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**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

Peer Review

Management Response to the 2024 OECD DAC Peer Review of Finland

The management response is submitted by Finland in response to the [2024 OECD DAC Peer Review of Finland](#).

This document has been prepared by the Ministry for Foreign Affairs of Finland (MFA), which is solely responsible for its content.

The management response was discussed and approved by Finland's Development Policy Steering Committee, which is chaired by the Under-Secretary of State for Development Policy. In preparing the response, the MFA also organised a discussion with Finnish Development NGOs - Fingo, who participated as an Observer during the 2024 peer review.

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Management Response to the OECD DAC Peer Review of Finland 2024

Recommendation	Accepted (yes/no/ partially)	Planned action for Implementation	Timeline
<p>In order to continue prioritising sustainable development in a changing domestic and international context, Finland should re-establish its ambition on and political leadership for policy coherence for development across government and society, ensuring that regulatory impact assessments consider transboundary development issues and the National Commission on the 2030 Agenda is adequately resourced.</p>	YES	<p>Finland is strongly committed to supporting and accelerating the implementation of the Agenda 2030 and Sustainable Development Goals, both at the domestic and at the global levels. The Government reports on Finnish foreign and security policy and international economic relations and development cooperation clearly reflect this commitment.</p> <p>Finland's commitment to sustainable development is evident, among other things, in the fact that our Voluntary National Review will be presented in the HLPF at the prime ministerial level in July 2025. Finland's actions to support the implementation of the SDGs are coordinated in the Interministerial Sustainable Development Coordination Network, which also participated in the writing of the Government Report on the Implementation of the UN 2030 Agenda for Sustainable Development.</p> <p>Evaluating and understanding the spillover effects of our action is a challenge to us and many other countries. We are working with partners in the European Sustainable Development Network to develop our understanding and methods for assessing and ultimately mitigating spillover effects. Also, the annual societal sustainability assessment, conducted by the Prime Minister's Office, aims to develop robust</p>	On-going

		<p>methods for assessing spillovers, in close cooperation with the science community.</p> <p>The Finnish National Commission for sustainable development (chaired and coordinated by the Prime Minister's office) is a cornerstone of our whole-of-society approach to Agenda 2030 implementation. The human resources of the Commission's secretariat have reduced from three fulltime persons working at the secretariat in the beginning of 2022 to the current two fulltime persons. However, the Secretariat and the Commission are actively supported by the independent science panel on sustainable development, which works in connection to the Prime Minister's Office, as well as the Agenda2030 Youth Group.</p>	
<p>In line with its international commitments and objectives, and to provide greater predictability across government cycles, Finland should:</p> <ul style="list-style-type: none"> - reverse the decline in its ODA and build consensus for a roadmap with intermediary targets to provide 0.7% of GNI as ODA and 0.2% of GNI as ODA to least developed countries by 2030, as recommended in its 2017 DAC peer review - retain its focus on reducing poverty and inequalities as well as its commitment to untying ODA as it increasingly seeks to use development co-operation to promote Finnish business. 	<p>partially</p>	<p>According to the current government programme, the level of Finland's development funding is adjusted in accordance with Finland's economic situation. Finland has historically committed to allocating 0.7% of its GNI to development funding in accordance with the UN Recommendation. However, as part of austerity measures in the Finnish economy, cuts also in the development cooperation budget have been a necessity. The cuts will take into consideration commitments that have already been made.</p> <p>Overall cuts to the development cooperation budget also have an effect on the LDC-target of 0,15-0,2%. Funding to the LDCs is mostly multilateral support through core funding to UN agencies and MDBs, as well as CSOs. These channels make up roughly 50 % of Finland's development budget. We measure, track and</p>	<p>On-going</p>

		<p>report on the LDC-target and track the status of the commitment.</p> <p>Agenda 2030 and the SDGs guide our work. Cross-cutting objectives, such as gender equality and non-discrimination as well as human rights-based approach, will continue to be integrated in all development actions funded by Finland. Before funding decisions are made, the quality assurance board examines how the before mentioned principles and approaches are implemented and monitored. Set of ten quality criteria, which include the principles of effective development cooperation, will also be examined by the quality board prior to funding decision.</p> <p>Despite the emphasis to promote Finnish private sector engagement in development cooperation, vast majority of Finland's ODA is and will remain untied (in 2023 8 % of Finnish ODA was tied aid).</p>	
<p>In adapting the MFA's structure to a changing foreign policy context and in seeking to more closely link international trade and development objectives, Finland should:</p> <ul style="list-style-type: none"> - address longstanding challenges in attracting and retaining development expertise in the ministry especially at senior positions - allocate resources to enable the MFA to deliver on its priorities including multilateral co-operation, EU delegated co-operation and Global Gateway which requires development 	<p>YES</p>	<p>Human resources in development policy are considered as part of the MFA's overall human resources planning. The total amount of human resources is not expected to increase so we need to change the way we work. The Development Policy Department manages most of the ODA-funding and staff and provides expertise and advice to the other departments.</p> <p>Recommendation to centralize development expertise to the Development Policy Department was discussed as part of the foreign service reform process. This work is currently being implemented to ensure sufficient</p>	<p>On-going</p>

<p>expertise and knowledge garnered from country presence.</p> <ul style="list-style-type: none"> - in outsourcing MFA tasks to other actors, ensure that necessary steering functions and capabilities remain within the MFA, in line with its mandate. 		<p>knowledge and high quality of development policy and cooperation within the ministry.</p> <p>The MFA continuously works to improve the career prospects of experts. The development policy and development cooperation staff training has been reformed and a new development staff capacity development plan was approved in 2024. Compulsory training modules on development policy and cooperation are held regularly (2 times per year) and advanced level courses and workshops are organized based on needs (e.g. risk management).</p> <p>Dedicated human resource(s) have been secured at the MFA to develop processes regarding the management of EU delegated funding and pillar assessments as well as to provide guidance and training on EU delegated co-operation. As Global Gateway is a top priority, Finland has appointed a Global Gateway Ambassador to lead the work. Additional resource has also been appointed to the Permanent Representation in Brussels to coordinate the Finnish efforts. Finland will also do its best to secure human resources in the embassies for this work.</p> <p>The MFA, together with other Finnish public institutions and agencies, will further develop and deepen cooperation in the implementation of development policy in the fields where there is specific expertise and Finnish value-add. This will be done through regular strategic discussions at management level complimented by technical level discussions and planning.</p>	<p>2025-2026</p>
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<p>To support robust and inclusive policy formulation and implementation, and to guide the changes in policy currently underway, Finland should continue to use evidence for decision making, including investing in strategic evaluations, tailoring its results-based management practice to more integrated objectives and drawing on the expertise in its Development Policy Committee.</p>	<p>Partially</p>	<p>MFA continues to uphold knowledge management processes with strong result orientation. Multi-year objectives are set in 4-year operational and financial planning process, which includes preparatory analytical work, including analysis of past performance. Annual development policy days, result days as well as ambassadorial days bring together all key staff responsible for development policy and cooperation.</p> <p>The MFA's evaluation practices are based on the principles agreed internationally within the OECD and the EU. The implementation of development evaluation is steered by the Ministry's development evaluation norm and guidelines. The Evaluation unit organises regularly trainings for the MFA staff and other stakeholders as well as updates self-learning materials available on internet.</p> <p>To reflect the changing operating environment, the MFA updates when and as necessary the theories of change and aggregate indicators of its development policy. The latest update took place in Q2 2025. The MFA will continue to invest in solidifying its knowledge base on RBM practices and drawing on the experience of other stakeholders broadly, e.g. through participating in the OECD DAC Peer-Learning Circles. The MFA will</p>	<p>On-going</p>

		<p>prepare a report on the implementation of its development policy at the end of the current government term in 2026. Also, strategic evaluation on RBM will be conducted in 2026-2027.</p> <p>Development Policy Committee continues to be an important discussion forum, where all political parties in the parliament are represented.</p>	
<p>In order to maintain high public support for its international development engagement and co-operation, the MFA should continue to partner with diverse civil society actors, maintain commitments to transparency including by further strengthening digital tools, and adequately resource its development communications and awareness work.</p>	<p>YES</p>	<p>As stated in the current Government Programme, Civil society organisations play an important role in helping Finland achieve its development cooperation objectives. It also states that there is a strong focus on the development cooperation engaged in by Finnish civil society organisations. CSO's share of the total ODA rose consistently from 12 % in 2022 to 20 % in 2026 (estimation).</p> <p>MFA continues to partner with diverse civil society actors. The Government published a new Strategy for The Civil Society Organisations, which guides the whole of government, including the MFA, in its co-operation with the civil society in the implementation of development policy. There are systematic and regular meetings and hearings with the civil society in wide range of themes.</p> <p>To enhance public trust on development co-operation, MFA has created an open data bank OpenAid.fi that covers all MFA's funding to diverse set of actors within development co-operation. The MFA has invested heavily on the development of the new digital government grant system, which also provides open</p>	<p>on-going</p>

		<p>and transparent data on all grant applications and decisions (so-called VA digi). The MFA has also developed an AI-assisted open-access data bank, OpenEval.fi, that enhances the access to and use of evaluative evidence by the Ministry, stakeholders, and citizens – including development policy and cooperation results. The MFA will continuously develop the before mentioned digital tools further and use AI more systematically.</p> <p>In terms of communications, the MFA focuses on current affairs and strategic communication. This applies to all communications, including development policy and development cooperation. Alongside timely official communications, targeted media work and stakeholder communications are given special attention. More emphasis is also given to the communication materials produced by Finland’s partner organisations.</p> <p>Official communications regarding the MFA’s development policy and cooperation are centralized on the UM.fi website and the content and serviceability are continuously developed. UM.fi content is systematically shared on the MFA’s social media accounts. The Ministry continues to conduct a regular opinion survey on citizens' views, which provides useful information to the entire administration. Next survey is conducted in June 2025.</p>	
<p>As Finland closes bilateral country programmes, the MFA should ensure that co-operation continues to be led by partner country-owned development priorities, and</p>	<p>YES</p>	<p>There will be less country programmes in the future, but they will more comprehensive than before, covering not only programmable bilateral cooperation,</p>	<p>2025</p>

<p>manage for the risk of fragmentation through continued strategic planning that takes into account all Finnish engagement in a given context.</p>		<p>but also - to the extent possible - humanitarian aid, support to civil society and private sector instruments. Private sector and civil society instruments are demand-driven and although they might add to fragmentation, there is strong ownership from the partner countries. The new country programme documents will outline the connection between the development priorities of the partner country, Finland's comprehensive objectives in the country and the different means of the Finnish development policy and cooperation to achieve them.</p> <p>The planning process of the country programmes in 2025 includes in-country consultations with the authorities of the partner countries, comprising of the ministries of finance as the competent authorities of the partner country, and sector ministries as the counterpart organizations of individual programmes. The new comprehensive country programmes will be finalized by the end of 2025. The new country programme guidance includes also the utilization of Finland's core support to multilateral organisations.</p>	
<p>To maintain its influential approach to multilateral partnerships with fewer resources and more limited country presence, Finland should ensure its funding to the multilateral system is flexible and predictable and prioritise joint approaches.</p>	<p>YES</p>	<p>Finland continues to prioritize core funding (35 % in 2023), concentrating in its priorities as outlined in the Government Report on International Economic Relations and Development Cooperation and in the Government report on Finnish foreign and security policy. These follow its areas of strength: rights for women and girls, education and climate action.</p> <p>Maintaining the rules-based international system is in Finland's immediate national interest. In its foreign policy, Finland systematically and purposefully</p>	<p>2025</p>

		<p>promotes the rights of women and girls and gender equality in a cross-cutting manner, focusing especially on defending sexual and reproductive health and rights. Finland will maintain its influential role as a major donor in UN Women and UNFPA.</p> <p>Finland prepares influencing plans for the prioritized multilateral organizations to ensure strategic engagement with the multilateral organizations it supports, and to make effective use of the opportunities that multilateral cooperation offers – both in terms of policy influencing as well as in enhancing multilateral effectiveness. Finland plans and provides funding on a multiannual basis, for example, in humanitarian assistance and for multilateral development banks. Finland actively participates and utilizes evaluations through MOPAN instead of conducting its own assessments.</p> <p>In addition, Finland is preparing a pilot project with two Finnish embassies on the utilization of multilateral development cooperation at the country level. Based on these experiences, guidelines will be prepared for all Finnish embassies in developing countries.</p>	
<p>As the MFA seeks to involve a greater number of Finnish private sector actors in development co-operation, it should:</p> <ul style="list-style-type: none"> - continue to focus on additionality, development impact and a human rights-based approach drawing on evidence from recent practice 	<p>YES</p>	<p>Finland will continue to promote private sector development and the participation of Finnish private sector actors with a special focus on additionality, development impact and human rights-based approach and use lessons learnt. We actively follow-up and report on the results achieved through private sector cooperation. Guidance and training are in place and will be further developed when needed.</p>	<p>on-going</p>

<p>- ensure that Finnfund remains an effective development finance institution with a poverty focused mandate as its responsibilities and legal framework evolve.</p>		<p>As Finland’s official DFI, Finnfund contributes to the implementation of the Agenda 2030. The MFA has set the targets for Finnfund in Government Ownership Steering Memorandum for 2024-2027. Finnfund’s new strategy, approved in late 2024, emphasises effectiveness as one of the core values. It states that successful investment projects by Finnfund reduce poverty and inequality. The MFA will monitor the implementation of the targets and give further guidance when needed. With the ongoing legislative revisions, the MFA seeks to ensure Finnfund will be able to successfully implement its targets as an effective development finance institution and impact investor.</p>	
<p>Building on existing MFA practice, Finland should ensure risk management systems and tools continue to support informed decision making, including by moving towards portfolio approaches to risk management and ensuring risk analyses are grounded in the context and go beyond an emphasis on fiduciary risks and control to take a comprehensive and risk-informed approach.</p>	<p>YES</p>	<p>The MFA continues to build on existing risk management practices and utilizes versatile data sources for risk management to achieve comprehensive and improved risk-informed approach. Further development and strengthening will be carried out through training and improved guidance, including the development of background support guidance, taking into account that the risks must continue to be identified in detail and grounded in the context, not only in general terms.</p> <p>Risk management culture and processes is being developed through the risk management group, in which all departments are represented. Risk management continues to be addressed in all relevant trainings, events etc. organized regularly by the MFA.</p>	<p>on-going</p>

<p>In taking forward its unwavering support for Ukraine's reconstruction and as it prepares the second element of its national plan, Finland should ensure its support is guided by development effectiveness principles, considers the complex governance landscape, takes into account private sector appetite and is well co-ordinated among all Finnish actors including civil society.</p>	<p>YES</p>	<p>The second part of Finland's National Plan for Reconstruction of Ukraine was published in December 2024. The second part covers the participation of Finland's central government and various stakeholders in the reconstruction of Ukraine. The national plan guides at general level Finland's development cooperation activities in Ukraine. In addition, a separate Development Cooperation Country Programme for Ukraine 2025-2028 is prepared in 2025 according to the MFA's country programme guidelines, Finland's Government report on Finnish foreign and security Policy and Report on International Economic Relations and Development Cooperation. The Country Programme contributes to Finland's National Plan for Reconstruction of Ukraine and covers ODA-financed Finland-Ukraine cooperation. It takes into account development effectiveness principles, result based management and risk management in complex and unpredictable development scenarios.</p> <p>Finland is represented in the international Ukraine support mechanisms and national coordination mechanisms in Ukraine. The coordination among Finnish stakeholders is organized at the National Plan level and in sectoral basis, including private sector and civil society.</p> <p>The coordination will be complemented according to the result areas set in the Development Cooperation Country Programme.</p>	<p>on-going</p>
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