kristiina Kumpula, (Maria Suoheimo)
- **Bank of Finland:** Senior Economist, Ms. Kristiina Karjanlahti, (Henna Karhapää)

Secretariat

- Dr. Marikki Stocchetti, Secretary General
- MA Katja Kandolin, Coordinator



Development Policy Committee

The Development Policy Committee is an advisory body appointed by the Government to monitor and evaluate Finland's activities in the policy areas which concern developing countries. The Committee is representative in terms of parliamentary and social representation.

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