

# EVALUATION OF THE DANISH PEACE AND STABILISATION FUND





# **Evaluation of the Danish Peace and Stabilisation Fund**



**August 2014**

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@ Ministry of Foreign Affairs of Denmark  
August 2014

Production: Evaluation Department, Ministry of Foreign Affairs of Denmark  
Cover photo: Admiral Danish Fleet  
Graphic Production: BGRAPHIC  
Print: Rosendahls  
ISBN print: 978-87-7087-860-9  
ISBN html: 978-87-7087-862-3  
ISBN pdf: 978-87-7087-861-6

This report can be obtained free of charge by ordering from <http://evaluation.um.dk>  
or from [www.danida-publikationer.dk](http://www.danida-publikationer.dk).

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## Acknowledgements

The Evaluation Team wish to thank all the individuals who gave generously of their time, some submitting to multiple interviews and commenting on previous drafts of this report. Without their assistance, this review could not have been undertaken.

We are especially grateful to the Evaluation Steering Group for their guidance and the time they gave us in responding to our many questions.

We also want to express our appreciation to all Danish officials at the embassies in Addis Ababa and Nairobi who organised our programmes and found time in their busy schedules to meet with us. We particularly want to thank Anders Kaldan Helstrand, Johan Frederik Mau, Søren Knudsen and Astrid Solvej Lund Andersen who ensured that we saw everyone we needed to see in Addis and Nairobi.

In Kabul we would like to thank Søren Jacobsen and Mohammed Daad Serweri who facilitated contacts and interviews with embassy staff and AfPak programmes.

A Reference Group comprising Stuart Gordon (London School of Economics), Mariska van Beijnum (Conflict Research Unit at the Clingendael Institute) and Mark White (UK Stabilisation Unit) followed the evaluation process and made valuable comments on the draft inception and final reports.

Thanks go also to Cathrine Fogt Hjort in Copenhagen who provided us with all the documents we needed for our work and helped organise Copenhagen based meetings.

Last, but by no means least, the Evaluation Team are grateful to Jennifer Price and Simon Griffiths at Coffey for their support and advice throughout the evaluation process.

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## Abbreviations and Acronyms

AfPak	Afghanistan Pakistan
AMISOM	The African Union Mission in Somalia
AML	Anti-Money Laundering
ANA	Afghan National Army
ANSF	Afghan National Security Forces
APP	Africa Programme for Peace
AU	African Union
BSOS	Building Stability Overseas Strategy
BSOB	Building Stability Overseas Board
CFT	Countering the Financing of Terrorism
CGPCS	Contact Group on Piracy off the Coast of Somalia
CP	Country Programmes
CSSF	Conflict, Stability and Security Fund
CVE	Countering Violent Extremism
DAC	Development Assistance Committee
DFID	Department for International Development
DKK	Danish Krone
EASF	East Africa Standby Force
EQ	Evaluation Question
ESG	Evaluation Steering Group
EU	European Union
EVAL	Evaluation Department
FATF	Financial Action Task Force
FCAS	Fragile and Conflict Affected States
FCO	Foreign and Commonwealth Office
HoA	Horn of Africa
HQ	Headquarters
ICAI	Independent Committee on Aid Impact
IGO	Inter-Governmental Organisation
IMSC	Inter-Ministerial Steering Group
JACS	Joint Analysis of Conflict and Security
KII	Key Informant Interviews
LOTFA	Law and Order Trust Fund for Afghanistan
M&E	Monitoring and Evaluation
MFA	Ministry of Foreign Affairs
MoD	Ministry of Defence
NACS	Nordic Advisory and Coordination Staff
NAO	National Audit Office
NATO	North Atlantic Treaty Organization
NGO	Non-Government Organisation
OECD	Organisation for Economic Cooperation and Development
ODA	Official Development Assistance
PET	Danish Security and Intelligence Service
PRT	Provincial Reconstruction Team
PSF	Peace and Stabilisation Fund
QA	Quality Assurance
RDE	Royal Danish Embassy



SNA	Somali National Army
SSF	Somali Security Fund
SSR	Security Sector Reform
ToC	Theory of Change
ToR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	UN High Commissioner for Refugees
UNODC	United Nations Office of Drugs and Crime
UNSOA	United Nations Support Office for AMISOM
US	United States
USD	United States Dollar
WG2	Working Group 2
WOG	Whole of Government

Note: USD 1.00 equalled DKK 5.50 at the time of the Evaluation. Average values for the evaluation period: 2010: USD 1.00 equalled DKK 5.62; 2011: USD 1.00 equalled DKK 5.35; 2012: USD 1.00 equalled DKK 5.79; 2013: USD 1.00 equalled DKK 5.61.<sup>1</sup>

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1 <http://www.oanda.com/currency/historical-rates/>

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## Executive Summary

The Peace and Stabilisation Fund (PSF) was established under the 2010-2014 Danish Defence Agreement as a cross-government funding pool to support stabilisation and conflict prevention initiatives at the nexus of security and development. Between 2010 and 2014, the Fund was allocated DKK 941.4 million. Half is official development assistance (ODA); half is non-ODA resources from the Ministry of Defence (MoD) and the Ministry of Foreign Affairs (MFA).

The Evaluation assessed the Fund at the strategic and programme levels. Its overriding purpose was to provide learning for the next phase of the PSF (2015-2017) in order to strengthen the overall strategic relevance, coherence and functioning of the PSF and inform the new phase of PSF programming, which began in June 2014. The Evaluation was asked to review the entire portfolio but to focus attention on the Horn of Africa (HoA) and Afghanistan/Pakistan (AfPak) regional programmes, which received 40% and 32% respectively of PSF allocations between 2010 and 2013. This Evaluation primarily covered activities delivered between 2010 and 2013 as well as smaller interventions funded outside these programmes and support for multilateral initiatives. It also examined the Sahel and Syria programmes which were developed in 2013/2014 to assess the Fund's capacity for learning.

Effective stabilisation requires the integration of political/diplomatic, security and development instruments and a key objective of creating the PSF has been to promote the collaboration of all relevant Danish instruments in achieving commonly defined stabilisation goals (an integrated approach). The Danish government does not have a definition of stabilisation, which has enabled it to support a broad range of activities through the PSF at the regional, national and sub-national levels. These have encompassed: security and justice, including support to the rule of law and capacity building of armed forces; counter-terrorism; maritime security and counter piracy; dialogue and peacebuilding; conflict prevention; addressing drivers of fragility such as transnational crime (including money laundering and counter-narcotics); and arms control. Between 2011 and 2013 just over half of the Fund was allocated to security and justice engagements while nearly a quarter was allocated to maritime and counter-piracy activities.

### Evaluation Questions

The Evaluation was asked to consider four questions:

- **Relevance:** Have the interventions supported been relevant to the wider strategic priorities in Danish policies and the situations on the ground and has the intervention logic underpinning the Fund's interventions been sufficiently clear, realistic and robust?
- **Efficiency and effectiveness:** What are the comparative advantages of the Fund vis-à-vis other funding channels in addressing stabilisation through integrated approaches in conflict affected areas and what lessons are there related to synergies and coherence with other Danish funding channels?

- **Coherence:** What has been the Fund's success in combining and optimising diplomatic, defence, and development instruments into integrated approaches to stabilisation and conflict prevention?
- **Results:** Given the size of the Fund, how can the approach be optimised to secure impact?

To answer these questions, the Evaluation conducted face-to-face and remote interviews with current and former PSF stakeholders, beneficiaries and international partners in Addis Ababa, Copenhagen, Islamabad, Kabul, and Nairobi. Two workshops were undertaken with external stakeholders in Copenhagen and Nairobi to promote transparency and inclusiveness in the process. The Evaluation also conducted an extensive document review, including budgets.

## Main conclusion

The overall conclusion of the Evaluation is that there have been clear successes in the implementation of the Fund to date. In particular, progress has been made in: 1) Developing cross-government working on stabilisation; 2) Aligning the PSF to Danish strategic priorities; 3) Supporting engagements that address drivers of conflict, instability and insecurity and produce benefits for people and countries receiving PSF support (Box ES.1); 4) Promoting the effective and efficient use of resources; 5) Developing management structures; and 6) Learning lessons.

### Examples of promoting stabilisation objectives in the Horn of Africa and Afghanistan

The PSF has promoted stabilisation outcomes through the HoA and AfPak regional programmes:

International coordination on counter piracy, HoA: Counter Piracy Working Group 2, under Danish leadership, was pivotal in creating a legal framework for prosecution of pirates, which has been an important element in curtailing Indian Ocean piracy.

Improved rule of law in Somalia: The UNODC prisoner transfer programme has successfully supported transfer of convicted pirates to Somalia and is making substantial progress in creating humane and secure incarceration systems in Puntland and Somaliland.

National/regional reconciliation in Afghanistan: A regional reconciliation and dialogue programme mediated a long-standing tribal dispute in Nooristan.

Capacity building for Afghan National Security Forces: Denmark secured the initial pledges for the ANA trust fund and gained a 'seat at the table' to influence the future evolution of the trust fund.

However, challenges remain and the task for the Danish government is now to build on what has been achieved in the first three-year phase of the PSF's activities to take the performance of the Fund to the next level. This requires attention to a number of structural, strategic, and programmatic issues.

### Seven challenges

The Evaluation has identified seven areas on which the Danish government should focus attention in the coming three year period in order to enhance the performance of the Fund: 1) Deepening the Danish integrated approach to stabilisation; 2) Matching political ambition with human and financial resources; 3) Sharpening the PSF's focus on key stabilisation issues; 4) Strengthening the PSF's capacity for assessing context and developing theories of change as a basis for PSF programming and monitoring and evaluation; 5) Ensuring that the Fund's comparative advantage is adequately reflected in programming; 6) Ensuring adequate flexibility in the use of PSF funding; and 7) Strengthening the management of the Fund to further enhance the effective and efficient use of PSF resources.

The Evaluation has made 16 recommendations to address these challenges, which can be found in the evaluation report. While it is ultimately the responsibility of the PSF stakeholders, including senior management at headquarters and embassies, under the leadership of the Inter-Ministerial Steering Committee (IMSC), to prioritise and respond to these recommendations, the Evaluation believes that there are seven recommendations that warrant immediate attention, which are outlined below.

### Priority recommendations

In order to maximise the effectiveness of Danish support to stabilisation, it is essential that: 1) The IMSC strengthen its strategic guidance and oversight of the PSF; 2) The human and financial resources necessary to implement political ambitions are made available to the PSF; 3) PSF funding is adequately flexible; and 4) The management of the PSF is strengthened to further enhance the effective and efficient use of resources through improved monitoring and evaluation (M&E) and through attention to the choice and oversight of implementing partners.

#### **Strengthen IMSC strategic guidance and oversight**

The PSF has made an important contribution to developing the Danish integrated approach to peace and stabilisation, but additional steps are required to optimise the approach. In particular, the PSF would benefit from more strategic level guidance and oversight. The 2014 PSF Guidelines designate the IMSC as “the principal decision-making body of the Fund... responsible for ensuring the coherence of policies and strategies affecting the Danish stabilisation agenda.” The Guidelines also give the IMSC responsibility for “general Fund oversight including monitoring overall progress and performance of activities.” To date, however, the IMSC does not appear to have played its role as strongly and effectively as possible.

**To deepen the integrated approach to stabilisation**, the Evaluation recommends that the IMSC strengthen its strategic guidance and oversight of the PSF (policy, priority results and financing). The IMSC should give particular attention to working with other relevant government ministries and agencies to establish a framework for developing and implementing agreed and comprehensive policies/strategies for countries receiving stabilisation support. These policies should encompass all relevant instruments – political/diplomatic, security and development.

The Danida Guidelines for the Development of Policy Papers for Denmark's Relations with Priority Countries offer a starting point for developing policy papers for stabilisation countries. However, they need to be supplemented by methods of strengthening cross-government ownership of the process and by mechanisms to ensure that all Danish instruments, including political instruments, are engaged and coherent so that the response is truly integrated and cross-government.

In particular, programming processes of different funding instruments need to become better aligned, for example by ensuring that decisions taken on programming the Danida Country Programme and PSF regional and country programmes are consistently consulted within the Danida Programme Committee and the IMSC and Whole of Government Secretariat respectively. [Recommendation 1]

## **Adequately resource political ambitions**

Denmark has gone a long way toward accomplishing its goal of becoming an important and effective player in the stabilisation arena. It has used the PSF on a number of occasions to achieve this outcome. As a relatively small donor Denmark regularly 'punches above its weight'. However, by reducing the human resources available to administer the PSF, the 'leaning process' has created a significant risk to the ability of the PSF to secure a return on investment and fulfil its objectives since adequate human resources, including stabilisation expertise, are imperative for effective stabilisation programming. In addition by requiring non-ODA resources to be spent in the year they are committed, the 2012 Budget Law has reduced the PSF's flexibility thus rendering it less fit for purpose as a stabilisation funding mechanism.

**To match political ambition with human and financial resources**, the Evaluation recommends the IMSC ensure resources are available for adequate stabilisation capacity in embassies and at headquarters (Regional Departments and the Secretariat). In particular, PSF programmes require a stabilisation advisor and programme management capacity at embassy level. Ideally these functions would be fulfilled by two individuals. Needs at headquarters are a more adequately resourced secretariat and dedicated programme staff within MFA Regional Departments with adequate time allocated for programme management and oversight throughout the entire programme cycle. In addition to a modest increase in the number of dedicated staff, the development of a stabilisation/conflict cadre within the PSF ministries would be an important contribution to the future success of the PSF and provide critical support to Denmark's stabilisation objectives.

If these human resources are not available, then the political ambitions of the PSF should be reduced commensurately. This may involve focussing PSF resources on countries or regions where embassies are present and adequately resourced, including in terms of political representation. [Recommendation 3]

The Evaluation also recommends that the IMSC (at the highest level) ensure that Parliament is made aware of the negative consequences of the 2012 Budget Law on the effectiveness of the PSF as a stabilisation instrument. [Recommendation 4]

### **Ensuring adequate flexibility in the use of PSF funding**

The Evaluation concludes that programming a large share of PSF regional/country programme resources at the outset of each three year period curtails the Fund's flexibility by limiting its ability to respond to evolving contexts, windows of opportunity and new crises in situations. To maximise flexibility and rapid response and minimise the risk of spreading the Fund too thin, 1) the role and focus of Fund interventions and their relationship to other instruments is defined and should be strategically anchored in a broader integrated approach (see Recommendation 1); and 2) clear criteria should guide the use of unallocated regional/country programme funding.

**To ensure adequate flexibility in the use of PSF funding**, the Evaluation recommends that the IMSC ensure the share of unallocated funds within regional/country programmes is 25-30%. [Recommendation 9]

**To further ensure adequate flexibility**, the Evaluation recommends that the IMSC ensure that the 2014 Fund Guidelines are amended to include criteria for programming unallocated funding in regional/country programmes. Three criteria should be required: 1) Demonstrable coherence with broader strategic frameworks (such as country policy/PSF programme strategy); 2) Clear value-added to and coherence with existing interventions (PSF, other Danish, other international, national) where the PSF has a clear comparative advantage; and 3) Availability of human resources at headquarters and embassies to effectively manage and monitor engagements. In addition, one or more of the following criteria should be fulfilled: 1) Have a potential catalytic or coordinating effect in terms of broader donor engagement; 2) Give Denmark a seat at the table and a voice in the broader political and policy dialogue; and/or 3) Respond to clear windows of opportunity or need in terms of the evolving context where the PSF has a comparative advantage to engage. [Recommendation 10]

## Strengthening the management of the Fund to further enhance the effective and efficient use of PSF resources

**Monitoring and evaluation:** The Evaluation concludes that monitoring and evaluation within the Fund is weak. It is limited to the level of individual engagements or interventions and focuses on outputs rather than outcomes. This does not allow programme managers to assess if thematic programme objectives are being met, if interventions are leading to change in the direction intended, or when or where adjustments to the approach need to be made.

**To enhance effective and efficient resource use,** the Evaluation recommends that the IMSC ensure that an M&E system is developed and implemented by each PSF programme, under the direction of the responsible unit at headquarters (e.g. Regional Department). This M&E system should: 1) Systematically capture engagement outcomes; 2) Use a theories of change approach to help identify indicators of progress; 3) Track the contribution of engagements against higher level objectives, including through using additional monitoring information captured by programme managers; 4) Directly feed monitoring information into decision making on programme adjustments including being part of the reporting requirements stated within the 2014 Fund Guidelines; 5) Ensure that adequate resources are allocated to M&E across the PSF portfolio (a rule of thumb among donors is 3% of the value of the total portfolio; larger engagements and programmes may require more and smaller ones less); 6) Provide guidance on remote monitoring in environments where security considerations do not enable those responsible for overseeing PSF engagements to travel; and 7) Capture diplomatic engagement. [Recommendation 12]

**Implementing partner oversight:** The Evaluation concludes that the PSF tends to underestimate the degree of partner oversight required to ensure effective and efficient interventions, particularly with regard to multilateral implementers.

**To further enhance effective and efficient resource use,** the Evaluation recommends that the IMSC ensure that the 2014 PSF Guidelines are revised to include the following good practices used by PSF programme managers in the Horn of Africa for identifying and managing partners or implementing mechanisms (such as UNSOA or the ANA Trust Fund): 1) Map the strengths and weaknesses of available partners or mechanisms in terms of achieving PSF objectives, including integrated working; 2) Review the efficiency and effectiveness of the partner or mechanism (for example, by looking at recent evaluations or drawing on the perspectives of other donors); 3) Consider the transparency of the partner in terms of ability to monitor and report on progress; 4) Recognise the extent of oversight that may be required, particularly for multilateral implementers; and 5) Monitor implanting partner performance. [Recommendation 14]

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# 1 Introduction

This is the final report of the evaluation of the Danish Peace and Stabilisation Fund. The Evaluation was commissioned by the Evaluation Department (EVAL) of the Danish Ministry of Foreign Affairs (MFA) and was conducted between March and August 2014 by Coffey. The four person Evaluation Team was composed of one Coffey staff member (Ashley Craft) and three independent consultants (Nicole Ball, Team Leader, Sarah Bayne, Deputy Team Leader and Marie-Louise Høilund-Carlsen).

The Evaluation was overseen by an Evaluation Steering Group (ESG) composed of Danish officials from the Ministries of Defence (MoD) and Foreign Affairs. An expert-practitioner Reference Group also supported the process.

The final report presents the Evaluation's main findings, conclusions and recommendations based on the document review and stakeholder consultations carried out by the Evaluation. It is structured as follows:

- Chapter 2 provides a brief description of the PSF;
- Chapter 3 summarises the purpose, scope and methodology of the evaluation;
- Chapter 4 outlines the Evaluation's main findings; and
- Chapter 5 presents the Evaluation's conclusions and recommendations.



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## 2 Brief Description of the PSF<sup>2</sup>

### 2.1 Background and policy basis

The Peace and Stabilisation Fund (PSF) was established under Danish Defence Agreement for 2010 to 2014. It is a joint, cross-government, funding pool to support multilateral and bilateral initiatives at the intersection of development and security in support of stabilisation and conflict prevention activities in fragile states. It was replenished with the subsequent Defence Agreement for 2013 to 2017.

Stabilisation interventions financed through the Fund can take place at the regional, national or sub-national level and interventions have included: support to security and justice, including support to the rule of law and capacity building of armed forces; counter-terrorism activities; support to maritime security and counter piracy activities; support to dialogue and peacebuilding; and activities to prevent conflict and address drivers of fragility such as transnational crime (including money laundering and counter-narcotics).

Interventions vary from having short-term aims to address immediate stabilisation requirements (such as finance for peace support missions) to longer term objectives of providing capacity building for stabilisation (for example capacity building for regional standby forces) and addressing the longer term drivers of fragility (e.g. anti-money laundering). Between 2011 and 2013 just over half of the Fund was allocated to security and justice engagements while nearly a quarter was allocated to maritime and counter-piracy activities.

Funding for Danish activities in fragile states and conflict affected countries comes not only from the PSF, but from a number of budget lines, including: the development budget (country budgets, regional budgets, humanitarian assistance budget), and the military budget. The PSF therefore co-exists with other Danish funding channels, which places a premium on ensuring coherence of the Danish response through the operationalisation of an *integrated approach*. The concept of an ‘integrated approach’ to stabilisation is laid out in the two key strategies underpinning the Fund: “Peace and Stabilisation, Denmark’s Policy towards Fragile States” and “Denmark’s Integrated Stabilisation Engagement in Fragile and Conflict-affected Areas of the World.” Both are key joint inter-ministerial policies. An integrated approach is defined as all authorities or parts of an organisation involved in a given stabilisation effort working together towards a commonly defined goal.<sup>3</sup>

The Fund also supports the implementation of the strategic priority of stability and protection as set out in the development Strategy “A Right to a Better Life” from May 2012 where the government commits to strengthening Danish engagement in fragile and conflict affected areas.

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2 Additional information on the Peace and Stabilisation Fund is found in Annex B.

3 (2013) Denmark’s Integrated Stabilisation Engagement in Fragile and Conflict-Affected Areas of the World.

Within this overall policy framework, the Ministers of Foreign Affairs, Defence and Development established six principles to guide the PSF: 1) integrated approach (comprehensiveness); 2) regional focus; 3) risk-taking; 4) flexibility; 5) programmatic approach; and 6) complementarity and avoidance of duplication.<sup>4</sup> The Fund also allows for a strategic approach whereby Danish foreign and security policy interests and priorities can be considered when deciding on the allocation of resources.

Between 2010 and 2014, the Fund was allocated DKK 941.4 million, of which half is development assistance, while the other half consists of non-DAC resources from the MoD and MFA.

### 2.2 Decision making structures

The Defence Agreement established an Inter-Ministerial Steering Committee (IMSC) in order to ensure coordination of the Fund's activities among the Danish Prime Minister's Office, MFA, MoD and Ministry of Justice. Even though the Fund is operating under joint inter-ministerial policies, each of the ministries also operate under their distinct mandates, objectives, rules and paradigms: Foreign Service (promoting national Danish foreign and development policy interests abroad including poverty reduction and human rights) and the MoD (promoting Danish national security interests).

The MFA and the MoD provide the funding and are the main drivers of the IMSC. The IMSC is mandated to approve joint programming proposals for the use of PSF funds by responsible ministries. It has the authority to approve funding for programmes and projects below DKK 35 million. All proposals above this figure require Parliamentary approval. The IMSC also provides strategic guidance for the implementation of Fund activities. The IMSC chairmanship rotates between MFA and MoD. The IMSC meets at least once per quarter but is prepared to approve funding requests on an as-needed basis. PSF Programming is driven from headquarters level in Copenhagen (usually involving multiple ministries) with the input of relevant embassies.

The Whole of Government Secretariat, anchored in the MFA Department for Stabilisation and Security, is responsible for the overall management of the PSF. It is also tasked to oversee the strengthening of deployable civilian capacity, lessons learning and preparation of new stabilisation projects as well as contribute to policy development in relation to integration of the Whole of Government/comprehensive approach and projects in fragile states.<sup>5</sup>

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4 Guidelines: The Peace and Stabilisation Fund, February 2014; Summary of principles outlined in Annex E.

5 Ministerial resolution 02022010, p.2.

### 2.3 Programmes and rapid response funds

In early 2011 PSF regional programmes were developed to avoid too wide a spread of activities and to create greater depth of integration and coherence across government. The objective was ‘to ensure the greatest possible effect as well as to minimise administration costs.’<sup>6</sup>

Two regional programmes were initiated:

The **Horn of Africa (HoA) programme** which rests on three strands of work: 1) strengthened regional stabilisation and peacekeeping capacity; 2) preventing and countering piracy and promoting the stabilisation of Somalia; and 3) regional control of illicit financial flows in and out of Somalia, support to counterterrorism and anti-radicalisation efforts. DKK 215 million were allocated to this programme, with nearly half the portfolio allocated to security and justice programmes, nearly half to programmes related to maritime security, and around 5% to counter-terrorism programmes.<sup>7</sup> (See Annex L for details.)

The **Afghanistan/Pakistan (AfPak) programme** contributes to national, regional and global security by preventing Afghanistan from once again becoming a safe haven for terrorists through three strands of work: 1) capacity development of security forces; 2) law and order and criminal intelligence; and 3) regional reconciliation and dialogue. DKK 185 million were allocated to this programme, with nearly 60% allocated to security and justice programmes, nearly 25% to counter-narcotics programmes, and the remainder to dialogue and peacebuilding and counter-terrorism programmes.<sup>8</sup> (See Annex L for details.)

Implementing partners included multilateral organisations, bilateral governments, and non-governmental organisations.

Programming for a third regional programme for the Sahel began in 2013.<sup>9</sup> It had a development objective of contributing to peace and stability in the Sahel region.

Within all these three regional programmes some funding has been left unallocated to respond to emerging needs within the regions.

The regional programmes are made up of a number of thematic programmes which consist of a range of projects, or engagements.

6 Globalrammen 2011-2014, p.6.

7 Figures for allocation and disbursement reported elsewhere in the report for the Horn of Africa programme may vary slightly from the figure reported here, as the Evaluation focused on programmes largely delivered between 2011 and 2013.

8 Figures for allocation and disbursement reported elsewhere in the report for the Afghanistan/Pakistan programme may vary slightly from the figure reported here, as the Evaluation focused on programmes largely delivered between 2011 and 2013.

9 This regional programme followed two smaller engagements, the Contribution à la Consolidation de la Paix dans le Nord du Niger and Countering Violent Extremism in the Sahel, to which DKK 12.5 million had been allocated in 2011 to 2013.

## 2 BRIEF DESCRIPTION OF THE PSF

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In addition to the regional programmes (comprising around 75% of the PSF between 2011 and 2013), the Fund has retained a rapid response finance window for immediate stabilisation initiatives and responses to political developments. This accounted for around 25% of the Fund between 2011 and 2013. The rapid response window has been allocated for activities in Syria, Libya and South Sudan (termed Country Programmes, or CP) and to activities with an international focus, or International Programmes (such as support to bio-security).

Overall responsibility for programmes and programming lies at headquarters, while day to day coordination and management is delegated to embassies, generally by a PSF Programme Manager. Further information on PSF programme responsibilities is found in Annex G.

Half of PSF activities were allocated to third party implementers.

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## 3 Evaluation Scope and Methodology

### 3.1 Scope of the Evaluation

This Evaluation of the Danish Peace and Stability Fund covers appropriations made under the Fund between 2010 and 2013. The Terms of Reference (ToR) called for a focus on the strategic and programme levels of the Fund. The overriding purpose of the evaluation was to provide learning for the next phase of the PSF from 2015 to 2017. Two key learning objectives were to strengthen the overall strategic relevance, coherence and functioning of the PSF and to inform the new phase of PSF programming, which began in June 2014. The Evaluation Steering Group was particularly interested in integrating theories of change within the Fund.

This learning focus had implications for the evaluation scope and methodology, notably in relation to the projects examined. The ToR stated that the Evaluation would cover appropriations made by the Fund between 2010 and 2013 and focus in particular on the two main regional programmes for the wider Horn of Africa and Afghanistan/Pakistan, as well as smaller interventions funded outside these programmes and support for multilateral initiatives. In order to fully capture the learning that had already occurred, particularly in relation to the integration of theories of change and results frameworks, the Evaluation decided to additionally examine the more recent programming, including the Syria and Sahel programmes. Two engagements from these country programmes have accordingly been included in the learning and evaluation framework, but the majority of Syria and Sahel programming falls outside the 2010 to 2013 timeframe. A review of similar funds in the UK and Dutch governments was undertaken in order to extract key lessons and emerging international good practice (see Annex F on the UK Conflict Pool).

The Evaluation emphasised a process orientated approach, since it took place as key stakeholders were reflecting on experience to date and starting to programme the next phase of the Fund. This necessitated close communication between the Evaluation and the ESG to ensure that key findings were fed back promptly throughout the evaluation and reflected in Fund activities. The Evaluation was involved in leading a theory of change workshop in mid-June 2014 to inform the next phase of PSF programming. This took place back to back with a stakeholder workshop where the Evaluation reported on initial findings and obtained feedback with a group of approximately 60 PSF stakeholders. This approach maximised the integration of learning and exploited the linkages between the evaluation and the programming process.

This forward looking and learning approach reflected the dynamic nature of the evaluation, which sought to assess lessons as they were being implemented and considered the extent to which these were valid and beneficial. It also enabled the Evaluation to capture processes while in motion, possibly in flux, which is quite a unique trait for an evaluation exercise.

The Evaluation began in March 2014 with a consultation between the Evaluation and the ESG. The objective of this consultation was to clarify the purpose and focus of the Evaluation. This consultation confirmed:

- The overriding purpose and focus of the Evaluation would be on learning with an emphasis on incorporating theories of change into future programming.
- The ESG did not expect the Evaluation to provide definitive or fully evidenced judgements of Fund performance under the OECD/DAC criteria of impact and effectiveness in view of the absence or weaknesses of formal results frameworks, including performance indicators and explicit and documented theories of change at programme and Fund level.
- The Evaluation's objective was first and foremost to seek to answer the four overall evaluation questions on page four of the ToR. The subsequent detailed questions in the ToR under Sections 4.1 to 4.6 were to be considered indicative and not intended to be covered in full, except in so far as they help to define the focus of enquiry and lead to answers for the four core questions. The Evaluation accordingly revised the evaluation framework which is found in Annex D.

### 3.2 Evaluation questions

Against this background, the Evaluation focussed on the four evaluation questions specified in the ToR, answered primarily at the Fund and programme level. The relevance, effectiveness and efficiency of individual engagements in achieving their objectives were considered in so far as it related to the evaluation of the Fund and programmes as a whole.

The four key evaluation questions were:

- With regard to relevance, have the interventions supported been relevant to the wider strategic priorities in Danish policies and the situations on the ground and has the intervention logic underpinning the Fund's interventions been sufficiently clear, realistic and robust?
- With regard to efficiency and effectiveness, what are the comparative advantages of the Fund vis-à-vis other funding channels in addressing stabilisation through integrated approaches in conflict affected areas and what lessons are there related to synergies and coherence with other Danish funding channels?
- With regard to coherence, what has been the Fund's success in combining and optimizing diplomatic, defence, and development instruments into integrated approaches to stabilisation and conflict prevention?
- With regard to results, and given the size of the Fund, how can the approach be optimised to secure impact?

### 3.3 Methodology

The Evaluation used a mixed-methods approach drawing on a combination of data collection methods to support triangulation and corroboration of key findings. Data collection methods were predominantly qualitative, obtained through key informant interviews, stakeholder workshops and a desk review. The Evaluation drew on interviews

undertaken with key Danish officials in Copenhagen in March and June 2014, fieldwork on the HoA programme in May 2014, as well as remote interviews with key stakeholders involved in the AfPak Programme, Danish Officials involved in the inception and review of the Fund, and the smaller interventions. Follow-up interviews were conducted by email and phone. Two workshops were undertaken with external stakeholders in Copenhagen and Nairobi in order to promote openness, transparency and inclusiveness in the process. The Evaluation also drew upon mid-term reviews undertaken in 2013 of the HoA and AfPak regional programmes. Quantitative data was collected in the form of an overview of budgets according to a typology of interventions developed by the Evaluation.

### 3.4 Typology and sampling framework

An evaluation matrix was developed detailing evaluation questions, indicators and sources to guide the data collection process, including the development of semi-structured interview guides for different categories of stakeholders and a document review framework (Annexes C and D).

Several characteristics of fund engagements were noted and a typology of engagements was developed. Among these were the identification of separate country programme and international programme engagements funded from resources unallocated to the regional programmes. Distinctions between types of fund management and implementing partner were also developed, as was the identification of unallocated or discretionary funding, both within and outside of regional portfolios. Analysis of funding based on typology was also conducted and these findings are presented in Annex L.

A sampling framework was developed in order to identify a selection of projects to be examined through the field work, remote consultation and document review as a primary source of evidence and learning. The sample aimed to reflect a range of projects across different sectors and modalities in line with the typology of fund interventions.

Following data collection, key findings were analysed before being presented and validated during two feedback sessions in Copenhagen in June 2014 with the Evaluation Steering Group and with the broader set of fund stakeholders ahead of the Theory of Change workshop.

### 3.5 Limitations

The Evaluation encountered two key limitations:

First, an absence of fully elaborated results chains and theories of change at the Fund and programme level and accompanying monitoring data made a causally-robust evaluative assessment of performance under the criterion of effectiveness and impact challenging. Although results frameworks, including outcome and output indicators, do exist at the level of individual programme components and projects, these are predominantly output and activity based and are not incorporated in the Fund level structure. For these reasons the Evaluation emphasised the identification of emerging key lessons, good practices and shortcomings in relation to results management to inform key recommendations and efforts to strengthen fund performance going forward. As stated above, particular

### 3 EVALUATION SCOPE AND METHODOLOGY

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emphasis was given to considering how the Fund could identify and integrate theories of change within programming processes.

Second, due to time and resource constraints the Evaluation was only able to undertake field work in the HoA. The Evaluation was not able to achieve a comparable depth of information and richness of insight through remote interviews with stakeholders in Afghanistan/Pakistan as was possible through the face to face interviews in the HoA. This was for two reasons: First, a wider range of stakeholders were accessible through the field visit (including in some cases direct beneficiaries); and second the Evaluation was able to observe relationships and cross-government working in the HoA.



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## 4 Main Findings

This chapter summarises the Evaluation's main findings, reported according to the four overall evaluation questions in the ToR. It should be noted that **detailed findings, which augment and provide further evidence to underpin the information presented here, are reported in Annex E.** These findings are drawn primarily from those programmes and engagements highlighted in the sampling framework described in the methodology. Findings are based on the Evaluation's review of key documents (Annex J) and interviews as described in Chapter 3 above and Annex C. A full list of persons interviewed is found in Annex K.

### 4.1 Evaluation question 1

*With regard to relevance, have the interventions supported been relevant to the wider strategic priorities in Danish policies and the situations on the ground and has the intervention logic underpinning the Fund's interventions been sufficiently clear, realistic and robust?*

#### **Core evaluation question 1.1: Relevance to wider strategic priorities in Danish policies and Fund objectives**

The focus and objectives of the thematic programmes of the Afghanistan/Pakistan, Horn of Africa, Sahel and Syria programmes were found to be relevant to Denmark's broad development, security and foreign policy objectives, particularly by responding to those thematic priorities and issues at the nexus of security and development (such as counter piracy or support to security sector reform). Areas of focus often reflected both development and 'human security' priorities as well as Denmark's own security interests (e.g. the Commanders' Pool in Afghanistan or the focus on counter piracy). The same was true of the smaller, more discrete interventions examined, such as support to the implementation of the Arms Trade Treaty. Programme documentation indicates deliberate efforts were made during the programming processes to consider how these programmes would link to Danish policy priorities.

Although the concept of an integrated approach is defined in various policy documents, the definition of stabilisation is not clearly spelled out anywhere. The concept has therefore been open to interpretation by stakeholders, enabling the Fund to support a wide variety of potential engagements. This has ranged from short-term or immediate responses to conflict focused on addressing proximal causes (sometimes termed as crisis management) – such as support to AMISOM in Somalia – to longer term efforts focused on building capacity for stabilisation efforts (such as support to regional standby forces) or conflict prevention, management and resolution (such as building capacity to combat money laundering.) Overall, about 25% of the PSF funding was allocated to immediate responses, with the remainder allocated to efforts focused on building capacity for stabilisation. In the AfPak portfolio, 17% of PSF funding was allocated for immediate results, while in the HoA programme this figure was 38%. There was considerable agreement that this approach has served Denmark well, enabling the Fund to respond flexibly to a range of issues, situations on the ground and strategic priorities. It was also considered, however, that this feature brings the risk of a proliferation of scattered interventions that needs to be managed.

The HoA and AfPak programmes were also found to be relevant to overall PSF objectives and PSF principles (see Annex E).<sup>10</sup> The HoA programme shows considerable regional focus in the choice of intervention areas, particularly Thematic Programme 2 on counter piracy. The Sahel thematic programmes are also regionally focussed. The regional dimension of the AfPak programme was less clear, with greater emphasis on Afghanistan because that country has been a Danish government priority and because the Danish government only started its Pakistan country programme in 2010. There was some attention to human rights issues in PSF engagements. There is more limited evidence of direct attention to gender issues in the programmes implemented to date, in particular the role of women in peacebuilding and stabilisation. Indeed, there is still some discussion of the extent to which gender issues are central to stabilisation. Going forward however, the Sahel and Syria Programmes indicate their intention to incorporate both gender and human rights consideration into programming. In the case of the Sahel programme, efforts have been made during the programming process to ensure that implementing partners integrate gender considerations into their projects. It is envisioned that the Sahel Programme Support Unit will play an important ongoing role in ensuring that implementing partners pay attention to gender, in particular the role of young women in peacebuilding and reconciliation.<sup>11</sup> The strategy for the Syria programme is to advocate for mainstreaming gender into existing activities. In the policy dialogue with implementing partners and other donors, the importance of integrating the gender-dimension will be stressed. The intention is to develop a gender-mainstreaming strategy and incorporate gender-sensitive outcome and output indicators in the results framework.

A number of engagements examined in the HoA and AfPak programmes reflected the principle of a 'Danish Strategic Approach,' whereby activities, geographic and thematic focus and partner choice add value from a Danish perspective. This was particularly evident with regard to the Danish Chairmanship of Working Group 2 (WG2) of the Contact Group on Piracy off the Coast of Somalia (CGPCS), work on countering violent extremism in Kenya and support to financial intelligence units in Ethiopia and Kenya to address money laundering in the HoA region, and the Track II and regional reconciliation dialogues and counter-narcotics and border control activities in the AfPak region.

### **Core evaluation question 1.2: Consistency with key stabilisation challenges in the regions and countries covered by the programmes**

In addressing this question the Evaluation considered how far the PSF seeks to understand the key factors contributing to instability (i.e. the situation on the ground) in a given context, opportunities to engage (including local priorities) and the extent to which this understanding has been reflected in programme priorities.

Efforts were made during the programming processes of the three regional programmes and the Syria programme to understand the key stabilisation challenges and to consider how the programmes would address these. Contextual understanding was developed by cross-departmental missions to the region and in the case of the AfPak programme, commissioned analysis. The HoA mission included efforts to increase understanding

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10 This section focuses on rationality and human rights and gender. Adherence to other principles is discussed below in relation to other evaluation questions.

11 MFA (2013), Danish Regional Sahel Peace and Stabilisation Programme 2013-2017, October. Pp. 42-43 and MFA (2014), Syria Strategic Framework 2014-15, Transition Programme for 2014 p. 17 and p. 26.

of national and regional dynamics through meetings with key experts. References to secondary data within the context analysis of programming documents has however tended to be limited, making it difficult to gauge the strength of the evidence and analysis presented within those documents. Formal or structured conflict analysis processes to inform programming are the exception rather than the norm, although work is in progress to develop a conflict analysis tool. There was little evidence of systematic attention to issues of conflict sensitivity (that is, the use of analysis and monitoring to avoid unintended harm, for example through conflict sensitivity audits). There were mixed views about the degree to which contextual information from embassies has been factored into programming, particularly for the HoA and AfPak programmes, given the PSF's centralised decision making structures. More recently, methods of enhancing embassy inputs have been developed and there is a general agreement that the consultation process is improving, for example with video links.

Some of the activities in the HoA and AfPak programmes are based on needs expressed by partner governments. Others are based on international frameworks guiding international engagement in Afghanistan and Somalia, for example, development of the Afghan National Army (ANA) Trust Fund (based on an international agreement among the 'Kabul Friends of Chicago') and the Somali Compact.

Overall, the areas of intervention or focus of the Horn of Africa thematic programmes can be considered to be broadly relevant to drivers of conflict and insecurity/instability and to support the development of capacities for stabilisation at the national and regional levels.<sup>12</sup> However, many stakeholders in the Horn stated that the stabilisation challenges identified by the HoA programme were not necessarily the highest priority or most relevant for the region. Forging a sustainable political settlement in Somalia, consistently identified as most relevant, is not a priority for the PSF, despite political settlements being fundamental for successful stabilisation efforts. This is not necessarily problematic, as other Danish instruments are addressing these issues to some degree. However, it does point to the importance of strong coherence between the different instruments as well as strong evidence to support the choice of approach. The same has been raised about the relevance of certain programmes in the Afghanistan/Pakistan region.

In terms of keeping PSF programme's contextual understanding current, stabilisation advisors have played an important role in generating an understanding of the context and identifying programming opportunities to respond to emerging needs or changing conditions in both the HoA and AfPak regions. An example is the Stabilisation Advisor in the Addis embassy who engaged in donor coordination forums where he was able to exchange information on the political situation, was part of the embassy team that strategised how to respond to emerging crises, and reported back to headquarters, often by writing joint cables with the defence attaché. The benefits of stabilisation advice have been noted by the Sahel programme which has hired an advisor both to oversee programme implementation and to add value to the work of the regional Danish embassies.

Questions have however been raised about how far the regional programmes have been able to adapt to evolving contexts given their current structure of programming most resources over a three year period. The drafting of policy and programme documents takes place within limited time periods and often represents merely a "snapshot" of

12 See Annex E, Core evaluation question 1.2 for examples.

prevailing circumstances at the time of an assessment mission, despite the requirement for the programme to have relevance over several years.<sup>13</sup> In the Horn of Africa, this challenge has been exemplified by the fact there were not sufficient funds within the PSF to fully support Denmark's response to the 2013/14 South Sudan crisis. Support to the South Sudan Monitoring and Verification Mechanism has been augmented by unallocated financing from the Danida Country Programme.<sup>14</sup>

### **Core evaluation question 1.3: Clarity, realism and robustness of Fund's intervention logic**

In answering this question the Evaluation considered the extent to which the programmes employed realistic, evidenced and useful theories of change, intervention logics and results frameworks, and identified emerging lessons in this respect.

The programme descriptions for the Horn of Africa, Afghanistan/Pakistan and Sahel programmes have clearly articulated hierarchies of objectives, which represent *implicit* theories of change. Similarly, staff at both HQ and embassies were generally able to articulate the theories of change behind the different areas of focus. However, theories of change and related assumptions are not stated explicitly within the documentation or directly linked to robust supporting evidence.

The internal coherence between the different thematic programmes of the regional programmes and between the different engagements within the thematic programmes was found to be variable across the HoA and AfPak programmes. There was a considerable degree of internal coherence within (and in some cases between) the three HoA thematic programmes in terms of interrelationships between objectives and areas of intervention both on paper and from discussions with key stakeholders during the field visit (Box 1). While there was coherence on paper within and between objectives of the AfPak programme, it was found to be present more at the national level than at the regional level.<sup>15</sup>

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13 MoD and MFA (2013), Mid-Term Review of the Whole of Government Stabilization Programme for AfPak (2011-14), December, p. 1.

14 Interview PSF stakeholders, Addis.

15 MFA and MoD (2013), Mid-Term Review of the Whole of Government Stabilization Programme for AfPak (2011-14), p.16.

**Box 1****Coherence and interrelationships between instruments, engagements and objectives supported by the PSF**

One of the key achievements of Thematic Programme 2 of the HoA programme, which sought to counter and prevent piracy at sea and at land and contribute to a more stable Somalia, was the establishment of a legal framework for the prosecution of Somali pirates through the Danish led Working Group 2 under the Contact Group on Piracy off the Coast of Somalia (CGPCS) dealing with the judicial aspects of piracy. The creation of a “Piracy Trial Transfer System” has enabled pirates caught in the blockade to be tried in neighbouring countries and serve sentences in Puntland or Somaliland. This outcome has been attributed to the strong leadership and considerable diplomatic skills of the Danish Lead, Ambassador Thomas Winkler.

A key strategic underpinning of Component 2 was that activities across all elements of the justice chain needed to be undertaken in order to ensure successful prosecution and imprisonment of pirates and broader impacts in terms of an improved foundation for rule of law in the region (including within Somalia). The PSF therefore supported UNODC in transferring convicted pirates to Somalia and building prisons to enable incarceration in humane conditions (both for pirates and the broader prison population). The PSF also supported the UNDP Rule of Law programme focusing on broader capacity building within the police and justice sector as well as broader community outreach activities within Puntland. A final piece of the puzzle was to assist the region in playing an enhanced role in maritime counter-piracy efforts. This included support to regional maritime capacity of the Kenyan Navy, the East Africa Standby Force (EASF) Maritime Component and technical assistance for the drafting of the African Union’s (AU) Maritime Strategy. In this way Component 2 was aligned not only with the objectives of the Danish anti-piracy strategy but also the broader Somalia strategy.

While the results of PSF support to WG2 and UNODC on the conviction, transfer and imprisonment of pirates were evident and clearly attributable, outcomes of Danish support to the broader criminal justice system within Somalia and maritime capacity will take longer to be felt and are much harder to attribute, given the range of other factors at play. Nonetheless, this component (or thematic programme) of the PSF HoA programme offered clear evidence of efforts to forge coherence between instruments (diplomatic, financial and military) and different projects (or engagements) supported under the PSF.

Source: Interviews Copenhagen, March 2014, Nairobi May 2014, Shaw, M (2013) Assessing the relevance of the UNODC Maritime Crime Programme in the context of Denmark’s Whole of Government Stabilisation Programme for the Wider Horn of Africa/ East Africa 2011-2014, August; Danish Ministry of Foreign Affairs and Ministry of Defence (2011), Programme Document, Whole of Government Stabilisation Programme for the Wider Horn of Africa/ East Africa 2011-2014: Component 2 description; and UNODC, Independent Evaluation Unit (2013) In-depth evaluation of the Counter piracy Programme in the Horn of Africa and the Indian Ocean. Increasing regional capacities to deter, detain and prosecute pirates, May.

Results frameworks were either absent or rudimentary for the HoA and AfPak programmes. The ability to measure and judge results and effectiveness was further limited by a reliance on implementing partners whose reporting, particularly at the outcome level, has been variable. The HoA programme document contains a form of results framework – a list of key indicators against the different thematic programme objectives. However, these were of variable quality and measurability, did not contain baselines and did not extend to identifying key data collection tools or approaches. While many of the engagements do contain results frameworks, there has been no attempt to aggregate

project monitoring data at the thematic programme or overall programme level or to identify outcomes at this level. Furthermore, the reporting of partners against their results frameworks was found to be generally weak and focused on outputs rather than outcomes (with some exceptions).

A similar situation pertained in the AfPak programme.<sup>16</sup> This translated into less rigorous knowledge of the effectiveness of the PSF programmes and ability to monitor risks at the overall fund level, for example in terms of poor performance. The articulation of results at the overall fund level is focused on activities rather than outcomes.<sup>17</sup> The mid-term reviews of the AfPak and HoA programmes undertaken by the Technical Advisory Service, which the Evaluation considers to have been of a high quality and highly informative for the Evaluation, played an important and useful role in raising these issues. The value of this type of accountability function is evident in similar funds. For example the evaluation by the UK independent Commission on Aid Impact (ICAI) of the Conflict Pool was useful in highlighting similar issues.

The more recent programmes and issues raised in the mid-term reviews demonstrate that lessons are being learned regarding the need for rigour in articulating theories of change in order to clearly specify anticipated results at outcome and output levels and to provide baseline information. The Syria programme has a robust intervention logic with clearly articulated and reasonably well evidenced theories of change and a results framework (still in draft mode). The process broadly followed the Danida approach to programme management where emphasis is increasingly being placed on theories of change.

Overall, both military and non-military stakeholders have understood the need for more explicit theories of change and results frameworks. They have also demonstrated clear ability to think through programming in a systematic way and a high level of engagement with the issues. However, PSF stakeholders rightly noted that theories of change need to be a tool that clearly adds value to their work, rather than becoming just another hoop to jump through.<sup>18</sup>

### 4.2 Evaluation question 2

*With regard to efficiency and effectiveness, what are the comparative advantages of the Fund vis-à-vis other funding channels in addressing stabilisation through integrated approaches in conflict affected areas and what lessons are there related to synergies and coherence with other Danish funding channels?*

#### **Core evaluation question 2.1: Fund comparative advantage vis-à-vis other funding channels**

Although the Evaluation was not able to assess all other Danish funding instruments in the same depth as the PSF, several characteristics of the Fund were identified as giving the PSF a comparative advantage in the efficient and effective use of resources in support of stabilisation efforts in a general sense.

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16 Ibid.

17 Results reports 2011 and 2012.

18 Theory of Change Workshop, Copenhagen, 10-11 June 2014.

- Flexibility in terms of the range of issues able to be financed as well as the availability of un-programmed funds. Overall, 28% of PSF funding was originally not allocated to the regional programmes. The Afghanistan/Pakistan portfolio had 27% of its funds unprogrammed while the Horn of Africa portfolio had 13% of its funds unprogrammed. It should be noted that flexibility was, however, considered a double-edged sword. Unprogrammed/reprogrammed resources can enable emerging high priority issues such as Syria to be addressed. They can also enable what has been considered a non-strategic proliferation of small programmes, an issue raised in the mid-term review of the HoA programme. Additionally, while the mix of ODA and non-ODA funding is reported to increase flexibility, the fact that Denmark does not follow The Netherlands' lead and determine whether resources are classified as ODA and non-ODA after programming decisions have been made but determines at the outset which resources must be classified as ODA and which as non-ODA is reported to present a challenge to programming.
- Risk willingness. This included accepting the possible failure of engagements, the use of the PSF as a form of "venture capital," starting with small scale engagements to test the waters, and the use of the PSF to catalyse additional funding for engagements piloted by Denmark.<sup>19</sup>
- Rapid response, particularly for funding requests under DKK 5 million.
- Agency to agency interactions. This enabled Danish officials to build the personal relationships that are essential to promoting effective and sustainable change and to identify entry points for institutional change. Examples of this type of intervention through the HoA programme included support to EASFCOM, the Ethiopian Financial Intelligence Centre, the Kenyan Navy and the Kenyan National Intelligence Service. In AfPak, the Danish military led in this approach.
- Regional focus. The success of the Fund in terms of regionality is discussed above.

Much of the evidence obtained by the Evaluation related to general aspects of the PSF's comparative advantage. Several points were raised specifically about developing efficient and effective integrated responses to stabilisation:

- The PSF has engaged a broader range of Danish instruments, capacities and perspectives across different parts of government in stabilisation work. The police, intelligence services, and the prosecutor's office have all been involved in PSF funded stabilisation activities. The Ministry of Health has also been involved through the Kenya biosecurity programme, as it has responsibility for biosecurity issues. This has enabled Denmark to address a broader range of security-related issues than in the past when the emphasis was on military responses in stabilisation environments.<sup>20</sup>

19 See Annex E, Core evaluation question 2.1 for examples.

20 Interviews in Addis, Copenhagen and Nairobi March-July 2014; MFA and MoD (2011) Programme Document: World of Government Stabilization Programme for the Wider Horn of Africa/ East Africa 2011-2014.

- The PSF is particularly well adapted to working at the nexus of peace and security with ODA and non-ODA funding. For example, Danida initially supported EASFCOM using ODA financing. The MoD then decided to provide a defence advisor who was supported through non-ODA funding. In order to simplify Danish support to EASFCOM it was decided to finance the ODA-able activities out of the PSF as well. Support to activities aimed at strengthening the capacity of partner governments to prevent money laundering, hinder the financing of terrorists and prevent early radicalisation of populations at risk are also examples of where Denmark has been able to engage in issues that affect regional security and simultaneously respond to Danish security concerns in ways that it would not have been able to do in the past when non-ODA funding was focussed on military security objectives and engagements.<sup>21</sup> The PSF supports integrated working both at headquarters and in embassies.

That said, other Danish development financing has exhibited some (but not all) of the same characteristics.

- Under certain circumstances, development financing is able to respond flexibly and rapidly to emerging stabilisation needs, such as South Sudan.<sup>22</sup>
- Danish development assistance also exhibits a high degree of risk willingness, although here there is a tendency to share risk with other donors through multilateral funding instruments.
- Danish development assistance is showing an increased willingness to work in the grey zone between security and development in fragile and conflict affected states.

### **Core evaluation question 2.2: Range of factors influencing the effective and efficient functioning of the PSF**

The PSF's ability to use funds efficiently and effectively has been affected both positively and negatively by a number of factors. Some of these did not affect the PSF's comparative advantage since they also applied to other Danish funding instruments.

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21 Interviews in Nairobi and Addis May 2014.

22 See Annex E, Core evaluation question 2.1.



**Box 2****Compensating for inadequate in country presence, Somalia and Afghanistan**

The PSF has adopted a variety of strategies to compensate for a lack of in country presence in Somalia. One is to channel funding through multilateral agencies that are present in country, particularly the United Nations. This has had mixed results. Another has been to develop relationships with other bilaterals that have or are developing a presence on the ground. This is still under development. The PSF is also thinking of investing in the Somalia Stability Fund as Danida have done in the past. This would enable the PSF to support Somali implementers directly, without having to use the UN or another bilateral as intermediary. Reporting provided by the SSF M&E Unit (currently being set up) will provide greater evidence of effectiveness of this approach.

Prior to 2014, Denmark was able to monitor PSF activities in Helmand via the Provincial Reconstruction Team (PRT). With the closure of the PRT in March 2014, the Danish government has worked exclusively from Kabul, and Denmark has relied on implementing partners to monitor ongoing activities remotely.

Remote monitoring is an issue that other donor governments will need to engage with in Afghanistan following the closure of PRTs and remote presence. One option, which the Danish government is exploring, is to use the monitoring capacity of trusted implementing partners, as they continue to have a presence on the ground. This is the motivation behind the Danish government funding a UNDP office in Helmand. The success of this approach will be contingent on the ability of the implementing partner to visit project sites and the reliability of self-monitoring.

Another option is to use local independent monitors. The UK government is now tendering for a large-scale independent monitoring programme which will use local independent monitors alongside international consultants to verify project activities in places where the UK government no longer has access. The success of this approach will be contingent on the capacity of local monitors to independently assess the progress of continuing development programmes to an acceptable standard, the avoidance of capture of these local monitors by interested parties, and the willingness of donor governments to continue paying for independent monitoring.

Source: Authors' interviews, March-June 2014.

**Human resources:** The 'leaning' process in the Danish public sector has resulted in significant staff reductions both at headquarters in the relevant ministries and at embassies. The capacities of the Whole of Government Secretariat, the programme owners in the Ministries of Defence and Foreign Affairs, and those engaged with implementation in embassies and the Danish Defence Command have all been affected. This means that the government's ability to administer the PSF and to provide the necessary technical oversight of PSF engagements has been reduced. This in turn has had negative implications for the efficient and effective use of resources. Additionally, Danish political ambitions have not been reduced commensurately and, in the view of some Danish officials, the imbalance between political objectives and capacity to manage all aspects of the PSF risks affecting Denmark's capacity to maintain a high profile on stabilisation issues internationally.

One means of mitigating the problem in country has been the use of stabilisation advisors and programme managers within embassies.<sup>23</sup> Embassies, when sufficiently capacitated, including with stabilisation expertise, have the potential to play a very positive role in the programming, management and reporting of PSF engagements leading to enhanced effectiveness and efficiency. Dedicated PSF staff in country increases the ability of the PSF to identify and respond to windows of opportunity, to link the PSF with other Danish funding instruments, to use the PSF to engage with other international actors and to monitor PSF implementing partners more closely. In the absence of PSF staff in country the opposite applies. Additionally a stabilisation advisor can have an impact that goes well beyond supporting PSF engagements to supporting Danish stabilisation efforts more broadly by engaging with international and local counterparts, helping to bring in the political dimension and acting as a focus for learning. Where embassy resources have been insufficient to support either programme management and/or stabilisation advisor positions, these have in some cases been financed through the PSF (Addis, Nairobi, Bamako). In AfPak, stabilisation advisors also played an important role, but these were often provided through joint donor facilities such as the PRTs.

More generally, there was some evidence that the extent to which risks can be actively managed and adequately responded to on an ongoing basis relies on the degree of Danish presence. Having staff on the ground in a country or region who can monitor and report on the evolving situation and risks associated with PSF financing has been identified as a positive factor in managing risk (Box 2). Both the stabilisation advisor in Addis and the programme manager in Nairobi have, for example, played an important role in examining the costs and benefits of the different approaches to supporting the Somali National Army (SNA). In contrast, because Denmark did not have an embassy in Rwanda, they had not developed a political relationship with the government there that would have enabled them to communicate effectively when issues arose in relation to Rwanda's engagement in Eastern DRC. As a result, Denmark cancelled its plans to support the Rwandan Rapid Deployment Capacity.

**2012 Budget Law:** The 2012 Budget Law requires that non-DAC funding must be expended in the year in which it is committed. Indeed, the value of multi-year funding was highlighted by a number of implementing partners.<sup>24</sup> The Evaluation finds that one effect of the 2012 Budget Law requirement is to reduce the PSF's flexibility and its effectiveness and efficiency and makes it less fit for purpose as a stabilisation funding instrument.

The availability of multi-year funding is important for engagements that address issues that cannot be resolved in the space of one year. This problem does not affect non-DAC funding contributed to trust funds (since the money is considered expended once the contribution is made). It does, however, greatly affect other types of activities implemented using non-DAC funding and in particular engagements that rely on agency to agency interactions, which have been found to enable Danish officials to build the personal relationships that are an important aspect of promoting effective and sustainable change and to identify entry points for institutional change as highlighted above. Implementers have had difficulty in developing these relationships, coordinating with local authorities to identify needs and planning and conducting activities within the

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23 Annex M lists the key qualifications for a UK Senior Stabilisation Advisor.

24 Interviews in Nairobi and Addis Ababa.

space of one fiscal year. Multi-year funding can also help provide continuity to multi-year programmes, particularly since many donors provide funding that must be used in the course of one fiscal year.

Concerns were raised that the 2012 Budget Law was having perverse effects by encouraging the rapid reprogramming of funds without adequate reference to strategic priorities simply to disburse them before the end of the financial year. This does not always appear to have been the case. The PSF returned nearly DKK 50 million to the Ministry of Finance from the HoA programme in 2012 and 2013 following the cancellation of two large engagements. In addition, there has been a problem of underspending during any fiscal year being discovered too late to effectively programme the resources, and those resources have also had to be returned. The PSF returned DKK 2.6 million from the AfPak programme for support to Afghan National Security Forces (ANSF) in 2011 when they were unable to spend the money in time. This prompted the creation of the Local Commanders' Pool to facilitate the allocation of non-DAC funding within one year. In HoA, the PSF learned it needed to monitor its spending rates throughout the year and begin to reallocate funding earlier in the fiscal year to 'top up' ongoing programmes or run pilots for possible new programmes. This is being done for the HoA in 2014.

**Clarity on lines of responsibility:** When the PSF was created, lines of responsibility were not clear and there was inadequate guidance for staff at headquarters and in embassies on where responsibility for certain tasks lay. The revised Fund Guidelines, released in 2014, have reportedly mitigated this problem to a large degree and contain greater specificity on roles and responsibilities of different PSF actors.

**Implementing partners:** The choice and degree of monitoring of implementing partners is an important determinant of both effectiveness and efficiency.

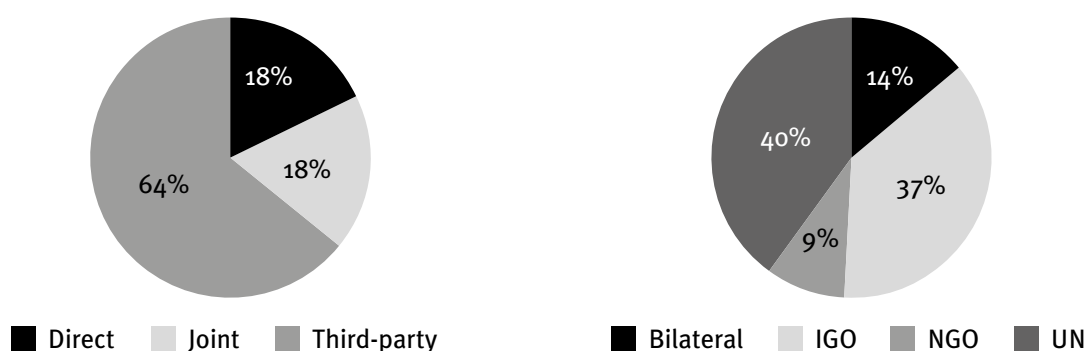
With regard to **choice of implementing** partner, Danish officials noted that in the beginning there was a political drive to ensure that the Peace and Stabilisation Fund gave preference to bilateral implementation.<sup>25</sup> However, the Evaluation noted a growing preference for multilateral implementers. 40% of the Fund is channelled through the UN system (Figure 1). This reflects a Danish policy of supporting multilateral institutions in order to strengthen the multilateral system. It also reflects the belief that multilateral implementers reduce administrative costs for Denmark. Yet there is strong evidence that all implementing partners require oversight and in many cases multilateral implementers have required considerable monitoring by PSF stabilisation advisors and/or programme managers.

For example, in the Horn of Africa programme, UNSOA stopped disbursing to AMISOM for the better part of one year, and UNODC experienced a serious delay in implementing the Programme on Legal Mutual Assistance with the Ethiopian Ministry of Justice. In Afghanistan, the UN Women programme was designed without engagement by the implementing partner, and subsequently was not delivered. The stabilisation advisor in Addis and the programme manager in Nairobi reported spending considerable time tracking the activities of multilateral implementing partners. Other donors have made similar observations. Also, simply because an implementing partner has a good track record in implementing one programme it does not mean that the same

25 Remote interviews with Danish officials, Copenhagen, May 2014.

implementing partner will succeed in implementing a similar programme at a different time or in a different place. There was considerable evidence that great care must be taken in choosing implementing partner.<sup>26</sup>

**Fig. 1:**  
**Percentage of PSF funding disbursed, by fund management type and implementing partner type years 2011 to 2013**



Source: Annex L

The choice of implementing partner can also affect Denmark's ability to leverage its financial assistance to support strategic policy objectives. Leveraging was most evident and apparently most feasible when activities are implemented by Danish government advisors or by multilateral funding arrangements where Denmark is part of a steering group that helps guide the use of resources (Somalia Stability Fund or the Integrated Community Security Programme in Syria).

With regard to **monitoring implementing partners**, the PSF engages in very little monitoring, particularly at the programme and thematic programme levels. However UK experience suggests that it is precisely at the programme and thematic programme levels where monitoring is most important for pooled conflict and stabilisation funding instruments (Box 3). This has been a challenge to the Conflict Pool that the UK government have been working to address (Annex F).

Weak monitoring has reduced the PSF's ability to make mid-course corrections that might improve the effectiveness and efficiency of activities. It also reduced the PSF's ability to identify and apply lessons that could improve the functioning of PSF funded activities in the future. These lessons were learned by the Sahel programme, which hired a stabilisation advisor who will be closely monitoring the activities of the implementing partners in the three programme countries.<sup>27</sup> At a project and programme level where monitoring and partner oversight is weak, this undermines the quality of risk management in relation to both performance related and financial risks (e.g. relating to corruption). Monitoring of risks was found to be generally weak at the fund level. This is in part due to the weakness of results frameworks, a focus on outputs rather than overall outcomes (i.e. effectiveness) and weak programme level monitoring. All of these have limited the assessment of risks of poor performance. It is notable that these were issues

<sup>26</sup> See Annex E, Core evaluation question 2.2 for additional information on this point.

<sup>27</sup> The title of this position is Conflict and Peace Adviser.

raised by Technical Advisory Services through the appraisal and review process, rather than the IMSC who are ultimately responsible for ensuring overall fund performance.

### Box 3

#### Effective monitoring of conflict and stabilisation activities

'In our view, a results management system appropriate for the Conflict Pool may look quite different from DFID's system. DFID's approach is designed for much larger unit-size activities and focuses on capturing the results of individual programmes. The Conflict Pool portfolio, by contrast, involves groups of activities clustered around the achievement of common goals. Results monitoring, therefore, needs to be carried out at the portfolio rather than the activity level and so cannot be passed entirely to implementing partners.

Source: ICAI, Evaluation of the inter-Departmental Conflict Pool, July 2012 report, paragraph 2.84.

### Core evaluation question 2.3: Lessons related to synergies and coherence with other Danish funding sources

Synergies and coherence with other funding mechanisms have been variable across the Fund. This has been due partly to the fact that the programming cycles of different funding streams are not synchronised, and partly to a lack of strong political direction, incentives and an institutional structure for forging linkages among funding channels. The PSF works on three year cycles while development programmes last for five years. Additionally, PSF programmes tend to be regional, covering several countries, while development programmes are country focused. The programming of development funding tends not to occur contemporaneously across different countries in a region.

Recently there have been attempts to forge synergies and coherence. Perhaps most notably, the development of the Somalia Policy Paper in 2014 offered an indication of how synergy among funding sources can be promoted. This document specifies the roles of both PSF and Country Programme financing in achieving Danish objectives in that country and was reviewed by the IMSC. Other examples include:

- The embassy team in Addis has sought to forge synergies between the Africa Programme for Peace (APP) and the PSF.<sup>28</sup>
- When the Sahel Programme was under development, there was consultation with the APP and a division of labour was established in terms of funding ECOWAS.
- The Syria programme being financed both through the PSF and the Danish-Arab Partnership Program.<sup>29</sup>

As discussed in regard to Core evaluation question 1.2 above, embassies are becoming more engaged in the PSF decision making process. Some officials have expressed the hope that this will increase the ownership of PSF objectives by Ambassadors and the

28 Somalia Policy Paper 2014-2017 (2014), Draft, 28 May; interviews in Addis, Copenhagen, Nairobi, March-July 2014; MFA (2014) Syria: Strategic Framework 2014-15, Transition Programme, March.

29 MFA-Danida (2014). Syria Transition Programme 2014. Final. Appraisal Report, p. 3.

political staff and lead to increased synergies among the different funding channels. As the examples above suggest, this is beginning to occur. At the same time, there was recognition of the political benefits of having a high level of stakeholder engagement in Copenhagen in the Fund. Thus there is a balance to be struck according to some interlocutors between a bottom up and a top down approach to Fund management.<sup>30</sup>

Lastly, the 2014 PSF Guidelines have reportedly created greater clarity among staff in terms of when the PSF should be used and when other funding channels should be chosen. There was, however, no agreement about whether there should be greater specificity on the uses of the Fund.

### 4.3 Evaluation question 3

*With regard to coherence, what has been the Fund's success in combining and optimizing diplomatic, defence, and development instruments into integrated approaches to stabilisation and conflict prevention?*

#### **Core evaluation question 3.1: Success in combining and optimising diplomatic, defence and development instruments**

There was widespread agreement that the PSF has become a mechanism for greater cross-government interaction and understanding that has improved working relations among diplomatic/political, development and defence/security actors at headquarters and in embassies.<sup>31</sup> At the same time, some officials interviewed expressed a desire for stronger and more consistent strategic guidance from the IMSC and more attention to financial management of the PSF.

While there was a perception among at least some Danish officials that the improved understanding among PSF stakeholders had led to 'better' stabilisation programming, there was not conclusive evidence to suggest the PSF has succeeded in its first three years in developing 'integrated approaches to stabilisation and conflict prevention.' As highlighted above, there was reasonably good coherence and alignment of engagements and actors behind overall goals at the PSF thematic programme level of the HoA programme, most notably in relation to counter-piracy (including between ODA and non-ODA sources of funding). However, particularly with the AfPak programme and with some of the other HoA engagements, there was a sense that 'integration' had occurred primarily in terms of the agreement among the PSF stakeholders that particular engagements should be pursued rather than the more strategic development of a coherent approach to an agreed set of problems. The PSF, as one funding instrument, has not on its own been able to facilitate multiple Danish instruments (PSF and non-PSF) working together coherently behind a common stabilisation goal. This in part due to the challenges of ensuring coherence between the different Danish instruments (see Core evaluation question 2.3 above) and, to a large extent because it was unclear whether Denmark consistently sought to use its political tools in combination with the PSF, and the extent to which the IMSC has adequately monitored the degree to which the PSF has been used in an integrated fashion with Danish political tools and other financing instruments.

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30 Interviews, Copenhagen and Nairobi, June 2014.

31 See Annex E, Core evaluation question 3.1 for examples.

There are two broad ways in which political/diplomatic tools can interact with funding instruments:

- Funding streams can be leveraged to enable political/diplomatic tools to be used more effectively in support of strategic objectives. Denmark has used the PSF in this way to support its policies on counter piracy, notably with regard to Working Group 2 (see Box 1 above), regional peace and stability, and countering the financing of terrorism, as well as specific arms-control objectives.
- Political/diplomatic tools can be leveraged to support activities financed by Denmark. The Danish government played an active role in the Kabul Friends of Chicago and sought pledges from larger donors for the ANA Trust Fund. Denmark has also leveraged support when it has encountered difficulties, such as the lengthy period of non-disbursement by the UN Support Office for AMISOM, or in order to create a political climate in which the impact of funding can be maximised, such as promoting political settlements in Somalia. Here there is less evidence of Danish political engagement.

In the view of some interviewees, channelling financing through multilateral implementing partners for programmes that are not designed specifically to meet Danish objectives and whose activities are difficult to monitor has limited the potential for combining funding with political engagement since the opportunities for leveraging influence and engagement through support are reduced.

### **Core evaluation question 3.2: Supporting coherence and integrated approaches among international partners**

Denmark has played a positive coordination and leadership role among international partners in relation to PSF funded issues such as Anti-Money Laundering/Countering the Financing of Terrorism in Ethiopia and Kenya, Working Group 2 on the legal aspects of counter-piracy and the Kabul Friends of Chicago which oversees the ANA Trust Fund in Afghanistan. In particular, major international actors in stabilisation such as the US, the UK and the EU see Denmark as a trusted partner that “punches above its weight” in stabilisation contexts. Denmark has succeeded in a number of instances in getting a seat at the table and then using that position effectively to influence the course of events. Lessons from Danish engagements in areas such as AML/CFT inform the programming of the larger partners. Additionally, bringing even a relatively small amount of financing to the table has helped Denmark gain access at the political level in issues ranging from countering violent extremism to various arms control initiatives.

Having a stabilisation advisor in country has helped Denmark engage on a policy level with the major donors. This lesson has been learned by the Sahel programme where the stabilisation advisor has been tasked to support Danish and other embassies in engaging in policy dialogues with partners and in acting as a liaison between the Danish embassies and other development partners.

## **4.4 Evaluation question 4**

*With regard to results, and given the size of the Fund, how can the approach be optimised to secure impact?*

The answers to this evaluation question are found in the conclusions and recommendations chapter immediately below. This section presents the observations from the Evaluation of approaches currently employed and emerging lessons with regard to enhancing performance. It also provides information on any outcomes of fund interventions identified through the Evaluation.

### **Core evaluation question 4.1: Optimising the Fund's approach to secure impact**

Six key observations concerning enhancing Fund performance emerged from the Evaluation:

- Those responsible for PSF programming are learning how to make the Fund more effective and strategic through developing results frameworks and theories of change.
- There is some recognition within the Fund of the importance of providing capacity to support the PSF on the ground through stabilisation advice and programme management capacity to support the work of the embassies.
- The Fund has recognised the importance of the role of embassies in programming and management and focussing funding on countries where Denmark has representation because being present in country facilitates understanding the local context, developing relationships with key host government partners, and monitoring implementing partners and risks.
- The PSF has sought to leverage impact from smaller initiatives through supporting initiatives with seed funding/venture capital type characteristics. Denmark was able to engage more rapidly than other donors, and other donors built on the experience gained by Denmark in implementing these engagements. This has helped Denmark to leverage impact from its smaller engagements. It was unclear, however, to what extent the PSF was consciously used as seed funding, that is by systematically identifying partners to take the programme to scale, collecting evidence around effectiveness and identifying and disseminating lessons.
- The PSF has leveraged its own funding to enhance its influence with other donors in order to leverage impact through shaping and influencing the outcomes of broader international engagement.
- The PSF has sought to enhance the value of PSF engagements through consulting with other donors to find the Danish niche (as with the Sahel programme, the anti-money laundering project in Ethiopia, and the counter-narcotics and border control project in AfPak).

### **Core evaluation question 4.2: PSF outcomes**

The 2012 and 2013 PSF results reports describe a large number of results achieved through the PSF during those years. Most of these results are outputs (activities undertaken, funding approved and so on), consistent with the weakness of results frameworks and outcome monitoring, particularly at the thematic programme, programme and fund levels. That said, there is clear evidence of positive outcomes for a number of global level and HoA and AfPak regional programme engagements. The following table provides some illustrative examples of outcomes of those programmes within the evaluation sampling frame.



**Table 1: Outcomes****Global Level**

**Achieving key policy goals.** There is evidence that important policy goals have been promoted through PSF. These included: a) strengthening partnerships among the Nordic countries on defense cooperation in East Africa and b) putting Denmark in a leadership position in integrated approaches to stabilisation programming through the creation of a network of leaders in stabilisation to promote lessons learning and integration of programmes.

**Strengthening coherence and coordination among Danish ministries and the ability of Danish actors to respond rapidly.** As highlighted above the PSF made an important contribution in this respect. A key milestone that demonstrated the level of coherence was the production of the stabilisation policy paper and the formulation of the principles of the PSF.

**Horn of Africa****Thematic programme 1:****Strengthened regional stabilisation through enhanced peacekeeping capacity**

Capacity building of EASF	EASF is on a positive path towards full operational capacity as confirmed by field training exercises (May 2013) and is preparing for possible deployment to South Sudan in 2015. Although key constraints remain, these are understood both by EASFCOM, Danish advisors and the broader Nordic Group. Technical advice and capacity building support is viewed as valuable by the EASF. <sup>32</sup>
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**Thematic programme 2:****Piracy prevented and countered at sea and at land as well as a more stable Somalia**

The law enforcement and justice response is seen as one of four major reasons for the decline in piracy; others are preventive and defensive measures on ships, coordinated naval response, and community responses with Somalia.<sup>33</sup>

Improved rule of law in Somalia	The UNODC Prisoner Transfer programme. The programme has successfully supported the transfer of prisoners to Somalia and is making substantial progress toward reaching its other objectives of humane and secure imprisonment in Somalia and in the longer term fair and efficient trials in Somalia itself. <sup>34</sup>
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International coordination on counter-piracy efforts: Working Group 2	Working Group 2 was pivotal in the creation of a legal framework for the prosecution of pirates. There is general agreement that the creation of a legal framework and practical arrangements for providing venues for court hearings and imprisonment of pirates has been an important element in curtailing piracy. <sup>35</sup>
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32 Interviews with EASFCOM, Danish and Nordic Advisors, May 2014. Nordic Review Report (2013).

33 Shaw, M (2013) Assessing the relevance of the UNODC Maritime Crime Programme in the context of Denmark's Whole of Government Stabilisation Programme for the Wider Horn of Africa/ East Africa 2011-2014, August.

34 UNODC, Independent Evaluation Unit (2013) In-depth evaluation of the Counter Piracy Programme in the Horn of Africa and the Indian Ocean. Increasing regional capacities to deter, detain and prosecute pirates, May.

35 Interviews in Nairobi, May 2014; MFA and MoD (2013), Mid-Term Review of the Whole of Government Stabilisation Programme for the Wider Horn of Africa/East Africa (2011-14), December p. 10.

## 4 MAIN FINDINGS

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### **Thematic programme 3:**

#### **Regional control of illicit financial flows in and out of Somalia and support to counter-terrorism/ anti-radicalisation efforts**

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Prevention of radicalisation and violent extremism in Kenya	Outputs were identified in terms of increasing awareness of the risks of radicalisation in the prison service within Kenya and possible responses as well as the drafting of a Kenyan CVE strategy and institutional support to the National Counter Terrorism Centre. However, it remains to be seen how far these will translate into outcomes in terms of preventing radicalisation. <sup>36</sup>
Strengthening FIUs, anti-money laundering and counter-terrorism financing structures (Addis)	Outcomes identified include increased capacity of the FIU in Addis as well as greater awareness within the Ministry of Justice of Anti-Money Laundering issues and the drafting of legislation. There is greater coordination within the region on AML issues.

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#### **Afghanistan/Pakistan**

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Support to national and regional reconciliation in Afghanistan	Track II diplomacy ensured dialogue was included in Danish government's approach to conflict in Afghanistan, and got relevant players to sit down at the same table. Regional reconciliation and dialogue programme mediated long-standing tribal dispute in Nooristan, where one tribe offered to rebuild the other tribe's houses, and worked with local religious leaders to ensure high voter turnout and peaceful national democratic elections.
Maritime security feasibility study and exchange with Pakistan Navy	DCD has established links and contacts with Pakistani authorities. Initial meetings took place in early October 2013 and April/May 2014.
Capacity building for ANSF – Contributions to ANA TF and bilateral support	Secured initial pledges for the ANA TF, and achieved a 'seat at the table'. Otherwise outcomes are unclear, as report is pitched at input-to-output level. Bilateral component of ANSF capacity building resulted in completion of an orthodox building project using local architectural designs, ensuring the checkpoint buildings will be accepted and used. Dug hundreds of wells for clean water, and strengthened relationships with local partners in Afghanistan.
Regional border management & counter-narcotics in South/Central Asia	Afghanistan country programme is showing 'small but important signs of progress' (AfPak mid-term p. 7), dealing mainly with finances, and not seeking technical inputs. Regional programme has produced trends and analysis that feeds into the overall regional programme, and have worked on rules and prosecutions across borders, rule of law and treatment of prisoners across regions, and protecting those suffering from drug addiction.

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36 Interviews in Nairobi, 15-23 May 2014.

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## 5 Conclusions and Recommendations

**The overall conclusion of the Evaluation is that there have been clear successes in the implementation of the Fund to date.**

In particular, progress has been made in terms of:

- Developing cross-government working on stabilisation;
- Aligning the PSF to Danish strategic priorities;
- Supporting engagements that address drivers of conflict and instability and produce benefits for people and countries receiving PSF support;
- Promoting the effective and efficient use of resources;
- Developing management structures; and
- Learning lessons.

The Evaluation has examined the evolution of two similar cross-government funds in the UK and The Netherlands and considers that Denmark has accomplished a great deal across these dimensions in a relatively short amount of time. A brief comparative assessment between the UK Conflict Pool and the PSF shows that the two funds have faced similar issues, notably in relation to ensuring a clear comparative advantage and coherence with other funding streams and in ensuring adequately robust M&E at both the project and strategic level. The two funds are, however, very different in terms of size and human resource availability. The UK conflict pool is about 12 times the size of the PSF in terms of annual spend and is therefore able to draw on significantly more stabilisation expertise.<sup>37</sup> This brings an additional challenge for the PSF in terms of matching political ambition with resources.

The challenge for the Danish government is now to build on what it has been achieved during the first three-year phase of the PSF's activities and to take the performance of the Fund to the next level. This will require attention to a number of structural, strategic, and programmatic issues going forward.

The Evaluation has identified seven areas on which the Danish government should focus attention in the coming three year period:

- Deepening the Danish integrated approach to stabilisation;
- Matching political ambition with human and financial resources;

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<sup>37</sup> In 2012 the Conflict Pool amounted to £683 million, of which £374 million were allocated to peacekeeping funds. Between 2010 and 2014 the PSF amounted to DKK 940 million. The Conflict Pool is supported by Regional Stabilisation Advisors and can draw on the expertise of the UK Stabilisation Unit and a large Civilian Stabilisation Group of some 1,500 experts.

- Sharpening the PSF's focus on key stabilisation issues;
- Strengthening the PSF's capacity for assessing context and developing theories of change as a basis for PSF programming;
- Ensuring that the Fund's comparative advantage is adequately reflected in programming;
- Ensuring adequate flexibility in the use of PSF funding; and
- Strengthening the management of the Fund to further enhance the effective and efficient use of PSF resources.

Each of these issues is considered in turn below. The Evaluation presents its main conclusions on the operation of the Fund to date and recommend future actions to further enhance the effectiveness, efficiency, relevance and overall impact of the PSF. While the main responsibility for the effective implementation of these recommendations lies with the members of the Inter-Ministerial Steering Committee, it will also be necessary for senior management at headquarters, embassies, and ambassadors to play a leading role in ensuring that the recommendations are implemented.

The Evaluation has made 16 recommendations. The Evaluation is aware that the human resource constraints that confront the PSF will make it necessary to prioritise the implementation of these recommendations. This prioritisation should be the responsibility of the IMSC in consultation with other PSF stakeholders. However, the Evaluation believes that Recommendations 1, 2, 3, 4, 12 and 14 should be considered the highest priority.

### 5.1 Deepening the Danish integrated approach to stabilisation

**The Evaluation concludes that the PSF has made an important contribution to developing the Danish integrated approach to stabilisation, but additional steps need to be taken to develop a fully integrated approach to supporting peace and stabilisation. The IMSC has a central role to play in this process by providing strategic guidance and oversight.**

The PSF has progressively supported enhanced interaction and trust among Danish officials, promoted the inclusion of a greater number of Danish actors in stabilisation activities, developed structures for cross-government working such as the Inter-Ministerial Steering Committee and the Whole of Government Secretariat, and fostered common agreement around certain PSF priorities, approaches and activities in support of peace and stabilisation. Additionally, by establishing regional and country programmes the Fund has provided the basis for some coherence among PSF funded engagements and alignment behind strategic objectives in specific contexts.

To deepen the integrated approach to stabilisation, the PSF requires more strategic level guidance and oversight. While there is evidence of alignment of PSF interventions to strategic priorities, more attention needs to be paid to prioritising Denmark's scarce human and financial resources to maximise the effectiveness and efficiency of the Fund and overall impact. A truly integrated approach requires close coordination with other Danish instruments (funding and political) within the framework of agreed country

strategies that address core Danish stabilisation objectives. These need to be accompanied by well targeted results frameworks that are achievable using available human and financial resources. The use of financial resources should be monitored regularly to ensure that funding is flowing as planned to achieve top priority Danish objectives.

As a funding mechanism, the PSF is just *one* of the instruments, albeit an important one, that needs to be combined in a coherent manner in order to promote an integrated approach. While the Evaluation has found evidence of coherence, it is also the case that Denmark does not yet optimise its stabilisation inputs by consistently and fully exploiting synergies with all Danish instruments and related programmes, whether supported by Denmark or national, regional or international actors. The challenge thus remains for Denmark to bring all relevant instruments, both financial (Danida, PSF) and political, together behind its strategic objectives in a given context.

The experience of the British government in developing its approach to conflict and stabilisation over the last 13 years led to the decision in 2014 to structure stabilisation efforts around country strategies (and if relevant and feasible regional strategies) that will provide the framework for UK government wide approaches to stabilisation in the UK's 44 priority countries (Annex F and Box 4). The Danish government has taken steps in a similar direction.

### **Box 4**

#### **The UK Whole of Government Project**

In 2014 the UK government established what has been termed as a “Whole of Government Project”. This brings the structures for whole of government working under the overall leadership of the inter-ministerial National Security Council (established by the current government). The objective is to support a fuller integration and coordination of instruments under cross-government regional and country strategies. The project goes beyond the tri-departmental constellation of the conflict pool (Ministry of Defence, Foreign Office and Department of International Development) to encompass a wider range of actors including the Home Office, Ministry of Justice and National Crime Agency.

New Director Level Regional Strategy Boards have been established (under the leadership of the Foreign Office) with representation from across all relevant UK government departments. In mid-2014, each board was developing a strategy for the 44 countries on the internal Cabinet Office Watchlist where the risks of conflict and insecurity are high and where the UK has significant interests at stake. The strategies, which will be sent to the NSC for approval, provide details on key priorities or objectives, milestones and approaches and are likely to be informed by a Joint Analysis of Conflict and Security (JACS). The priorities and objectives set out in the strategies will be reflected in the business plans, spending priorities and programmes of the different UK government departments, agencies and embassies involved. Each objective within a strategy has a Senior Responsible Officer who ensures that all instruments (across different departments) are delivering on the objective and are coherent.

The UK Conflict Pool is being replaced by the Conflict Stability and Security Fund (CCSF). The CCSF will essentially comprise one of the financial instruments to implement the strategy accessible by the full range of departments. The current Conflict Pool Secretariat is being expanded to include full HMG representation. It will *inter alia* act as a locus for best practice and provide support to programming and M&E.

Source: Interviews May-June 2014.

As highlighted above, in 2014, Denmark developed a policy paper for Somalia based on Danida's guidance on the development of policy papers for Danish engagement in its priority countries. The Somalia policy paper is an important step forward in that it specifies the roles of both PSF and Country Programme financing in achieving Danish objectives in that country and was reviewed by the IMSC. It is, however, incomplete in two respects.

- The Somalia policy paper does not provide much detail on how the political and financial instruments are to complement and support each other. To achieve this objective, it will be important in the future that the programming processes for the different instruments are clearly aligned with these overall policies and proceed to the extent possible in an integrated manner. Currently, Danida and PSF programming processes in Somalia are proceeding in tandem by chance while in Afghanistan, the Danida Country Programme was developed in early 2014 while programming for the PSF allocation began in mid-year.
- It is not likely that the schedules for PSF and Danida programming exercises will frequently coincide, given the different timeframes for the two funding channels. The situation is even more complex where PSF regional programming needs to be coherent with Country Programmes in several countries simultaneously. This places a premium on ongoing communication between different funding sources, particularly while programming is underway. In addition, in order to achieve maximum coherence between political and funding instruments, political tools such as diplomacy and policy dialogue also need to be more consistently deployed in support of strategic objectives and funded programmes, and the policy papers should provide an indication of how these tools will be integrated with the financing tools.
- Although the Danida guidance states 'The priority country policy papers will provide a single integrated presentation of Denmark's policy towards a given priority country which encompasses Denmark's entire engagement and strategic direction in a country, i.e. foreign and security policy, development cooperation, climate policy and commercial relations,' they are reportedly viewed as "Danida" documents and not truly a cross government product.

The 2014 PSF Guidelines describe the IMSC as "the principal decision-making body of the Fund... responsible for ensuring the coherence of policies and strategies affecting the Danish stabilisation agenda." The Guidelines also give the IMSC responsibility for "general Fund oversight including monitoring overall progress and performance of activities."<sup>38</sup> To date, however, the IMSC does not appear to have played its role as strongly and effectively as required.

**Recommendation 1:** To deepen the integrated approach to stabilisation, the Evaluation recommends that the IMSC strengthen its strategic guidance and oversight of the PSF (policy, priority results and financing). They should give particular attention to working with other relevant government ministries and agencies to establish a framework for developing agreed policies/strategies for countries receiving stabilisation support. These policies should encompass all relevant instruments (within their respective mandates).

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38 Guidelines. The Peace and Stabilisation Fund, February 2014, p. 2.

The Danida Guidelines for the Development of Policy Papers for Denmark's Relations with Priority Countries should be taken as a starting point in this exercise, as that paper sets out a procedure for identifying the strategic objectives of all Danish engagements in the country in question. Where additional attention is needed is in developing cross-government ownership of the process of producing policy papers for stabilisation countries and in clarifying how *all* Danish instruments (political/diplomatic, security and funding) will be engaged in addressing the top priority objectives to ensure that the response is truly integrated and cross-government.

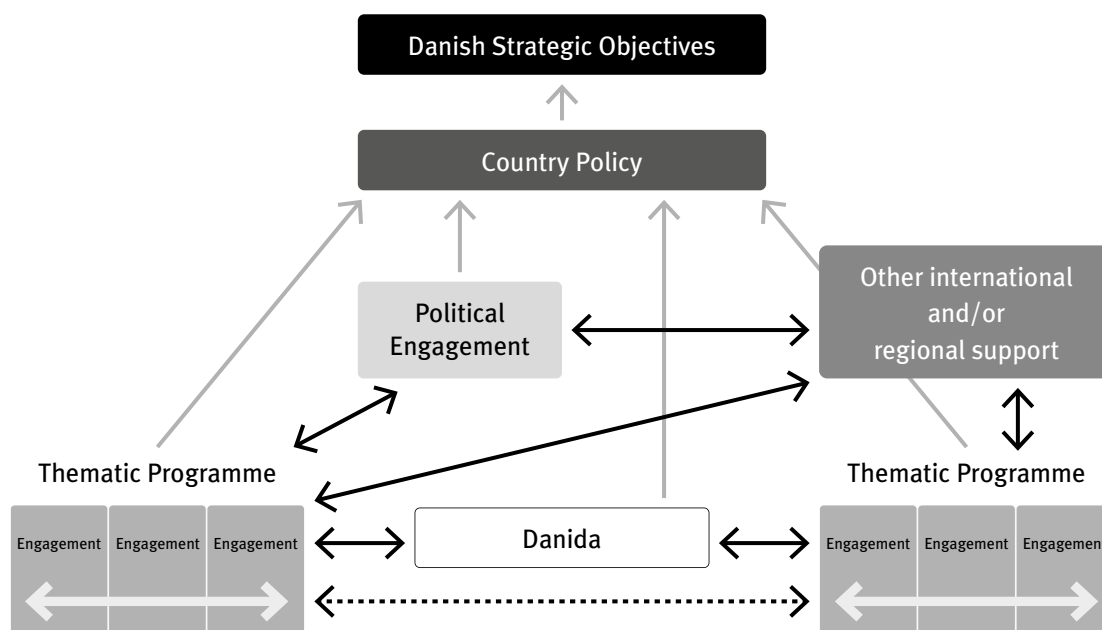
Once the process for developing policies is agreed, a mechanism should be identified for ensuring that all relevant instruments are deployed and coherent against these policies. In particular, there is a need to find ways to align the programming processes of different funding instruments, for example by developing agreed procedures for ensuring that decisions taken on programming the Danida Country Programme and PSF regional and country programmes are consulted with the Danida Programme Committee and the IMSC and Whole of Government Secretariat respectively. Additionally, monitoring and evaluation processes should be structured to capture diplomatic engagement.

**The Evaluation also concludes that a number of thematic programmes (within the broader regional programmes) have provided strategic direction to PSF funding and that it is at this level that coherence is most likely to be achieved and to have a positive impact.**

There has been a tendency to think that all thematic programmes within PSF regional programmes need to reinforce each other as well as be linked to the overall regional programme objective. The Evaluation concludes that, from the perspective of enhancing integrated working, it is more important to be clear how each thematic programme is linked to strategic objectives contained within country policies, including their regional dimensions (i.e. how they add up to higher level objectives) in concert with other engagements (security, development and political/diplomatic) and actors (both Danish and regional/international). So, while the thematic programmes should be internally coherent (i.e. the engagements that form part of each thematic programme should be mutually reinforcing), the thematic programmes do not necessarily need to align to each other (Figure 2).

**Recommendation 2:** To further deepen the integrated approach to stabilisation, the Evaluation recommends that PSF stakeholders (under the leadership of Programme Coordinators) should focus on ensuring that thematic programmes are coherent with other engagements (security, development and political/diplomatic) that are relevant and appropriate to context, including those of other international and national actors. The thematic programmes should also be aligned to broader strategic frameworks where they exist (such as the Somalia policy).

**Fig. 2:**  
**Deepening the integrated approach to stabilisation**



## 5.2 Matching political ambition with human and financial resources

**The Evaluation concludes that Denmark has gone a long way toward accomplishing its goal of becoming an important and effective player in the stabilisation arena, and that it has used the PSF on a number of occasions to achieve this outcome. As a relatively small donor Denmark regularly ‘punches above its weight’. However, by reducing the human resources available to administer the PSF, the ‘leaning process’ has created a significant risk to the ability of the PSF to secure a return on investment and fulfil its objectives.**

Effective peacebuilding and stabilisation efforts require adequate human and financial resources. There are various functions that must be filled if the PSF’s performance is to be efficient, effective and match policy ambitions and these require appropriate funding.

- Programme management at embassies.** In country programme management capacity is essential to exercise effective oversight of PSF engagements and implementing partners. Programme managers can identify emerging problems with the implementation of engagements, ensure that information received from implementing partners is accurate and liaise with other donors implementing activities in the same area. Without adequate project management oversight at embassies, PSF financed engagements risk failing to use resources effectively and efficiently. While it might be feasible to carry out some administrative functions from headquarters (collating progress reports and information on disbursements), there is no substitute for on the ground oversight of implementing partners and engagement with other donors. Channelling significant resources through implementing partners without adequate capacity to provide direction, oversight and monitor progress will, at best, undermine the effectiveness and efficiency of the Fund and, at worst, risks doing more harm than good.



- **Stabilisation advice at embassies.** Stabilisation advisors in the country/region monitor and report on the evolving situation and risks associated with PSF financing. The experience of the HoA programme suggests that risks need to be constantly identified, prioritised and actively managed. Additionally having a stabilisation advisor in country adds value to the embassy's stabilisation work, in supporting Danish stabilisation efforts (by identifying and responding to windows of opportunity, acting as a locus for cross-government conversations, engaging with international and local counterparts, helping to bring in the political dimension, locus for lesson learning). While some of these functions could be filled by other embassy staff, the impact of the leaning process and the attendant move toward generalists means that staff with stabilisation expertise are in short supply in the MFA as a whole. A stabilisation advisor should have the ability to analyse, monitor and report on conflict/stabilisation contexts and to understand the role of and engagement with a wide variety of stakeholders at the international, national and local levels.<sup>39</sup>
- **Fund management and stabilisation advice at headquarters.** The Whole of Government Secretariat is the engine of the PSF. It has accomplished much in the first three years of the PSF's existence with relatively few resources. If the Secretariat is unable to fulfil its multiple tasks – ranging from day to day management of the Fund, to overseeing stabilisation and fragile states policy implementation, to liaising with key stabilisation partners at headquarters level – the PSF simply will not work effectively and efficiently and Denmark's investment in stabilisation will be diminished.

The programme owners also have an important role to play in ensuring both that current programming is developed and implemented as planned and that lessons are identified and fed into the next programming cycle. The responsibility for the programme cycle is particularly important, and the competition between monitoring PSF programmes and lessons learning, on the one hand, and the day to day tasks of a foreign ministry, on the other hand, have only been exacerbated by the leaning process. If embassies are unable to manage their PSF portfolios, an even greater burden will fall on MFA's regional departments. Here too inadequate capacity in the regional departments will cause Denmark's investment in stabilisation to be diminished.

- **Methods of linking political analysis and activities to stabilisation activities at embassies and headquarters.** Stabilisation is essentially a political activity and supporting sustainable political settlements is fundamental to success. Failing to provide timely and appropriate political support for PSF engagements runs the risk of undermining the efficient and effective use of PSF resources. Not having the capacity to engage with other actors on stabilisation issues reduces Denmark's overall profile on stabilisation issues. While having a stabilisation advisor at an embassy has been shown to enhance the capacity of the embassy to engage politically in stabilisation environments, that advisor ideally needs to be a part of the team that develops political responses to the evolving context. Stabilisation advisors need to support and be supported by political officers in the Ministry in Copenhagen and at embassies.

39 See also Annex M.

**Recommendation 3:** The Evaluation recommends the IMSC ensure resources are available for adequate stabilisation capacity at the level of embassies and at headquarters within Copenhagen (Regional Departments and the Secretariat).

- PSF programmes require a stabilisation advisor and programme management capacity on the ground. Ideally these functions would be fulfilled by two individuals, particularly for large portfolios or where one stabilisation advisor has the responsibility for more than one country. Where portfolios are smaller and the geographic coverage is less, these positions could be combined.
- At headquarters there is a need for a more adequately resourced secretariat, with less turnover, and dedicated programme staff within MFA Regional Departments with adequate time allocated for programme management throughout the entire programme cycle. In addition to a modest increase in the number of dedicated staff, the development of a stabilisation/conflict cadre within the PSF ministries would be an important contribution to the future success of the PSF and provide critical support to Denmark's stabilisation objectives.

If these human resources are not available, then the political ambitions of the PSF should be reduced commensurately. This may involve focussing PSF resources on countries or regions where embassies are present and adequately resourced, including in terms of political representation.

**The Evaluation also concludes that the 2012 Budget Law renders the PSF less fit for purpose as a stabilisation funding mechanism.**

The PSF is highly valued by Fund stakeholders for its flexibility. One of the main reasons for this is that stabilisation environments are characterised by a high degree of uncertainty. The implementation of activities at the nexus of security and development is frequently delayed and the activities need to adjust to changing circumstances. The requirement under the 2012 Budget Law that non-ODA resources must be spent in the budget year that they are committed reduces the flexibility of the PSF. If circumstances do not permit a particular activity to advance during the fiscal year in which resources have been committed there is no guarantee that they will be available in the following fiscal year. Although ODA funds can in some cases substitute for non-ODA funds, this will not always be the case, either because the activity cannot be carried out using ODA funding or because ODA funding is fully committed.

While the PSF – and the MoD in particular – are learning how to re-programme funds during the financial year more efficiently in order to avoid having to return those funds to the Ministry of Finance, this is a time-consuming process and it is far from clear that this is the most effective and efficient use of scarce PSF human resources, particularly Secretariat resources which are already stretched very thin. It also makes commitments that span more than one fiscal year difficult to guarantee. This can in turn reduce the effectiveness of PSF supported activities. Successful PSF implementers have pointed to the importance of multi-year funding to the continuity of their programmes.

**Recommendation 4:** The Evaluation recommends that the IMSC (at the highest level) ensure that Parliament is made aware of the negative consequences of the budget law on the effectiveness of the PSF as a stabilisation instrument.

### 5.3 Sharpening the PSF's focus on key stabilisation issues

**The Evaluation concludes that the broad policy framework that has guided the work of the PSF has served the Fund well to date, but that the Fund's Guidelines lack clarity in two important areas: 1) the political underpinnings of stabilisation and 2) human rights and gender.**

The objectives and activities supported by the PSF are well aligned to thematic and geographic strategic priorities in Danish foreign, security and development policies and to Fund objectives. While the Danish government does not have a definition of stabilisation, its policy statement on engagement in stabilisation in fragile and conflict affected areas clearly indicates the intention to focus on 'integrated stabilisation efforts lying at the nexus between security and development in fragile and conflict-affected countries,'<sup>40</sup> and the Fund has sought balance between the different policy objectives by focusing on areas of support at the nexus of development, peacebuilding and security. The PSF's broad policy framework has given the Fund flexibility to respond to a range of issues, situations on the ground and strategic priorities, in a variety of ways. It has given the Fund a degree of fluidity and flexibility in relation to other Danish funding mechanisms.

That said, good international stabilisation practice underscores the political nature of stabilisation engagements and the importance of promoting political settlements as a core stabilisation goal. The Danish government is clearly cognizant of the centrality of a political approach to achieving stabilisation outcomes. 'Active diplomacy' and 'political dialogue' are two of the key instruments cited in Denmark's draft Somalia Policy Paper, for example.<sup>41</sup> Nonetheless, the PSF Guidelines do not provide adequate guidance on how to link the political, security and development aspects of stabilisation into a coherent and integrated approach.

In the same vein, some attention has been paid to the policy objectives of supporting human rights. More limited attention has been paid to gender and indeed there are still discussions within the Danish government as to the extent to which gender issues are central to stabilisation.

**Recommendation 5:** To sharpen the PSF's focus on key stabilisation issues, the Evaluation recommends that the Fund retains its current broad overarching policy framework but that the IMSC ensure that the Fund's guidance includes direction on: 1) linking political, security and development objectives and instruments (for example in the ways described in Core evaluation question 3.1 above) and 2) integrating gender concerns and compliance with UNSCR 1325, for example by providing references to key resources and guidance and requiring programming exercises to include specific expertise relating to gender.

40 (2013) Denmark's Integrated Stabilisation Engagement in Fragile and Conflict-Affected Areas of the World.

41 Somalia Policy Paper 2014-2017 (2014), Draft, 28 May, p. 11.

### 5.4 Strengthening the PSF's capacity for assessing context and developing theories of change as a basis for PSF programming and monitoring

**The Evaluation concludes that the interventions examined were broadly relevant to drivers of conflict and instability, particularly those of a regional nature. However, conflict analysis is not yet undertaken, updated or referenced systematically to inform PSF programmes, nor are there systematic efforts to consider the conflict sensitivity of interventions. This potentially jeopardises the effectiveness of engagements by undermining the strength of evidence and ultimately the degree of certainty regarding the relevance of engagements to context. It also makes it more difficult to assess the possibility of any unintended negative consequences.**

Efforts are made to reflect on the conflict context and respond to the priorities of local counterparts during PSF programming processes. Embassy staff are consulted during programming, and communication between HQ and embassies has become more regular. Moreover, there is evidence that staff involved in programming sometimes have substantial experience in the region. For the effectiveness of PSF interventions to be maximised and the potential for harm minimised, however, it will be necessary to collect additional information and make better use of the information already at hand through a more structured process of analysis and ensuring consistent attention to conflict sensitivity. For example, consultations with embassy staff are not yet at the level necessary for their experiences and insights, including on strategic opportunities to engage in response to evolving contexts, to be fully reflected in programming processes. Where consultants undertake certain aspects of programming, such as analysis and the identification of key interventions, it is particularly important that they ensure different perspectives and understanding from across government are reflected in programming. That said, it has been recognised that the Danish government's capacity to undertake conflict and context analysis needs to be strengthened and there is the intention to work on this issue.

**Recommendation 6:** To strengthen the PSF's capacity for assessing the context in which its funding is applied, the Evaluation recommends that the IMSC ensure that:

- A tool is developed to ensure that structured conflict analysis informs PSF programming and draws on the perspectives and knowledge from across different government stakeholders both in embassy and headquarters (including at the Concept Note stage). This could take the form of an adapted version of the UK Joint Assessment of Conflict and Security or the comprehensive assessment exercise currently under development in The Netherlands. Both of these approaches are intended to support a facilitated process of joint analysis and identification of key peace and stabilisation priorities while also providing external challenge function. These are described in Annexes H and I. Use of this tool should be referenced in the 2014 Fund Guidelines.
- Guidance for conflict sensitive programming is included in the 2014 Fund Guidelines.

**The Evaluation also concludes that there have been efforts to develop theories of change in order to support funding choices, strengthen the intervention logic and to facilitate monitoring and evaluation. However, these require a stronger evidence base if they are to support a robust intervention logic.**

**Recommendation 7:** The Evaluation recommends that the IMSC ensure that the 2014 Fund Guidelines are amended to include guidance on using Theories of Change (ToC) in programming or make reference to the new Danida guidance on developing ToC a requirement. It should be required that theories of change are substantiated by references to research and analysis (including conflict analysis) in order to strengthen the evidence base and degree of confidence in their validity. This guidance could draw on the guidance currently being developed for the new Danida Guidelines for Programme Management.

**Recommendation 8:** The Evaluation also recommends that communication via Video Conference between departments managing PSF at HQ (e.g. Regional Departments), embassy staff (including ambassadors and PSF Programme managers/Stabilisation Advisors) and the Whole of Government Secretariat occurs routinely either when a) there is a significant development in the conflict context, b) an opportunity for the use of unallocated PSF funds emerges (see criteria below), or c) in response to particular issues affecting the performance of the Fund, such as the performance of implementing partners. This requirement should be included within the 2014 Fund Guidelines.

### 5.5 Ensuring adequate flexibility in the use of PSF funding

**The Evaluation concludes that the allocation of a large proportion of the PSF regional/country programmes' resources at the outset of each three year period curtails the Fund's flexibility by limiting its ability to respond to *evolving* contexts, windows of opportunity and new crises in situations where unallocated funds have been expended.**

In determining the proportion of unallocated regional/country programme funds, PSF stakeholders face a trade-off. Too few unallocated funds can limit flexibility and the ability to respond rapidly to changes in the environment that characterise stabilisation environments. Too many unallocated funds can lead to the risk of a proliferation of interventions across a wide variety of issues, thereby undermining the opportunities for achieving impact. The assessment of the Evaluation is that the benefits of greater flexibility should outweigh the risks as long as the risks are understood and managed. One way of managing the risks would be to ensure that 1) the role and focus of Fund interventions and their relationship to other instruments is defined and strategically anchored within a broader integrated approach (see conclusion 1 above); and 2) there are clear criteria guiding the use of unallocated funding in regional/country programmes.

**Recommendation 9:** To ensure adequate flexibility in the use of PSF funding, the Evaluation recommends that the IMSC ensure the proportion of unallocated funds within regional/country programmes is 25-30%. This is in line with the overall proportion of the Fund originally not allocated to regional programmes (28%).

**Recommendation 10:** The Evaluation also recommends that the IMSC ensure that the 2014 Fund Guidelines are amended to include the following key criteria for programming unallocated funding in regional/country programmes in order to maximise opportunities for both strategic relevance and impact.

The first three criteria should be required for all engagements using unallocated funding in regional/country programmes:

- New engagements using unallocated funding in regional/country programmes should be demonstrably coherent with broader strategic frameworks, such as the country policy and the PSF programme strategy;
- New engagements using unallocated funding in regional/country programmes should also clearly add value to and be coherent and synergistic with existing interventions, including those that are not funded by the PSF (e.g. APP, development funding, other donor engagements) and where the PSF clearly has a comparative advantage (see PSF comparative advantage in the following conclusion); and
- New engagements using unallocated funding in regional/country programmes should be assessed from the perspective of the availability of human resources at headquarters and embassies to effectively manage and monitor them.

In addition to these three pre-requisites, interventions should also fulfil one or more of the following criteria:

- New engagements using unallocated funding in regional/country programmes should have a potential catalytic or coordinating effect in terms of broader donor engagement;
- They should give Denmark a seat at the table and give it a voice in the broader political and policy dialogue; and/or
- They should respond to clear windows of opportunity or need in terms of the evolving context where the PSF has a comparative advantage to engage.

### 5.6 Ensuring that the Fund's comparative advantage is adequately reflected in programming

**The Evaluation conclude that while the PSF displays a range of features that support its effectiveness and efficiency as a stabilisation funding mechanism in the context of an integrated approach, only five can be identified as a comparative advantage of the fund, vis-à-vis other funding channels.**

There is considerable evidence that the PSF is flexible, has a high tolerance for risk, supports rapid response and focuses on the grey zone between security and development. Since there is evidence that, in some circumstances, Danida funding also displays these characteristics these features cannot be defined as a clear comparative advantages of the Fund. Rather, the features of the PSF that distinguish it from other Danish funding channels are:

- Its capacity to fund projects that are not classed as ODA or to combine ODA and non-ODA funding, making it particularly well suited to working at the nexus of security and development;
- Its facilitation of agency to agency approaches;
- Its ability to mobilise a range of Danish instruments, capacities and perspectives across different parts of government;

- Its preference to work at a regional level;
- The availability of unprogrammed funding facilitating an ability to respond to windows of opportunity or emerging issues in high risk and politically sensitive areas.

**Recommendation 11:** In order to ensure that the Fund's comparative advantage is adequately reflected in programming, the Evaluation recommends that the IMSC ensure that these comparative advantages are articulated in the 2014 Fund Guidelines so that they are understood by key Fund stakeholders and reflected alongside the specific principles (Section 2.1 of the Guidelines) in programming, including when considering the Fund's relationship to other funding sources and suitability for use within any given context. In addition, subsequent PSF reviews or reviews of sister funds could examine overlap, synergy and comparative advantage. The IMSC should play a role in monitoring these factors.

### 5.7 Strengthening the management of the Fund to further enhance the effective and efficient use of PSF resources

**The Evaluation concludes that over the past three years Denmark has learned a number of important lessons and deployed various strategies with the aim of making the Fund more effective and efficient, and to help secure impact. However, there are five areas that still require attention if the efficiency and effectiveness of the Fund as an instrument to support integrated approaches to stabilisation are to be maximised: 1) monitoring and evaluation; 2) choice and oversight of implementing partners; 3) piloting; and 4) timeframe for PSF programming processes;**

Efforts are underway to make the fund more strategic and effective through developing results frameworks at the programme level and articulating theories of change. There is also an understanding of the importance of focusing the Fund on countries where Denmark has a presence, including from the perspective of risk management, oversight and instrument coherence. The 2014 Fund Guidelines have created greater clarity over roles, responsibilities and decision making procedures which allow for sufficient flexibility and are fit for purpose. The current arrangement whereby the PSF guidelines signpost and recommend reference to the Danida guidelines is useful and should be maintained. The Danida guidelines should not supercede the PSF guidelines in order to maintain maximum flexibility for the PSF.

As a small fund the PSF has leveraged impact in a number of ways:

- By engaging with other donors in areas supported by the Fund in order to shape broader international engagement and encourage coordination and coherence of efforts;
- By using the PSF to finance small interventions that are subsequently supported by others in areas where there is a Danish niche; and
- Through using funding to support broader political objectives and to get a 'seat at the table' in order to influence decisions on stabilisation agendas.

The ability to reflect on overall performance and apply lessons in relation to the functioning of the Fund is one of the strengths of the PSF. The Evaluation believes that attention to the following four issues will further enhance the efficiency and effectiveness of the PSF and bring a greater return on investment to the Danish government.

### **Monitoring and evaluation**

*The Evaluation concludes that monitoring and evaluation within the Fund is weak. It is limited to the level of individual engagements or interventions and focuses on outputs rather than outcomes.*

This approach does not allow for managers to adequately understand progress of groups of engagements against higher level thematic programme objectives, whether interventions are leading to change in the direction intended, or to identify when or where adjustments to the approach need to be made.

**Recommendation 12:** The Evaluation recommends that the IMSC ensure that an M&E system is developed and implemented by each PSF programme, under the direction of the responsible unit at headquarters (e.g. Regional Department) that:

- Systematically captures engagement outcomes through information provided by implementing partners, supplemented if necessary, by external evaluations depending on the size of the engagement;
- Uses ToC approach to help identify intermediate objectives ('enabling conditions') between engagement outputs and higher-level goals (strategic or component objectives);
- Tracks the contribution of engagements against intermediate and thematic component objectives, including through using additional monitoring information captured by Programme Managers;
- Directly feeds monitoring information into decision making regarding programme adjustments including being part of the reporting requirements stated within the 2014 Fund Guidelines;
- Ensures that adequate resources are allocated to M&E across the PSF portfolio (a rule of thumb among donors is 3% of the value of the total portfolio; larger engagements/programmes may require more and smaller ones less); and
- Provides guidance on remote monitoring in environments where security considerations do not enable those responsible for overseeing PSF engagements to travel.

**Recommendation 13:** The Evaluation recommends that the IMSC ensure that the 2014 Fund Guidelines are revised to require (rather than recommend) that Danida guidelines for country programmes should be consulted for developing results and risk frameworks when formulating programmes.



**Choice and oversight of implementing partners**

*The Evaluation concludes that the PSF tends to underestimate the degree of partner oversight required to ensure effective and efficient interventions, particularly with regard to multilateral implementers.*

Choice, scrutiny, monitoring and oversight of implementing partners requires strengthening if there is to be sufficient understanding of their efficiency, effectiveness and ability to facilitate integrated working.

There are various types of partners and implementing modalities used by the Fund (e.g. programmes and trust funds run by multilateral organisations such as the UN, multi-partner funds, agency to agency arrangements and advisors, contractors or NGOs). Each will bring different strengths and weaknesses depending on the context and objectives. Different mechanisms allow different degrees of strategic direction and the ability to accompany resources with other Danish instruments. Agency to agency engagements, for example, allow a high degree of Danish direction. Supporting a large multilateral programme may blunt the potential for influence and accompanying support with political engagement. Some mechanisms are more amenable to supporting coordination and integration within the overall partner effort such as those that have steering committees with donor representation or joint programmes with other donors.

The Evaluation understands that there are differences of opinion within the Danish government about the advisability and utility of deploying advisors to support projects. The experience of the PSF to date suggests to the Evaluation that there can be great utility in providing advisors in certain circumstances. However, the Evaluation would just point out that not only is it important to assess whether agency to agency support is the most effective means of reaching Danish stabilisation objectives, it is also essential when deploying advisors to consider the specific competencies and aptitudes of those individuals in relation to the task in hand.

**Recommendation 14:** The Evaluation recommends that the IMSC ensure that the 2014 PSF Guidelines are revised to include the following good practices followed by PSF programme managers in the Horn of Africa for identifying and managing partners or implementing mechanisms (such as UNSOA or the ANA Trust Fund):

- **Map the strengths and weaknesses of available partners or mechanisms in terms of achieving PSF objectives, including integrated working.** Does the potential partner have the appropriate capacity to achieve implement the activity and achieve the desired objective? Is Denmark able to exert strategic direction over the activities funded through the PSF?
- **Review the efficiency and effectiveness of the partner or mechanism (e.g. by looking at recent evaluations, drawing on the perspectives of other donors).** This involves understanding both the partner's track record and importantly the current status of the partner's capacity (i.e. track record isn't everything).
- **Consider the transparency of the partner in terms of ability to monitor and report on progress.** Is the implementing partner willing to provide regular reporting? Is there a steering group that can provide a voice for donors? Does the implementing partner commission external evaluations?

- **Recognise the extent of oversight that may be required, particularly for multi-lateral implementers.** There is strong evidence that multilateral implementers can require considerable oversight to ensure efficient and effective use of PSF funding. It is important to factor that need into the choice of implementing partner.
- **Monitor partner performance.** Methods of monitoring the performance of implementing partners includes obtaining information from partners in a way that can support overall component and programme monitoring, regularly checking up on progress, and applying pressure to ensure that partners are on track and doing what they are supposed to be doing.

### **Piloting**

*The Evaluation concludes that efforts to exploit opportunities to build on the success of smaller 'pilot' type initiatives are not undertaken systematically.*

PSF stakeholders frequently speak about conducting pilot programmes but it is often unclear whether such engagements are consciously developed and implemented as true pilots, for example by identifying partners to take programmes to scale and by identifying and disseminating lessons and evidence of effectiveness. In some cases, engagements described as pilots were developed after another donor had decided to develop a programme in the same area but prior to that donor engaging in programming. In those cases, the PSF funded engagement reportedly provided lessons for the larger programme, but it was unclear whether this was part of the original intent.

**Recommendation 15:** The Evaluation recommends that the IMSC ensure that the 2014 PSF Guidelines include guidance on how to make the 'seed funding approach' an explicit funding model. This could, for example, include: systematic approaches to identifying partners to take the programme to scale, collecting evidence around effectiveness and identifying and disseminating lessons.

### **Timeframe for PSF programming processes**

*The speed of the programming processes for the new regional programmes militates against the development of strong foundations of effective integrated peace and stabilisation efforts.*

Squeezing programme development into a six month period reduces the time available for context analysis, discussions aimed at forging coherence with other instruments, and scrutiny of partners. Without adequate preparation, PSF programming risks being based on retro-fitted contextual analyses and weak results frameworks, as well as missing opportunities for synergies with related programmes.)

**Recommendation 16:** The Evaluation recommends that the IMSC ensure the procedure (process action plan) for programming the regional/country programmes provides adequate time for context assessments to be undertaken, theories of change elaborated and appropriate partners to be identified.

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## Annex A: Terms of Reference

### Evaluation of the Danish Peace and Stabilisation Fund

#### Background

The Danish Peace and Stabilisation Fund is a funding mechanism for stabilisation and conflict prevention. It is based on an integrated approach to stabilisation as laid out in the strategies “Peace and Stabilisation, Denmark’s Policy towards Fragile States” and “Denmark’s Integrated Stabilisation Engagement in Fragile and Conflict-affected Areas of the World”. The Fund finances multilateral and bilateral initiatives that support stabilisation, reconstruction and capacity building at the nexus between security and development. Stabilisation activities financed through the Fund can take place at the regional, national or sub-national level and may include capacity building of armed forces, justice and security sector reform, and activities to prevent conflict and address drivers of fragility such as transnational crime and terrorism.

The Peace and Stabilisation Fund was established under Danish Defence Agreement for 2010-14 and replenished with the subsequent Defence Agreement for 2013-17 (initially termed the “Global Frame”). Between 2010 and 2014, the Fund amounts to about DKK 930 million of which half is development assistance (§06.32.08.80 DAC), while the other half consists of non-DAC resources from the Ministry of Defence (§12.21.01.50 non-DAC) and the Ministry of Foreign Affairs (§06.11.15.40 non-DAC). In order to ensure a coordinated usage of the Fund, a Steering Committee, which is an inter-ministerial coordination body with the participation of the Danish Prime Minister’s Office, Ministry of Foreign Affairs (MFA, Ministry of Defence (MoD) and Ministry of Justice, has been established (IMSC). The MFA and the MoD provides the funding, are the main drivers of the Committee, and the Chairmanship alternates between the two. Even though the Fund is operating under a joint inter-ministerial policies, it is imperative to bear in mind that each of the ministries at the same time operates under their distinct mandates, objectives, rules and paradigms: Foreign Service (promoting national Danish foreign and development policy interests abroad including poverty reduction and human rights), and the Ministry of Defence (promoting Danish national security interests:

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#### The Peace and Stabilisation Fund: Financial Composition (in DKK million)

	2010*	2011**	2012**	2013***	2014***	Total
§ 06.11.15.40	20	20	20.3	21.2	21.2	102.7
§ 06.32.08.80	65	165	35	150	90	505
§ 12.20.01.50	65	65	66.1	68.8	68.8	333.7
Total	150	250	121.4	240	180	941.4

Figures based on Finance Act

\*2010 PL; \*\*2012 PL; \*\*\*2013 PL

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While short-term stabilisation requires flexible and rapid responses, structural conflict prevention requires long-term capacity building and predictability. Accordingly, the Fund consists of comprehensive regional programmes as well as a rapid response finance window for immediate stabilisation initiatives. In terms of regional programmes, the Fund focuses on the Afghanistan-Pakistan region; East Africa/Horn of Africa; and the Sahel region. Funding for the first two programmes between 2011 and 2014 has been DKK 185 million and DKK 215 million<sup>42</sup> respectively, while the Sahel programme receives DKK 125 million between 2013 and 2017. Initially, Eastern and South Eastern Europe (the Balkans) was included as one of the programme regions but the Europe Programme is now being scaled down.<sup>43</sup> Additionally, more narrow, one-country stabilisation initiatives of strategic significance have also been launched in other regions, such as the Middle East and Northern Africa. In this respect, resources have been allocated for activities in Syria, Libya and South Sudan (DKK 60 million, DKK 20 million and DKK 25 million respectively).

The Fund forms part of the Danish government's 'New Security Policy' that was launched in November 2011. Its focus is on strengthening Denmark's contribution to international peace and security through integrated efforts to assist in the stabilisation of fragile states as a precondition for reconstruction and development as well as an essential foundation for democracy and human rights. The Fund allows for a strategic approach whereby Danish foreign and security policy interests and priorities can be considered when deciding on the allocation of resources. The Fund also supports the implementation of the strategic priority of stability and protection as set out in the development Strategy "A right to a Better Life" from May 2012 where the government commits to strengthening the Danish engagement in fragile and conflict affected areas.

The Danish engagements in support of fragile and conflict affected countries and areas are based on an integrated approach as stated above. Funding comes not only from the PSF, but from a wide range of budget lines; the development budget (country budgets, regional budgets, humanitarian assistance budget), and the military budget. A range of tools are available or being developed to ensure coherence and complementarity among policies and the various funding channels through e.g. country programming, and task forces for implementation. The largest and longest lasting engagement based on an integrated approach is the Danish engagement in Afghanistan which is funded by a string of funding sources (development, humanitarian, military) where the PSF provides only a minor part of the funding. The same is true for the Danish engagement in and around Somalia.

In addition to the overall MFA Policies and Strategies mentioned above, the Ministers for Foreign Affairs, Defence and Development have agreed on a range of principles applicable to the Fund in order to avoid overlap and to enhance the efficiency of Danish stabilisation assistance. These include:

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42 Including, support for the Afghan security forces DKK 85 million.

43 The value of the Europe Programme between 2011 and 2014 is DKK 68 million.

- **Integrated approach.**<sup>44</sup> The integrated approach must be mainstreamed in all efforts. The efforts must be seen in context and generate synergy with other Danish and international efforts.
- **Regional focus.** Reflecting the fact that regional conflict and fragility “clusters” occur as the result of interlinked processes with local causes and trans-national connections.
- **Risks.** The Fund can be used for risk prone activities where the possible gains of the intervention outweigh the risk of the activities not reaching their intended outcomes.
- **Flexibility.** The projects funded by the Fund must be designed in a way to ensure maximum flexibility to allow for adaptation to a deteriorating security situation etc.
- **Programmatic approach.** The majority of the funds are used for larger, programmed activities in Danish partner countries. Significant funds are reserved for smaller, targeted interventions, in accordance with responses to emerging situations and political priorities.
- **Ensure complementarity and avoid duplication.** The Fund shall avoid financing activities that can be funded by other Danish instruments, unless very specific reasons exist. On the other hand it is paramount that complementarity and synergies between PSF and other diplomatic and development initiatives are pursued.
- In addition, Danish **strategic interests** and relevance are important considerations when deciding on a stabilisation activity. In other words, activities should add value from a Danish perspective.

Finally, international cooperation in fragile countries is seen as paramount to an effective intervention. Denmark is committed to The New Deal for the Engagement in Fragile States, and hence works to promote joint efforts for peace, stability and development in these states that are more effective and build on local ownership.

## Evaluation purpose

The purpose of the evaluation is first and foremost to provide learning for the up-coming and expanded phase of the PSF from 2015 to 2017, in particular with a view to the overall strategic relevance, coherence and functioning of the PSF.

The evaluation will also document what has worked well and less well in the achievement of the results using both quantitative and qualitative data.

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<sup>44</sup> The term “integrated approach” concerns the way that relevant partners work on the basis of a shared analysis of a given challenge and subsequently assess which instruments are most expedient in order to attain agreed targets. It contributes to optimising the effect of diplomatic efforts, development assistance, and military tools.

### Scope of work

#### **Evaluation focus and countries**

The Evaluation will focus on the strategic and programme levels of the Fund in particular the programmes for the Wider Horn of Africa and the Afghanistan/Pakistan. It will draw upon reviews undertaken in 2013 of the regional programmes. The Evaluation will, however, also cover smaller interventions funded outside these programmes in Burkina Faso, Libya, South Sudan and Syria as well as support for multilateral initiatives. Field work will be undertaken in relation to the Horn of Africa programme, including activities in Ethiopia, Kenya, and Somalia. The Evaluation Team will also examine the Afghanistan-Pakistan programme as this is a large and central intervention. Tenderers will outline an approach to this in their proposals.

The Evaluation should draw upon experiences with integrated approaches funded by other sources than the PSF, in particular the intervention in Afghanistan, Libya and the policies on Piracy.

As well as assessing the Fund's results and effectiveness of its management set up, the Evaluation should ensure that it draws out lessons learned and experience that can improve the Fund's performance in the future.

#### **Evaluation Period**

The Evaluation will cover appropriations made under the Fund between 2010 and 2013.

#### **Evaluation questions and evaluation criteria**

The overall evaluation questions to be answered by this Evaluation are the following:

- With regard to relevance, have the interventions supported been relevant to the wider strategic priorities in Danish policies and the situations on the ground and has the intervention logic underpinning the Fund's interventions been sufficiently clear, realistic and robust?
- With regard to efficiency and effectiveness, what are the comparative advantages of the Fund vis-à-vis other funding channels in addressing stabilisation through integrated approaches in conflict affected areas and what lessons are there related to synergies and coherence with other Danish funding channels?
- With regard to coherence, what has been the Fund's success in combining and optimizing diplomatic, defence, and development instruments into integrated approaches to stabilisation and conflict prevention?
- With regard to results, and given the size of the Fund, how can the approach be optimised to secure impact?

The Evaluation will apply OECD/DAC's five criteria: relevance, efficiency, effectiveness, impact, and sustainability to answer the key evaluation questions through a number of detailed questions, some of which are listed according to these criteria below. A further evaluation criterion will be coherence. The application of these criteria should be informed by the six central principles of the PSF presented above.

Bidders will expand on the issues raised below (and come with additional points where relevant) in their proposals, which will include a provisional evaluation matrix. The final evaluation matrix will be developed by the Evaluation Team in its inception report.

## Relevance

The relevance of the Fund's objectives in relation to Danish policies and partner countries' policies and contexts should be addressed. This will include, but not be limited to:

- Do the objectives and activities supported by the Fund address the wider strategic priorities in Danish foreign, security and development policies?
- Have the objectives and activities supported by the Fund addressed the challenges and underlying causes of conflict faced by the regions and countries encompassed by the programmes?
- Has there been a sufficiently robust analytical and strategic underpinning for PSF interventions?
- Are interventions and outputs consistent with the objectives of reducing and preventing conflict?
- To what extent has the Fund been used strategically to initiate new (integrated) initiatives?
- To what degree do the programmes reflect the human rights principles, including the role of women in accordance with UN 1325, on which Danish foreign policy is founded?

## Efficiency

The efficiency of the Fund as a mechanism for fast and flexible responses to stabilisation issues in fragile and conflict affected states should be assessed. This will include, but not be limited to:

- To what extent has the integrated approach been applied in the planning and programming processes, and how has the PSF planning and programming processes related to engagements funded by other Danish channels of support?
- Is the management structure conducive to the Fund's overall objectives, including the dimensions of speed and flexibility?
- How has the Fund dealt with the dilemma of effective and context specific programming (often requiring a thorough contextual understanding) while at the same time being able to provide prompt, flexible and quality responses? What are the trade-offs involved here?

- With regard to flexibility, is the capacity at embassies/at the MFA/MoD to adapt programmes as the context changes adequate? How can fast and flexible programming be best facilitated?
- Are financial and programmatic administrative procedures/frameworks regulating the Fund conducive to the nature of stabilisation engagements (given the context)? Is it clear when/how PSF should be used instead of other modalities?
- To what extent has the PSF cooperated with other similar funding channels from other partners and how has this impacted on the efficiency of the fund?

### **Effectiveness**

Effectiveness is assessed at the strategic and programme levels concerning the degree to which the Fund's objectives have been met. This will include, but not be limited to:

- Have PSF programmes employed realistic and useful theories of change or interventions logics? To what extent have these actually underpinned the logic of the programmes?
- How have the constraints (institutional, operational and political) been dealt with by the Fund management?
- To what extents have PSF interventions had sufficient critical mass in relation to their objectives?
- To what extent have regional PSF programmes been able to address regional stability issues through nationally-anchored interventions? Has the focus on regional approaches been the right one?
- How does the Fund address risk and is it more risk willing/adverse than other funding channels? How meaningful has risk management been in practice?

### **Impact and sustainability**

The Evaluation should identify the results of interventions funded to the extent that these are apparent.

It is acknowledged that causal links at outcome and impact level may be difficult to establish and that developments at this level are influenced by numerous factors and may evolve in a non-linear manner over time. Furthermore, it is recognised that it may be premature to expect sustainable impacts from interventions initiated only 2-3 years earlier. The evaluation analysis should take these factors into account, but should nevertheless – where possible – document outcomes and the wider impact of the programme.

The Evaluation should address the dilemmas inherent in stabilisation activities often seen as short-term quick wins and the need to show results in the longer term.



The Evaluation should assess intended and unintended, positive and negative effects of the programme interventions. This should include effects on human rights, including gender.

Based on the analysis undertaken, the Evaluation should provide observations and lessons learned regarding how to optimise and measure results of interventions in the fluid, risk prone and fragile context within the framework of the Fund, also taking into account the intention to increase its overall size in the future. As outlined further below, this element of the Evaluation also involves consideration of Theory of Change issues.

## **Coherence**

The Evaluation should also assess the coherence of the Fund in relation to other support modalities available, other Danish funded programmes, and the overall partner effort in the areas concerned. This will include but not be limited to:

- How has the integrated approach affected programming and implementation of programmes? What has been the value added compared to a situation where each of the ministries had carried out their tasks in accordance with their mandates?
- What advantage has been taken of the ability to draw from ODA and non-ODA funding? How has this been applied and to what extent has it affected the choice of interventions?
- Has coherence with other instruments been actively pursued with a view to increasing the critical mass of interventions and thus optimising results?
- How does the choice of channels and source of funding impact on the human resource input? Has appropriate use been made of available human resources (locally and at the MFA in Copenhagen)?
- How has the cooperation with partners and stakeholders unfolded? Consider the possible advantages/disadvantages of such cooperation that have been experienced.

## **International experience**

As part of the Evaluation, the evaluators will be asked to assess the Danish Peace and Stabilisation Fund compared to similar funds in like-minded countries with a view to learning from their experiences, including possibly the UK and Netherlands. The Evaluation Department will help facilitate contacts as required.

## **Approach and Methodology**

The Evaluation will be carried out in accordance with the Danida Evaluation Guidelines (January 2012) and the OECD/DAC Evaluation Quality Standards (2010). The Evaluation must be based on a sound methodology. The Evaluation design must be methodologically rigorous and credible when judging both the internal and external validity of the results.

Bidders are free to propose the most appropriate designs for responding to the evaluation questions indicated above.

This section provides some initial thinking on the approach and methodology which will need to be further developed by bidders in their technical proposals and, following contract award, in the inception report through concrete and practical solutions.

The Evaluation is expected to proceed in **three phases**:

- Inception phase – in which key stakeholders will be identified, initial data collection will take place, the methodology and evaluation matrix will be refined (based on the outline included in the proposal), working hypotheses developed, and a detailed process action plan presented. This phase will include an initial stakeholder workshop and dialogue with key stakeholders in Copenhagen. The IMSC secretariat will ensure that all relevant documentation is made available to the Evaluation Team. The inception phase will result in an inception report that will be presented in draft and final versions.
- Implementation phase – during which the way forward outlined in the inception report will be pursued. This will mainly involve data collection and its analysis. The Evaluation Team will undertake a field mission to the Horn of Africa Region (Kenya and Ethiopia) with the specific focus on the Horn of Africa Programme. The Afghanistan/Pakistan programme, will be covered by remote consultation with relevant stakeholders in Kabul and Islamabad, as well as relevant stakeholders in Denmark.
- Reporting phase – during which the evaluation team will develop its findings and present them in a draft and final evaluation report. Early in this phase, the team will facilitate a final stakeholder workshop at which preliminary findings will be discussed. As outlined below, this workshop will be held back-to-back with a separate workshop on Theory of Change for staff engaged with the management, design, programming and implementation as an input into the programming of the next phases.
- Final open seminar for stakeholders in Copenhagen where findings and conclusions are presented.

Tenderers are expected to expand on the above outline in their proposals.

The evaluation will primarily utilise **qualitative** methods drawing from the following:

- Desk study of relevant programme documentation, including all programme documents, reporting etc. as well as project documentation for strategic interventions funded outside the programmes
- Stakeholder consultation in Denmark and internationally drawing from the evaluation questions as set out in the agreed evaluation matrix.
- Consultation of secondary sources, including evaluations/reviews, guidance/good practice and other learning sources related to stabilisation/fragile and conflict affected states.

- Analysis of data collected. This will be in accordance with the DAC evaluation criteria and the evaluation questions outlined above and in the evaluation matrix (a first draft of which is to be presented in the tender). The analysis will also take into account theory of change issues (see below).
- Development of key findings arising from the analysis.
- Presentation of the evaluation findings and recommendations.

In order to support the Evaluation, the MFA EVAL with the support from the Inter-ministerial steering committee will provide the Evaluation Team with relevant **qualitative and quantitative** data, including a mapping of interventions supported by the Fund, budgets and disbursements etc. the Evaluation Team will incorporate this data into the evaluation process and reflect an analysis of it in the evaluation findings.

The quantitative analysis will include:

- A brief mapping and typology of interventions supported (to be proposed by the Evaluation team in the Inception Report, see below).
- An overview of budgets and disbursements according to a typology of interventions. This should be divided according to funding source (i.e. ODA/non-ODA) and modality (i.e. bilateral, joint, trust fund etc.).
- Findings relating to the approach taken by Fund, disbursement rates etc.

**Theory of Change** has not been specifically addressed in the Fund so far. Recent reviews have noted that this is not adequate and have suggested that a more explicit approach to Theory of Change needs to be integrated into the early phases of programme design so that there is a closer relationship between intended stabilisation results and the means available to achieve them. The Evaluation Team should, therefore, assess the interventions currently funded from this perspective and consider the steps that could be taken to utilise a practical and realistic approach to this in the future.

In addition to the Evaluation Team's reflections on this in its reporting, the MFA would like the team to participate in a separate workshop on Theory of Change that will be held back-to-back with a stakeholder workshop towards the end of the Evaluation. The MFA will make the arrangements for this workshop, including contracting an expert facilitator. The audience for the workshop is expected to include officials from the MFA, MoD/ Danish Defence Command, and possibly the Prime Minister's office and Ministry of Justice as well as a limited number of other practitioners. Tenderers should allow one day in their proposals for participation in this event.

To engage other key stake holders primarily in Denmark it is foreseen that the contract with the evaluators will encompass two **stakeholder workshops** in Copenhagen: One at the start of the Evaluation to get inputs and views and one at the end of the evaluation to discuss findings and conclusions. The financing of the workshops will be managed outside the evaluation budget.

### Documentation

All available programme documentation will be made accessible to the Evaluation Team, including:

- Policies and policy relevant documentation.
- Material related to the Inter-ministerial working group – agendas and résumés.
- Programme documents and project documents.
- Appraisal reports.
- Progress reports.
- Review reports, assessments etc.
- Guidelines, manuals, and other tools related to the PSF.
- Annual Reports for PSF programmes, prepared by embassies/partners.

### Outputs and milestones

#### Outputs

An **inception report** in draft and final version (not exceeding 20 pages excluding annexes) including:

- Preliminary findings from the desk review in so far as they affect the focus and approach of the Evaluation.
- Overview of PSF project portfolio using a typology of projects based on the desk analysis.
- An evaluation matrix.
- A detailed methodology, including sampling strategy plan for the case studies.
- A detailed work plan and a strategy for addressing outstanding issues through desk studies, interviews, focus group discussions, and follow-up field work in selected countries.
- A suggested outline of the evaluation report.

The draft inception report should be submitted to EVAL and the Evaluation Reference Group for comments, based on which a final version will be prepared for approval by EVAL.

Short (5-7 pages) **debriefing notes** from each field visit is to be discussed with the relevant Danish embassy and partners in the country and with EVAL.

An **evaluation report** in draft and in final version according to the agreed outline not exceeding 50 pages excluding annexes and with cover photo proposals.

The evaluation report must include an executive summary of maximum eight pages, introduction and background, presentation and justification of the methodology applied, findings, conclusions and recommendations. The evaluation report should follow Danida Layout Guidelines and will be made publicly available together with the management response.

### Milestones

Medio February	Selection of independent consultant team after external bidding process
March	Desk study based on available documentation.
End March	First stakeholder meeting
April	Inception Report
May	Field work
Mid May	Theory of Change Workshop and Second stakeholder meeting (back to back)
Mid June	First draft of report and process of verification and validation
Ultimo June	Final draft of report – to be presented to the IMSC
August	Management response agreed in the IMSC Publication
September	Seminar to discuss conclusions and ways forward based on the Evaluation

### Organisation of the Evaluation

Management of the Evaluation will follow the Danida Evaluation Guidelines (2012) and OECD/DAC quality standards (2010). There are three sets of roles in the evaluation process:

- The Evaluation Management
- The Evaluation Team (Consultant), and
- The Evaluation Reference Group

### Role of the Evaluation Management

The Evaluation will be supervised and managed by the Evaluation Department (EVAL) in the Danish Ministry of Foreign Affairs. The tasks of the Evaluation Management are to:

- Select the Evaluation Team based on received tenders.
- Coordinate with all relevant evaluation stakeholders.

- Ensure that quality control is carried out throughout the evaluation process. In so doing, EVAL may make use of external peer reviewers.
- Provide feedback to the Evaluation Team. Comment on draft versions of the inception report, work plan, progress reports and the evaluation report. Approve final reports.
- Organise and chair meetings of the Evaluation Reference Group.
- Facilitate and participate in evaluation workshops,
- Organise presentation of evaluation results and follow-up on the Evaluation to internal MFA management and the IMSC.
- Advise relevant stakeholders on matters related to the Evaluation (reference is made to the Codes of Conduct, which form part of the Danida Evaluation Guidelines, and which can be found at <http://evaluation.um.dk>).

### **Role of the Evaluation Team (the Consultant)**

The DAC evaluation principles of independence of the Evaluation Team will be applied. The Evaluation Team will carry out the Evaluation based on a contract between MFA and the selected company/institution. The Evaluation Team will:

- Prepare and carry out the Evaluation according to the ToR, the approved Inception Report, the DAC Evaluation Quality Standards and the Danida Evaluation Guidelines.
- Be responsible to the Evaluation Management for the findings, conclusions and recommendations of the Evaluation. To the extent that the team needs access to restricted information, the team is responsible for handling such information with appropriate care.
- Ensure that quality assurance is carried out and documented throughout the evaluation process according to the Consultant's own Quality Assurance Plan as described in the proposal.
- Report to the Evaluation Management regularly about progress of the Evaluation.
- Organise and coordinate meetings and field visits, and other key events, including debriefing session and/or validation workshops with partners in the field visit countries.
- The Team Leader is responsible for the team's reporting, proper quality assurance, and for the organisation of the work of the team. The Team Leader will participate in the Evaluation Reference Groups' meetings and other meetings as required.

Suggestions provided by the Evaluation Team in the inception report and work plan will be addressed by members of the Evaluation Reference Group and the Evaluation Management prior to the initiation of the analysis and implementing fieldwork.

## Role of the Evaluation Reference Group

An Evaluation Reference Group (ERG) will be established and chaired by EVAL. The mandate of the ERG is to provide advisory support and inputs to the Evaluation, e.g. through comments to draft reports.

The members of the ERG include:

- Representatives from relevant departments in MFA and MOD at HQ level forming a core group, that will be kept regularly informed of progress.
- Representatives of embassies in Kenya as well as Afghanistan and Pakistan.
- Researchers or other resource persons from Denmark and international community.

The tasks of the ERG are to:

- Comment on the draft inception report, and draft evaluation report with a view to ensure that the Evaluation is based on factual knowledge about the PSF programmes and how they have been implemented.
- Support the implementation, dissemination and follow up on the agreed evaluation recommendations.

Other key stakeholders from the military establishment and country departments, research, civil society etc. will be consulted at strategic points in time of the Evaluation through participation in stakeholder meetings, and if the evaluation team chooses to do so through interviews. The evaluation management will organise stakeholder meetings in cooperation with the ERG core group.

The ERG will work through e-mail communication and video-conferencing mainly. Meetings will be held to discuss the draft inception report and the draft evaluation report. Members of the reference group who are not based in Copenhagen may participate through video link or by forwarding written comments in connection with the meetings.

## Composition and Qualification of the Evaluation Team

### **Team Composition and qualifications**

Team composition will be evaluated according to relevance and complementarity of the qualifications of the team.

The Evaluation Team must contain substantial experience in evaluation of stabilisation activities in fragile and conflict affected states and contain development as well as military expertise. The team members must have knowledge of integrated approaches. The ideal team combines a high level of evaluation experience with experience from stabilisation in fragile contexts.

Strong methodological and analytical skills are required, and the tender should explain the specific experience of the suggested team with evaluation work and the specific methods applied. Experience with and ability to assess programme management, results monitoring and reporting is required. The team should include expertise with the design and evaluation of theories of change as this is expected to be a distinct aspect of the Evaluation.

The team must have access to a person that reads Danish, as a considerable part of the documentation is available in Danish only.

The Evaluation Team is expected to consist of two (possibly three) core members: The core members will have international experience and be involved in all aspects of the Evaluation. The Tenderer may decide to include personnel for additional functions, e.g. research assistants, regional consultants. If so, they will not be assessed on an individual basis but as part of the overall team composition and backup.

The team leader and team member(s) are expected to complement each other so that the specific profile of the proposed team leader will have implications for the team members (and vice-versa). All suggested profiles will be assessed with a view to the role, competences and tasks they are suggested to cover in the team. If a team of more persons is suggested, the reasons for this and the role of the different team members must be clarified as part of the suggestion. A gender balanced team is preferable.

The Tender should clearly state who of the proposed team members covers which qualification criteria. The team must contain experience with all methodologies and tools suggested in the tender.

The organisation of the team's work is the responsibility of the consultant and should be specified and explained clearly in the tender. It is expected that the team leader is closely involved in the elaboration of the tender, and this should be indicated in the technical offer.

More specifically, the Evaluation Team should cover the following competencies:

### **Qualifications of the Team Leader:**

The Team Leader should have an international background/experience with stabilisation and strong analytical, writing and presentation skills. The Team Leader is responsible for the team's reporting to and communication with Danida EVAL, and for the organisation of the work of the team. The Team Leader will participate in meetings with EVAL as well as with the Reference Groups or Stakeholder workshops, as requested by EVAL.

General qualification:

- Relevant, higher academic degree or equivalent senior professional experience.
- Substantial evaluation experience, including as team leader, related to fragile and conflict affected states, including integrated approaches.
- Experience as team leader for multi-disciplinary teams.



Adequacy for the assignment:

- Proven capacity to lead, plan and report similar kinds of complex evaluations.
- Extensive experience in evaluation of activities at programme and strategy or country level (three or more references) in fragile and conflict affected states.
- Extensive knowledge on and experience from establishing evaluation approaches and application of evaluation methods, in particular theory based evaluations, contribution analysis, and mixed methods evaluation.
- Substantial experience with collecting, systematizing, analysing and reporting large amounts of different types of data.
- Excellent written and spoken English.

**Qualification of the expert(s):**

The experts will be expected to complement the team leader, for example by offering particular and relevant experience from working in fragile and conflict affected areas and thematic experience.

General qualification:

- Relevant academic degree.
- Experience with stabilisation and development/military issues, preferably from working in one or several fragile and conflict affected states.
- Substantial evaluation experience.

Adequacy for the assignment:

- Experience as team member on multi-disciplinary teams.
- Relevant thematic experience (e.g. state-building, peace building, peace keeping, military, security sector, countering violent extremism, governance etc.).
- Excellent written and spoken English.

**Eligibility**

The DAC evaluation principles of independence of the Evaluation Team will be applied. In situations where conflict of interest occurs, candidates may be excluded from participation, if their participation may question the independence and impartiality of the Evaluation. Any firm or individual consultant that has participated in the preparation or implementation of support funded by the Fund may be excluded from participation in the tender.

Tenderers are obliged to carefully consider issues of eligibility for individual consultants and inform the Client of any potential issues relating to a possible conflict of interest (cf. Danida Evaluation Guidelines).

### **Inputs**

The total budget for the consultancy services is a maximum of DKK 900,000. This includes all fees and reimbursable required for the implementation of the contract (but excluding the costs of the stakeholder meeting, the ToC workshop and the seminar in Denmark, which will be financed separately).

EVAL will cover the expenditures of printing of the final evaluation report, Danish and English Summaries and any additional dissemination activities as and if agreed upon.

### **Requirements of home office support**

The Evaluation Team's home office shall provide the following, to be covered by the Consultants fees:

- General home office administration and professional back-up.
- Quality assurance (QA) of the consultancy services in accordance with the Evaluation Team quality management and quality assurance system, as described in the Tender. Draft reports will also be subject to QA prior to the submission of such reports.
- Implementation of the business integrity management plan, as described in the Consultants application for qualification, in relation to the present Evaluation. This implementation shall be specified.

The Tenders shall comprise a detailed description of the proposed QA, in order to document that the Tenderer has fully internalised how to implement the QA and in order to enable a subsequent verification that the QA has actually been carried out as agreed.

The Tenderer should select a QA Team, envisaged to consist of one person not directly involved in the Evaluation. The person's CV should be included in the Tender. The QA person should have similar competence and professional experience as the Evaluation Team.



ISBN print: 978-87-7087-860-9  
ISBN html: 978-87-7087-862-3  
ISBN pdf: 978-87-7087-861-6