REVIEW

Ministry for Foreign Affairs of Finland

DIGITAL AND DEVELOPMENT - REVIEW OF EFFORTS OF FINLAND'S DEVELOPMENT POLICY AND COOPERATION IN ACCELERATING INCLUSIVE DIGITALISATION

Evaluation on Finland's Development Policy and Cooperation

2025/3

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DIGITAL AND DEVELOPMENT

Review of efforts of Finland's development policy and cooperation in accelerating inclusive digitalisation

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Acronyms and Abbreviations

ADB	Asian Development Bank
ADGT	African Digital and Green Transition
ADF	African Development Fund
AI	Artificial Intelligence
CSO	Civil Society Organization
D4D	Digital for Development
DDP	Digital Development Partnership
DE4A	Digital Economy for Africa
DFI	Development Finance Institution
DHIS2	District Health Information Software 2
DPC	Development Policy Committee
DPI	Digital Public Infrastructure
DVV	Digital and Population Data Services Agency
EBRD	European Bank for Reconstruction and Development
EGA	e-Governance Academy
EFSD+	European Fund for Sustainable Development Plus
ESG	Environmental, Social, and Governance
ESTDEV	Estonian Centre for International Development
FCA	Finn Church Aid
FCDO	Foreign, Commonwealth & Development Office
FDGT	Finnish Digital and Green Transition
FINGO	Finnish Development NGOs
FMI	Finnish Meteorological Institute
FLC	Fund for Local Cooperation
GovLearn	Government Learning Platform
GovSpecs	Government Specifications
GovStack	Government Stack
GovTest	Government Test Environment
GSMA	Global System for Mobile Communications Association
HAUS	HAUS Finnish Institute of Public Management Ltd.
HEI-ICI	Higher Education Institutions Institutional Cooperation Instrument
HEP	Higher Education Programme
HIPCA	High Impact Partnership on Climate Action
ICI	Institutional Cooperation Instrument
IFC	International Finance Corporation
IFAD	International Fund for Agricultural Development
InfoDev	Information for Development Program
INGO	International Non-Governmental Organization
ITU	International Telecommunication Union
MFA	Ministry for Foreign Affairs
MOSIP	Modular Open-Source Identity Platform
NDF	Nordic Development Fund
NESA	National Emergency Supply Agency
ODA	Official Development Assistance
PIF	Public Sector Investment Facility

PSI	Private Sector Instruments
REILA	Responsible and Innovative Land Administration
RQ	Review Question
SDG	Sustainable Development Goal
SSC	Strategic Sector Cooperation
TEI	Team Europe Initiatives
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNSG	United Nations Secretary-General
USAID	United States Agency for International Development
VERO	Finnish Revenue Authority
WSIS	World Summit on the Information Society
X-Road	Data Interoperability Platform
iVerify	Verification Platform for Misinformation and Hate Speech

Yhteenveto

1. Tarkastelun tarkoitus, tavoitteet ja menetelmät

Arvioinnissa tarkasteltiin Suomen digitalisaatioon liittyvää kehitysyhteistyötä (jatkossa digitaalinen kehitys) ja sen tarkoituksena oli tuottaa tietoa vaihtoehdoista Suomen tulevan digitaalisen kehityksen tuen osalta. Arvioinnissa käsiteltiin kehityspolitiikan saavutuksia sekä Suomen tuen vahvuuksia ja haasteita. Pääpaino oli Suomen kehityspolitiikassa vuodesta 2018 alkaen, josta lähtien tuki alkoi siirtyä kohti monenkeskistä ja EU-yhteistyötä.

Kehityspolitiikka- ja interventioanalyysiin perustuvassa tarkastelussa arvioitiin Suomen merkittävimpiä saavutuksia sekä sitä, miten merkityksellistä ja johdonmukaista tuki on ollut kestävän kehityksen tavoitteiden ja kestävän kehityksen Agenda 2030:n kannalta. Vahvuuksia ja haasteita arvioitiin muun muassa Suomen asiantuntemuksen hyödyntämisessä ja koskien sitä, kuinka tehokkaasti Suomi yhteistyökanavien ja -lähestymistapojen avulla pystyi edistämään kehitysyhteistyön painopisteitä, kuten osallisuutta, innovointia ja yksityisen sektorin sitoutumista sekä vihreää siirtymää.

Arvioinnissa käytettiin laadullisia ja muita liitännäisiä menetelmiä ja se perustui asiakirjojen tarkasteluun, kartoitukseen ja keskeisten tiedonantajien haastatteluihin ja ryhmäkeskusteluihin, vertaismaiden tapaustutkimuksiin ja ennakoinnin menetelmiin. Koska suurin osa Suomen nykyisistä digitaalisen kehityksen interventioista on osa laajempia, kehitteillä olevia tukitoimia, avainhenkilöiden haastattelujen ja ryhmäkeskustelujen avulla kerättiin tietoa tuen tuloksista ja saavutuksista. Kansainvälisiä taloussuhteita ja kehitysyhteistyötä koskevaan vuonna 2024 julkaistuun hallituksen selontekoon (jäljempänä hallituksen selonteko) sisältyvät painopisteet ja toimenpiteet ohjasivat kehityspolitiikka- ja interventioanalyysiä sekä näihin liittyvän politiikan osa-alueiden ohjauksen, välineiden ja kumppanuuksien tarkastelua. Tämä tarkoitti, että erityistä huomiota kiinnitettiin yksityisen sektorin yhteistyövälineisiin, EU:n Global Gateway -ohjelmaan ja monenkeskiseen yhteistyöhön, erityisesti YK:n ja Maailmanpankin kanssa.

2. Yhteenveto vastauksista tarkastelukysymyksiin ja kokemuksesta oppiminen

Suomen digitaalisen kehityspolitiikan relevanssi vuosina 2018–2024 (tarkastelukysymys 2, RQ2)

Suomen tuki digitaaliselle kehitykselle ja sen lisääntynyt huomio verkkoihin, yhteyksiin ja saavutettavuuteen, rahoitukseen, yksityisen sektorin rooliin sekä ihmisoikeuksiin ja sukupuolten tasa-arvoon on merkityksellistä useiden Agenda 2030:n kestävän kehityksen tavoitteiden saavuttamisen kannalta, erityisesti kestävän kehityksen tavoitteen 5 (sukupuolten tasa-arvo), kestävän kehityksen tavoitteen 8 (ihmisarvoinen työ ja talouskasvu) ja kestävän kehityksen tavoitteen 9 (teollisuus, innovaatiot ja infrastruktuuri) osalta. Merkityksellisyyttä havainnollistaa parhaiten tuki YK:n prosesseille,

jotka johtivat Global Digital Compactin hyväksymiseen, mukaan lukien sukupuolten tasa-arvoa koskevat viittaukset, jotka tuotiin mukaan Generation Equality -kampanjan kautta, sekä Suomen vaikuttaminen kehitysyhteistyöhön Maailmanpankissa ja EU:n Global Gatewayssä. Kahdenvälisellä tuella, vaikka se olikin suppeampaa, tuettiin myös osallisuuden ja sukupuolten tasa-arvon kannalta olennaisia maankäyttöön liittyviä oikeuksia.

Suomen digitaalisen kehityspolitiikan johdonmukaisuus (RQ1)

Suomi teki useita toimenpiteitä digitaalisen kehityksen tukensa johdonmukaisuuden parantamiseksi. Näihin kuuluivat vuonna 2024 laadittu hallituksen selonteko, johon sisältyy laajaraaminen strategia, ulkoministeriön organisaation sisäisen koordinaation kehittäminen sekä asiantuntemuksen ja yksityisen sektorin tuen entistä johdonmukaisempi kohdentaminen HAUS-kehittämiskeskukseen ja Finnfundiin. Kaikkien sidosryhmien kanssa ei kuitenkaan käydä säännöllistä vuoropuhelua, eikä Suomella ole digitaalista kehitystä koskevaa yhteistyömekanismia, jolla voitaisiin varmistaa strateginen vuoropuhelu kaikkien sidosryhmien kanssa. Sidosryhmiä, joiden kanssa ei käydä säännöllistä vuoropuhelua, ovat muun muassa kehityspoliittinen toimikunta, kansalaisyhteiskunnan organisaatiot, ministeriöt ja valtion virastot, kunnallisalan organisaatiot ja älykkäiden kaupunkien verkostot, vaikka niillä on asiantuntemusta osallisuudesta, palvelusuunnittelusta ja tulosten tuottamisesta paikallistasolla. Helsingissä sijaitsevat YK:n innovaatiokeskukset, jotka ovat edenneet pilotointivaihetta pidemmälle, tarvitsevat myös strategisempia yhteyksiä ulkoministeriön kanssa. Tämä on erityisen tärkeää YK:n Global Pulsen kannalta, sillä se tarvitsee tukea voidakseen luoda yhteyksiä suomalaiseen sidosryhmäekosysteemiin.

Tulevaisuudessa, Suomen nykyinen laajaraaminen strategia koskien digitaalista kehitystä sekä digitalisaation ja kansainvälisen yhteistyön nopeasti muuttuva toimintaympäristö edellyttävät strategisten painopisteiden ja niiden toteuttamistapojen uudelleenarviointia. Pitkän aikavälin valmiuksien kehittämissuunnitelma ja digimarkkerin käyttöönotto näyttäytyvät välineinä tukea jatkossa ulkoministeriön koordinointia ja tiedolla johtamista. Tarvitaan myös mekanismi, jolla voidaan vahvistaa strategista vuoropuhelua kaikkien digitaalisen kehityksen kannalta merkityksellisten sidosryhmien kanssa, hyödyntää synergiaa ja yhteistyötä sekä hyödyntää kaikkien yhteistyöhön osallistuvien kokemuksia digitalisaatiosta (ml. kokemukset koskien osallisuutta, yhteissuunnittelua ja tulosten tuottamista paikallistasolla).

Suomen merkittävimmät saavutukset (RQ3)

Suomen merkittävimmät saavutukset perustuvat pitkäaikaiseen sitoutumiseen digitaaliseen kehitykseen. Monenkeskisellä tasolla tähän on kuulunut vaikuttaminen ja tuki Global Digital Compact -aloitteelle ja Maailmanpankin digitaalisen kehityksen kumppanuusohjelmalle. EU-yhteistyössä Suomi vaikutti siihen, että digitalisaatiosta tuli Global Gatewayn prioriteetti, vaikka se tarkoitti, että EU joutui aloittamaan työnsä kehittämisen tällä alalla aivan alusta. Merkittäviä Global Gatewayn saavutuksia olivat myös EFSD+ yhdistelmärahoitusmalli yhteyksien ja digitaalisen infrastruktuurin tukemiseen sekä ratkaiseva käynnistystuki D4D Hubille ja Team Europe Initiativesille (TEI), joka on strateginen väline Global Gatewayn toimeenpanossa. Kun otetaan huomioon digitaalisen kehityksen olleen alkuvaiheessa monenkeskisessä yhteistyössä, nämä saavutukset ovat virstanpylväitä laajemmissa, meneillään olevissa kehityspoliittisissa prosesseissa ja ohjelmissa, joilla pyritään kirittämään kestävän kehityksen tavoitteiden saavuttamista. Maatasolla saavutetut tulokset ja vaikutukset, esimerkiksi digitaalisen murroksen, talouskasvun ja työpaikkojen luomisen osalta, arvioidaan riippumattomasti myöhemmin. Maatasolla, Suomen tuella Etiopian digitaaliselle maanhallintarekisterille saavutettiin maanomistuksen turvaamisen alalla paras käytäntö, joka mahdollisti maaseudun pienituloisten ryhmien ja naisten johtamien kotitalouksien rahoituksen saannin sekä

skaalautuvuuden ja monistettavuuden Maailmanpankin ja Foreign, Commonwealth & Development Officen kanssa solmitun kumppanuuden ansiosta.

Suomalaisen asiantuntemuksen ja kokemuksen hyödyntäminen digitaalisessa kehittämisessä (RQ4)

HAUSin asiantuntijahankinnat ja Finnfundin yksityisen sektorin investoinnit ovat nousemassa suomalaisen digitaalisen kehityksen osaamisen ensisijaisiksi hankintamuodoiksi. Kummallakin toimijalla on keskeinen rooli Global Gatewayn ja Team Europe Initiatives (TEI)/D4D Hub -tarjonnan kehittämisessä ja toteuttamisessa. Viranomaisten, tutkimus- ja koulutuslaitosten välinen institutionaalinen yhteistyö on myös innovoinnin ja digitalisaation kriittinen selkäranka. Tämäntyyppisten toimintamuotojen digitalisaatiotuki, esimerkiksi Ilmatieteen laitoksen ja Veron tekemä kehitysyhteistyö, on kuitenkin tyypillisesti luokiteltu temaattisesti ja näkyy raporteissa ja tilastoissa esimerkiksi ilmastotoimina (Ilmatieteen laitos) tai talouden kehityksen tukena (Vero). Digitaalisen muutoksen kannalta merkittävät saavutukset jäävät näin ollen usein raportoimatta digitaalisen kehityksen saavutuksina.

Suomen digitalisaatiotuen vahvuudet ja haasteet (RQ5)

Digitaalisen kehityksen tukeminen tarjosi Suomelle mahdollisuuksia yleisen kehitysstrategiansa edistämiseen. Digitaalista osallisuutta valtavirtaistettiin hyvin vaikuttamistyössä ja kehitysyhteistyössä. Monenkeskisissä sitoumuksissa tähän sisältyi vaikuttaminen tekoälyn hallintaa ja tietosuojaa koskeviin Global Digital Compact -sitoumuksiin sekä digitaalisen kuilun kiinnikuromisen ja verkkokiusaamisen estämisen osalta. Tuki Freedom Online Coalitionille, Access Now -järjestölle ja Unicefin innovaatiokeskuksille Helsingissä ovat myös esimerkkejä monenkeskisestä yhteistyöstä, jossa osallisuus ja digitaaliset oikeudet ovat ensisijaisia tavoitteita. Maatasolla yhteyksiin liittyvät investoinnit ja maankäyttöoikeuksien digitalisointi ovat merkittäviä esimerkkejä osallisuuden tukemisesta, josta hyötyvät heikommassa asemassa olevat ryhmät. Myös Finnfundin investointeihin sovelletaan pakollisia tasa-arvovaikutusten arviointeja.

Kansainvälinen vaikuttaminen ja yhteistyö monenkeskisten ja EU:n kanavien kautta hyödyttää myös Suomen innovaatiotoimintaa ja yksityisen sektorin sitoutumista. Kotimaassa tehdystä työstä ja kahdenvälisestä tuesta saadun pitkän kokemuksen myötä Suomi pääsi vaikuttamaan monenkeskiseen ja EU-yhteistyöhön, kun näitä yhteistyökanavia alkoi muotoutua digitaalisessa kehityksessä. Keskeinen vaikuttamisen tulos on muun muassa yhdistelmärahoituksen pilotointi, jonka ansiosta Finnfund sai johtavan roolin eurooppalaisten rahalaitosten joukossa.

Lisäksi monenkeskiset ja EU:n yhteistyöohjelmat tarjoavat synergia- ja täydentävyysmahdollisuuksia. Yhteisten kumppanuuksien ansiosta Suomi voi keskittyä vahvuuksiinsa ja painopisteisiinsä (esimerkiksi yhteydet ja yksityisen sektorin rooli) tinkimättä kestävyydestä ja johdonmukaisuudesta. Tästä esimerkkinä ovat vihreän siirtymän haasteet, joissa monenkeskiset ja EU:n ohjelmasuunnittelun suuntaviivat ja ESG-kriteerit turvaavat kestävyystavoitteet. Kumppanit voivat suuntautua esimerkiksi energia-, jätteenkäsittely-, terveys- ja työllisyyssektoreihin liittyviin kysymyksiin, kun taas Suomi voi keskittyä vahvuuksiinsa: yhteyksiin ja tietoturvaan.

Suomen tukeen liittyy myös haasteita ja kompromisseja. Innovaatio- ja yrittäjyystoiminnan kahdenvälisen tuen tulokset olivat vaihtelevia, ja suomalaisten pienten ja keskisuurten (pk) yritysten mobilisointi kehittyville markkinoille on edelleen vaikeaa. Mittakaavan, johdonmukaisuuden ja kestävyyden kaltaisista eduista huolimatta monenkeskisessä ja EU:n yhteistyössä kamppaillaan edelleen sopivien toteutusmallien, rahoituksen puuttumisen ja tarkoitukseensa vielä sopimattomien

investointivälineiden kanssa. Näistä syistä myös suomalaisen osaamisen ja yksityisten yritysten mobilisointi voi olla haastavaa. Toinen kompromissi on heikentynyt näkyvyys. Suomi haluaa vahvistaa kahdenvälisiä suhteita kehitysmaihin, mutta suomalaisten ratkaisujen esittelyyn, läsnäolon ja suhteiden rakentamiseen voi olla vähemmän mahdollisuuksia rahoitettaessa monenkeskisiä ohjelmia. Monenkeskisten ja EU:n kanavien kautta työskenneltäessä tarvitaankin sitoutumista, aikaa, resursseja ja paikallista läsnäoloa, jotta niistä voidaan saada täysi hyöty.

Kokemuksista oppiminen

Ennen suositeltujen toimintavaihtoehtojen yhteenvetoa (tarkastelukysymys 6), joka perustuu tarkastelukysymysten 1–5 (RQ1-5) löydöksiin, esitetään seuraavat Suomen digitaalisen yhteistyön arvioinnista saadut opit:

1. Suomen merkittävimmät saavutukset perustuvat lisäarvoa tuottaviin panoksiin ja varhaiseen sitoutumiseen, joiden ansiosta se on voinut vaikuttaa kansainväliseen ja EU:n politiikkaan ja ohjelmasuunnitteluun.
2. Suomen vaikutusvalta Maailmanpankin ja EU:n kaltaisiin globaaleihin toimijoihin osoittaa oikea-aikaisten, korkean tason asiantuntijoiden lähettämisen suotuisan vaikutuksen.
3. Tanskan ja Viron vertaistutkimukset osoittavat, että kohdennettu strategia ja sitä tukeva kansainvälinen brändin rakentaminen ovat avainasemassa, kun halutaan saada aikaan yhteisiä kumppanuuksia ja yhteisrahoitusta strategisiin kehitysprioriteetteihin.
4. Suomen rajoittavia tekijöitä ovat muun muassa vaikeudet saada pk-yrityksiä liikkeelle, kumppanuuden toteuttamisen ja rahoitusmallit, jotka eivät sovellu tarkoitukseen, sekä hankesuunnitelmat, joissa ei ole otettu riittävästi huomioon epäedullisessa asemassa olevia ryhmiä.
5. Jos kunnianhimoisia kansallisia innovaatio-, tutkimus- ja kehitystavoitteita ei yhdistetä digitaalisen kehityksen tavoitteisiin, Suomi menettää mahdollisuuden hyödyntää asiantuntemustaan kehitysyhteistyössä.

Toimintavaihtoehdot (RQ6)

Arvioinnissa annettiin kahdeksan suositusta, joilla vahvistetaan Suomen tukea digitaaliselle kehitykselle.

Politiikan ja koordinoinnin tasolla suositukset ovat seuraavat:

➢ **Suositus 1. Kehitetään kohdennettu strategia, joka perustuu Suomen vahvuuksiin ja parhaisiin mahdollisuuksiin laajuuden ja vaikuttavuuden lisäämiseksi. Rajoitetaan poliittisten painopisteiden määrä kolmeen.** *Tämän suosituksen tavoitteena on luoda yhteinen käsitys strategiasta ja maksimoida Suomen vaikuttavuus julkisen kehitysavun vähenemisen skenaariossa.*

➢ **Suositus 2. Arvioidaan myöhemmässä vaiheessa digitalisaation valtavirtaistamisen johdonmukaisuutta ja tehokkuutta ulkopolitiikassa. Valtavirtaistetaan digitaalinen kehitys nykyhetkestä alkaen ulkosuhdehallinnon politiikan ja strategian arvioinneissa ja muussa analyyttisessä työssä.** *Koska Suomen ulko-, turvallisuus-, kauppa- ja kehityspolitiikan johdonmukaisuuden edistäminen on digitalisaation osalta vasta alkuvaiheessa, suositus on toistaiseksi nopeuttaa kokemuspohjan rakentamista asettamalla*

digitaalinen kehitys läpileikkaavaksi painopisteeksi keskitetyissä kehitysyhteistyön arvioinneissa ja katsauksissa sekä muussa ulkoministeriön tekemässä analyyttisessä työssä.

- **Suositus 3. Parannetaan suomalaisten toimijoiden kannustimia osallistua digitaaliseen kehitykseen ja tehdä yhteistyötä paikallisten kumppaneiden kanssa. Tehostetaan myös toimenpiteitä yksityisen sektorin, viranomaisten ja kansalaisyhteiskunnan toimijoiden välisen synergian luomiseksi.** *Suosituksessa nostetaan esiin välineitä ja kannustimia, esimerkiksi suomalaisille pk-yrityksille tarjottavat kannustimet osallistua kehittyville markkinoille ja yritysten yhteistyökumppanuuksiin.*

- **Suositus 4. Harkitaan Suomen digitaalisen muutoksen asiantuntemuksen kansainvälistä brändin rakentamista kansainvälisten kumppanuuksien ja Suomen kehitysyhteistyötoimien yhteisrahoituksen vilkastuttamiseksi. Yksi vaihtoehto voisi olla suomalaiseen asiantuntemukseen ja ratkaisuihin perustuvan FinnStack-järjestelmän luominen ja tarjonnan edistäminen sen kautta sekä sitä markkinoivat Suomessa järjestettävät vuotuiset teematapahtumat.** *Kansainvälisellä brändin rakentamisella pyritään tukemaan Suomen strategiaa, johtajuutta ja näkyvyyttä digitaalisessa kehityksessä.*

- **Suositus 5. Vahvistetaan strategista vuoropuhelua ja yhteistyötä kaikkien digitaaliseen kehitykseen liittyvien julkisen ja yksityisen sektorin toimijoiden, kansalaisyhteiskunnan ja Helsingissä sijaitsevien YK:n innovaatiokeskusten kanssa.** *Suosituksen tavoitteena on kansallisten tavoitteiden ja digitaalisen kehityksen tavoitteiden tiiviimpi kytkeminen toisiinsa sekä julkisen ja yksityisen sektorin asiantuntemuksen ja resurssien parempi hyödyntäminen esimerkiksi osallisuuden, palvelujen yhteissuunnittelun, julkisen ja yksityisen sektorin kumppanuuksissa ja tulosten tuottamisessa paikallistasolla.*

- **Suositus 6. Tutkitaan HAUSin ja Finnfundin mahdollisuuksia johtaa yhdessä ulkoministeriön kanssa Global Gatewayn työryhmiä ja muita vastaavia toimintoja ja määritellään roolijako sen helpottamiseksi.** *Suosituksella pyritään hyödyntämään HAUSin ja Finnfundin resursseja ja panosta.*

Ulkoministeriön johtamiseen ja hallintoon liittyvät suositukset ovat seuraavat:

- **Suositus 7. Laaditaan valmiuksien kehittämissuunnitelma, jolla ylläpidetään ulkoministeriön hallinto- ja koordinointivalmiuksia ja tuetaan digitaalisen kehityksen strategiaa.** *Suosituksen tavoitteena on vahvistaa ulkoministeriön pitkän aikavälin valmiuksia rekrytoinneilla, täydennyskoulutuksella ja komennuksilla.*

- **Suositus 8. Otetaan käyttöön digimarkkeri ja valtavirtaistetaan digitaalinen kehitys hajautettuihin arviointeihin, jotta voidaan parantaa interventiokokonaisuuden hallintaa ja tiedolla johtamista. Jos sovelletaan EU:n sisäistä digimarkkeria, sen keskimäistä arvoa on muutettava siten, että se kattaa digitaalisen valtavirtaistamisen ja katalyyttisten toimien merkittävät tulokset.** *Suosituksella pyritään parantamaan ohjelmatyötä, vastuuvelvollisuutta ja oppimista digitaalisessa kehityksessä.*

Johtopäätökset ja suositukset esitetään seuraavan sivun taulukossa.

Johtopäätökset ja suositukset

JOHTOPÄÄTÖKSET	SUOSITUKSET
Kehityspolitiikka ja koordinointi	
Johtopäätös 1. Suomen johtoasema digitaalisessa kehityksessä on vaikuttanut myönteisesti kestävän kehityksen tavoitteiden saavuttamisen ajamiseen, kuten YK:n työhön digitaalisessa hallinnossa ja EU:n kehitysyhteistyöhön. *(Tämä johtopäätös perustuu löydöksiin 1-3, 5-7, 13-18, 20-22 ja 23-27.)*	**Suositus 1.** Kehitetään kohdennetumpi strategia, joka perustuu Suomen vahvuuksiin ja parhaisiin mahdollisuuksiin laajuuden ja vaikuttavuuden lisäämiseksi. Rajoitetaan poliittisten painopisteiden määrä kolmeen. *(Tämä suositus perustuu löydöksiin 13, 22, 25 ja 27 sekä johtopäätöksiin 2 ja 4).*
Johtopäätös 2. Suomen vaikuttamis- ja kehitysyhteistyö oli vaikuttavinta silloin, kun se oli ennakoivaa ja kun siinä voitiin hyödyntää suomalaisia vahvuuksia, kuten innovointia, yksityisen sektorin roolia ja osallisuutta. Jatkossa nämä ominaisuudet ovat ratkaisevia, jotta monenkeskisen ja EU:n yhteistyön koko potentiaali saadaan hyödynnettyä. *(Tämä johtopäätös perustuu löydöksiin 14-16, 21-27, ja kokemusoppeihin 1-2, 4-5 ja se tukee suosituksia 1-4.)*	**Suositus 2.** Arvioidaan myöhemmässä vaiheessa digitalisaation valtavirtaistamisen johdonmukaisuutta ja tehokkuutta ulkopolitiikassa. Valtavirtaistetaan digitaalinen kehitys nykyhetkestä alkaen ulkosuhdehallinnon politiikan ja strategian arvioinneissa ja muussa analyyttisessä työssä. *(Tämä suositus perustuu löydöksiin 5, 6 ja 27, kokemusoppiin 5 ja johtopäätöksiin 2 ja 3.)*
Johtopäätös 3. Vaikka kansallisen digitalisaation ja digitaalisen kehityksen tavoitteiden välillä vallitsee epäsuhta, Suomen ulkopolitiikassa kaikki nykyiset poliittiset ohjausasiakirjat käsittelevät digitalisaatiota omasta näkökulmastaan. Niiden käytännön toteutuksen toimivuuden arviointia voidaan tehdä myöhemmässä vaiheessa, mutta näyttöpohjan kerääminen voidaan aloittaa jo nyt. *(Tämä johtopäätös perustuu löydöksiin 5-7 ja kokemusoppiin 5, ja se tukee suositusta 2.)*	**Suositus 3.** Parannetaan suomalaisten toimijoiden kannustimia osallistua digitaaliseen kehitykseen ja tehdä yhteistyötä paikallisten kumppaneiden kanssa. Tehostetaan myös toimenpiteitä yksityisen sektorin, viranomaisten ja kansalaisyhteiskunnan toimijoiden välisen synergian luomiseksi. *(Tämä suositus perustuu löydöksiin 13, 22, 25 ja 27 sekä johtopäätöksiin 2 ja 6).*
Johtopäätös 4. Kansainvälisiä taloussuhteita ja kehitysyhteistyötä vuodesta 2024 koskevaan hallituksen selontekoon sisältyy digitaalisen kehityksen kokonaisstrategia. Monenkeskisiä kehityspankkeja ja EU:ta koskevissa vaikuttamissuunnitelmissa annetaan tarkempia ohjeita siitä, miten Suomi voi näiden osalta toteuttaa strategiaa. Strategian laajaraamisuus, kehitysavun leikkaukset ja geopolitiikka nostavat kuitenkin esiin kysymyksiä strategian riittävyydestä. *(Tämä johtopäätös perustuu löydöksiin 13, 22, 25 ja 27, ja se tukee suosituksia 1 ja 4.)*	**Suositus 4.** Harkitaan Suomen digitaalisen muutoksen asiantuntemuksen kansainvälistä brändin rakentamista kansainvälisten kumppanuuksien ja Suomen kehitysyhteistyötoimien yhteisrahoituksen vilkastuttamiseksi. Yksi brändäysvaihtoehto voisi olla suomalaiseen asiantuntemukseen ja ratkaisuihin perustuvan FinnStack-järjestelmän luominen ja tarjonnan edistäminen sen kautta sekä sitä markkinoivat Suomessa järjestettävät vuotuiset teematapahtumat. *(Tämä suositus perustuu löydöksiin 18 ja 27, kokemusoppiin 3 ja johtopäätöksiin 2 ja 4.)*
Johtopäätös 5. Ulkoministeriö teki organisaatiomuutoksia parantaakseen digitaalisen kehityksen sisäistä koordinointia. Uusi järjestely on nyt sisäistettävä johtotasolla ja läpi kaikkien yhteistyömuotojen. Ulkoisessa koordinoinnissa keskustellaan suoraan digitaalisen kehityksen parissa työskentelevien sidosryhmien kanssa. Strateginen yhteistyö ei kuitenkaan ulotu hallitusohjelmatasolle eikä laajaan joukkoon suomalaisia sidosryhmiä, jotka työskentelevät digitaalisen muutoksen ja digitaaliseen kehitykseen liittyvien asioiden parissa. *(Tämä johtopäätös perustuu löydöksiin 13, 22, 25, 27 ja kokemusoppiin 5, ja se tukee suosituksia 5, 6 ja 7.)*	**Suositus 5.** Vahvistetaan strategista vuoropuhelua ja yhteistyötä kaikkien digitaaliseen kehitykseen liittyvien julkisen ja yksityisen sektorin toimijoiden, kansalaisyhteiskunnan ja Helsingissä sijaitsevien YK:n innovaatiokeskusten kanssa. *(Tämä suositus perustuu löydöksiin 13, 22, 25 ja 27, kokemusoppiin 5 ja johtopäätökseen 5.)*
Johtopäätös 6. Hankinta- ja rahoitusmuodot ovat muuttuneet johdonmukaisemmiksi, ja Team Finland -uudistuksen myötä kaupan ja kehitysyhteistyön tavoitteiden toteuttamista voidaan edelleen johdonmukaistaa. Johdonmukaisuuden ja tuloksellisuuden parantamiseksi tarvitaan myös lisää aloitteita. *(Tämä johtopäätös perustuu löydöksiin 13, 22, 25 ja 27, ja se tukee suositusta 2.)*	**Suositus 6.** Tutkitaan HAUSin ja Finnfundin mahdollisuuksia johtaa yhdessä ulkoministeriön kanssa Global Gatewayn työryhmiä ja muita vastaavia toimintoja ja määritellään roolijako sen helpottamiseksi. *(Tämä suositus perustuu erityisesti löydökseen 13 ja johtopäätökseen 5.)*

JOHTOPÄÄTÖKSET	SUOSITUKSET
Valmiuksien kehittäminen	
Johtopäätös 7. Ulkoministeriön digitaalista yhteistyötä hallinnoi henkilöstö, jolla on kattavat taidot ja kokemus. Tarvitaan pitkän aikavälin ratkaisu, jolla ylläpidetään tätä kapasiteettia ja tuetaan digitaalisen kehityksen strategiaa. *(Tämä johtopäätös perustuu löydöksiin 9 ja 18, ja se tukee suositusta 7.)*	**Suositus 7.** Laaditaan valmiuksien kehittämissuunnitelma, jolla ylläpidetään ulkoministeriön hallinto- ja koordinointivalmiuksia ja tuetaan digitaalisen kehityksen strategiaa. *(Tämä suositus perustuu löydöksiin 9 ja 18 ja johtopäätöksiin 5 ja 7.)*
Interventiokokonaisuuden hallinta ja tiedolla johtaminen	
Johtopäätös 8. Suunnitelma parantaa digitaalisen kehityksen ohjelmatyön johdonmukaista hallinnointia ja vahvistaa vastuuvelvollisuutta ja oppimista on kiitettävä. EU:n sisäinen digimarkkeri on hyvä lähtökohta, mutta tulosten ja katalyyttisten vaikutusten valtavirtaistaminen on huomioitava sitä paremmin. *(Tämä johtopäätös perustuu erityisesti löydökseen 10, ja se tukee suositusta 8.)*	**Suositus 8.** Otetaan käyttöön digimarkkeri ja valtavirtaistetaan digitaalinen kehitys hajautettuihin arviointeihin, jotta voidaan parantaa interventiokokonaisuuden hallintaa ja tiedolla johtamista. Jos sovelletaan EU:n sisäistä digimarkkeria, sen keskimmäistä arvoa on muutettava siten, että se kattaa digitaalisen valtavirtaistamisen ja katalyyttisten toimien merkittävät tulokset. *(Tämä suositus perustuu erityisesti löydökseen 10 ja johtopäätökseen 8.)*

Sammanfattning

1. Syfte, mål och metod för översynen

Syftet med översynen var att utvärdera Finlands utvecklingssamarbete inom digitalisering (hädanefter kallad digital utveckling) för att tillhandahålla information för framtida policyalternativ. Granskningen omfattade resultat på policynivå samt styrkor och utmaningar i Finlands stöd inom detta område. Huvudfokus låg på Finlands politik från och med 2018 – en tidsperiod som präglats av ökat multilateralt och EU-samarbete.

Utifrån en policyanalys och en analys av Finlands insatser inom digital utveckling, granskades Finlands mest anmärkningsvärda prestationer och hur relevant och sammanhängande stödet varit för att påskynda de globala målen för hållbar utveckling och Agenda 2030. Bedömningen av styrkor och utmaningar inom digital utveckling omfattade till vilken mån finsk expertis utnyttjats och hur effektivt de utvalda samarbetskanalerna och tillvägagångssätten möjliggjort att driva Finlands utvecklingspolitiska prioriteringar såsom inkludering, innovation och engagemang från den privata sektorn, samt den gröna omställningen.

Granskningen tillämpade en kvalitativ, blandad metod som baserades på dokumentgranskning, kartläggning, intervjuer med nyckelinformanter/fokusgruppsdiskussioner, fallstudier av andra länder och politisk framsyn. Eftersom största delen av Finlands nuvarande insatser för digital utveckling ingår i större, nya strategier, utnyttjades intervjuerna med nyckelinformanter och fokusgruppsdiskussioner för att identifiera vilka resultat och delresultat som kan kopplas till stödet för digital utveckling. Policyanalysen och analysen av Finlands insatser, samt övervägandet av relevanta politiska riktlinjer, instrument och partnerskap styrdes av de prioriteringar och åtgärder som ingår i regeringens redogörelse för internationella ekonomiska relationer och utvecklingssamarbete från 2024 (hädanefter kallad redogörelsen). Detta innebar ett särskilt fokus på samarbetsinstrumenten för den privata sektorn, EU:s Global Gateway och multilateralt samarbete, särskilt med FN och Världsbanken.

2. Sammanfattande svar på översynsfrågorna (RQ) och lärdomar

Relevansen av Finlands politiska riktlinjer för digital utveckling under 2018-2024 (RQ2)

Finlands stöd till digital utveckling och dess ökade fokus på konnektivitet, finansiering, den privata sektorns roll samt mänskliga rättigheter och jämställdhet är relevant för att uppnå flera av målen för hållbar utveckling i Agenda 2030, särskilt mål 5 (jämställdhet), mål 8 (anständiga arbetsvillkor och ekonomisk tillväxt) och mål 9 (industri, innovationer och infrastruktur). Relevansen illustreras bäst av Finlands stöd till FN-processer som ledde till antagandet av det Global Digital Compact, inklusive hänvisningar till jämställdhet som fördes in genom Generation Equality Campaign, och

Finlands påverkan på utvecklingssamarbetet vid Världsbanken och EU:s Global Gateway. Även om det bilaterala stödet minskade under den granskade tidsperioden, stödde det också relevanta faktorer som möjliggör inkludering och jämställdhet i samband med markanvändningsrättigheter.

Samstämmighet i Finlands politik för digital utveckling (RQ1)

Finland införde flera initiativ för att förbättra samstämmigheten i sitt stöd. Detta inkluderade Redogörelsen 2024, som utgjorde en övergripande strategi, samt införandet av samordningsåtgärder inom utrikesministeriet och mer fokuserad anskaffning av expertis genom HAUS Finnish Institute of Public Management och stöd till den privata sektorn via Finnfund. En regelbunden kontakt finns dock inte med alla intressenter och Finland har ingen dialogmekanism för digital utveckling som skulle kunna säkerställa strategiska dialoger med alla intressenter. Bland de intressenter som Finland inte har regelbunden kontakt med finns kommittén för utvecklingspolitik, civilsamhällesorganisationer, fackministerier och statliga myndigheter, kommunförbund och nätverk för smarta städer, trots deras expertis inom inkludering, samutformning av tjänster och lokalisering av resultat. FN:s innovationshubbar i Helsingfors, som redan avancerat bortom pilotstadiet, behöver också mer strategiska länkar till utrikesministeriet. Detta är särskilt viktigt för FN:s Global Pulse, som behöver stöd för att få kontakt med det finska ekosystemet.

Framöver kommer den breda strategin och den snabba utvecklingen inom digitalisering och internationellt samarbete att motivera en omprövning av Finlands strategiska prioriteringar och hur de kan operationaliseras. Även en långsiktig plan för kapacitetsuppbyggnad och införandet av en digital markör är viktiga för att säkerställa utrikesministeriets kapacitet för samordning och kunskapshantering inom detta område. Det finns också ett behov av en mekanism för att stärka den strategiska dialogen med alla relevanta intressenter inom digital utveckling, utnyttja synergier och samarbeten och dra nytta av erfarenheter från efterfrågesidan när det gäller digitalisering (inkludering, samutformning, lokalisering av resultat).

Finlands mest anmärkningsvärda resultat (RQ3)

Finlands mest anmärkningsvärda resultat grundar sig på dess långsiktiga engagemang för digital utveckling. På multilateral nivå har Finland bland annat påverkat och stöttat det Global Digital Compact och Världsbankens Digital Development Partnership-program. I EU-samarbetet påverkade Finland att digitalisering blev en Global Gateway-prioritering, trots att det innebar att EU började från noll inom detta område. Bland viktiga resultat relaterade till Global Gateway kan pilotprojektet med lånegarantin EFSD+ också nämnas. EFSD+ är en blandad finansieringsmodell för konnektivitet och stöd till digital infrastruktur. Även det viktiga lanseringsstödet till Digital for Development (D4D) Hub och Team Europe Initiatives (TEI), ett strategiskt verktyg i genomförandet av Global Gateway, har varit betydande. Med tanke på att den digitala utvecklingen är i sin begynnelse, särskilt inom global styrning och multinationellt samarbete, är dessa mest anmärkningsvärda prestationer ändå delresultat inom större, pågående politiska processer och program som syftar till att påskynda uppnåendet av målen för hållbar utveckling. Resultat och långtidseffekter på landsnivå, t.ex. inom digital omvandling, ekonomisk tillväxt och skapande av arbetsmöjligheter, kräver därför en separat och oberoende utvärdering i ett senare skede. På landsnivå har Finlands stöd till ett digitalt lantmäteri i Etiopien lett till bästa praxis när det gäller säker äganderätt till mark, vilket möjliggjort a) tillgång till finansiering för låginkomstgrupper på landsbygden och hushåll som leds av kvinnor, och b) expansion och replikering av insatserna genom partnerskap med Världsbanken och Storbritanniens Foreign, Commonwealth & Development Office (FCDO).

Utnyttjande av finsk expertis och erfarenhet inom digital utveckling (RQ4)

Expertupphandlingar via HAUS och Finnfunds investeringsstöd till den privata sektorn framstår som de främsta källorna till finsk expertis inom digital utveckling. Båda aktörerna spelar en nyckelroll i utvecklingen och genomförandet av Global Gateway och TEI/D4D Hub-insatser. Institutionellt samarbete mellan offentliga myndigheter, forsknings- och utbildningsinstitutioner utgör också en kritisk ryggrad för innovation och digitalisering. Digitaliseringsstöd inom dessa typer av modaliteter, till exempel stöd från Finlands meteorologiska institut och den finska skattemyndigheten, är dock vanligtvis inbäddade i sektorsspecifika ändamål och rubriker. Detta innebär att resultat som är viktiga för den digitala omvandlingen inte tenderar att rapporteras och blir därmed ouppmärksammade i samband med digital utveckling.

Styrkor och utmaningar i det finska digitaliseringsstödet (RQ5)

Denna översyn fann att stödet till digital utveckling innebar fördelar och möjligheter för Finland att fullfölja sin övergripande utvecklingsstrategi. Inkludering integrerades på ett bra sätt i påverkans- och utvecklingssamarbetet under granskningsperioden. I multilaterala åtaganden ingick påverkan på Global Digital Compacts åtaganden om AI-styrning och datasekretess, samt minskning av den digitala klyftan och trakasserier på nätet. Andra exempel på multilateralt samarbete, där inkludering och digitala rättigheter är de främsta målen, var till exempel stödet till Freedom Online Coalition, Access Now och UNICEF:s innovationshubbar i Helsingfors. På landsnivå är investeringar i konnektivitet och digitalisering av markanvändningsrättigheter viktiga exempel på främjandet av inkludering som stöder missgynnade grupper, medan Finnfund-investeringar är föremål för obligatoriska konsekvensbedömningar avseende jämställdhet.

Global påverkan och samarbete via multilaterala och EU-kanaler gynnar också Finlands innovation och engagemang med den privata sektorn. Finlands långa inhemska erfarenhet inom detta område och från bilateralt stöd gjorde det möjligt för Finland att påverka det multilaterala samarbetet och EU-samarbetet när dessa samarbetskanaler började växa fram inom digital utveckling. Ett viktigt resultat är pilotprojektet med blended financing (dvs. kombinationen av offentliga och privata resurser), som gav Finnfund en ledande roll bland europeiska utvecklingsfinansieringsinstitut.

Dessutom erbjuder multilaterala organisationers och EU:s samarbetsprogram möjligheter till synergier och komplementaritet. Genom gemensamma partnerskap kan Finland fokusera på sina styrkor och prioriteringar (t.ex. konnektivitet och den privata sektorns roll) utan att kompromissa med hållbarhet och samstämmighet. Detta omfattar dubbla omställningsutmaningar, eftersom multilaterala och EU:s programriktlinjer och ESG-kriterier säkerställer hållbarhetsmål, medan gemensamma partnerskap kan inriktas på energi, avfall, hälsa och arbetsrelaterade frågor, och Finland kan fokusera på konnektivitet och datasäkerhet.

Finlands stöd innebär också utmaningar, dilemman och avvägningar. Denna översyn fann att resultaten för inkludering var blandade i det bilaterala stödet till innovation och entreprenörskap, och att det fortfarande är svårt att mobilisera finska små och medelstora företag till tillväxtmarknader. Trots fördelar som skala, samstämmighet och hållbarhet kämpar det multilaterala samarbetet och EU-samarbetet fortfarande med lämpliga genomförandemodeller, underfinansiering och investeringsinstrument som ännu inte är ändamålsenliga. Dessa skäl kan också ha bidragit till att det varit utmanande att mobilisera finländsk expertis och privata företag. En annan kompromiss är minskad synlighet. Finland vill stärka de bilaterala relationerna med utvecklingsländerna, men när stödet är inbäddat i multilaterala program kan det finnas färre möjligheter att visa upp finländska lösningar och närvaro och bygga upp bilaterala relationer. När man arbetar genom multilaterala

kanaler och EU-kanaler krävs det därför engagemang, tid, resurser och lokal närvaro för att Finland ska kunna dra full nytta av dem.

Lärdomar

Innan de rekommenderade policyalternativen presenteras (RQ6), drar denna översyn följande lärdomar (LL) utifrån resultaten för RQ1-RQ5:

LL1. Finlands mest anmärkningsvärda resultat bygger på bidrag med mervärde och tidiga åtaganden, vilket har gjort det möjligt för Finland att påverka policy och programplaneringen på global och EU-nivå.

LL 2. Finlands inflytande på globala aktörer som Världsbanken och EU understryker vikten och effekterna av utstationering av finska experter på hög nivå i rätt tid.

LL3. Fallstudierna av Danmark och Estland tyder på att en fokuserad strategi i kombination med en plattform för global varumärkesprofilering är avgörande för att mobilisera gemensamma partnerskap och samfinansiering av strategiska utvecklingsprioriteringar.

LL4. Faktorer som hämmar Finlands stöd är svårigheten att mobilisera små och medelstora företag, genomförandet av partnerskapen och finansieringsmodeller som inte är ändamålsenliga, samt projektutformningar som inte i tillräcklig utsträckning tar hänsyn till de mest missgynnade.

LL5. Om de ambitiösa nationella målen för innovation, forskning och utveckling inte kopplas till målen för digital utveckling, missar Finland möjligheter att utnyttja sin expertis för utvecklingssamarbetet.

Policyalternativ (RQ6)

Översynen framför åtta rekommendationer för att stärka Finlands stöd till digital utveckling.

På policy- och samordningsnivå är rekommendationerna följande:

- **Rekommendation 1. Utveckla en mer fokuserad strategi som bygger på Finlands starka sidor och de bästa möjligheterna att öka omfattningen och effekterna på lång sikt. Begränsa antalet politiska prioriteringar till tre.** *Denna rekommendation syftar till att skapa en gemensam förståelse för strategin och maximera effekterna av Finlands stöd i ett scenario med minskande biståndsfinansiering. Alternativ som ryms inom ramen för den nuvarande strategin presenteras också i rapporten.*

- **Rekommendation 2. Utvärdera i ett senare skede den politiska samstämmigheten och effektiviteten i att integrera digitalisering i hela utrikespolitiken. Från och med nu bör den digitala utvecklingen integreras i utvärderingarna av utrikesministeriets policy och strategier samt i annat analytiskt arbete.** *Eftersom främjandet av större samstämmighet mellan Finlands utrikes-, säkerhets-, handels- och utvecklingspolitik är i ett tidigt skede, är rekommendationen för närvarande att påskynda uppbyggnaden av evidensbasen genom att lägga till digital utveckling som ett övergripande fokus i centraliserade utvärderingar och översyner av Finlands utvecklingssamarbete samt annat analytiskt arbete som utförs av utrikesministeriet.*

- **Rekommendation 3. Förbättra incitamenten för finska aktörer att delta i digital utveckling och samarbeta med lokala partners. Stärk också åtgärderna som ämnar skapa synergier mellan den privata sektorn, offentliga myndigheter och civilsamhällesorganisationer.** *Rekommendationen lyfter fram områden där instrument och incitament måste stärkas, till exempel incitament för finska små och medelstora företag att engagera sig på tillväxtmarknader och i partnerskap företag emellan.*

- **Rekommendation 4. Överväg att marknadsföra finsk expertis inom digital transformation för att mobilisera internationella partnerskap och samfinansiering av finska utvecklingsinsatser. Ett alternativ för varumärkesprofilering skulle kunna vara att främja ett «FinnStack"-erbjudande, som bygger på finsk expertis och finska lösningar och som stöds av årliga tematiska evenemang i Finland.** *Internationell varumärkesprofilering syftar till att stärka Finlands strategi, ledarskap och synlighet inom digital utveckling.*

- **Rekommendation 5. Stärk den strategiska dialogen och samarbetet med alla relevanta aktörer från den offentliga och privata sektorn, civilsamhället och FN:s innovationshubbar i Helsingfors.** *Rekommendationen syftar till en närmare koppling mellan nationella mål och mål för digital utveckling, och bättre utnyttjande av expertis och resurser från den offentliga och privata sektorn, till exempel inom inkludering, samutformning av tjänster, offentlig-privata partnerskap och lokalisering av resultat.*

- **Rekommendation 6. Undersök möjligheterna för HAUS och Finnfund att gemensamt leda arbetsgrupper inom Global Gateway och liknande aktiviteter, och klargör rollfördelningen för att underlätta detta.** *Rekommendationen syftar till att dra nytta av HAUS och Finnfunds resurser och bidrag.*

På UM:s ledningsnivå är rekommendationerna följande:

- **Rekommendation 7. Utarbeta en plan för kapacitetsuppbyggnad för att upprätthålla utrikesministeriets lednings- och samordningskapacitet samt för att stödja strategin för digital utveckling.** *Rekommendationen syftar till att stärka UM:s långsiktiga kapacitet genom rekryteringar, vidareutbildning och utstationeringar.*

- **Rekommendation 8. Inför en digital markör och integrera digital utveckling i decentraliserade utvärderingar för att förbättra portfölj- och kunskapshanteringen. Om Finland väljer att tillämpa EU:s interna digitala markör, bör den mellanliggande markören ändras för att fånga upp betydande resultat från digital integrering och katalytiska insatser.** *Rekommendationen syftar till att förbättra programmering, ansvarsskyldighet och lärande inom digital utveckling.*

Slutsatser och rekommendationer presenteras i tabellen nedan.

Tabell över slutsatser och rekommendationer

SLUTSATSER	REKOMMENDATIONER
Policy & samordning	
Slutsats 1. Finlands ledarskap inom digital ut-veckling bidrog till delmål för att påskynda de globala målen för hållbar utveckling, inklusive FN:s digitala styrning och EU:s utvecklings-samarbete. *(Denna slutsats baserar sig på resultaten 1-3, 5-7, 13-18, 20-22, 23-27.)*	**Rekommendation 1.** Utveckla en mer fokuserad strategi som bygger på Finlands styrkor och de bästa möjligheterna att öka omfattningen och effekterna på lång sikt. Begränsa antalet politiska prioriteringar till tre. *(Denna rekommendation baserar sig på resultaten 13, 22, 25 och 27 samt slutsatserna 2 och 4).*
Slutsats 2. Finlands påverkansarbete och samarbete fick störst genomslagskraft när det var proaktivt och när det kunde utnyttja finländska mervärdestyrkor, inklusive innovation, den privata sektorns roll och inkludering. Framöver kommer dessa faktorer att vara avgörande för att det multilaterala och EU-samarbetets potential ska kunna uppnås till fullo. *(Denna slutsats baserar sig på resultaten 14-16, 21-27, lärdomarna 1-2, 4-5 och bidrar till rekommendationerna 1-4).*	**Rekommendation 2.** Utvärdera i ett senare skede den politiska samstämmigheten och effektiviteten i att integrera digitalisering i hela utrikespolitiken. Från och med nu bör den digitala utvecklingen integreras i policy och strategier samt i annat analytiskt arbete. *(Denna rekommendation baserar sig på resultaten 5, 6 och 27 samt på lärdom 5 samt slutsatserna 2 och 3).*
Slutsats 3. Det saknas en koppling mellan de nationella målen för digitalisering och den digi-tala utvecklingen i Finlands utrikespolitik. Olika utrikespolitiska dokument tar för närvarande upp digitalisering ur sina respektive vinklar. Bedömningen av hur operationaliseringen fun-gerar kan göras i ett senare skede, men in-samlingen av evidensbasen kan redan påbörjas. *(Denna slutsats baserar sig på resultaten 5-7 och lärdom 5 och bidrar till rekommendation 2).*	**Rekommendation 3.** Förbättra incitamenten för finska aktörer att delta i digital utveckling och samarbeta med lokala partners. Stärk också åtgärderna som ämnar skapa synergier mellan den privata sektorn, offentliga myndigheter och civilsamhällesorganisationer. *(Denna rekommendation baserar sig på resultaten 13, 22, 25 och 27 samt slutsatserna 2 och 6).*
Slutsats 4. Regeringens redogörelse för inter-nationella ekonomiska relationer och utveckl-ingssamarbete från 2024 fastställde en övergri-pande strategi för digital utveckling. Fler detal-jer om hur Finland kan genomföra strategin går att finna i UM:s påverkningsmandat för de mul-tilaterala utvecklingsbankerna och EU. Breda strategiska åtgärder, nedskärningar i det offent-liga utvecklingsbiståndet och geopolitik ger dock upphov till frågor som måste behandlas. *(Denna slutsats baserar sig på resultaten 13, 22, 25 och 27 och bidrar till rekommendationerna 1 och 4).*	**Rekommendation 4.** Överväg att marknadsföra finsk expertis inom digital transformation för att mobilisera internationella partnerskap och samfinansiering av finska utvecklingsinsatser. Ett alternativ för varumärkesprofilering skulle kunna vara att främja ett ”FinnStack”-erbjudande, som bygger på finsk expertis och finska lösningar och som stöds av årliga tematiska evenemang i Finland. *(Denna rekommendation baserar sig på resultaten 18 och 27, lärdom 3 och slutsatserna 2 och 4).*
Slutsats 5. UM har infört organisatoriska för-ändringar för att förbättra sin interna samord-ning av den digitala utvecklingen. Det nya upp-lägget måste nu internaliseras på ledningsnivå och över de olika finansieringsströmmarna. Externa intressenter som arbetar direkt med digital utveckling har också engagerats. Det strategiska samarbetet sträcker sig dock inte till regeringsprogramnivån eller till en stor del av finska intressenter som arbetar med digital om-vandling och inom områden som rör digital utveckling. *(Denna slutsats baserar sig på resultaten 13, 22, 25, 27 och lärdom 5 och bidrar till rekommendationerna 5, 6 och 7).*	**Rekommendation 5.** Stärk den strategiska dialogen och samarbetet med alla relevanta aktörer från den offentliga och privata sektorn, civilsamhället och FN:s innovationshubbar i Helsingfors. *(Denna rekommendation baserar sig på resultaten 13, 22, 25 och 27, lärdom 5 och slutsats 5).*
Slutsats 6. Anskaffnings- och finansieringsmetoderna har blivit mer samstämmiga, och med Team Finland-reformen finns det potential för större samstämmighet mellan Finlands handels- och utvecklingspolitiska mål. Trots dessa framsteg behövs dock ytterligare initiativ för att förbättra samstämmigheten och effektiviteten. *(Denna slutsats baserar sig på resultaten 13, 22, 25 och 27 och bidrar till rekommendation 2).*	**Rekommendation 6.** Undersök möjligheterna för HAUS och Finnfund att gemensamt leda arbetsgrupper inom Global Gateway och liknande aktiviteter, och klargör rollfördelningen för att underlätta detta. *(Denna rekommendation baserar sig på resultat 13 och slutsats 5).*

SLUTSATSER	REKOMMENDATIONER
Utveckling av kapacitet	
Slutsats 7. UM:s personal, som förvaltar strategin för digital utveckling, har omfattande kompetens och erfarenhet. Det behövs en långsiktig lösning för att upprätthålla denna kapacitet och stödja strategin för digital utveckling. *(Denna slutsats baserar sig på resultaten 9 och 18 och bidrar till rekommendation 7).*	**Rekommendation 7.** Utarbeta en plan för kapacitetsuppbyggnad för att upprätthålla utrikesministeriets lednings- och samordningskapacitet samt för att stödja strategin för digital utveckling. *(Denna rekommendation baserar sig på resultaten 9 och 18 samt slutsatserna 5 och 7).*
Portfölj- och kunskapshantering	
Slutsats 8. Planen för att förbättra resultatstyrning inom digital utveckling och stärka ansvarsskyldighet och lärande är lovvärd. EU:s interna digitala markör är en bra utgångspunkt, men man bör också överväga att integrera resultat och katalytiska effekter. *(Denna slutsats baserar sig på resultat 10 och bidrar till rekommendation 8).*	**Rekommendation 8.** Inför en digital markör och integrera digital utveckling i decentraliserade utvärderingar för att förbättra portfölj- och kunskapshanteringen. Om Finland väljer att tillämpa EU:s interna digitala markör, bör den mellanliggande markören ändras för att fånga upp betydande resultat från digital integrering och katalytiska insatser. *(Denna rekommendation baserar sig på resultat 10 och slutsats 8).*

Summary

1. Purpose, objectives, and methodology of the review

The purpose of the review was to assess Finland's development cooperation on digitalisation (henceforth referred to as digital development) with the aim of inform future policy options. The review included policy achievements, and the strengths and challenges of Finland's support. The main focus was on Finland's policy from 2018 onwards; a time when the support shifted towards more multilateral and EU cooperation.

Based on a policy and portfolio analysis, the review assessed Finland's most notable achievements, and how relevant and coherent the support has been for the acceleration of Sustainable Development Goals and Agenda 2030 on Sustainable Development. The assessment of strengths and challenges comprised the use of Finnish expertise and how effectively cooperation channels and approaches enabled Finland to pursue development priorities such as inclusion, innovation and private sector engagement, and the green transition.

The review applied a qualitative, mixed method approach, based on document reviews, mapping, and key informant interviews/focus group discussions, peer country case studies and policy foresight. Since most of Finland's current portfolio is part of larger, emerging interventions, the key informant interviews/focus group discussions were used to harvest outcomes and milestone achievements of the support. The priorities and measures included in the Government Report on International Economic Relations and Development Cooperation from 2024 (henceforth referred to as the white paper) guided the policy and portfolio analysis, and the consideration of relevant policies, instruments, and partnerships. Accordingly, this meant a particular focus on the private sector cooperation instruments, the EU Global Gateway, and multilateral cooperation, especially with the UN and the World Bank.

2. Summary answers to the review questions (RQs) and Lessons Learned

Relevance of Finland's digital development policy during 2018 to 2024 (RQ2)

Finland's support to digital development and its increased attention to connectivity, financing, the role of the private sector as well as human rights and gender equality, are relevant for the achievement of several SDGs under Agenda 2030, especially SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation, and Infrastructure). The relevance is best illustrated by the support to UN processes leading up to the adoption of the Global Digital Compact, including gender equality references brought in through the Generation Equality Campaign, and Finland's influencing of development cooperation at the World Bank and the EU Global Gateway. Bilateral support, while scaled down, also supported relevant enablers of inclusion and gender equality in land use rights.

Coherence of Finland's digital development policy (RQ1)

Finland introduced several initiatives to improve the coherence of its support. This included the white paper in 2024 with an overarching strategy, introduction of crosscutting coordination measures within the MFA and more focused sourcing of expertise and private sector support through HAUS Finnish Institute of Public Management and Finnfund, respectively. However, not all stakeholders are regularly engaged with, and Finland does not have a dialogue mechanism on digital development that could ensure strategic dialogues with all stakeholders. Stakeholders not engaged with on a regular basis include the Development Policy Committee (DPC), CSOs, line ministries and government agencies, local government associations and smart cities networks, despite their expertise in inclusion, service co-designs and localisation of results. The UN innovation hubs in Helsinki, having progressed beyond the piloting stage, also need more strategic links with the MFA. This is especially critical for the UN Global Pulse, as it needs support to connect with the Finnish innovation ecosystem and stakeholders.

Moving forward, the broad strategy and the fast-evolving context of digitalisation and international cooperation warrant a reassessment of the strategic priorities and how they can be operationalised. A long-term capacity building plan and introduction of a digital marker are other attention points which are key for the MFA's coordination and knowledge management capacity. There is also a need for a mechanism to strengthen the strategic dialogue with all relevant stakeholders in digital development, make use of synergies and collaborations, and draw on demand-side experience on digitalisation (inclusion, co-design, localisation of results).

Finland's most notable achievements (RQ3)

Finland's most notable achievements are based on its long-term engagement in digital development. At the multilateral level, this included influencing and support for the Global Digital Compact and the World Bank's Digital Development Partnership programme. In EU cooperation, Finland influenced that digitalisation became a Global Gateway priority, even if it meant the EU starting from scratch in this area. Notable Global Gateway achievements also included piloting of the EFSD+ loan guarantee - a blended financing model for connectivity and digital infrastructure support - and crucial launch support for the D4D Hub and Team Europe Initiatives (TEI), a strategic tool in the implementing arm of Global Gateway. Given the nascent phase of digital development, especially within global governance and multinational cooperation, these most notable achievements are milestone results of wider, ongoing policy processes and programmes for the acceleration of the SDGs achievement. Outcome and impact achievements at country level, for example within digital transformation, economic growth, and jobs creation, are therefore subject to independent assessment at a later stage. At country level, Finland's support for a digital rural cadastre in Ethiopia achieved a best practice in land tenure security, which enabled a) access to finance for rural low-income groups, and women headed households, and b) scalability and replication through partnerships with the World Bank and the Foreign, Commonwealth & Development Office (FCDO).

Use of Finnish expertise and experience in digital development (RQ4)

HAUS' expert procurements and Finnfund's private sector investment support are emerging as the primary sourcing modalities of Finnish expertise in digital development. Both actors play a key role in the development and implementation of Global Gateway and Team Europe Initiatives (TEI)/D4D Hub offers. Institutional cooperation between public authorities, research and education institutions also entails a critical backbone of innovation and digitalisation. However, digitalisation support in these types of modalities, for example support from the Finnish Meteorological Institute and the

Finnish Revenue Authority, are typically embedded in sector specific purposes and headings. Achievements which are significant for digital transformation therefore tend to be unreported and go under the radar in the context of digital development.

Strengths and challenges of the Finnish support to digitalisation (RQ5)

The support to digital development presented benefits and opportunities for Finland to pursue its overall development strategy. Digital inclusion was mainstreamed well across influencing and development cooperation. In multilateral engagements this included influencing of Global Digital Compact commitments for AI governance and data privacy, and mitigation of the digital divide and online harassment. Support for the Freedom Online Coalition, Access Now, and UNICEF innovation hubs in Helsinki are other examples from multilateral cooperation, where inclusion and digital rights are prime objectives. At country-level, connectivity investments and digitalization of land use rights are significant examples on inclusion support, which benefit groups in disadvantaged positions, while Finnfund investments are subject to mandatory impact assessments regarding equality.

Global influencing and cooperation through multilateral and EU channels also benefit Finland's innovation and private sector engagements. Its long experience in this area from Finland and from bilateral support, allowed Finland to influence multilateral and EU cooperation as these cooperation channels began emerging in digital development. A key influencing outcome includes the piloting of blended financing, which gave Finnfund a lead role among European DFIs (Development Finance Institutions).

Moreover, multilateral and EU cooperation programmes present synergy and complementarity opportunities. Joint partnerships allow Finland to focus on its strengths and priorities (for example connectivity and the role of the private sector) without compromising on sustainability and coherence. This includes twin transition challenges, as multilateral and EU programming guidelines and ESG criteria safeguard sustainability goals, ensuring that joint partnerships can target energy, waste, health, and work-related issues, while Finland can focus on connectivity and data security.

Finland's support also entails challenges, dilemmas, and trade-offs. Inclusion outcomes were mixed in bilateral support to innovation and entrepreneurships, and it remains difficult to mobilize Finnish SMEs in emerging markets. Despite benefits such as scale, coherence, and sustainability, multilateral and EU cooperation still grapple with suitable implementation models, underfinancing and investment instruments that are not yet fit for purpose. For these reasons, mobilization of Finnish expertise and private companies can also be challenging. Another trade-off is reduced visibility. Finland wants to strengthen bilateral relations with developing countries, but with support embedded in multilateral programmes, there may be less opportunities to demonstrate Finnish solutions and presence and building such relations. When working through multilateral and EU channels, commitment, time, resources, and local presence are therefore needed to fully benefit from them.

Lessons Learned

Before summarizing RQ6 of recommended policy options, based on the findings for RQ1-RQ5, this review draw the following Lessons Learned (LL):

LL1. Finland's most notable achievements are based on value-added contributions and early engagements, which enabled it to influence global and EU policies and programming.

LL 2. Finland's influence on global players like the World Bank and the EU underpins the impact of timely, high-level expert secondments.

LL3. The peer country case studies of Denmark and Estonia suggest that a focused strategy and a platform for global branding to underpin it, are key to mobilise joint partnerships and co-funding of strategic development priorities.

LL4. Constraining factors of Finland's support include difficulty to mobilize SMEs; partnership implementation and financing models which are not fit for purpose; and projects designs that did not cater sufficiently for groups in disadvantaged positions.

LL5. Failure to connect ambitious national innovation, research, and development targets to digital development objectives, are missed opportunities for Finland to leverage expertise for development cooperation.

Policy options (RQ6)

The review made eight recommendations to strengthen Finland's support to digital development.

At policy and coordination level, recommendations are:

- **Recommendation 1. Develop a more focused strategy based on Finland's strengths and best opportunities for scale and impact. Limit the number of policy priorities to three.** *This recommendation aims to forge a shared understanding of strategy and maximize Finland's impact in a scenario of declining ODA. Options within the present strategy are also presented.*

- **Recommendation 2. At a later stage, assess the policy coherence and effectiveness of mainstreaming digitalisation across the foreign policy. Effective from the current moment, mainstream digital development in MFA's policy and strategy evaluations and other analytical work.** *Recognising the early stage of promoting more coherence between Finland's foreign, security, trade and development policy, the recommendation for now is to accelerate building the evidence-base by assigning digital development as a cross-cutting focus in centralised development evaluations and reviews and other analytical work conducted by the MFA.*

- **Recommendation 3. Improve incentives for Finnish actors to participate in digital development and collaborate with local partners. Also strengthen measures to forge synergies between private sector, public authorities, and CSOs.** *The recommendation highlights areas where instruments and incentives must be strengthened, for example incentives for Finnish SMEs to engage in emerging markets and in collaborative businesses partnerships.*

- **Recommendation 4. Consider branding Finnish expertise in digital transformation to mobilize international partnerships and co-funding of Finnish development interventions. A branding option could be the promotion of a "FinnStack" offer based on Finnish expertise and solutions and underpinned by annual thematic events in Finland.** *International branding is aimed to underpin Finland's strategy, leadership, and visibility in digital development.*

- **Recommendation 5. Strengthen strategic dialogue and cooperation with all relevant actors from public and private sector, civil society, and the Helsinki-based UN innovation hubs.** *The recommendation aims for a closer linkage between national targets and digital development targets, and better leverage of public and private sector expertise and resources, for example within inclusion, service co-designs, public-private partnerships, and localisation of results.*

➢ **Recommendation 6. Explore options for HAUS and Finnfund to co-lead Global Gateway working groups and similar activities and define division of roles to facilitate it.** *The recommendation aims to leverage the resources and contributions of HAUS and Finnfund.*

At MFA management level, recommendations are:

➢ **Recommendation 7. Develop a capacity building plan to sustain the MFA's management and coordination capacity and to underpin the digital development strategy.** *The recommendation aims to underpin the MFA's long-term capacity through recruitments, in-service training, and secondments.*

➢ **Recommendation 8. Introduce a digital marker and mainstream digital development in decentralised evaluations to enhance portfolio and knowledge management. If applying the EU internal digital marker, amend the middle marker to capture significant results from digital mainstreaming and catalytic interventions.** *The recommendation aims to improve programming, accountability and learning in digital development.*

Conclusions and recommendations are presented in the table below.

Table of Conclusions and Recommendations

See Annex 7 for a table of findings, conclusions and recommendations.

CONCLUSIONS	RECOMMENDATIONS
Policy & coordination	
Conclusion 1. Finland's leadership in digital development contributed to milestone achieve-ments for the acceleration of the SDGs, includ-ing UN digital governance and EU development cooperation. *(This conclusion is based on Findings 1-3, 5-7, 13-18, 20-22, 23-27.)*	**Recommendation 1.** Develop a more focused strategy based on Finland's strengths and best opportunities for scale and impact. Limit the number of policy priorities to three. *(This recommendation is based on findings 13, 22, 25 and 27, and Conclusions 2 and 4.)*
Conclusion 2. Finland's influencing and cooperation achieved most impact when it was proactive, and when it could leverage Finnish value-added strengths, including innovation, the role of the private sector, and inclusion. Moving forward, these attributes will be a critical to achieve the full potential of multilateral and EU cooperation. *(This conclusion is based on Findings 14-16, 21-27, Lessons Learned 1-2, 4-5 and contributes to Recommendations 1-4.)*	**Recommendation 2.** At a later stage, assess the policy coherence and effectiveness of mainstreaming digitalisation across the foreign policy. Effective from the current moment, mainstream digital development in MFA's policy and strategy evaluations and other analytical work. *(This recommendation is based on findings 5, 6 and 27, and Lessons Learned 5 and Conclusions 2 and 3.)*
Conclusion 3. While there is a disconnect be-tween national digitalisation and digital devel-opment objectives, in Finland's foreign policy, the current policy documents address digitalisa-tion from their respective angles. Assessing how their operationalisation works could be done at a later stage, but gathering the evidence-base can start now. *(This conclusion is based on Findings 5-7 and Lessons Learned 5 and contributes to Recommendation 2.)*	*Recommendation 3.* Improve incentives for Finnish actors to participate in digital development and collaborate with local partners. Also strengthen measures to forge synergies between private sector, public authorities, and CSOs. *(This recommendation is based on findings 13, 22, 25 and 27, and Conclusions 2 and 6.)*
Conclusion 4. The white paper from 2024 es-tablished an overarching strategy for digital development. Influencing mandates for the multilateral development banks and the EU provide more details on how Finland can pur-sue the strategy. However, broad strategy measures, ODA cutbacks and geopolitics pose questions that need to be addressed. *(This conclusion is based on Findings 13, 22, 25 and 27 and contributes to Recommendations 1 and 4.)*	**Recommendation 4.** Consider branding Finnish expertise in digital transformation to mobilize international partnerships and co-funding of Finnish development interventions. A branding option could be the promotion of a "FinnStack" offer based on Finnish expertise and solutions and underpinned by annual thematic events in Finland. *(This recommendation is based on Findings 18 and 27, Lessons Learned 3 and Conclusions 2 and 4.)*
Conclusion 5. The MFA introduced organisa-tional changes to improve its inhouse coordina-tion of digital development. The new setup must now be internalized at management level and across funding streams. External stake-holders working directly with digital develop-ment are also engaged. However, strategic co-operation is not extended to the government programme level, and to a broad range of Finn-ish stakeholders working with digital transfor-mation and in digital development related areas. *(This conclusion is based on Findings 13, 22, 25, 27, and Lessons Learned 5 and contributes to Recommendations 5, 6 and 7.)*	**Recommendation 5.** Strengthen strategic dialogue and cooperation with all relevant actors from public and private sector, civil society, and the Helsinki-based UN innovation hubs. *(This recommendation is based on Findings 13, 22, 25 and 27, Lessons Learned 5 and Conclusion 5.)*
Conclusion 6. Sourcing and funding modalities have become more coherent, and with the Team Finland reform, there is potential for more coherence between trade and development objectives. Further initiatives are needed to improve coherence and effectiveness. *(This conclusion is based on Findings 13, 22, 25 and 27, and contributes to Recommendation 2.)*	**Recommendation 6.** Explore options for HAUS and Finnfund to co-lead Global Gateway working groups and similar activities and define division of roles to facilitate it. *(This recommendation is based on Finding 13 and Conclusion 5.)*

CONCLUSIONS	RECOMMENDATIONS
Capacity development	
Conclusion 7. The digital development strategy is managed by MFA staff with comprehensive skills and experience. A long-term solution is needed to sustain this capacity and underpin the digital development strategy. *(This conclusion is based on Findings 9 and 18 and contributes to Recommendation 7.)*	**Recommendation 7.** Develop a capacity building plan to sustain the MFA's management and coordination capacity and to underpin the digital development strategy. *(This recommendation is based on Findings 9 and 18 and Conclusions 5 and 7.)*
Portfolio and knowledge management	
Conclusion 8. The plan to improve RBM of digital development programming and strengthen accountability and learning is commendable. The EU internal digital marker is a good point of departure, but mainstreaming results and catalytic impacts should also be considered. *(This conclusion is based on Finding 10 and contributes to Recommendation 8.)*	**Recommendation 8.** Introduce a digital marker and mainstream digital development in decentralised evaluations to enhance portfolio and knowledge management. If applying the EU internal digital marker, amend the middle marker to capture significant results from digital mainstreaming and catalytic interventions. *(This recommendation is based on Finding 10 and Conclusion 8.)*

1 Introduction

1.1 Rationale, purpose, and objectives

The purpose of this review is to provide Ministry for Foreign Affairs (MFA) and its stakeholders with an analysis of policy coherence and relevance in the global context related to digital development as well as an analysis of coherence and relevance of Finland's development cooperation portfolio in support of digitalisation in developing countries. The review is forward-looking as it aims to inform the MFA's strategic priorities and plans in this area and support the implementation of the government's objectives, including providing opportunities for Finnish private sector actors to contribute towards accelerating digital transition in developing countries. The analysis focuses on Finland's achievements, strengths, and challenges in advancing digitalisation through development policy and cooperation and assesses how coherent the support was leveraged across various interventions, instruments, and partnerships. In addition to Finland's emerging agenda for foreign technology policy, the review also considers its commitment to gender equality, human rights, and the principle of leaving no one behind, when supporting digital transformation.

1.2 Scope of the review

The focus of this review was on development policy and cooperation. The review was set in the context of widely acknowledged challenges of achieving digital inclusion as a critical foundation for shared economic and social progress, highlighting the importance that no community, country or territory should be excluded from the benefits of digital tools and technologies. In addition to benefits and opportunities of digitalisation, attention was paid to the risks of harms and threats in the digitalisation context, including job loss, cybercrime, misinformation and hate speech, and the overall global concentration of economic capital and capital outflow from developing nations, accelerated by digitalisation. The review also considered how the strengthening of local digital capacities can mitigate such risks, and it considered the role of 'twin transition', i.e. the relationship between digital and green transition and the impact on sustainable development.

The review focused on MFA's influencing and interventions portfolio of years 2018-2024 but also considered the Development Policy Guidelines for ICT and the Information Society (2005) and subsequent mainstreaming in other guidelines in the analysis.

The cooperation instruments/modalities screened in this review were:

- Private sector instruments (PSI) and channels, e.g. Finnfund, Finnpartnership, Developing Markets Platform (DevPlat) and Public Sector Investment Facility (PIF),
- Development policy loans and investments,
- Bilateral cooperation with Finland's partner countries (including regional cooperation),

- Institutional Cooperation Instrument (ICI),
- Multilateral cooperation,
- Support to civil society organisations (CSOs), including CSO support (programme and project-based instruments) and International Non-Governmental Organisation (INGO) support,
- EU cooperation and Global Gateway,
- Fund for Local Cooperation (FLC) by the embassies.

1.3 Users of the review

Digitalisation as a theme and as investments was at the start of this review steered and coordinated in the MFA both in the Department for Development Policy (Senior Adviser in the Unit for Development Finance and Private Sector Cooperation) and the Department for International Trade (Digital Ambassador and Chief Senior Specialist in the Unit for Technology and Sustainability). During the course of the review, the Senior Adviser previously in the Department for Development Policy moved to Unit for Technology and Sustainability, and the steering and coordination is now focused on the Department for International Trade.

The main users of the review are different units and departments in the MFA managing policies and cooperation on digitalisation and development as well as on investments. The secondary users include the Ministry of Economic Affairs and Employment and the Development Policy Committee (DPC). Similarly, various partners, actors and stakeholders, including from the private sector, may find the results useful.

2 Approach, Methodology and Limitations

2.1 Approach

This review of efforts of Finland's development policy and cooperation in accelerating inclusive digitalisation understands "inclusion" as in the United Nations approach to "leaving no one behind". Leave no one behind (LNOB) is the central, transformative promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). As per the UN definition, provided by United Nations System Chief Executives Board for Coordination, LNOB not only entails reaching the poorest of the poor, but also seeks to combat discrimination and rising inequalities within and among countries, and their root causes. This is grounded in the United Nations normative standards, including the principles of equality and non-discrimination that are foundational principles of the Charter of the United Nations, international human rights law and national legal systems across the world. Derived from LNOB, the UN Office for Digital and Emerging Technologies defines digital inclusion as "equitable, meaningful, and safe access to use, lead, and design of digital technologies, services, and associated opportunities for everyone, everywhere".

Digital inclusion means equitable, meaningful, and safe access to use, lead, and design of digital technologies, services, and associated opportunities for everyone, everywhere.

This review of digital and development addressed the relevance, coherence and results of Finland's efforts in the framework of a set of Review Questions. Where appropriate, the review also touches upon the (likely) sustainability of Finland's efforts. Hence, the review addresses "sustainability" in two ways; as a DAC evaluation criterion for sustainability of results, and as development criteria as defined by Agenda 2030, i.e. socially, economically and environmentally sustainable development. Regarding twin transition, reference is made to the environmental and social sustainability challenges (i.e. the green transition issues).

The Review Questions (RQ) and methodology are presented in the Review Matrix in Annex 3. The review used a qualitative, mixed method approach, based on document reviews, mapping, and key informant interviews, peer country case studies and policy foresight. The priorities and measures included in the Government Report on International Economic Relations and Development Cooperation (2024) guided the policy and portfolio analysis, and all relevant policies, instruments, and partnerships were considered, with particular focus on the private sector cooperation instruments, the EU Global Gateway, and multilateral cooperation, especially with the UN and World Bank.

The review was informed by a review Theory of Change (TOC) which the RT developed based on the TOR and Finland's development policy, see Annex 4. The TOC describes the intervention logic of digital acceleration of the SDGs through Finland's development policy and cooperation, covering relevant instruments, modalities and main activities and their aspired outputs, outcomes,

and impact since 2018. This includes both the previous and current development policies, but with emphasis on the activities and terminology referred to in the current policy as outlined in white paper in 2024.

To get a solid reference on the progress, gaps, needs, and lessons of digital transformation in various contexts, the review made use of global-thematic and project evaluations and development reports as well as recognized global digital benchmark indexes with regular comparative reporting. The latter included the UN E-Governance Development Index, the World Bank GOVTECH Maturity Index, and EU Commission's eGovernment Benchmark and the Digital Economy and Society Index 2022, the World Economic Forum's Global Competitiveness Report 2020 and the OECD Digital Government Index, as well as thematic indexes aligned with Finnish development priorities. See Annex 5.

2.2 Data collection

To enhance the data collection and ensure that all relevant data was collected to respond to the RQs, the Review Matrix breaks down each RQ into judgement criteria and sub-criteria. Based on the matrix, a generic interview checklist was developed to assist the RT in tailoring specific questionnaires for the semi-structured interviews.

In terms of secondary data, results reporting, reviews, studies, and evaluations commissioned by MFA and its partners were used as a source of information. The review's primary data was collected by interviewing MFA staff and managers, other Finnish public sector entities, United Nations and related Finnish Embassies/Missions, Multilateral Development Banks, Inter-Governmental Organisations, developing country partners/beneficiaries, INGO's, Finnish CSO's, EU Global Gateway actors, PSIs, private companies, and actors in development policy loans and investments, academia and other institutions. More than 70 interviewees participated in 80 interviews. The list of positions and organizations interviewed and references consulted is in Annex 1.

The review applied continuous triangulation as new information become available and opted for a broad stakeholder participation through interviews and workshops. A diverse group of stakeholders, including implementers, developers of the project documents, beneficiaries and external experts was engaged.

2.3 Futures methods

As previously indicated, the study is forward-looking, with the goal of guiding the MFA's strategic priorities and projects while also assisting the government's objectives, particularly by enabling Finnish private sector partners to accelerate the digital transition in developing countries. This viewpoint was taken into consideration throughout the entirety of the assessment process, including the interviews. Continuing the discussion on future direction, the MFA and stakeholder workshop took place on April 2nd, 2025. A future governance framework for digitisation and development was built by the review team based on the data obtained from interviews. This framework was then reviewed and improved upon during the review workshop. Annex 6 presents the governance models discussed at the workshop and provides a short summary of the outcomes. Moreover, a SWOT

table summarizing policy opportunities, gaps and risks based on findings and recommendations of the review as well as the workshop discussions is included in the concluding chapter of this report.

2.4 Data analysis

Based on a policy and portfolio review, the review identified overall achievements and lessons learned and provided recommendations for the future. Findings from the desk review, key informant interviews and analysis of MFA's monitoring data informed the reviews summative analysis (of past performance) and these - paired with the three "snapshot" case studies of peer countries - informed the formative, forward-looking analysis.

The review analysed all data collected in relation to the individual RQs, considering that the RQs are interlinked and to some extent overlapping. Responding the RQ1 "How coherently has Finland's development policy on digital development evolved over time vis-à-vis Agenda2030, in particular, the SDGs related to economic growth and decent employment?" the review built on the policy analysis, recognising that MFA commissioned studies, peer country case studies and the stakeholder consultations assisted in the identification of gaps and missed opportunities.

The review addressed the RQ2 "Based on the policy analysis, how relevant has Finland's development cooperation on digital development been in advancing Agenda2030 through various instruments, partnerships, and policy influencing - at global, regional and country levels, during 2018 to 2024?" by conducting a desk analysis of global digital governance and development needs and outcomes. Drawing on the policy analysis, the relevance of Finland's contributions through influencing and cooperation was assessed against the needs and gaps of the 2030 Agenda identified by the analysis.

To answer the RQ3 "What have been the most notable achievements in digitalisation through Finland's support?", the review harvested outcomes at policy and portfolio level to understand where Finland's support was most effective, and how significant the results and the changes they contributed to were. Responses to both RQ4 "How has Finnish expertise and experience on digitalisation been used to advance digital development in developing countries, including both private and public sector actors?" and RQ5 "What have been the particular strengths and challenges of the Finnish support to digitalisation?" are derived from the analyses of RQs 2 and 3.

RQ4 assessed in which sectors and areas Finland was able to leverage its digital expertise and solutions, how effective the aid modalities were in the mobilisation of Finnish expertise and solutions, and how this contributed to digital transformation in developing countries. RQ5 investigated strengths and challenges of Finland's digital support to understand the value added in relation to key priorities of Finnish development cooperation. This included assessment of results and a SWOT analysis covering these areas, and the identification of opportunities, gaps and lessons learned.

Under RQ6 "Based on the policy analysis and portfolio review, how should MFA approach digital development to advance external economic and development cooperation objectives, taking into account the broader foreign and security policy priorities?" the review designed policy options that enable Finland to improve its support for digital development in accordance with the new development strategy. This drew on the synthesis of RQs 1-5, the peer case country snapshots, and the participatory foresight consultation regarding future policy options.

2.5 Limitations, risk management and Quality Assurance

Key limitations, risks and risk management issues of this review pertained to:

Data: There were limitations in availability of data, especially on results and outcomes and many interventions are ongoing and part of broader processes. This limitation was managed by accessing global-level data and benchmarks; harvesting outcomes; and engaging with a sufficiently large number and diversity of interviewees.

Time: The work plan proposed a duration of approximately three months for the review main phase (for data collection, analysis, validation, and foresight). However, the stakeholder mapping identified several external stakeholders to be consulted. The progress in making interview appointments was carefully managed by the RT members.

Rights-holders/Beneficiaries: The scope of the review and a portfolio of interventions in progress, limited the space for engaging with partners/beneficiaries in developing countries and most interviewees were from the MFA and its partners. To avoid a bias in perceived gaps and needs, and how Finland's support has worked so far, the review drew on external evaluations, reports, benchmarks, citizens/leadership report cards, and reached out to stakeholders in developing countries as opportunities presented themselves.

The review's Quality Assurance was conducted following the guidelines provided by the commissioner, MFA's Development Evaluation Unit (EVA-11) in the Quality Assessment Memo for Centralised Development Evaluations and Reviews (February 25, 2025).

3 Context Analysis

3.1 Global and EU context

Fast-moving digitalisation presents great opportunities and serious risks for equitable and sustainable global development.

Digital technologies are driving unprecedented innovation, providing essential tools for achieving development policy objectives. Open-source platforms, data analytics, and artificial intelligence (AI) facilitate the creation of novel, context-specific products, services, and business models that directly address critical development challenges. Mobile banking and fintech solutions, tailored to local needs, can enhance financial inclusion for underserved populations, empower entrepreneurs, and promote economic resilience. Similarly, digitalization supports the advancement of climate-smart agriculture, improved monitoring of environmental degradation, and the optimization of resource management, all of which are crucial for economic growth and environmental sustainability. To ensure equitable progress, it is also imperative to proactively address risks associated with digitalization, such as exclusion due to affordability or accessibility constraints and the potential for data misuse, both of which can exacerbate existing inequalities and undermine development objectives. As digitalization advances, it is important that development policy safeguards against challenges such as cybersecurity threats and disinformation campaigns as malicious actors pose a threat to critical infrastructure, essential services, and democratic processes. Simultaneously, development policy must directly address inherent ethical and human rights problems of digital technologies. As much as digital innovation can provide positive transformation, it must also be developed with standards that protect against the risks to populations in developing countries. This includes mass surveillance and censorship, alongside the imperative to protect the right to data privacy.

Bridging the digital divide is vital to ensuring that the benefits of digitalization are distributed equally and contribute to inclusive development. Development strategies must therefore prioritize affordable internet access, targeted digital literacy programs that empower individuals to critically engage with digital technologies, and the development of locally relevant content that serves diverse communities. Specific interventions are necessary to overcome the barriers encountered by women, individuals with disabilities, rural communities, and other populations in vulnerable situations, ensuring that digitalization genuinely supports their empowerment and well-being.

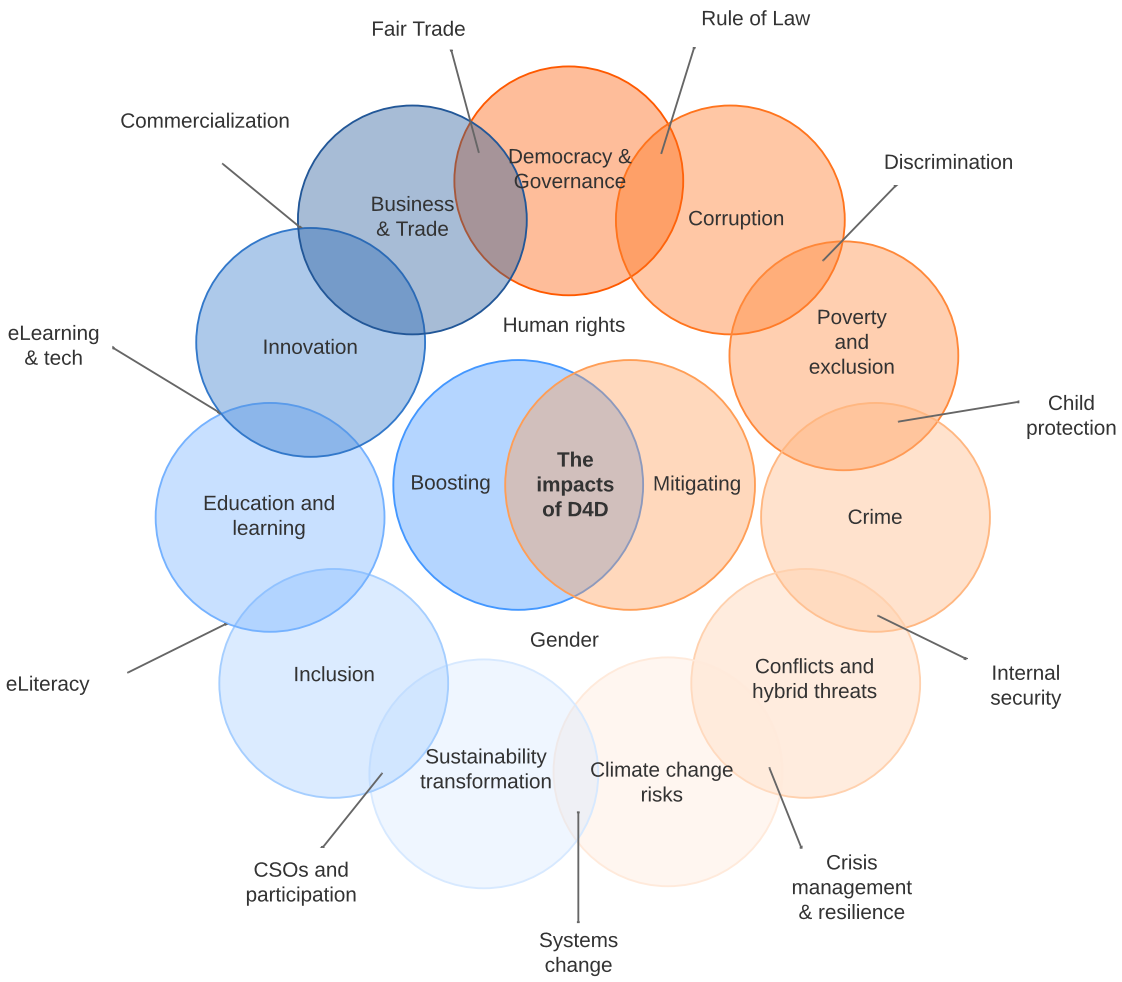
Digital technologies present opportunities for transformative advancements in lifelong learning and access to educational resources. Consequently, development policies should prioritize the establishment of online learning platforms and related services to support these objectives. Telemedicine has the potential to enhance healthcare delivery and accessibility, particularly in developing countries. However, to ensure that these new tools effectively contribute to these goals, they must be integrated with existing global health practices. Thus, digitalization and development must progress concurrently to achieve optimal outcomes. Reliable and affordable internet connectivity is fundamental to the digital economy and society. Investments in broadband infrastructure,

Digitalization can boost innovation, education, inclusion, and sustainable transformation, and mitigate challenges like corruption, discrimination, poverty, and conflict.

particularly in rural and underserved regions, are crucial for facilitating access to digital services and fostering equitable economic growth. Innovative connectivity solutions, such as satellite internet and community networks, can significantly extend internet access to remote areas.

Within an innovation policy context, digitalization offers unprecedented opportunities to accelerate development impact. Governments can foster a supportive ecosystem by investing in digital infrastructure, promoting digital literacy and skills development, and creating regulatory sandboxes for testing innovative digital solutions. Public-private partnerships can leverage the expertise and resources of both sectors to drive digital innovation, while open data initiatives and open-source platforms can promote collaboration and knowledge sharing. Furthermore, innovation policy should prioritize the development of digital solutions that address specific development challenges, such as climate change, poverty reduction, and access to healthcare and education. By strategically leveraging digitalization within a well-designed innovation policy framework, developing countries can unlock new pathways to sustainable and inclusive growth.

Figure 1. The main impact areas of digitalisation for development.



Digitalisation's impact on development can be conceptualized as a dual-faceted force, simultaneously boosting desirable outcomes while also offering pathways to mitigate existing risks and threats. As Figure 1. illustrates, digitalization has the power to boost areas such as innovation, education, inclusion, and sustainable transformation, driving economic growth and social progress. However, it is equally crucial to recognize digitalization's potential to mitigate challenges like corruption, discrimination, poverty, and conflict. By strategically harnessing digital tools and policies, development strategies can amplify positive impacts while actively addressing and minimizing potential negative consequences, ultimately leading to more resilient and equitable societies. This is key as authoritarian regimes can weaponize digitalisation and undermine civil rights and democratic principles as well as national security. This danger can come from national governments, or from international actors as part of hybrid war efforts.

Beyond these direct, linear impacts, digitalization acts as a catalyst for complex systemic transformations within societies. It may improve certain policy domains, but can also trigger cascading effects across interconnected systems, reshaping social structures, economic processes, business logics, and political institutions. This systemic transformation arises from the interaction of various digital elements, such as increased information flows, enhanced connectivity, new forms of collaboration, and data-driven decision-making. Consequently, digitalization profoundly alters the fundamental fabric of societies, requiring a holistic and adaptive approach to policy-making that recognizes and manages these interconnected and emergent effects.

While presenting unprecedented opportunities for developing countries, global digitalization is also a significant driver of inequality, security, and sustainability risks. A lack of regulatory frameworks and taxation policies underpinned by geopolitical competition between the USA, China and Europe, has allowed an unseen concentration of financial and digital capital. Where middle-income countries have witnessed accelerated digital adoption, low-income countries lag behind, hampered among others by affordability constraints, limited access to quality internet services, and a global concentration of financial capital, restricting capital access and growth for smaller enterprises and startups. Without targeted policies and regulatory frameworks, global digitalisation has the potential to further exacerbating inequalities and marginalize developing countries.

Africa and the Pacific region are constrained by low Internet penetration, connectivity gaps and a lack of affordable mobile broadband subscriptions.

The digital divide and the need for support to digital transformation frameworks, is monitored by various global benchmarks, see Annex 5. Most countries now have a digital strategy, and many of them have stronger institutional and legal frameworks for e-governance. Frameworks include legislation on cybersecurity, private data protection, a national data policy, open government data, and platforms for citizens and private companies to access online information and e-services. However, such achievements are not shared by all countries and regions, and the digital divide widened during the pandemic, especially in Africa and the Pacific region. Low Internet penetration, gaps in connectivity and affordable mobile broadband subscriptions are key constraints in these regions. Moreover, only one in two countries have a responsible authority and a dedicated framework with cybersecurity standards, and child online protection strategies and initiatives (covering awareness-raising, campaigns, training for educators, training for police, and reporting mechanisms, etc.).

The World Bank's 2023 report highlights the importance of Digital Public Infrastructure (DPI) in enabling broader digitalisation. This includes digital platforms for legal identity, signature, payments,

and data sharing, to facilitate provision of and access to public and private services. The World Bank's analysis further emphasizes the need for comprehensive digital strategies, robust legal frameworks, and the adoption of DPI to improve internet penetration. Moreover, it is also imperative to address the sustainability challenges associated with the digital transition. This includes mitigating the environmental impacts stemming from energy consumption, e-waste generation, and the extraction of rare earth materials. Developing countries are more severely affected by the negative consequences of the digital transformation. Extraction of raw materials often happens under harsh and exploitative working conditions, and with poor regulatory oversight. This causes adverse impact on both the environment, employees, and local communities. Hence, negotiating the challenges of digital and green transition (also known as twin transition) entails complexities and dilemmas, since progress in one area may negatively or positively impact the other.

Digital transformation is an emerging development cooperation area, which is not only grappling with global governance issues, but also suitable cooperation models, overlapping offers and mobilising of development financing. The nascent stage of digital development is also key to fully understand Finland's contributions and comparative strengths, since few, if any, development partners have yet achieved higher order outcome and impact results in this area. At the global level, the ***United Nations' 2030 Agenda on Sustainable Development (2015)*** (henceforth Agenda 2030) provides a crucial framework for integrating digitalisation into development agendas. Underlining the emerging nature of digital development, Agenda 2030 does not discuss digital transformation as a theme, although SDG targets and indicators support its core elements such as access to digital technologies, digital skills, infrastructure, and innovation systems.[1] However, digital technologies are recognised as essential enablers for addressing a wide range of development challenges, including poverty reduction, improved education and healthcare, and promotion of sustainable economic growth. To this end, ***The Global Digital Compact (2024)*** outlines a global framework for digital cooperation and governance to foster a more inclusive and equitable digital future, emphasising the importance of international cooperation, shared principles, and multi-stakeholder engagement. Key aspects of the Global Digital Compact include:

The Global Digital Compact (2024) is a major milestone in digital transformation emerging as a notable development cooperation area.

Closing Digital Divides: Accelerating progress across the SDGs to close digital divides between and within countries;

- Expanding Inclusion: Ensuring that all people and businesses can benefit from the digital economy;
- Human Rights and Safety: Promoting a digital space that respects, protects, and promotes human rights;
- Data Governance: Advancing responsible, equitable, and interoperable data governance approaches;
- AI Governance: Enhancing international governance of artificial intelligence for the benefit of humanity.

1 See SDG 9 (Industry, Innovation and Infrastructure), Target 9.c: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020; SDG 17 (Partnerships for the Goals), Target 17.6: Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation; and Target 17.8: Operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries, Indicator 17.8.1: Proportion of individuals using the Internet; and SDG 4 (Quality Education), Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills.

Within the European Union, the ***Digital Decade Policy Programme 2030*** highlights the importance of leveraging digital technologies for sustainable development and emphasises the need to bridge the digital divide, promote digital innovation, and invest in digital skills. The programme guides Europe's digital transformation by 2030, outlines several specific targets, and benchmarks progress and performance (the DESI Index in Annex 5) of obligatory Member State commitments, such as national roadmaps. It also entails coordination of cross-border projects.

In the European Union, the Digital4Development (D4D) program promotes digital technologies to address development challenges and to support strategic EU engagement in digital partnerships in Africa and Asia.

The EU launched the ***EU Digital Diplomacy framework*** in 2022, with the aim to safeguard its role in global digitalisation, while promoting its values and interests. The framework coordinates multilateral and bilateral engagements and partnerships including its digital policy development. Accordingly, it links to several strategic initiatives and coordinates its Team Europe Initiative (TEI). Within digital development, the Digital4Development (D4D) program promotes digital technologies to address development challenges and strategic EU engagement in digital partnerships, particularly in partner countries in Africa and Asia. The D4D is managed by the D4D Hub. Its activities are linked to the EU Global Gateway which aims to promote smart, clean, and secure connections in digital, energy, and transport sectors, while enhancing health, education, and research systems worldwide. Hence, in digitalisation the primary focus is on global digital connectivity. However, the pursuit of substantial EU-led investments in digital connectivity is challenged by various factors, including the entrenched presence of non-EU corporations in partner countries and ongoing financial difficulties faced by low- and middle-income countries. The Global Gateway itself also struggles to mobilise sufficient capital and risk sharing investment support for telecom infrastructure investments in Sub-Saharan Africa.[2]

3.2 Finland's policies

Finland's ***national digitalisation efforts*** are guided by its ***Digital Compass (2022)***, which aims to create a digitally advanced society that embraces innovation, digital skills, and a thriving digital economy. This framework serves as a blueprint for integrating digital technologies into all aspects of Finnish society, including education, healthcare, and public administration. While the Digital Compass refers to the EU's Digital Decade Policy Programme 2030, its focus is on what Finland should do in Finland and for Finland, and there are no obvious linkages between the Digital Compass and Finland's development policy.

Yet, the ***Government's Report on Development Policy across Parliamentary Terms*** (VNS 5/2021) places technological, social and operational innovations, and digitalisation and the circular economy as major drivers for change. The report emphasises the long-term framework of Finnish development policy and cooperation, focussing on the underlying principles, values, and objectives. The report outlined five primary goal areas of Finland's development policy: (i) the rights of

2 See Ecdpm (2024), Financing inclusive digital transformation under the EU Global Gateway. Overall, Global Gateway seeks to mobilise EUR 300 billion for global infrastructure development from 2021 to 2027 but struggles to do so.

women and girls, (ii) education, (iii) sustainable economic growth and decent employment, (iv) the promotion of peaceful and democratic societies, and (v) addressing climate change, preserving biodiversity, and ensuring the sustainable management and utilisation of natural resources. The report also emphasises the need to enhance the financing framework for development cooperation through increased engagement of private donors in funding sustainable development initiatives.

The ***Government Report on the Finnish Foreign and Security Policy*** (2024) highlights the impact of disruptive technologies on foreign, security and defence policy. The government report concludes that in addition to threats, the use of disruptive technologies and solutions provides enormous opportunities for achieving progress in different sectors, promoting a clean transition, generating sustainable economic growth, and increasing efficiency and productivity. The potential of disruptive technologies in enhancing global security, education, well-being, and health is also mentioned.

In Finland, the Government Report on International Economic Relations and Development Cooperation (2024) provides the broad strategic framework for digital development.

The ***Government Report on International Economic Relations and Development Co-operation*** (2024) outlines key priorities for Finland's development policy. It states that Finland promotes the digital transformation of developing countries in support of their sustainable development and by strengthening Finland's relations with the countries. This is carried out under the broader umbrella of more ambitious Finnish foreign technology policy. The government report demonstrates a strong link between international trade and development. The commitment to seek opportunities for Finnish private sector actors to participate in international development efforts is particularly highlighted.

The MFA is the process of outlining ***Finland's technology foreign policy priorities*** and according to the Ministry, Finland's technology foreign policy focuses on supporting competitiveness, national security, and sustainable development. This policy is based on international cooperation and partnerships, as well as responsible technology management. Finland actively influences international technology policy and cooperation to support the growth and internationalization of the domestic technology sector. The European Union and NATO are key forums for cooperation, through which Finland can promote security risk management and the development of defence technology. With the development of new technologies, Finland focuses on improving the security of critical technologies, including export controls and research security. Finland also strengthens technological competitiveness through the EU's internal market and trade policy, as well as defends human rights and democracy in digital environments and actively participates in international cooperation on artificial intelligence and data management. Finland uses technology to support sustainable development, particularly in promoting the digital transition of developing countries and environmental protection.

In multilateral cooperation, digitalisation is included as one of the key priorities in several ***multilateral influencing plans***. In the implementation of the UN Secretary General's Roadmap for Digital Cooperation, Finland has been involved in three coalitions: Artificial Intelligence cooperation, Digital Public Good (DPG) and Digital Inclusion and Data, and more recently taken an active role in the development of the UN Global Digital Compact. Finland has also supported the UN's innovation hubs in Helsinki: UN Global Pulse, and UNICEF's Global Learning Innovation Hub and Innovative

Finance Hub (UN Futures Lab was also based in Finland but relocated). Finland has supported gender equality by leading the Generation Equality's technology and innovations action coalition.

In development banks, digitalisation is one of Finland's key influencing priorities, including in the World Bank's Digital Development Partnership fund. Digital development can also be seen as a theme in Finland's membership of the Human Rights Council, Finland's efforts in the Freedom Online Coalition, and through the projects by international and Finnish non-governmental organization projects supported by the MFA, where the intersections of digitalisation and democracy are strong.

The EU's D4D Hub and Global Gateway are among the key contexts for Finland's efforts in digital development.

Finland invests in the implementation of the EU's Global Gateway strategy. Implementation takes place mainly through Team Europe initiatives and infrastructure investments. Since 2020, Finland has participated in and influenced the D4D Hub, which is a collaboration and competence platform between member states, the Commission, and development financiers. Finland co-leads the digital connectivity work of the EU's Global Gateway strategy in the D4D Hub. Finland seeks to strengthen its capacity to design and implement Team Europe initiatives in the digital sector and utilize Finnish expertise in digital and green transition topics in Africa through a programme funded by the MFA and implemented by the HAUS institute, see table 1 in the next chapter.

Finland utilizes private sector instruments in the implementation of the Global Gateway. Finnfund is thus far the only European development finance institution that makes use of the EU Commission's EFSD+ guarantees in the digital sector, and Finnfund's investment activity in the digital sector is expanding. Finnpartnership has a separate Global Gateway campaign, financed by the MFA and aimed at opening opportunities for Finnish companies in Global Gateway projects and Team Europe initiatives. Finnish companies are involved in digital infrastructure projects that implement the Global Gateway strategy. Funding for these initiatives comes mainly from development finance institutions and multilateral development banks.

3.3 Finland's portfolio

Finland's recent past and current digital development portfolio consists of interventions, initiatives and instruments in which digital development is proposed as the primary objective or one of the primary objectives, and those where it clearly is an implicit or explicit secondary objective or key means to an end. This review has mainly focused at the former, while selected mainstreamed (secondary; means to and end) interventions have also been reviewed. MFA is currently planning to improve the results-based management (RBM) of digital development, which enables a better definition of primary or secondary objectives, and the framing of the digital portfolio.

While Finland can well be viewed as one of the pioneers in the efforts of digital development and its influencing and financing of digital development tracks back some 25-30 years, analysis shows that a significant part of Finland's *current* inclusive digitalisation portfolio is young and consists of initiatives and interventions that Finland has become involved in over the past couple of years. Key example of the new part of the portfolio are the EU Global Gateway initiatives and the D4D Hub, where Finland is an active founding member. Part of the portfolio, though, is based on a long-term partnering with the UN, MDBs and other partners. Key examples include the UN innovation hubs

in Helsinki: UN Global Pulse, UNICEF Global Learning Innovation Hub, and UNICEF's Innovative Finance Hub; as well as the World Bank's Digital Development Partnership fund (although Finland has exited the fund in 2024).

Based on the Review Team's analysis, Finland's digitalisation development portfolio consists of influencing, funding/financing, and participating/partnering. Finland influences the UN, MDBs, EU and other Inter-Governmental Organisations (notably Freedom Online Coalition) as well as through state ownership steering, Finnfund. Finland also provides development grants and/or loans and investments financing to many of these entities and seeks to leverage its expertise and partner with the entities in advancing digital development through its implementation modalities. Finland provides funding to INGO's and CSO's as well as through the ICI and HEI-ICI/HEP instruments. Finland also provides funding and financing to private sector for the companies to support digital inclusion.

Most of Finland's development cooperation has mainstreamed digital development to varying degrees, while also including interventions where digitalisation is the primary objective.

Finland's digital development portfolio is centred around the EU and private sector, notably Finnfund; and has a significant amount of influencing (UN, MBDs) and/or participating/partnering interventions in it. Considering Finland's dwindling ODA resources, the portfolio includes a relatively large number of interventions. In mapping the portfolio, neither any bilateral programs, nor any collaboration supported by the ICI instrument with digital development as the *primary objective* was discovered. Yet, MFA's regional program ADGT and its successor FDGT (2025-2027), serve two purposes: 1) ADGT/FDGT is a vehicle supporting Finland's participation in the EU Global Gateway and D4D Hub, and 2) it facilitates institutional collaboration between Finland and African countries in digital and green transformation. Digital development mainstreamed/as secondary objective is pronounced through some of the bilateral and ICI-interventions and the notable interventions are included in the Table 1. Most funding from the MFA's regional departments is channelled through Team Europe Initiatives (TEIs) linked to the Global Gateway.

Table 1. Portfolio mapping

INITIATIVE / PROJECT / PROGRAMME / ORGANISATION	FINLAND INFLUENCES AND PARTICIPATES	FINLAND INFLUENCES, PARTICIPATES, AND PROVIDES FUNDING	FINLAND PROVIDES FUNDING, TA
MULTILATERAL AND INGOS			
UN Secretary General's Roadmap for Digital Cooperation, with Finland's focus on: Artificial Intelligence cooperation, Digital Public Goods, Digital Inclusion and Data, and subsequently Global Digital Compact commitments in these areas (2024) Digital cooperation trust fund on AI (in the Tech Envoy's Office).		X	
Internet Governance Forum		X	
UN innovation hubs in Helsinki: UN Global Pulse, UNICEF Global Learning Innovation Hub, and UNICEF Innovative Finance Hub		X	
UN Women/Generation Equality		X	
Human Rights Council	X		
World Bank, African Development Bank, Asian Development Bank, Inter-American Development Bank, European Bank for Reconstruction and Development, Nordic Development Fund		X	
World Bank's Digital Development Partnership fund (1st TF cycle only)		X	
Freedom Online Coalition		X	
Access Now			X
HAUS – GG/TEI/D4D HUB			
African Digital and Green Transition (ADGT) Project (2023-2024)		X	
Finnish Digital and Green Transition (FDGT) Project (2025-2027)		X	
• Digital for Development Hub (D4D Hub) and digital connectivity work of the EU's Global Gateway strategy in the D4D Hub		X	
• Data Governance in Africa -project, with Finland's focus on data centres and Digital Investments Facility (DIF) (under implementation)		X	
• Support for SmartBots Digitalisation strategy in Botswana (under implementation)			
• EU-LAC Digital Alliance (Under implementation. Finland takes part in certain activities but does not implement or fund the initiative)	X		
• Africa-Europe Digital Innovation Bridge 2.0 (starting in 2025)		X	
• Tanzania eGovernance (Tantech, in planning)			

INITIATIVE / PROJECT / PROGRAMME / ORGANISATION	FINLAND INFLUENCES AND PARTICIPATES	FINLAND INFLUENCES, PARTICIPATES, AND PROVIDES FUNDING	FINLAND PROVIDES FUNDING, TA
• Central Asia Digital Connectivity (in planning)	X		
• EU's Digital Economy Package for the Philippines, with Finland's focus on digital governance (in planning)		X	
• Safe Digital Boost for Africa (under consideration)		X	
HAUS Bilateral project/partner secondments		X	
PRIVATE/PUBLIC SECTOR INVESTMENTS			
Finnfund, including Finnfund's use of EU Commission's EFSD+ guarantees in the digital sector		X	
Finnpartnership, including FP's GG Campaign		X	
DevPlat (2020-2024)		X	
PIF		X	
Partnership loans = core funding to development finance institutions. Current: IFAD, ADF (in ADB)		X	
Impact investor loans to FCAI Investments			X
Investments in funds. Current: Finland–IFC Blended Finance for Climate Program; Finland–LAC Blended Finance Climate Fund; the ADB Ventures Investment Fund 1; and HIPCA.		X	
HEI-ICI			
University of Turku: • Resilience Academy, Tanzania; • GeoICT4e (Social Innovations in Geo-ICT Education), Tanzania; • SUSIE (Sustainable Business and Employability), Tanzania; • IRIS (Introducing Reverse Innovation Model), Tanzania			X
ICI			
Technical Assistance to Tanzania Revenue Authority, ICI project by VERO			X
FMI's ICI projects			X
BILATERAL PROJECTS			
Responsible and Innovative Land Administration (REILA) project in Ethiopia (Phase I 2011-2017, Phase II 2017-2024)		X	
CSOS			
FINGO			X

4 Findings

This section presents the key findings that answer Review Questions 1-5. It starts with the relevance (RQ2) and the coherence (RQ1) of Finland's contributions vis a vis Agenda 2030. It then presents the most notable achievements of Finland's support (RQ3) and how Finnish expertise has been used to advance digital development (RQ4), before outlining in more detail the strength and challenges on Finland's support in terms of inclusion, innovation, private sector engagement and multilateral cooperation (RQ5). RQ6 "Based on the policy analysis and portfolio review, how should MFA approach digital development to advance external economic and development cooperation objectives, taking into account the broader foreign and security policy priorities?" is addressed in the Chapter 8 Recommendations.

4.1 Policy relevance for the Agenda 2030

Finland's support to digital development and its increased attention to connectivity, financing, the role of the private sector as well as human rights and gender equality, are relevant for the achievement of several SDGs under Agenda 2030, especially SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation, and Infrastructure). The relevance is best illustrated by the support to UN processes leading up to the adoption of the Global Digital Compact, including gender equality references brought in through the Generation Equality Campaign, and Finland's influencing of development cooperation at the World Bank and the EU Global Gateway. Bilateral support, while scaled down, also supported relevant enablers of inclusion and gender equality in land use rights.

The role of digitalization is not expressed very explicitly in Agenda 2030. However, it is universally recognized that digitalization is a critical enabler across all 17 SDGs and that it would be impossible to achieve them without leveraging the potential of technological innovations and advancements.[3] The review assessed the relevance of Finland's contribution to Agenda 2030 across policy influence and cooperation, primarily contributions made between 2018 - 2024. This subsection highlights key areas of relevance in Finland's support.

Finding 1: Early recognition of the importance of digital development, enabled Finland to influence global policies and responses to the acceleration of the SDGs.

Both the Report/Roadmap of the UN Secretary-General's (UNSG) High-level Panel on Digital Cooperation, and the Global Digital Compact under the Pact for the Future/Declaration on Future Generations, adopted in 2024, acknowledge the need for global collaboration and regulation of digital transformation. The latter outlines a framework addressing the governance of Artificial Intelligence (AI), data privacy and security, and equality. The Futures Pact is a result of a prolonged

3 See e.g. UN (2023), The Age of Digital Interdependence, and ITU/UNDP (2023), SDG Digital Acceleration Agenda.

global process which emerged some twenty years back, and with the World Summit on the Information Society (WSIS) being a key stepping stone. However, the fact that digital transformation as a theme does not feature explicitly in Agenda 2030, also indicates how global governance and cooperation initiatives have struggled to match the disruptive nature of digitalization and the impact on societies and the global economy.

In the global context, Finland is a fore-runner.

In this perspective, Finland was among a small group of countries that recognized quite early the importance of digitalization. Through active participation in UN processes, Finland played a key role in swaying other countries to address digitalization in governance and in development cooperation. This included influencing the UNSG Roadmap and the Global Digital Compact. In the latter, Finland was one of the Champions of the roundtable group on AI, and one of the Key Constituents of the groups on Digital Public Goods and on Digital Inclusion and Data, which shaped commitments to gender equality and online space safe for all, especially children. Within UN Women, Finland also advocated for digitalization to be adopted as a key topic. See Subsections 4.3 - 4.5 for more detail on gender and inclusion.

When asked about Finland's role and contribution to the World Bank, it referred to Finland as "a digital brand" that contributed to the mainstreaming the World Bank's instruments and portfolio. This started back in 1990s, when digitalization became an integral part of the InfoDev Trust Fund - a multi-donor partnership program, supporting innovation, entrepreneurship, and technology-driven development in emerging economies. Initially, InfoDev focused on research and policy guidance for ICT in developing countries, but it eventually evolved to support entrepreneurship, innovation, and digital transformation, particularly through business incubators, mobile innovation labs, and climate technology initiatives. Based on the lessons learned from InfoDev, the World Bank subsequently launched the Digital Development Partnership (DDP) in 2016 to support developing countries leveraging digital technologies for sustainable development. Whilst modest in terms of funding (1 million Euros), Finland played a key role in the launch and implementation of the programme, and influenced its strategic direction based on learning from Finland.

Finland's policy influencing of the EU Global Gateway was also key for the decision to include digitalization as one of Global Gateway strategic focal areas. In contrast to the other focal areas such as climate and energy, and transportation, the EU basically started from scratch in this area. The Multi-Partner Contribution Agreement of the D4D Hub is signed and (core) funded by Germany, France, Italy, Belgium and Spain, while Finland along with Estonia and Sweden are key contributors to the Hub. Finland is also spearheading blended financing models for Global Gateway.

Finding 2: Finland's bilateral and regional support was also relevant for Agenda 2030, for example its support for digital enhancement of innovation ecosystems, good governance, and education.

There are several initiatives demonstrating the relevance of Finland's bilateral and regional support to digitalization and acceleration of the SDGs. Finland supported innovation and digitalization projects for two decades, aiming at local innovation initiatives and creation of new digital solutions. Projects included support for innovation and entrepreneurship with a substantial element of digital enhancement of ecosystems. These projects were implemented in and across several countries in Eastern and Southern Africa as well as Vietnam and preceded and influenced Finland's subsequent support for Global Gateway and the D4D hub.

Other examples of relevant support include the Responsible and Innovative Land Administration (REILA) Project in Ethiopia, which supported the establishment of a digital land record system that underpins land use rights and access to finance for women and populations in vulnerable situations. Finland's support to UNICEF innovations in edtech and development finance are additional examples, see Subsection 4.5.

Finding 3: A growing focus on connectivity addresses key barriers for achieving the SDGs.

Finland's increased focus on connectivity is highly relevant for digital inclusion.

In recent years, Finland increased its focus on connectivity, best illustrated by the support to Global Gateway. Digital connectivity, along with physical connectivity, is key for jobs creation and economic growth, and there is growing evidence of the corelation between investments in digital infrastructure, and economic growth and employment, trade, and access to education and health. This includes the importance of digital infrastructure to support innovation ecosystems and underpin the growth of SMEs and startups.[4] Digitalisation of labour markets can also facilitate skilled workers in developing countries to work remotely with countries experiencing labour shortages, especially concerning ICT skills.[5] Employment and economic growth are also top priorities among African leaders and citizens at large.[6]

Access to energy and mobile broadband, facilitating connectivity and economic opportunities, are among the few SDG target areas where progress have been made.[7] The proportion of people covered by mobile broadband networks has more than doubled over the past five years. However, access and connectivity remain uneven, telecom infrastructure is still lacking in some areas or associated with high costs and usage gaps. Globally, 400 million people are yet to be covered by a mobile broadband network, half of them living in Sub-Saharan Africa. Affordability remains a significant barrier for low-income groups, women, and rural populations. Digital literacy and skills are other barriers, and the usage gap is widening reflecting disparities in data consumption. As a result, 78% of the population in Sub-Saharan Africa, are yet to be connected, either because they are not covered by mobile broadband networks or because they face other access barriers to mobile internet usage.[8] In addition, more than 700 million people still lack access to electricity, hereof approximately 600 million people - 80% of the global population without electricity access – live in Sub-Saharan Africa.

Finding 4: Private sector engagement and investments are relevant in addressing the financing gap of Agenda 2030.

Agenda 2030 is severely underfinanced, and digital development is no exception. Closing the financing gap is a key priority of the UN Futures Pact. Mobilizing private sector investments (along with domestic revenue mobilization; another of Finland's focal area) is widely recognized as one of

4 See e.g. Rockerfeller Foundation (2021), Co-develop Digital Public Infrastructure for an equitable recovery, and Digital Impact Alliance (2024), Lessons Learned: Reflecting on the Modular Open-Source Identity Platform's (MOSIP) Journey to Scale.

5 World Economic Forum (2024), Realizing the potential of Global Digital Jobs

6 See Afrobarometer (2023) Understanding the youth's perspective: Highlights of Afrobarometer R9 findings, and Aid data (2021), Listening to Leaders 2021: A report card for development partners in an era of contested cooperation.

7 Global progress toward achieving the SDGs by 2030 is significantly off track. The United Nations' Sustainable Development Goals Report (2024) reveals that only 17% of the SDG targets are on track, nearly half are showing minimal or moderate progress, and progress on over one-third has stalled or regressed.

8 GSMA (2023), New insights on mobile internet connectivity in Sub-Saharan Africa.

the solutions to bridge the financing gap.[9] Over the period reviewed, Finland increased its focus on the private sector, and Finnfund investments grew to incentivize private sector engagement through risk sharing instruments. This has been combined with Finnpartnership instruments to leverage early-stage company partnerships, whereas Finland's support to UNICEF innovative financing and Finn Church Aid Investment models complements with alternative options for the mobilization of private sector investments. All these initiatives are relevant for the achievement of Agenda 2030, even if more needs to be done to achieve sufficient scale, see Subsection 4.5.

4.2 Policy coherence

Finland introduced several initiatives to improve the coherence of its support. This included the white paper in 2024 with an overarching strategy, introduction of crosscutting coordination measures within the MFA and more focused sourcing of expertise and private sector support through HAUS Finnish Institute of Public Management and Finnfund, respectively. However, not all stakeholders are regularly engaged with, and Finland does not have a dialogue mechanism on digital development that could ensures strategic dialogues with all stakeholders. Stakeholders not engaged with on a regular basis include the DPC, CSOs, line ministries, local government associations and smart cities networks, despite their expertise in inclusion, service co-designs and localisation of results. The UN innovation hubs in Helsinki, having progressed beyond the piloting stage, also need more strategic links with the MFA. This is especially critical for the UN Global Pulse hub, as it needs support to connect with the Finnish innovation ecosystem and stakeholders.

Moving forward, the broad strategy and the fast-evolving context of digitalisation and international cooperation warrant a reassessment of the strategic priorities and how they can be operationalised. A long-term capacity building plan and introduction of a digital marker are other attention points which are key for the MFA's coordination and knowledge management capacity. There is also a need for a mechanism to strengthen the strategic dialogue with all relevant stakeholders in digital development, make use of synergies and collaborations, and draw on demand-side experience on digitalisation (inclusion, co-design, localisation of results).

This subsection reviews the coherence of Finland's support to digital development, in particular support targeting SDGs related to economic growth and decent employment.[10] The assessment follows OECD-DAC guidelines, which state that an effective system for policy coherence has three "building blocks": 1) policy commitment at the highest-level, 2) institutional arrangements for policy coordination and implementation, and 3) a monitoring and reporting system that tracks progress and provide lessons for achieving coherence.[11]

9 See e.g. World Economic Forum (2023), Why trillions more are needed to bridge the SDG financing gap.

10 SDGs related to economic growth and decent employment include SDGs 8, 1 (No Poverty), 9 (Industry, Innovation, and Infrastructure), and 10 (Reduced Inequalities/fair economic distribution).

11 OECD (2009), Building Blocks for Policy Coherence for Development.

Policy strategy

Finding 5: Whilst lacking an overarching strategy, there were some attempts to ensure policy coherence before 2024.

Finland's long engagement in digital development cooperation was not guided by an overarching strategy until the introduction of the White Paper on International Economic Relations and Development Cooperation in 2024. This reflects similar trends among other development partners and the emerging nature of digitalization as a focal area for development cooperation. Among multilateral organizations for example, digital development often evolved around country office initiatives for a long time, before headquarters started to define strategic priorities.[12]

Notwithstanding, Finland made some attempts over the years to increase policy coherence. Back in 2005, the first attempt was the MFA's Development Policy Guidelines for ICT and the Information Society, which introduced thematic programming guidelines for development cooperation. These guidelines have since been replaced by the more recent Theories of Change and Aggregate Indicators for Finland's Development Policy from 2020, which outlines guidance for the mainstreaming of innovation and digitalization support within Education, Economic Growth and Decent Work, and Peaceful Democratic Societies.

Other attempts include Finland's Aid for Trade Action Plans from 2008-2011, and 2012-2015, respectively. Here, digitalization was seen as a platform to promote business efficiencies, innovation, and competitiveness in global markets. In addition, the Government Report on Human Rights Policy from 2022 coincided with Finland's membership of the Human Rights Council. It outlines Finland's position on digital rights, including the promotion of inclusion, equal opportunities, and a human centric approach to AI governance, based on impartiality, privacy, and online safety principles. Finally, the 2021 government development policy report emphasizes technological, social, and operational innovations, particularly digitalization and the circular economy, as drivers of change, and the role of international and regional actors in advancing digitalization. The report states that Finland a) supports the development of solutions tailored to local conditions and the strengthening of digital skills; b) strengthens the capacity of international and regional organizations and developing countries to embrace new solutions and technologies, as well as participate in cooperation for innovation and solution development; and c) will ensure that technological solutions and digitalization do not undermine human rights and democratic development.

Based on the portfolio assessment, connectivity emerges as Finland's focal area and also strengthens the coherence of Finland's EU and multilateral cooperation, while the emphasis of private sector engagement and mobilization of developing finance are other steps towards policy coherence. These commitments are reiterated in the Africa Strategy from 2021 and the 2024 White Paper.

Finding 6: The 2024 White Paper established high-level commitments for digital development, whereas policy influencing mandates outline how they can be implemented by MDBs and the EU.

The White Paper on International Economic Relations and Development Cooperation from 2024 established the first high level policy commitments for digital development. It was submitted to the

Finland shows policy commitment to digital inclusion at the highest level.

12 UNDP for example, adopted its first corporate strategy in 2019, and gradually incorporated digitalisation in its Strategic Plans from 2018-2021 and onwards. In contrast, country offices were working on digital projects 15 years before that.

parliament together with the White Paper on Finnish Foreign and Security Policy, and the white papers jointly emphasize the interconnectedness of development, trade, foreign policy, and security, and the role of the Finnish private sector as an enabler for digital transformation.

Accordingly, the White Paper on Finnish Foreign and Security Policy highlights the impact of disruptive technologies on foreign, security and defence policy. It concludes that in addition to threats, the use of disruptive technologies and solutions also presents enormous opportunities for clean transition, sustainable economic growth, and efficiency and productivity. The potential of disruptive technologies in enhancing global security, education, well-being, and health is also mentioned.

The White Paper on International Economic Relations and Development Cooperation outlines key priorities for Finland's development policy. Digital transformation will be promoted in developing countries in support of sustainable development and strengthened bilateral relations. This is pursued under the broader framework of Finnish foreign technology policy, linking international trade and development and seeking opportunities for the Finnish private sector to participate in international development. Hence, Finland's digital development cooperation will:

- Promote digital solutions in Finland's development policy and mainstream the use of digital tools in development cooperation.
- Take an active part in implementing the EU-US Trade and Technology Council's commitments in developing countries. Promote cooperation with USAID in digitalisation.
- Strengthen digital cooperation with the UN both globally and at the country level and utilise Finnish digital competences in these partnerships. Promote greater synergies between UN and EU initiatives.
- Strengthen the ability to participate in the implementation of EU digital diplomacy, partnerships, and development cooperation. The expertise of Finnish actors, especially companies, will be utilised. The importance of digitalisation projects in the EU's Global Gateway initiative will be promoted.
- Increase Finnfund's digital sector investment activities.

In support of the White Paper, EU and MDB influencing mandates were drafted for 2024 - 2027. They explain in more detail, how Finland will pursue digital development in its cooperation with the MDBs and the EU. Among others, the mandates outline how strategic programming should consider reliable and secure connectivity, investments, digital services, and innovation, while adhering to human centric and inclusion principles. The role of Finnish companies is also promoted, e.g. in relation to Global Gateway opportunities.

Finding 7: Broad priority measures, reduced ODA and a fast-changing context present open questions about the implementation of the digital development strategy.

Implementation of Finland's digital development efforts face challenging global context and reduction of resources.

The white paper priority measures are broad and can be difficult to implement, among others due to a fast-changing context and the planned ODA cutback. The transatlantic relations are in transition, and the envisioned collaboration on digital development seems more questionable for now: Collaboration of the EU-US Trade and Technology

Council included commitments for developing countries on technology and innovation in areas like AI governance, 6G networks, and the facilitation of e-trade for easier and more secure trade (for example with common standards for e-invoicing systems). However, the Council is not active now and its future prospect is unknown. In addition, USAID has been decommissioned and more than 80% of its activities terminated. Even with a continuation of a more limited development cooperation under the US State Department, it is likely that new staff will be recruited to replace what is left of the current.[13]

Secondly, Finland's government announced a 25% cutback in ODA between 2024-2027 and a further reduction of ODA starting from 2026. The question is how this will impact on the digital mainstreaming in priority sectors. Cutbacks will reduce Finland's development presence in developing countries, and four of Finland's ten bilateral country programmes are discontinued by 2025. This may also impact on Finland's capacity to engage in local initiatives, including D4D hub activities, and the ability to link Finnish support to Finland's development priorities. With a reduced development presence there are also less opportunities to sustain a relevant development expertise and onboard new staff on digital development related work in a developing context.[14]

Finally, a shift towards more EU and multilateral cooperation means that decision making becomes prolonged and more complex as more stakeholders are involved, not least in Global Gateway interventions, which are also grappling with implementation and financing models. This can raise the bar for the engagement of Finnish expertise and private companies. Commercial opportunities will also be subject to international tendering and competition, unless tied up front. See Subsection 4.5. on challenges in private sector engagements.

Internal management arrangements

Finding 8: Reorganization of the MFA improved its internal coordination capacity. The new setup must now be internalized at management level.

The MFA has improved institutional arrangements for policy coordination and implementation.

The MFA made several organizational changes to improve its policy coordination capacity regarding digital development. The overall coordination responsibility of overseeing digital development and related policy objectives has been referred to a high-level coordination group on technology, while the management responsibility has been nested in the Unit for Technology and Sustainability under the Department for International Trade. Roving ambassadors were also introduced. This includes the Digital Ambassador, who is a member of the coordination group and part of the Unit for Technology and Sustainability, and the Global Gateway Ambassador (a first in the EU when established), who works at the Trade Promotion Unit under

13 According to USAID staff memo by Jeremy Lewin, the agency's acting deputy administrator and team member of the Department of Government Efficiency (Published by Reuters, 29 March 2025). The US State Department is also faced with a 56% funding cut in 2025, including an 89% cut in UN funding (Devex News, 15 April 2025). Further, the US State department has initiated a six-month review of US support for the World Bank and IMF, which can have a global adverse impact on funding levels and priorities, including climate change funding.

14 See comments about capacity and coherence risks in the OECD DAC Peer Review 2024 of Finland.

the Department for International Trade, covering digitalization and trade. These changes now must prove themselves at the management level across the ministry.

Finding 9: The digital development strategy is managed by staff with a comprehensive technical capacity. There is a need to develop a similar capacity beyond the current circle of coordinators in the ministry.

With the introduction of the organizational changes, responsibilities were transferred to staff with a long background in digitalization. However, interviews at the MFA also revealed that that this level of technical knowledge, especially knowledge on digitalisation and innovation in development contexts and the role of the private sector, is not readily present among other staff. Interviewees therefore suggested that in order to sustain the digital strategy within the ministry, a long-term plan is needed to build the ministry's management capacity and expertise in this area.

Finding 10: The MFA plans to improve the results-based management of digital development. Introduction of a digital marker is a key measure towards improved accountability, learning and adaptation in the sector.

With the growing role of digitalization, the MFA wants to improve results-based management in digital development. Introduction of a digital marker would be a key measure to manage the digital portfolio, document results, and promote learning and adaptation. The introduction of a digital marker has been discussed for years in the DAC Working Party on Development Finance Statistics. Meanwhile, faced with difficulties to reach a consensus, the EU introduced its own internal marker back in 2021[15] . The EU marker is in line with the three-positions transversal markers used in DAC reporting, but the implementation seems not to have been done very systematically so far. A quick search for digitalization projects in OpenAid registries of case countries Estonia, Norway, and Denmark, gave results similar to the Finnish portfolio search, i.e. somewhat arbitrary and incomplete outcomes even where digitalization is a key priority. Moreover, the emerging nature of digital development is also illustrated by the fact, that there is also no agreed methodology to mark digital projects within DFIs.

Moving forward, the application of the EU marker is a good point of departure if some adjustments are made to the middle marker. The middle marker only covers interventions with a significant digitalization objective, while mainstreaming or the potential for catalytic impact is not included. Digitalization is a crosscutting enabler of innovation across all SDGs and should not be assessed in isolation. Institutional cooperation is a type of intervention with the potential for catalytic impact. Cooperation on statistics or, say, meteorological forecasting, can also have a potential catalytic impact on digital transformation more generally, as they promote digital data management and data exchange between public and private stakeholders. Similarly, support for digital innovations could be small in terms of funding but may have a catalytic impact if scaled up within a broader reform of strategy. The same would be the case when successful influencing of multilateral cooperation has a multiplier impact.

15 DAC WP-STAT (2021), Guidelines on the European Commission Internal Digitalisation Marker

Stakeholder and instrument coordination

Finding 11: There are no direct links between Finland's ambitious national digitalisation and innovation targets and its digital development strategy.

Finland's four-year national digital roadmap (the Digital Compass) is referring and reported to the EU's Digital Decade Policy Programme 2030. The roadmap targets Finland's own digital transformation process and is complementary to Finland's participation in the EU's Digital Diplomacy framework, and initiatives such as the Global Gateway and the D4D Hub. Interviewees pointed out that the network of digital roadmap stakeholders worked well at the individual level, but there seemed to be a lack of clear national leadership of digitalization, which could guide and link national and EU related work with foreign policy and digital development cooperation. For example, Finland has an ambitious target of spending 4% of its GDP annually on innovation and R&D by 2030, which is not reflected in the digital development strategy. If policy objectives such as strengthening digitalization & development, were outlined at the government programme level, it might be easier to link policy objectives at local and national levels with EU and global objectives and enable Finnish public and private sector expertise to participate in development activities.

Finland's national digitalisation and innovation targets and its digital development strategy are disconnected and stakeholder engagement suboptimal.

Finding 12: There are active stakeholder engagements within digital development, but not all stakeholders are included on a regular basis.

The MFA engages regularly with external stakeholders in digital development, in particular stakeholders working directly with the EU Global Gateway and the D4D hub. This includes HAUS and Finnfund, and private sector associations, while regular meetings are also held with ICI and HEI-ICI/HEP partners at programme level. Regardless, there seem to be room for improvement in stakeholder communication and engagement in digital development. Some stakeholders are consulted ad hoc or with irregularity and few seem to have a good understanding of Global Gateway and the D4D hub. Stakeholders who are consulted less frequently include the DPC, CSOs, line ministries, relevant government agencies (such as Traficom and its National Cyber Security Centre, the National Emergency Supply Agency (NESA), Valtori (the Government ICT Centre), the Digital and Population Data Services Agency (DVV) etc.), local government associations and smart cities networks. These are stakeholders that can enhance the Finnish development offer, for example inclusion within service co-design and localisation of results. The UN innovation hubs in Helsinki have now moved beyond the piloting stage, and they are also in need of more strategic links with the MFA. The UNICEF edtech and innovative financing hubs seem to have settled in well with strong links to the Finnish innovation ecosystem and stakeholders, but UN Global Pulse still lacks such linkages and would benefit from a stronger collaboration with the MFA.

Finding 13: Sourcing and funding modalities have become more focused, but further improvements are needed to strengthen coherence.

Evaluations have identified effectiveness and coherence challenges in the past. For example, the 2016 Evaluation of Finland's Aid for Trade Action Plan (2012–2015) found that Finnish companies' involvement remained low in partner countries and that coordination between MFA departments, embassies, and external partners was weak. There were also weak synergies between Finnfund

and Finnpartnership and broader Aid for Trade efforts and a need to improve collaboration between Finnfund, Finnpartnership, MFA departments, and embassies, and to align investments with Finland's development priorities.

Alignment and improvement of various instruments is ongoing to improve this situation. This includes the Team Finland reform, which seeks to integrate the foreign functions of Business Finland with the Foreign Service from 2026. As of now, ambassadors are not always sufficiently informed about Business Finland activities, and the reform seeks to improve the coherence of development and trade objectives.

Individual instruments have been improved, such as Finnfund's investment support for digital infrastructure, and the empowerment of HAUS to mobilise public and private sector expertise. It is also clear that mobilisation of SMEs remains a challenge, see next subsection. There are also some overlaps between sourcing instruments. Sourcing of public sector expertise for example takes place through ICI, HAUS, HEP and consultancy companies, while private sector mobilisation is managed by HAUS, Finnfund, Finnpartnership and Business Finland. HAUS initiated a mapping study to improve synergies and complementarities with the private sector instruments.[16]

With the growing role of Finnfund and HAUS, there is potential for them to support the MFA by means of leading more of Finland's digital development activities, for example meetings in Global Gateway/D4D hub working groups. However, for that to materialise, a clear division of roles needs to be defined.

4.3 Finland's most notable achievements in digitial development

Finland's most notable achievements are based on its long-term engagement in digital development. At the multilateral level, this included influencing and support for the Global Digital Compact and the World Bank's Digital Development Partnership programme. In EU cooperation, Finland influenced that digitalisation became a Global Gateway priority, even if it meant the EU starting from scratch in this area. Notable Global Gateway achievements also included piloting of the EFSD+ loan guarantee - a blended financing model for connectivity and digital infrastructure support - and crucial launch support for the D4D Hub and TEI, a strategic tool in the implementing arm of Global Gateway. Given the nascent phase of digital development, especially within global governance and multinational cooperation, these most notable achievements are milestone results of wider, ongoing policy processes and programmes for the acceleration of the SDGs achievement. Outcome and impact achievements at country level, for example within digital transformation, economic growth, and jobs creation, are therefore subject to independent assessment at a later stage. At country level, Finland's support for a digital rural cadastre in Ethiopia achieved a best practice in land tenure security, which enabled a) access to finance for rural low-income groups, and women headed households, and b) scalability and replication through partnerships with the World Bank and the Foreign, Commonwealth & Development Office (FCDO).

16 HAUS (2024), Baseline study on connecting Finnish Organizations to digital market opportunities in Africa through HAUS Development Desk (for the African Digital and Green Transition project)

The harvesting of Finland's most notable achievements in digital development is based on literature reviews and interviews with key partners and stakeholders. The main criteria used were the significance of the results, be it in the shaping of political processes, achievement of catalytic outcomes or successful scaling of innovations. Accordingly, the most notable achievements included policy support to UN processes, mainstreaming of multilateral offers and selected bilateral project outcomes. Other potentially notable achievements, such as edtech and financing innovations by UNICEF, are described further in Subsection 4.5.

Finland was an early and strong supporter of UN processes that led to the adoption of the Global Digital Compact, and was instrumental in shaping World Bank's support to digital development.

Finding 14: Finland's most notable influencing achievements include its support to UN processes that led to the adoption of the Global Digital Compact under the Futures Pact.

Finland's long-term support to UN digital governance processes contributed to the achievement of UNSG's Roadmap in 2020 and the subsequent adoption of the Global Digital Compact under the Pact for the Future/Declaration on Future Generations in 2024. Finland's support to the adoption of the Global Digital Compact is culmination of more than two decades of policy support, going back to the first World Summit on the Information Society (WSIS) meeting in 2003, and with support to the Report on the WSIS +10 Review Process and Outcomes for the WSIS +10 meeting in 2016. More recently, Finland funded secondments to the UNSGs Tech Envoy in support of the UNSG roadmap and the Global Digital Compact. In the process of shaping the latter, Finland was one of the Champions of the roundtable group on AI, and one of the Key Constituents of the groups on Digital Public Goods and on Digital Inclusion and Data. The digital inclusion agenda was further influenced by Finland's engagement with UN Women in the Gender Equality Campaign.

Another notable achievement in this context is Finland's contribution of a data interoperability platform (X-road) to the Digital Public Good Registry.[17] The DPG registry is a successful SDG accelerator, and other successful public goods include DHIS2 from Norway (for district health management), iVerify from UNDP (mitigation of misinformation/hate speech), and the Modular Open-Source Identity Platform (MOSIP) on citizen legal identity from India. Key to their success is that they can be scaled up by broader support programmes; typically lead by the World Bank, UN agencies or the EU.[18]

Finland's WTO-related work, including work on digitalisation, digital trade rules and private sector support, is channelled through the European Commission. However, some trade agreements on digitalisation are worth mentioning as they benefit developing countries. This includes the liberalisation of trade in ICT goods which was exempted from tariffs some 20 years back. In 1998, a tax moratorium was also agreed on e-commerce (by a Joint Statement Initiative by a coalition of 75 members). However, the moratorium must be renewed regularly, and this has become increasing difficult due to resistance from some countries.

17 X-Road is owned by the Nordic Institute for Interoperability Solutions (NIIS). NIIS is a network cooperation platform for the sharing of experience and promoting of innovation. Estonia, Finland, and Iceland are NIIS members, whereas Schleswig-Holstein, Ukraine, the Faroe Islands, and the Region of Åland have entered into a partnership agreement with NIIS.

18 See UNDP (2023), Evaluation of UNDP Support To Digitalization of Public Services

Finding 15: Influencing of the World Bank and the EU also led to notable achievements. These include shaping of the World Bank's DDP and shaping of the EU Global Gateway's digitalization, connectivity, and development financing offers.

Finland's contributions to the mainstreaming the World Bank's instruments and portfolio, and the influencing of the EU Global Gateway, also rank among its most notable achievements. As mentioned earlier, Finland's support to the World Bank started back in the 1990s, when digitalization featured stronger in the InfoDev partnership program on innovation, entrepreneurship, and technology-driven development in emerging economies. Through secondments and engagement in InfoDev, Finland also influenced to the mainstreaming of digitalization in the broader World Bank instrument portfolio. Eventually, the lessons learned from InfoDev led to the launch of the Digital Development Partnership (DDP) in 2016, in which Finland also influenced its strategic direction. DDP has now started its phase II without support from Finland, but results made under phase 1 include support to digital transformation reforms in more than 50 countries worldwide, including more than 30 countries in Africa. The World Bank and the DDP also benefitted from dialogues with Finland, as the International Finance Corporation collaborated with Finnfund[19] on the scaling of digital investments, and engaged in strategic dialogues with the D4D hub on how to strengthen collaborations between the World Bank, Global Gateway and the TEI, including collaborations regarding twin transition challenges.

Influencing the Global Gateway and D4D hub/Team Europe Initiatives also made impact. EU programmes only operate based on a consensus of where EU members states want to participate and the level of support each Member State wants to contribute with. While Finland was instrumental in the inclusion of digitalization in Global Gateway, the EU basically started from scratch in this area. The D4D hub, which leads Global Gateway engagements in digitalization, essentially emerged from its piloting phase in 2024, and the active support of member states like Finland is essential for its success. Accordingly, the D4D hub has benefitted from the support of a HAUS seconded expert, who guided the strategic direction in digitalization, and was instrumental in making gender equality and inclusion key priorities. Another significant contribution came from Finnfund, with the piloting of EFSD+ loan guarantees under the Connected Africa Programme. Mobilization of financing is severely lacking and other DFI's are still hesitating to scale up their contributions and harmonize investment access and management criteria. This includes the EIB and the ERDB. Piloting of EFSD+ loan guarantees is a critical step towards mobilising more financing for digital connectivity, see subsections 4.4 and 4.5.

Finding 16: A best practice in innovative land administration illustrates how digitalization enables poverty alleviation and gender equality and mitigates rural-urban disparities.

Results of the Responsible and Innovative Land Administration (REILA) are an excellent example of succesful mainstreaming of digital development.

The Responsible and Innovative Land Administration (REILA) Project (Phases I and II) was implemented from 2011-2024, aiming to improve land tenure security and land administration in Ethiopia, particularly in Amhara and Benishangul-Gumuz regions. The project entailed a significant digitalisation element as it spearheaded the development and harmonization of a digital rural land cadastre – the National Rural

19 See https://www.ifc.org/content/dam/ifc/doc/2023/ifc-and-finland.pdf

Land Administration Information System - to store and manage rural land records. The primary beneficiaries of the cadastre are 1.45 million people who benefitted from increased land tenure security through the land certification, with women headed households benefitting the most.[20] The digital cadastre not only delivers improved land tenure security, it also enables rural farmers to use land tenure deeds as bankable collateral to obtain loans for small-scale investment and operational expenditures. The project also included a long-term scaling strategy to sustain results and enable the development of a nationwide cadastre based on the innovation in Amhara and Benishangul-Gumuz regions. The scaling strategy entailed working with other partners such as FCDO and the World Bank, which has tripled the availability of development funding and enabled the Finnish innovation to be expanded to meet 50% of the country needs.

4.4 Use of Finnish expertise and experience

HAUS' expert procurements and Finnfund's private sector investments are emerging as the primary sourcing modalities of Finnish expertise in digital development. Both actors play a key role in the development and implementation of Global Gateway and TEI/D4D hub offers. Institutional cooperation between public authorities, research and education institutions also entails a critical backbone of innovation and digitalisation. However, digitalisation support in these types of modalities, for example support from the Finnish Meteorological Institute and the Finnish Revenue Authority, are typically embedded in sector specific purposes and headings. Achievements which are significant for digital transformation therefore tends to be unreported and go under the radar in the context of digital development.

The subsection summarizes how Finnish public and private sector expertise has been used to advance digital development in developing countries.

Finding 17: HAUS' expert procurements and Finnfund's private sector investment support are the primary sourcing modalities for Finnish expertise in digital development.

HAUS' expert procurements and Finnfund's private sector investments are the primary sourcing modalities of Finnish expertise in digital development.

Finland has world-class expertise in digital transformation, which is documented by several international indexes.[21] Relevant expertise can be found in both the public and private sector, and include expertise in connectivity, cybersecurity, digital public services, data economy, smart cities, innovation ecosystems, Geographic Information Systems, e-learning and digital skills. Competitive expertise also includes digital solutions in support of the green transition. In digital development, Finnish expertise was leveraged for influencing, policy, and project support. The expertise is mobilised from

20 REILA II Completion Report.

21 The EU Digital Economy and Society Index 2022 ranks Finland as number one with particular strengths in digital skills and digital public services. Finland also leads in digital skills according to the World Economic Forum's Global Competitiveness Report 2020. Together with the other Nordic countries and Estonia, Finland is also among the highest-ranking countries in the latest UN E-Government Development Index from 2024.

private companies, public authorities, research institutions, and others, and the primary sourcing modalities are Finnfund investments (in which the emphasis on Finnish added value has grown recently, at the same time with increased focus in digitalisation) and HAUS expert secondments. Expertise for digital development is also leveraged through Finnpartnership, ICI and HEI-ICI/HEP instruments.

Finding 18: HAUS' role as focal point for Finnish expert secondments and TEI support was key for the launch of Global Gateway/D4D hub offers.

HAUS is a service provider for Finnish development cooperation. On behalf of the MFA, it sources public and private sector expertise for bilateral projects and for secondment and project support under Global Gateway, TEI and the D4D hub. In these initiatives, HAUS contributes to project designs (often in cooperation with MFA staff) and implementation, leads certain components, and identifies relevant opportunities for Finnish digital solutions. HAUS services are funded by the African Digital and Green Transition (ADGT) project and is now continued under the Finnish Digital and Green Transition (FDGT) project[22] with a wider geographical scope. HAUS also sources expertise for projects which are not funded by the MFA, but up to now MFA has funded at least the preparatory work of such projects. HAUS is currently undergoing an EU pillar assessment and expects to be approved soon for management of EU funds. This would also more clearly separate its role in the consultancy market from private consultancy companies.

There are several TEI projects in the pipeline which are being prepared with support from Finnish experts sourced through HAUS. This includes the second phase of the Africa–Europe Digital Innovation Bridge Support, the Central-Asia Soft Connectivity project, and the Philippines Data Economy package. In addition, there are two ongoing TEI projects supported by HAUS. One is the Data Governance in Africa Initiative, supporting the African Union and its Member States in creating human-centric, development-focused data policies, with the aim to harmonize regulations, enable cross-border data flows, and promote investment in secure and sustainable data infrastructure in support of a single digital market in Africa. The initiative runs from 2023-2026 with an EU investment of €60 million and is jointly implemented by HAUS, Enabel, Digital Africa, GIZ, ESTDEV, and Expertise France, and Finland also make contributions through Finnfund/DIF on infrastructure and data centre investments, and collaboration with Finnpartnership and Business Finland is also discussed. The SmartBots Digitalisation strategy in Botswana is another ongoing project supported by HAUS, whereas Gofore was sourced to support the development of the AI strategy in Zambia, which potentially has opened the door more Finnish cooperation in this country.

Notably, HAUS is also seconding an expert for the D4D hub in Brussels. The first Finnish secondment was very critical for shaping the GG/D4D hub offer and influenced that gender mainstreaming has become a D4D Hub priority. The first secondment to the D4D Hub was also highly active on the topic of increasing investments in digital, becoming the focal point of the Hub for European DFIs, and organizing several key discussions with the European DFIs (including the EIB and the ERDB), the EU Commission, and EU Member States. Both the role and contributions of the seconded expert and contributions from Finnish MFA staff and the GG ambassador received praise from the Commission and the D4D hub management. EU Member States engagement with the

22 FDGT has three results areas, covering TEI/INTPA secondments, support for participation of Finnish stakeholders (public, private, and third sector organisations) in development and implementation international initiatives, and secondment of Finnish advisors to partner organisations to support their capacity building needs. Finnish expertise is also procured within the TEI projects. In the TEI Data Governance, HAUS has procured Finnish companies to provide implementation services for tasks such as data centre investment project advisory services and investment readiness assessments for digital social innovation entrepreneurs.

D4D hub differs widely. Some Member States like Finland have clear approach, others only participate in Global Gateway initiatives on digitalisation to learn from countries like Finland, or they participate with a narrower focus, for example a geographical priority area. Finland's continued support for Global Gateway and D4D hub is therefore in high demand.

EU interviewees also made suggestions for the improvement of secondments. One suggestion is for Finland to view the D4D hub secondments more strategically and allocate experts from the public sector or the MFA to tap into Finnish experience more comprehensively, for example strategic secondments DG CONNECT and DG INTPA as previously done by Business Finland. Another suggestion was for Finland to build on its lead role in digital development and communicate strategically on Finland's best practises, for example on innovation, public-private partnerships and MFA mechanisms to co-design EU mandates and approaches. There is a demand for this among other EU Member States not very familiar with governance approaches in the Nordic countries.

Finding 19: Finnfund has become the flagship instrument for blended finance and private sector engagement. Its growing role is also key to swaying more European DFIs to follow suit.

Finnfund is Finland's main sourcing modality for private sector engagement. Digital infrastructure and solutions is one of four sectors supported with development finance and impact investments. These instruments mobilise participation of Finnish companies and technologies, although they also fund ventures without direct Finnish involvement if they generate significant environmental or social benefits. Finnfund's digital investments are growing and reached 81.4 million euros, representing approximately seven per cent of its portfolio, at the end of 2024. The piloting of the EFSD+ loan guarantees – one of Finland's notable achievements - also made Finnfund a leading European DFI in digital infrastructure.

The piloting of the EFSD+ loan guarantees has made Finnfund a leading European development finance institution in digital infrastructure.

While Finnfund has a key role in private sector engagement, other instruments complement it. Finnpartnership does not target digitalisation as a sector, but its support to ICT represents 12% of its grants. Whilst not a target sector, Finnpartnership estimates that more than 30% of its portfolio has digitalisation as a key objective. Its Business Partnership Support and, from 2025 onward, the innovation support (former Developing Markets Platform), promote start-up grants for Finnish business partnerships in developing markets, and its services are available to Finnish companies and organisations, as well as to entities in developing markets seeking partnerships with Finnish counterparts. Finnpartnership offers financial support, guidance, and matchmaking services to facilitate these collaborations. Finnpartnership also has a separate Global Gateway campaign, aimed at opening opportunities for Finnish companies in Global Gateway projects and Team Europe Initiatives.

The Developing Markets Platform (DevPlat) (2020-2024) was a joint initiative of Business Finland and the MFA. It aimed at helping companies and their partners develop sustainable business based on innovations and access global funding for business in developing markets. DevPlat's key tangible support, ODA-funding for co-innovation in developing markets, was incorporated to Finnpartnership in 2025 and DevPlat, as joint BF-MFA programme, ceased to exist. This review draws from the insights of the DevPlat Monitoring, Evaluation and Learning (MEL) support consultancy (2022-2024) commissioned by the MFA to the same service provider as the review. The

MEL consultancy found that, overall, DevPlat's development results were modest and focused on health and well-being, access to energy, and environmentally sustainable, climate resilient and/or circular economic development. Nevertheless, one of the DevPlat-funded co-creation projects 'Digital Academies in Africa' (DAIA) can be considered both successful and relevant from the point of view of digitalisation. DAIA was developed by the University of Helsinki to establish a co-creation model with Finnish companies targeting large-scale South African development projects which require highly trained local workforce. The aim was to establish digital learning platforms with the required content for service-based solutions. From the beginning of the co-creation project, the aim was to build a consortium and submit a co-innovation project application to Business Finland (non-ODA). The project was successful in this, and the 2-year co-innovation project is now ongoing in order to actually build the platform. The University of Helsinki and each participating Finnish company (six of them) are taking part with their own Business Finland co-innovation project.

Finland's Public Sector Investment Facility (PIF) is a development policy instrument designed to finance public sector investments in developing countries, which are commercially non-viable, but targeting a country's development needs. Its support menu covers all SDGs, including SDG 9 (Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation). It is managed by the MFA in cooperation with Finnvera and other Team Finland operators and provides concessional investment credits, which include interest subsidies and buyer credit guarantees from Finnvera. Its investments are tied to Finnish contributions, and a minimum of 30% of a project's value must consist of Finnish technology, expertise, or services. PIF can provide funding ranging from 5 to 30 million euros, with subsidies covering up to 50% of the investment costs for LDCs, and 35% for LICs/LMICs.

In the context of private sector contributions, Nokia deserves a special mentioning. While Nokia is an outlier due to its size, it is strongly involved in Global Gateway and promotes actively a reform of EU financing instruments along with Finnfund and the MFA. Nokia is a member in the Global Gateway Business Advisory Group as well as D4D Hub private sector advisory group. The working groups are for Team Europe members (the EU, EU Member States, major private companies and European DFIs). Nokia's participation in Global gateway adds credibility and leverage to connectivity initiatives and contributes to the branding of Global Gateway.

Finding 20: ICI and HEI-ICI/HEP provide institutional support for partner authorities, research, and education. The role and visibility of digitalization varies, and there may be a potential to do more in innovation and digitalization.

Other instruments supporting digital development include ICI and HEI-ICI (now the Higher Education Programme, HEP), but the leverage of Finnish expertise has been quite limited compared to the modalities mentioned above. Public sector actors such as the Ministry of Transport and Communications, the Ministry of Finance, Traficom, The Digital and Population Data Services Agency, the Cybersecurity Centre, "Six pack municipalities", the Association of Finnish Local and Regional Authorities, Sitra and industry organizations have not participated much in digital development projects. CSO participation is quite limited as well.

Some ICI projects include a backbone of digital data management even if they do not support digital transformation as an explicit objective. The Finnish Meteorological Institute (FMI) is the largest ICI operator in Finland, and it also receives project funding from the World Bank, regional development banks, and UNEP. The institute has operated in over 100 countries in development cooperation, and currently, has projects in about 30 countries. The goal of FMI's development cooperation is to modernize weather and air quality monitoring in sister organizations, essentially digitalizing these

services. Digitalization is indeed the strength of the Finnish Meteorological Institute. It has its own IPR, software, and systems, and promotes principles of open data, open science, and open-source codes. It also utilizes its own source code in development cooperation projects. The institute primarily works through its own sourcing platforms, but it did also second two employees through HAUS/ADGT.

Institutional cooperation produces important digital development outcomes as secondary results to those attributed to its primary themes.

VERO, the Finnish Revenue Authority, is on the second phase of an ICI project supporting the Tanzania Revenue Authority (TRA). VERO's cooperation since 2018 has focused on improving tax compliance, strengthening TRA service, customer orientation and customer experience, internal audit and risk management, and change management capacity. With limited direct collaboration around TRA's movement towards Integrated Domestic Revenue Administration System (IDRAS), all VERO's project activities have nevertheless supported digitalization of Tanzania's revenue administration and in particular the capacity development in change management has been assessed crucial in TRA's journey towards an integrated system.

Institutional cooperation between higher education institutes under the HEI-ICI also included some digitalization components, for example in innovation of university managements and in engagement with communities, but the notion of digital development only appears in the Higher Education Programme (HEP) that succeeded HEI-ICI in 2024. Here, digitalization, online educational tools, blended educational tools etc. are mentioned as eligible cooperation areas. Universities engaged in HEI-ICI/HEP noted however, that it is important to move away from only focusing on learning tools but approach digital development more broadly, such as linking universities to innovation ecosystems, broader community engagement and African-European innovation initiatives. There is a huge potential for applied sciences in Africa, and institutional cooperation could support that, especially public universities which are more open to such approaches.

4.5 Strenghts and challenges across development priorities

The support to digital development presented benefits and opportunities for Finland to pursue its development strategy. Digital inclusion was mainstreamed well across influencing and development cooperation. In multilateral engagements this included influencing of Global Digital Compact commitments for AI governance and data privacy, and mitigation of the digital divide and online harassment. Support for the Freedom Online Coalition, Access Now, and the UNICEF innovation hubs in Helsinki are other examples from multilateral cooperation, where inclusion and digital rights are prime objectives. At country-level, connectivity investments and digitalization of land use rights are significant examples on inclusion support.

Global influencing and cooperation through multilateral and EU channels also benefit Finland's innovation and private sector engagements. Its long experience in this area from Finland and from bilateral support, allowed it to influence multilateral and EU cooperation as these cooperation channels began emerging. A key influencing outcome includes the piloting of blended financing, which gave Finnfund a lead role among European DFIs.

Moreover, multilateral and EU cooperation programmes present synergy and complementarity opportunities. Joint partnerships allow Finland to focus on its strengths and priorities without compromising on sustainability and coherence. This includes twin transition challenges, as multilateral and EU programming guidelines and ESG criteria safeguard sustainability goals, ensuring that joint partnerships can target energy, waste, health, and work-related issues, while Finland can focus on connectivity and data security.

Finland's support also entails challenges, dilemmas, and trade-offs. Inclusion outcomes were mixed in bilateral support to innovation and entrepreneurships, and it remains difficult to mobilize Finnish SMEs in emerging markets. Despite benefits such as scale, coherence, and sustainability, multilateral and EU cooperation still grapple with suitable implementation models, underfinancing and investment instruments that are not yet fit for purpose. For these reasons, mobilization of Finnish expertise and private companies can also be challenging. Another trade-off is reduced visibility. Finland wants to strengthen bilateral relations with developing countries, but with support embedded in multilateral programmes, there may be less opportunities to demonstrate Finnish solutions and presence and building such relations. When working through these channels, commitment, time, resources, and local presence are therefore needed to fully benefit from them.

This subsection assesses Finland's strengths and challenges in four thematic priority areas: 1) How inclusion efforts considered specific needs of women and girls, and those at the risk of being marginalized; 2) The role of innovation, private sector development and cooperation and investments; 3) The benefits or challenges of pursuing Finnish development goals through multilateral cooperation; and 4) Opportunities and challenges of addressing green transition priorities through digital transformation.

Inclusion

Finding 21: Inclusion objectives were mainstreamed well across influencing and cooperation programmes. In multilateral engagements this included support for the Global Digital Compact, the Freedom Online Coalition, Access Now, and UNICEF innovation hubs, whereas support for connectivity investments and digitalisation of land use rights are significant examples at country level.

Overall, influencing mandates and programming guidelines ensured that inclusion, gender equality and non-discrimination have been mainstreamed in digital development. A strong example from multilateral influencing and cooperation, is Finland's contribution to the UN Women Generation Equality Campaign; a global initiative to accelerate gender equality and women's rights. The campaign was launched in 2020 to make national, regional, and global stakeholders from public and private sectors as well as civil society and across the UN system commit to goals, policies, and investments in promotion of gender equality. In this campaign, Finland co-leads the Technology and Innovation for Gender Equality action coalition, which targets the digital gender divide, promotion of women and girls' participation in STEM education initiatives and tech leadership, elimination of online technology-facilitated gender-based violence, and promotion of technology to advance gender equality. The action coalition includes partnerships with private companies such as Microsoft, Google, Intel, LinkedIn and Ericsson, and global organizations like GSMA, UNESCO, and ITU. With strong leadership from Finland, the Action Coalition has engaged in relevant advocacy, such as successfully including a paragraph on gender equality within the Global Digital Compact, see Subsection 4.3. Accordingly, the campaign against online harassment influenced the Global Digital Compact commitment on online space safe for all, especially children, through actions by governments, tech companies and social media. At project level, Finland has supported key efforts such as applications providing women and girls in vulnerable positions with crucial information on their health and rights, including sexual and reproductive health and rights. One of Finland's nine commitments to the campaign includes Finnfund's investments in the interface between technology & innovation and gender equality. Finnfund assesses the impact of every investment decision on equality. The aim is to increase women entrepreneurship, leadership and employment as well as to reinforce women's financial agency and influence and gender lens investing is found in many sectors, including financial institutions and telecommunications.

Finland has been succesful in mainstreaming inclusion objectives in digital development, while inclusion outcomes show mixed results.

Two other examples are Finland's support to, and consultations with, the Freedom Online Coalition and Access Now. The Freedom Online Coalition is a collision of likeminded countries established in 2011 and led at the time by the US (Hillary Clinton) and the Netherlands. Its mission is to ensure the protection of digital rights, and meetings are used for information sharing and alignment of influencing positions in multilateral policy processes. However, it is not a prime influencing channel for Finland, and its fate is unknow after the inauguration of the new US administration.

Access Now is non-profit organization founded in 2009 and based in New York City. It also works for free and safe internet access for all, defending and extending digital rights of people and communities at risk. The includes technical support to activists, journalists, and human rights defenders through its Digital Security Helpline, and advocacy against internet shutdowns and online censorship. Access Now monitors and publishes statistics on internet access and shutdown, which are

widely quoted. It documented for example, that government internet shutdowns in 2024 were at a record high in Africa amid conflicts, protests, and political instability.[23]

Positive examples of targeted support for inclusion include the REILA project which was already referred to as a most notable achievement, and the inclusion of groups in disadvantaged positions promoted through some of the Finnfund investees: Fibertime for example, has connected 75,000 households in South African townships, and with this proof of concept, Finnfund made a follow-on investment of 2 million Euros to Fibertime Group, enabling the company to expand its provision of fibre internet access to under privileged communities in South Africa. The new investment supports the company in its goal to connect to 1.8 million homes to the internet. At the heart of the innovation is both the fibre internet technology provided by Nokia and an affordable pay-as-you-go pricing model by Fibertime Group.[24]

Finland's support to UNICEF innovation hubs in Helsinki on education technologies (edtech) and innovative financing also promotes inclusion and child rights. UNICEF's Innovative Finance Hub has introduced a whole new field of investing, this is Child-Lens Investing (CLI) that encourages investors to integrate child-related considerations in their investment decisions to accelerate financing for the SDGs and the well-being of children. The Hub collaborates with investors, development financiers like Finnfund, and private investors such as Triodos Investment Management on the adoption of CLI to advance positive child outcomes while minimizing child harm. As part of the partnership with Finnfund, the Hub has provided technical assistance to Finnfund for it to integrate a child-lens into its impact investing approach - specifically within their new Digital Access Impact Fund. This integration, along the whole investment process, will enable Finnfund to more effectively address the needs of children and to amplify the positive impact of its investments and operations on children's development and well-being. This collaboration could include, for example, introducing EdTech tools to schools that will receive internet connection via Finnfund's new fund. One specific example of an innovative fundraising model is the "Every Play for Every Child" initiative (EP), which generates donations from the music royalties of the most famous artists. Every time a person listens to an EP song e.g. on Spotify, UNICEF will get part of the royalties.

UNICEF's Global Learning Innovation Hub works with Finland's Ministry of Education, EDUFI and FinCEED to promote edtech for good[25] and child centred approaches, highlighting safety, impact, and inclusion. This includes testing digital innovations in developing contexts, based on its work with the Finnish innovation ecosystem. One example is the piloting of Eduten math learning platform, developed by the University of Turku with the use of gamification and AI. Eduten is already applied in over 50 countries worldwide and studies have shown that Eduten can improve students' math performance by up to 45%.[26] In 2023, the Hub piloted a tailored version of Eduten in Bhutan, Uzbekistan, and Laos.[27] The very positive evidence from these pilots resulted in the Bhutanese Ministry of Education funding the roll out of Eduten to all Grade 5 students, with discussions ongoing in Laos and Uzbekistan for accelerated implementation. Additionally, the Hub is collaborating with

23 The Guardian, 9 March 2025, Internet shutdowns at record high in Africa as access 'weaponised'.

24 See https://finnfund.fi/en/news-and-publications/news/finnfunds-follow-on-investment-to-fibertime-group-advances-digital-inclusion-in-south-africa-with-the-help-of-nokia-technology/ (March, 2025)

25 EdTech for Good Framework: https://www.learningcabinet.org/edtech-for-good-framework/

26 See Eduten math learning platform

27 See evaluation report from Bhutan: https://www.unicef.org/innovation/reports/transforming-maths-learning-bhutan

FCA on broader teacher support efforts, including the rollout of the Superstar Teachers Toolbox[28] on digital pedagogy and mobile messaging for teaching and learning. [29]

Finding 22: Inclusion outcomes have been mixed, in particular in job creation in entrepreneurship interventions. More involvement of Finnish inclusion expertise may be a way forward, but the reduction in country programmes could make it harder to promote inclusion in digital development.

Positive outcomes notwithstanding, Finland's development policy does not discuss poverty reduction, inclusion, and digitalisation linkages in detail. The assumption is that support to sector mainstreaming and private sector participation will have a positive impact on local communities and those in most need. However, former evaluations of Finland's earlier support to economic development found mixed evidence to prove this assumption. [30] Direct beneficiaries of innovation and digitalization support were typically not poor and groups in disadvantaged positions in remote areas, but rather individuals already involved in digitalisation, such as university students and business startups. Support for those beneficiaries did only have limited trickledown effects for groups in disadvantaged positions. Even in projects targeting such groups, outcomes were limited, for example when private sector instruments were applied, they were not always accessible or effective for populations in the most vulnerable situations (e.g., small-scale entrepreneurs, women-led businesses), or lacked a continuum of funding/support that could help populations in vulnerable situations move from small to scalable ventures. With further reduction in ODA and country programmes, it can be more difficult to fund and tailor interventions for such groups.

Among the stakeholders in Finland not widely involved in digital development, are actors like municipalities, smart city networks and CSOs. These are actors with inclusion expertise in areas such as service co-design and location of results. There seems to be an untapped resource here, that could enhance the strategy on how to bridge the digital divide more effectively and apply digitalization as an enabler across the development objectives.

Innovation and private sector engagement

Finding 23: Finland's support for innovation and private sector engagement has shifted toward multilateral and EU cooperation channels. This allowed Finland to leverage its long-term experience in the influencing of international partnerships and programmes.

Finland's support for innovation and private sector engagement have been beneficial to its digital development efforts.

Finland has a strong background in the role of the private sector in innovation and digitalization, and digitalization has been an integrated part of Finland's bilateral and regional support for innovation and entrepreneurships. From 2003-2011, the first batch of projects were implemented in South Africa and Southern Africa, focusing on innovation ecosystems, ICT strategies, and knowledge partnerships. From 2009-2015, this support was extended to Vietnam,

28 https://www.unicef.org/digitaleducation/reports/superstar-teacher-toolbox-empowering-educators-digital-age

29 See evaluation report from Bhutan: https://www.unicef.org/innovation/reports/transforming-maths-learning-bhutan

30 See Evaluation on Finland's Aid for Trade (2016), and Evaluation of Economic Development, Job Creation and Livelihoods (2021).

Tanzania, and Mozambique, emphasizing digital infrastructure and innovation. From 2016 onwards, Finland's support started to shift towards multilateral and EU cooperation, and the lessons learned from the bilateral support, could be leveraged in multilateral cooperation like the World Bank's the Digital Development Programme, and in contributions to the EU Global Gateway and the D4D Hub. The role of innovation and private sector engagement is also leveraged in Finland's support to the UNICEF innovation hubs in Helsinki on edtech and innovative finance.[31]

Finding 24: The growing role of Finland's investment instruments is key to underpin the role of private sector engagement in digital development. They are also a key for Finland's contribution to multilateral and EU cooperation programmes.

Finland's support to innovation, entrepreneurship, and connectivity (data centres, telecom infrastructure), also accumulated a strong experience in investment instruments, leveraging private sector participation. As bilateral cooperation on digital development shifted towards multilateral and EU cooperation, the emphasis on private sector instruments, especially Finnfund, increased. As previously highlighted, the strengths of Finnfund include its lead role among European DFIs in the reform of financing instruments, the piloting of the EFSD+ loan guarantee, and synergies achieved in other priority interventions such as the World Bank's DDP and the collaboration with UNICEF in innovative finance. While its digital portfolio - one of four priority sectors[32] - reached 7% in 2024, the MFA's current two-year state ownership memorandum stipulates that 40% of Finnfund's new investments should be in digital infrastructure and solutions, and that Finnfund should mobilize Finnish expertise for its investments. Finnfund is also developing its first impact investment fund; and equity fund for digital infrastructure and solutions only. This is an important milestone since Finnfund usually serve as a minority investor of maximum 30% and does not make early-stage venture investments (with some exceptions). While the MFA's overall funding for Finnfund is declining, 40 Mill Euros will be invested into the new fund.

Another example of an innovative private sector instruments is FinnChurch Aid Investment's piloting of a digital service model for investment in local SMEs in East Africa. FCA Investment calls its operating model "service banking", where the service is the risk management model. FCA Investment aims to build the capacity of the companies they invest in. They aim to create scalable services for small and medium-sized enterprises. These scalable services are based on digitalization. FCA Investment uses Finnish public sector business services as a model for scalable services but adapts its services to the operating market. They build an ERP system on top of Microsoft for Business. Such an ERP system is now operational in four FCA Investment customers. FCA Investment's subsidiary, which provides the ERP system services, has developed a tool for companies to self-assess and improve. The tool guides transparency and evaluates what has been done, and the company receives the support it needs from the service. FCA Investment's promise to companies that become part of the ERP system is that they will receive funding if their answers in the self-assessment are reasonably accurate. The self-assessment answers are verified using inputs from the digital system. As a part of the service, FCA Investment provides a "Go Entrepreneur"-expert, who usually assists each company for approximately six months to fully comply with the FCA Investment's requirements. While this model is costly, it has shown promising results and holds the potential for truly transforming developing country SMEs.

31 See chronologic list of innovation projects in Annex 5 in Development Policy Committee (2024), How to bridge the digital divide sustainably and equally.

32 The other priority sectors are clean energy, sustainable forestry and agriculture, and financial institutions.

Finding 25: Increased focus on private sector engagement, and cooperation through multilateral and EU channels also has challenges. It is difficult to mobilize Finnish SMEs in emerging markets, and joint programming will not make that easier. Financing instruments are not yet fit for purpose either.

Support for private sector engagement in innovation and digitalization also has challenges. They include incentivizing and scaling of private sector engagements and linking them to Finland's broader development objectives such as bridging the digital divide.

Drawbacks of the current focus include challenges in mobilizing Finnish SMEs in emerging markets, as well as issues related to joint programming and funding instruments that are unfit for purpose.

The previous subsection referred to the difficulties of sustaining innovation and entrepreneurship interventions and in reaching groups in disadvantaged positions. The increased emphasis on promoting Finnish companies in developing markets also has adverse impact on inclusion in financing instruments. While Finnfund continues to emphasise development impact, LDCs are not a mandatory criterion for Finnfund anymore. This has changed to meet the long-term challenge of mobilising Finnish SMEs in developing markets. Invariably, near markets are more attractive, as they entail fewer risks and more predictable return of investments. The actual resource base for developing contexts may therefore be limited, unless incentives can be improved to increase Finnish company engagements. However, softening of the LDC criteria also reduces outreach to those in most need of connectivity.

Another challenge is linked to the sustainability of early-stage support for business partnerships. Some interviewees noted the risk of supporting "grantpreneurs" i.e. Finnish SMEs that enter development markets mainly to conduct fact-finding missions without a proper strategy and long-term business plan for sustainable partnerships and enabling of local solutions.

Engagement with EU and multilateral cooperation on private sector engagement also has challenges. Development financing is an evolving area, and there is quite a work ahead to make EU financing instruments fit for purpose. Apart from mobilising development finance, this includes more flexible and simple allocation mechanisms and a reduction in bureaucracy and processing times. The EU commission also highlights the need to increase the grant component in risk sharing instruments. Otherwise, LDCs and remote areas will not achieve full connectivity. INTPA is currently reviewing funding arrangements, and the Global Gateway private sector advisory group is also looking into this challenge. At the same time, EU Private sector association are also pushing for reforms.[33]

Benefits and challenges of multilateral cooperation

Finding 26: Multilateral cooperation offers several opportunities for Finland to pursue its development priorities. This includes influencing of global policy processes, and synergy and complementarity gains that allow Finland to focus on its priorities and value added, without compromising on sustainability and coherence.

33 The Confederation of Danish Industries recently highlighted the need to reform European DFIs and Global Gateway, if more private companies are to engage in emerging markets, see GlobalNyt 11 March 2025

The increase in multilateral cooperation entails several benefits for Finland's ability to pursue its development objectives. Some of these benefits are generic in nature and valid for other sectors as well, others are more specific to digital development.

First, many issues linked to development cannot be solved at country level. This includes global governance, trade, and development financing related issues. In digital development, influencing global processes such as the shaping the Global Digital Compact and WTO-related commitments is therefore key to address systemic issues. In such processes, Finland – together with the EU – can promote human centric values, inclusion and digital rights and ensure strong participation of the Global South. Developing countries are usually not invited to participate in discussions on AI for example, and Finland can also promote that this happens.

In multilateral cooperation, Finland can punch above its weight but may loose out in strenghtening bilateral relations and visibility.

Successful influencing of UN and MDB programmes also have a catalytic impact on Finland's ability to meet its development objectives. The launch of the World Bank's Digital Development Partnership in 2016 is a strong example, where Finland was one of the founding partners together with Microsoft and GSMA. Finland's support for UN innovations hubs in Helsinki is another example of multilateral operation with a multiplier, and potentially catalytic impact. Cooperation with UN innovation hubs is also mutually benefitting. Finland is a small country and offers a relevant and easy to reach ecosystem, which is motivated and open for cooperation. UN hubs on the other hand, can scale innovations based on Finnish experience, and connect Finland to global actors through its network. Multilateral programmes also offer scaling opportunities for digital public goods like X-Road on interoperability, a contribution from Finland and Estonia.

Engagement in multilateral cooperation programmes also offers long-term, whole-of-government/whole-of-society solutions to digital transformation, which is next to impossible to promote for a small development partner. In recent years, aid effectiveness approaches moved away from government-government partnerships in favour of more diverse, localised partnerships with multiple local actors.[34] Arguments for this shift are well justified, highlighting a need for better results in development cooperation, more innovative approaches, and better learning and adaptation.

However, maintaining the role of national governments in digital transformation is equally critical, including for regulatory purposes, and multilateral programmes offer frameworks that consider both demand and supply side of digital transformation. When participating in such programmes, Finland can focus on areas where it has strengths and priorities without compromising on sustainability. In the same manner, they also forge coherence of Finland's own support. Such benefits are also obtained in Finland's engagement in EU programmes and the EU Global Gateway.

Finding 27: Multilateral cooperation also has challenges and tradeoffs. Offers and implementation models are still emerging. To work effectively through them, commitment, resources, and a local presence are needed. Multilateral cooperation may also reduce Finland's visibility and opportunities to promote Finnish companies.

34 See for example the Doing Development Differently Manifesto from 2014, which came as a response to the challenges of the Paris Declaration on Aid Effectiveness from 2005 and influenced many development partners.

Multilateral cooperation also comes with challenges; many of them are shared with support through EU cooperation. Globally, digital development is still emerging, featuring multiple, sometimes competing, and overlapping development offers, emerging implementation models, financing gaps, innovation without scale, etc. The emerging nature of EU Global Gateway means that some member states consider interventions somewhat crowded with too many participants, which in the end also causes some confusion and transaction cost for developing countries. Multilateral cooperation has less such issues, but the other challenges mentioned remain.

Given such challenges, a strong commitment is often needed to work through and with multilateral channels. This can drain resources of smaller development partners. Finland's support to the innovation hubs in Helsinki also illustrates this. While UNICEF already got a strong foothold in Finland, the same cannot be said of the UN Global Pulse Lab or the UN Futures Lab. UN Global Pulse Lab needs more support from the MFA to link it with the Finnish innovation ecosystem and stakeholders, and it has so far not benefitted much from its location in Finland. The Futures Lab already left Helsinki to be closer to UN agencies, and after failing to benefit enough from the Finnish ecosystem. Notably, the Futures Lab struggled to gain a foothold with the UN system due to some internal resistance. To overcome this resistance, it tried to mobilise support from Finnish embassies but failed to get support as ambassadors did not have enough background information to support the Lab. Overall, the Lab found that the MFA focused too much on the engagement in Finland whilst failing to invest in and support its strategic objectives at the global level.

Multilateral cooperation also has trade-offs. In relation to Finland's objective of mobilising Finnish solutions and Finnish private companies, multilateral cooperation, like EU cooperation, means more stakeholders involved, longer decision processes, and international tendering of commercial opportunities. This creates hurdles for Finnish expertise to pass, including securing commercial opportunities for SMEs. Another trade-off is reduced visibility. Finland wants to strengthen bilateral relations with developing countries, but with support embedded in multilateral programmes, there may be less opportunities to demonstrate Finnish solutions and presence and build such relations.

Twin transition

Finding 28: The support to digital development offered opportunities to address green transition, while negative environmental impacts were not evident. This is mostly because Finland's support is embedded in EU and multilateral programmes with integrated approaches and programming safeguards that underpin sustainability goals.

Digital transformation and green transition are mutually linked and are often referred to as the twin transition process. Digital technologies can significantly contribute to achieving sustainability goals, for example by promoting digital solutions that integrate renewable energy sources into electricity transmission networks, or by promoting efficiency gains through digital tools like AI, IoT, and blockchain to optimize resource use, and improve energy management.

Digital transformation can also impact negatively on sustainability goals, for example

- Energy consumption and carbon footprint: Digital technologies will support the green transition as they substitute carbon-intensive technology and extraction. Yet the production of digital technology, such as semiconductors and the infrastructure for photovoltaic systems, demands large amounts of energy, which can increase greenhouse gas emissions. Digital technologies also require significant energy supply and data

centres are power-hungry facilities that need constant cooling. This leads to high energy consumption, as well as high carbon emissions, unless provided from renewable sources, and can work against climate and green policy objectives.

- Waste from electrical and electronic equipment (WEEE): The rapid upgrade and disposal of digital devices contribute to e-waste. This poses severe environmental hazards.
- Resource extraction: Digital technologies often require rare earth metals and other materials, leading to environmental degradation at mining sites.

Developing countries are more severely affected by the negative consequences of the twin transition. Extraction of raw materials often happens under harsh and exploitative working conditions, and with poor regulatory oversight. This causes adverse impact on both the environment, employees, and marginalized communities.[35] Hence, negotiating the challenges of twin transition entails complexities and dilemmas, since progress in one area may negatively impact the other.[36]

The support for digital development offered opportunities to advance the green transition, while negative environmental impacts were not evident.

The review assessed what opportunities Finland's support to digital transformation had provided to the green transition, and whether it had any negative impacts on sustainability goals. The general assessment is that Finland's support has offered opportunities to address the green transition, whereas negative impacts were not evident. This outcome is a result of Finland's increased participation in EU and multilateral cooperation, and the impact of ESG investment criteria. Or as one interviewee noted: It is much easier to address twin transition challenges due to these established frameworks, than promoting opportunities for Finnish companies.

Sustainable programming and ESG investment criteria are well-established by now in the EU, UN, and MDBs. When Finland cooperates through these channels, all of them offer safeguards against adverse environmental and climate change impact. Cooperating through joint international partnerships also has the advantage that other partners can address energy and environmental aspects of digitalization, while Finland covers other components. For example, the data centre project in South Africa implemented by team Europe. which supports green and secure data infrastructure, promotes eco-friendly policies, and monitors the environmental impact. Finland's contribution here is the datacentre support. However, interviewees also noted that there may be opportunities for more engagement in twin transition. Data centres need green electricity, and Finland could support this. Solar panels are already profitable, but for balancing power, hydropower or wind power is needed as well. Transmission networks of developing countries typically do not facilitate decentralized electricity production, and they need to be renewed digitally to accommodate renewable energy sources.

At the level of global trade regulations, Finland has also been part of WTO initiatives to promote sustainable trade related to the twin transition, for example to reduce energy consumption and electronic waste. However, this work has not gained much progress, as it faces resistance from BRICS countries such as India and China.

35 Politics & Society, The Future of Work in the Twin Transition to Green and Digital

36 See for example European Commission (2022), The twin green & digital transition: How sustainable digital technologies could enable a carbon-neutral EU by 2050

5 Peer strategies

Norway, Denmark, and Estonia have different strategies for digital development cooperation. Norway launched an all-encompassing strategy in 2018, aimed to address digitalisation as an enabler across Norway's development objectives. Whilst recognized at the time as a best practise, the review has not been able to confirm if it has been implemented as intended after the change of government in 2021. Any lessons on the level of resources and coordination efforts that would be needed to sustain such an ambitious strategy, is therefore not possible.

Denmark and Estonia have a quite focused approach to digital development. The Danish strategy supports digitalisation and the role of civil society in democratic societies, whereas the Estonian strategy supports digital transformation around DPI and cybersecurity. The strategies entail the following lessons:

- **A focused strategy** is key for joint partnerships with the EU and other development partners. In the case of Estonia, the establishment of EGA in cooperation with OSI and UNDP, enabled Estonia to have a global presence which is almost entirely funded by external partners.
- **Global branding** of the Danish and Estonian development offers underpins international co-funding and scale. Denmark launched the Tech for Democracy initiative in 2021 as a flagship contribution to the U.S. Summit for Democracy, bringing together representatives from governments, multilateral organisations, tech industry and civil society to make technology work for democracy and human rights. Estonia in cooperation with Germany, ITU and the Digital Impact Alliance, launched GovStack - a flagship development offer for tailored e-government services in developing countries. EGA end ESTDEV jointly host the annual e-Governance Conference, and the Tallinn Summer School of Cyber Diplomacy, organised with support from the EU, the World Bank and others.
- Estonia's experience from TEI and D4D hub engagements underlines that **EU implementation models** still have challenges with coordination and overlapping efforts. Estonia is also impeded by its own lack of embassy presence in developing countries, which highlights that a local presence is essential to fully engage in TEI and D4D hub interventions.
- **The Danish ICI instrument** illustrates that institutional cooperation has catalytic potentials in digital transformation which is often underreported. The Danish instrument also entails a model which integrate both the embassies and the private sector in a more coherent manner than the Finnish model.

This section provides a brief "snapshot" of digital development strategies in Estonia, Denmark, and Norway. The emphasis is on learnings and on approaches that complement Finland's strategy.

Denmark

Denmark's annual ODA is around 0.7% of GNI. Compared to climate change and the green transition, digital development is not a high-profile priority in Danish development cooperation. The tech ambassador's role in digital development is not very high-profile, either. Nevertheless, digital development became a priority in the development strategy 2017-2021, and it remained one in the current strategy - The World We Share 2021-2025. The next strategy is due in mid-2025. New priorities have not been announced yet, but the expectation is that the strategy, in line with Finland, will seek to build stronger coherence between geopolitical challenges, trade, security, climate change and international alliances.

In the current strategy, the focus is on digitalisation as an enabler of democratic societies, and the role of civil society in prompting inclusion and digital rights. Mitigation of misinformation and hate speech are also focal areas. For this purpose, Denmark launched the Digital Democracy Initiative (DDI) in 2023 to support CSOs trough calls for proposals. DDI's budget for 2023–2026 is 51.9 million Euro. Hereof, 11 million is a contribution from the EU, and 0.9 million a contribution from Norway. Receivers of DDI funding are Access Now, CIVICUS (a global CSO network), Digital Defenders Partnership, Global Focus (a Danish CSO network), and WITNESS. These partner organizations implement various projects, including 1) sub-granting to local civil society actors; 2) rapid response mechanism to provide digital assistance to human rights defenders in acute need; 3) advocacy campaigning toward Governments; private sector and tech companies and 4) building a global digital knowledge hub that provides tools and knowledge products in localized and accessible formats. To promote its support to digitalisation and democracy, Denmark also launched the Tech for Democracy initiative in 2021 as a flagship multistakeholder contribution to the U.S. Summit for Democracy to bring together representatives from governments, multilateral organisations, tech industry and civil society to make technology work for democracy and human rights. Denmark engages in delegated partnerships through the TEI, although not in the case if digital development. An evaluation of the Danish experience with TEI is ongoing at the time of this review and its findings will be reported later in 2025.

Denmark's key strenghts in digital development relate to its advanced instrument for institutional cooperation and untied blended financing.

The Danish instrument for institutional cooperation – the strategic sector cooperation (SSC) instrument – is also applied for digital development and supports country level digital transformation strategies as well as digitalisation of statistics management with potential catalytic impact on digital transformation. SSC differs from Finland's ICI, in that the cooperation pivots around a line ministry sector counsellor posted at the Danish embassy. With reference to the ambassador and the trade councillor, SSC projects serve three purposes: 1) institutional cooperation with the partner authority (the prime objective), 2) leverage of stronger bilateral relations, and 3) exploration of (longer-term) commercial opportunities for Danish companies (20% of the sector counsellors time should be spend on this). SSC partners also have privileged access to a) tailored study tours and fellowship courses in Denmark, facilitated by the Danida Fellowship Centre[37], and b) relevant sector research conducted by Danish and local research institutes.

37 https://dfcentre.com/

Denmark provides untied blended financing for digital infrastructure investments and support for private sector engagements – partnerships, venture capital etc. There is an interesting case learning on failed support to digital infrastructure which became a high-profile news story.[38] The Danida Sustainable Infrastructure Finance (PIF peer instrument) co-financed the establishment of a 1,000 km fibre cable in Ghana, stretching from the border with Burkina Faso to the capital of Accra, and connecting to a West African submarine cable outside Accra. The agreement between Denmark and Ghana was concluded in 2011, and the fibre cable was ready for use in 2018. However, the fibre cable sat idle for three years, as operation and maintenance responsibilities were referred to national regulator itself - the National Information and Technology Agency of Ghana (NITA), and NITA did not have the necessary competencies to fulfil this role. The operational responsibility was eventually transferred to a private service provider in 2021, and a clear separation of roles between the national regulator and the service provider was established. By 2024, the fibre cable had finally become fully operational and about 175 ministries, departments and public agencies were connected to it. The connection now underpins Ghana's eTransform Project on data security and digital solutions for ID, driver's license, health, and education, which is implemented in cooperation with the World Bank's Digital Economy for Africa (DE4A) initiative in support of the African Union's Digital Transformation Strategy.[39]

Another interesting case learning relates to domestic research on digital service uptake, conducted by the Danish association of elderly citizens in 2022-2023.[40] A key point from the research is that 35% of the adult population struggles with online services. This illustrates that even in fully digitalized countries there are significant challenges with digital rights, skill sets and service designs. How to address such challenges and involve stakeholders that can facilitate better solutions, are interesting case learnings, which are also relevant for developing countries.

Estonia

Estonia's annual ODA was 0.20% of GNI in 2024. The aim is to increase ODA to 0.33% of GNI by 2030. Digital development is a transversal priority in Estonia's development strategy, and Estonia focuses on e-governance, DPI, and cybersecurity. Estonia's support for digital development has a global outreach that exceeds its size and its embassy presence in developing and transitioning contexts. There is a global demand to learn from Estonia's post-communism reforms in general and its experience with digital transformation. Key to its global success is its early engagement and the establishment of the national e-Governance Academy (EGA). More recently, Estonia also established the Estonian Centre for International Development (ESTDEV) under the Ministry of Foreign Affairs to oversee the implementation of development assistance. It, too, engages in digital development, but EGA is the key implementor in this area. EGA end ESTDEV jointly host the annual e-Governance Conference,[41] and the Tallinn Summer School of Cyber Diplomacy[42] organised with support from the EU, the World Bank and others.

38 See https://globalnyt.dk/kuldsejlet-projekt-i-ghana-til-135-millioner-danske-skattekroner-genopliver-kritik-af-krav-om-danske-ydelser/

39 See https://www.ifu.dk/en/news/fibre-cable-project-in-ghana-creates-development/

40 https://www.aeldresagen.dk/maerkesager-og-resultater/viden-og-tal/analyser-og-undersoegelser/2023-oplevelser-udfordringer-digitalt-samfund

41 See https://2025.egovconference.ee/

42 See https://ega.ee/%f0%9f%8e%a5-tallinn-cyber-diplomacy-summer-school-2024/

Estonia's successful brand image and achievements in digital development are built around the national e-Governance Academy (EGA) and GovStack, a global flagship initiative that provides consultancies, toolkits and best practice solutions on e-governance and e-services.

EGA was established in 2002 as a non-profit foundation and a joint initiative of the Government of Estonia, the Open Society Institute, and UNDP. EGA has a staff of 100 employees and projects always involve Estonian companies and local partners. Estonia collaborates with a wide range of countries in Eastern Europe, CIS region, Africa, Asia, and the LAC region. Through EGA, Estonia supported more than 140 low- and middle-income countries, for example on assessment of national digital readiness and development of national strategies. Seminar and trainings are also offered in Estonia. EGA does not receive core funding from the Estonian government. Instead, it receives an annual allocation of 1 million Euro for project implementation. Currently, 90% of EGA's income stems from EU financing due to its pillar status. Apart from the EU, EGA partners included USAID, the World Bank, UNDP, Sida, GIZ and the EBRD.

GovStack is another cornerstone of Estonia's digital development offer, which is anchored at ESTDEV. GovStack is a global flagship initiative, providing consultancies, toolboxes and best practise solutions on e-governance and e-services. It was launched in 2020 as a partnership collaboration between Estonia, Germany, ITU, and the Digital Impact Alliance (United Nations Foundation, Gates Foundation, FCDO, and Sida). GovStack is based on three pillars:

- Specifications (GovSpecs): Developing building block specifications.
- Sandbox (GovTest): Creating a test environment where software solutions can be combined and tested using dummy data.
- Best Practices (GovLearn): Providing capacity building, training, and support for designing strategies

Since inception, GovStack has engaged with more than 20 countries worldwide on digital transformation.

Estonia is a founding member of the EU D4D Hub and a key partner for Finland and the EU on Global Gateway, TEI and the D4D hub. Estonia and Finland also jointly availed the X-Road solution on data interoperability for the registry of the Digital Public Good Alliance. Estonia's focus on a few priority topics within digitalization (DPI/e-service and cybersecurity) enabled it to lead several EU cybersecurity efforts, such as the EU Cybernet[43] - the EU flagship initiative aimed at strengthening global cybersecurity through capacity building and international cooperation, and under it LAC4[44] - a regional cybersecurity competence centre established to bolster cyber capacities in Latin America and the Caribbean.

Estonia's take on the D4D Hub tallies with the Hub's own assessment in that it still needs to define its offers more clearly, including its blended financing offers. The intensions of TEI to pool Member State resources and improve impact, are clearer. However, Estonia's limited embassy presence makes it difficult to engage through the TEI approach. TEI approaches entailing several Member States can also be confusing for Member States as well as developing countries compared to

43 https://www.eucybernet.eu/

44 https://www.lac4.eu/

multilateral programmes. Estonia noted the EU-LAC Digital Alliance as an example of a TEI policy dialogue project without very clear and tangible results. With four implementing EU Member States there are high transaction costs and at times unclear division of roles. However, initiatives like this may also be opening doors for new projects.

Norway

Norway's annual ODA is around 1% of GNI. Norway's development priorities cover humanitarian assistance, health, education, climate and environment, oceans, private sector and agricultural development, renewable energy, modern slavery prevention, human rights, and development financing. It stands out for its attempt to develop an overarching digital development strategy. For this purpose, the Ministry of Foreign Affairs set up a small project team to outline a strategy for its digital transformation and development policy. Based on consultation with the private and public sector, CSOs and research institutions, a set of eleven guidelines were developed to integrate best practices into all development programmes.

In Norway, the government white paper "Digital transformation and development policy (2020)", has impressive 72 measurable goals and action points across influencing and cooperation, but information on its implementation is not available.

The approach was fleshed out in the Digital strategy for Norwegian development policy from 2018. The strategy discusses opportunities to utilise digital solutions in the priority areas of Norway's development policy, the value added on Norway's own digital experience, and how to digitally strengthen Norway's aid management. The strategy evolved into the government white paper "Digital transformation and development policy," presented to the Norwegian parliament, which debated and voted on the policy on 12 May 2020. The white paper discusses digitalization as an enabler of the sustainable development goals and across Norway's development priorities. Accordingly, digitalization should be applied to address challenges in Norway's priority areas more effectively within the framework of the Agenda 2030. This includes enabling Norway's development cooperation to reach those most in need, harnessing digital solutions in low-income countries and humanitarian assistance to promote sustainable development, job creation and increased competitiveness, and increasing investments in digital infrastructure. The white paper anticipated a large effort to implement the objectives of digital development. For this purpose, it outlined a total of 72 measurable goals and action points across influencing and cooperation.

Upon presentation of the white paper, Norway's strategy was globally touted as a best practise for policy coherence within digital development.[45] Despite several attempts to discuss the strategy with the Norwegian MFA and Norad, the review has not been able to confirm if the comprehensive strategy was implemented as intended. Norway had general elections and a change of government in 2021, and the only evaluation that addresses white paper priorities, relates to Norway's support for the Digital Public Goods Alliance, including its successful contributions for health sector management, digital ID and digital payment. [46]

45 https://www.oecd.org/en/publications/development-co-operation-tips-tools-insights-practices_be69e0cf-en/norway-s-strategic-process-to-capitalise-on-the-potential-of-new-technology_a5c76fbf-en.html

46 https://www.norad.no/en/thematic-areas/thematic-areas-in-norwegian-aid/governance-and-economic-development/digital-public-goods/

6 Lessons Learned

This section summarizes lessons learned identified by the review, focusing on enabling and constraining factors for Finland's support to digital development, as well as enabling factors for the peer strategies of Denmark and Estonia

Enabling factors

Lessons learned 1. Finland's most notable achievements are based on value-added contributions and early engagements, which enabled it to influence global and EU policies and programming.

Finland's lead role and ability to pursue strategic goals in digital development was enabled by several factors, including:

- Finland's early recognition of digitalisation as a critical enabler of sustainable development goals.
- Digital development support based on Finnish strengths and value-added contributions such as innovation and the role of the private sector, public-private partnerships, digital skills and e-learning, inclusion, and human centric approaches.
- The shift towards multilateral and EU cooperation programmes which brought several benefits, including scale and scaling pathways for innovation, and synergy and complementarity gains. Joint partnerships enable Finland to focus on its priority areas without compromising on sustainability and coherence, when working within a context of fragmented developing frameworks.
- The increased focus on connectively and development financing, which benefitted the coherence and likely impact of Finland's support, and the spearheading of joint partnerships in these areas.

Lessons learned 2. Finland's influence on global players like the World Bank and the EU underpins the impact of timely, high-level expert secondments.

Finland's influencing of global programmes like the DDP and Global Gateway was effectuated by seconded experts from the MFA and HAUS. It is a testimony of what high-level experts can accomplish and the importance of posting them early during the formative phases of global initiatives. Secondments not only enable Finland to influence global players based on Finnish values and experience; it is also a cost-effective way of multiplying the impact of smaller development partners, not least in a scenario with ODA reductions.

Lessons learned 3. The case studies of Denmark and Estonia suggest that a focused strategy and a platform for global branding to underpin it, are key to mobilise joint partnerships and co-funding of strategic development priorities.

Both Denmark and Estonia have had some success in pursuing their strategic priorities through leverage of joint partnerships and third-party funding. Key to this success is a focused strategy and a platform to brand the country priorities and expertise internationally. This is especially the case for Estonia with of the joint establishment and co-funding of EGA and the global promotion of Estonia's development offer for tailored e-government services through the GovStack initiative in cooperation with Germany, ITU and the Digital Impact Alliance. ESTDEV and EGA also hosts the annual e-Governance Conference, and the Tallinn Summer School of Cyber Diplomacy, organised with support from the EU, the World Bank and others.

Constraining factors

Lessons learned 4. Constraining factors of Finland's support include difficulty to mobilize SMEs; partnership implementation and financing models which are not fit for purpose; and projects designs that did not cater sufficiently for groups in disadvantaged positions.

The review identified several challenges and dilemmas, constraining the effectiveness of Finland's interventions or presenting trade-offs that may or may not be acceptable. They included:

- A persistent difficulty in mobilizing Finnish SMEs in emerging markets, and a need for better incentives to succeed in this.
- Challenges, dilemmas, and trade-offs presented in multilateral and EU cooperation, that increase the level of commitment, resources and presence needed to engage in them. They include:
    - An added complexity in decision making which makes it more challenging to mobilize Finnish expertise and private companies,
    - Emerging programmes and implementation models, and risks of competing, overlapping and under financed interventions, and
    - Risk of reduced Finnish visibility in multilateral programmes.
- DFI investment instruments, including EIB and ERDB, that are not yet fit for purpose. Apart from mobilising more development finance, reforms are needed for:
    - More flexible and harmonized allocation criteria, fewer bureaucratic requirements, one-stop entry points, better communication and faster processing times.
    - Increasing the grant component of risk sharing instruments in support of digital connectivity in remote and least developed contexts.
- Limited trickledown effects for groups in disadvantaged positions in innovation, private sector, and entrepreneurship interventions. This is due to project and instruments that did not sufficiently cater for small-scale entrepreneurs, women-led businesses etc.

Lessons Learned 5. Failure to connect ambitious national innovation, research, and development targets to digital development objectives, are missed opportunities for Finland to leverage expertise for development cooperation.

An absence of a clear national leadership of digitalization in Finland seems to have caused a disconnect between national and digital development objectives. The Digital Finland Framework[47] initiative by Business Finland outlines a strategic framework for digital transformation in Finland, focusing on economic growth, innovation, and addressing global challenges. The aim is to drive digital transformation across sectors, and position Finland as a leader in digital innovation. For this initiative, an annual spending target is set at 4% of GDP for public and private investment in innovation and R&D by 2030. While the framework also aims for strong international collaboration and attracting global talent, it is not referred to in the context of Finland's digital development strategy.

Moreover, the Ministry of Finance (responsible for eGovernance), the Ministry of Traffic and Communication and Traficom have not participated in the preparation of the current development policy. If policies such as strengthening digital development are outlined at the government programme level, it might be easier to link national targets with EU and global development cooperation strategies and enable public authorities to participate in Finland's development cooperation. This can also enable private sector participation as the "Finnish model" of digitalization involves rather deep and comprehensive partnerships between the public and private sectors. A disconnect between the national sphere and the international development sphere on the other hand can curtain PPPs from the latter.

47 See https://www.businessfinland.fi/globalassets/julkaisut/digital-finland-framework.pdf?

7 Conclusions

This section presents the conclusions of the review, based on the key findings in chapter 4 and lessons learned in chapter 6. The conclusions summarize on the relevance and results achievements in digital development, the factors that enabled and constrained the results, and the coherence of Finland's policy and coordination efforts, and MFA's capacity to sustain its policy and coordination efforts. Finally, a summary of the strengths, weaknesses, opportunities and threats evidenced to relate to Finland's digital development position is provided in the Table 2.

Policy & coordination

Conclusion 1. Finland's leadership in digital development contributed to milestone achievements for the acceleration of the SDGs, including UN digital governance and EU development cooperation.

This conclusion is based on Findings 1-3, 5-7, 13-18, 20-22, 23-27.

Finland's leadership in digital development made relevant contributions for the acceleration of the SDGs, including influencing of UN global policies and responses. Significant achievements include the influencing of the Global Digital Compact, with commitments on AI governance, Digital Public Goods, inclusion, and online privacy and safety. Other successful influencing contributions included the co-launching of the World Bank's Digital Development Partnership, influencing the EU Global Gateway's commitment to digitalisation, and Finland's Global Gateway lead roles in connectivity, blended finance and private sector engagement. Finland's bilateral and regional support also achieved significant results that are relevant for the acceleration of the SDGs, including a best practise in land tenure security in Ethiopia, which is underpinned by a digital rural cadastre, enabling access to finance for low-income and women headed households. Other notable achievements were also made in digital enhancements of innovation ecosystems, good governance, and education.

Conclusion 2. Finland's influencing and cooperation achieved most impact when it was proactive, and when it could leverage Finnish value-added strengths, including innovation, the role of the private sector, and inclusion. Moving forward, these attributes will be a critical to achieve the full potential of multilateral and EU cooperation.

This conclusion is based on Findings 14-16, 21-27, Lessons Learned 1-2, 4-5 and contributes to Recommendations 1-4.

Finland's best achievements are based on its early recognition of digitalisation as a critical enabler in development cooperation. This allowed it to proactively influence global and EU cooperation on digital development, drawing on value added strengths and expertise, including innovation and the role of the private sector, public-private partnerships, development finance, digital skills and e-learning, inclusion, and human centric approaches. Moving forward, Finland's growing focus on connectivity, blended finance and multilateral and EU cooperation are measures that can increase

the coherence of Finland's support and enable more synergies and complementarities, including mainstreaming and twin transition goals. However, work is needed to achieve such benefits. It remains inherently difficult to mobilize Finnish SMEs in emerging markets. This will not necessarily become easier in EU and multilateral engagements, which are grappling with implementation and financing models that are not yet fit for purpose. While Finland's connectivity support made promising results for groups in disadvantaged positions, previous support for innovation and entrepreneurships also illustrates how difficult it is to include and make lasting improvements for these groups. Moreover, participation in multilateral programmes may reduce Finland's visibility and its ability to strengthen bilateral relations with developing countries.

Conclusion 3. While there is a disconnect between national digitalisation and digital development objectives, in Finland's foreign policy, the current policy documents address digitalisation from their respective angles. Assessing how their operationalisation works could be done at a later stage, but gathering the evidence-base can start now.

This conclusion is based on Findings 5-7 and Lessons Learned 5 and contributes to Recommendation 2.

While this review was focused on the achievements, strengths, and challenges in advancing digitalisation through development policy and cooperation, it was to also consider the emerging Finnish agenda for foreign technology policy. The Government Report on the Finnish Foreign and Security Policy (2024), the Government Report on International Economic Relations and Development Cooperation (2024), and Finland's technology foreign policy priorities being outlined by the MFA address digitalisation from their respective angles. The report on the Finnish Foreign and Security Policy highlights the impact of disruptive technologies on foreign, security and defence policy, and the report on International Economic Relations and Development Cooperation states that Finland promotes the digital transformation of developing countries in support of their sustainable development and by strengthening Finland's relations with the countries. Finland's technology foreign policy priorities (currently being outlined) focus on supporting competitiveness, national security, and sustainable development - particularly in promoting the digital transition of developing countries.

With the Finnish agenda for foreign technology policy still emerging and against the current unpredictable global policy context, it is too early to assess how the operationalisation of these foreign policy documents works. At a later stage, lessons could be learned from the policy coherence and effectiveness of this mainstreaming of digitalisation across the foreign policy.

Conclusion 4. The white paper from 2024 established an overarching strategy for digital development. Influencing mandates for the multilateral development banks and the EU provide more details on how Finland can pursue the strategy. However, broad strategy measures, ODA cutbacks and geopolitics pose questions that need to be addressed.

This conclusion is based on Findings 13, 22, 25 and 27 and contributes to Recommendations 1 and 4.

In line with other development partners, Finland's support for digital development was guided by incremental policies and guidelines. The White Paper on International Economic Relations and Development Cooperation from 2024 eventually outlined an overarching strategy, which is further operationalised in MDB and EU influencing mandates from 2024-2027. Overall, the strategy underlines that digital development is a significant priority for Finland, but broad priority measures, geopolitical changes and the planned 25% cutback in ODA also poses questions in need of further

attention. This includes how Finland can fulfil its ambition of stronger transatlantic cooperation under the present US administration, and how the cutbacks will impact on digital mainstreaming in Finland's priority sectors and its development presence and capacity to engage in D4D hubs.

Conclusion 5. The MFA introduced organisational changes to improve its inhouse coordination of digital development. The new setup must now be internalized at management level and across funding streams. External stakeholders working directly with digital development are also engaged. However, strategic cooperation is not extended to the government programme level, and to a broad range of Finnish stakeholders working with digital transformation and in digital development related areas.

This conclusion is based on Findings 13, 22, 25, 27, and Lessons Learned 5 and contributes to Recommendations 5 and 6.

The reorganization of the MFA established a high-level coordination group on technology and referred management responsibility to the Unit for Technology and Sustainability under the Department for International Trade. Roving ambassadors responsible for Technology and the Global Gateway, respectively, were also introduced. These initiatives have potential to improve the MFA's internal coordination capacity, and the new setup now must be internalized at management level and across funding streams, forging a shared understanding of digital development objectives by all relevant actors. The MFA also has regular engagement with external stakeholders working with digitalisation, the EU Global Gateway and the D4D hub, including HAUS, Finnfund, and private sector associations. There are also regular meetings at programme level with ICI and HEI-ICI/HEP partners.

However, there is no strategic dialogue with all stakeholders, starting from the government programme level, which can link national targets with digital development targets and leverage public and private sector expertise in development cooperation. Stakeholders not engaged with on a regular basis include the Ministry of Finance, the Ministry of Traffic and Communication, DPC, CSOs, other line ministries, local government associations and smart cities networks. This prevents Finland from tapping into expertise such as inclusion, service co-designs, public-private partnerships, and localisation of results. The UN innovation hubs in Helsinki, having progressed beyond the piloting stage, also need more strategic links with the MFA. This is especially critical for the UN Global Pulse hub, as it needs support to connect with the Finnish innovation ecosystem and stakeholders.

Conclusion 6. Sourcing and funding modalities have become more coherent, and with the Team Finland reform, there is potential for more coherence between trade and development objectives. Further initiatives are needed to improve coherence and effectiveness.

This conclusion is based on Findings 13, 22, 25 and 27, and contributes to Recommendation 2.

Finland's sourcing and funding modalities have been strengthened in recent years. This includes the growing role Finnfund investments in digital infrastructure, and expert secondments by HAUS. The ongoing Team Finland reform seeks to integrate the foreign functions of Business Finland with the Foreign Service from 2026. This can ensure a better integration of trade and development support. Overall, Finland's ambitious digitalisation and innovation targets are not reflected in the digital development strategy, which could have enabled mobilization of public sector experts from development purposes. Regardless, there is a need to apply currently instruments more coherently. Sourcing of public sector expertise takes place through various channels such as ICI, HAUS, HEP

and consultancy companies, and are managed by separate procedures. Similarly, private sector mobilisation is managed by HAUS, Finnfund, Finnpartnership and Business Finland, but it also takes place through ICI, for example in FMI projects. Better incentives for mobilisation of SMEs are also needed, but without compromising on development goals.

With the growing role of Finnfund and HAUS, there is also potential for them to co-lead more of Finland's digital development activities such as Global Gateway/D4D hub working groups. However, a division of roles between the MFA, HAUS and Finnfund must be outlined for that to materialise.

Capacity development

Conclusion 7. The digital development strategy is managed by MFA staff with comprehensive skills and experience. A long-term solution is needed to sustain this capacity and underpin the digital development strategy.

This conclusion is based on Findings 9 and 18 and contributes to Recommendation 7.

The white paper from 2024 established ambitious targets for digital development. The reorganization of the MFA has improved coordination and management arrangements, and the staff currently in charge of strategy has a comprehensive technical knowledge and experience that enables it to manage the strategy effectively and efficiently. However, there is a need to extend this level of knowledge and experience to a wider circle of MFA staff to sustain the MFA capacity. A comprehensive recruitment and in-service training plan is a way forward to support the digital development strategy. It should include operational exposure and job training opportunities across Finland's multilateral and EU cooperation, for example secondment by MFA staff at the D4D Hub in Brussels as suggested the Hub. To the extent new MFA recruitments are not feasible, the plan could consider if other stakeholders can contribute to expert secondment.

Portfolio and knowledge management

Conclusion 8. The plan to improve RBM of digital development programming and strengthen accountability and learning is commendable. The EU internal digital marker is a good point of departure, but mainstreaming results and catalytic impacts should also be considered.

This conclusion is based on Finding 10 and contributes to Recommendation 8.

Currently, it is not possible to capture Finland's digital portfolio from OpenAid. This is a problem shared with other development partners, and the MFA plans to improve its RBM of digital development. A way forward could be to apply the EU's internal digital marker. To get a full picture, the EU marker needs improvements since it does not capture mainstreaming results or catalytic impacts from innovations and unintended positive outcomes in for example institutional cooperation. These types of outcomes may only become visible ex-post, and it is key that evaluations capture them. Evaluations conducted by third parties may also identify such results, for example evaluation of EU twinning with Finnish actors. It is key to request that that third-party evaluation reports are shared which does not appear to be case now.

Moving forward

Table 2 below presents a summary SWOT analysis of the strengths, weaknesses, opportunities, and threats of Finland's digital development strategy. The table is based on the finding and conclusions of the review, as well as the discussions at the future policy options workshop in Helsinki on the 2 April 2025. The policy opportunities and challenges presented in the table frame the recommendations presented in the next Chapter.

Table 2. SWOT analysis. Policy opportunities and challenges for Finland.

Strengths	Weaknesses

• Overarching strategy and priority measures (The Report on International Economic Relations and Development Cooperation, complementing the Report on Foreign and Security Policy) *(National)*
• Digital leadership acknowledged by peers and partners *(Global)*
• Strengthened role within the EU (Brussels and in the context of some third countries) *(Global)*
• Value added expertise *(National)*
  ◦ Innovation and the role of the private sector
  ◦ Public-private partnerships
  ◦ Finnfund blended finance
  ◦ Digital skills and edtech innovation
  ◦ Inclusion and human centric values
  ◦ Connectivity
• Improved coordination setup within the MFA - High level coordination group, Global Gateway and Tech Ambassadors *(MFA)*
• Enhanced HAUS expert sourcing *(National)*
	• Broad set of development priorities *(National)*
	• Limited alignment and synergy between digital development and national digital and R&D agendas *(National)*
	• ODA cutback and reduced development presence *(MFA/National)*
	• Limited strategic engagement with several external stakeholders - public sector, academia, CSOs, UN innovation hubs *(MFA)*
	• Limited SME mobilisation and development effectiveness *(National)*
	• Long-term technical capacity needs *(MFA)*
	• Knowledge management - Digital marker to be enhanced and activated, capturing portfolio results and learning, and including mainstreaming results and catalytic impact *(MFA)*

Opportunities	**Threats**
• Finland's strong international reputation *(Global)* • Europe moment – more development space after US withdrawal? *(EU/Global)* • Policy influencing - Global Digital Compact and WSIS *(Global)* • Influencing Global Gateway and spearheading blended finance models *(EU/Global)* • Scale, synergy and complementarity gains in multilateral and EU cooperation *(Global)* • Policy coordination at the government level to link national priorities and resource leverage with digital development *(National)* • Improved coordination underpinned by anticipated TF reform outcomes *(MFA/National)* • Tapping into value added expertise that enable sector mainstreaming, catalytic impact, co design, localisation of results, innovation. *(National)*	• Transatlantic cooperation is stalling *(Global)* • De-globalisation of free trade *(Global)* • Limited UN governance space *(Global)* • Competing regionalised approaches and values *(Global)* • Present public and private financing models are not able to bridge massive underfinancing of the SDGs *(Global)* • Significant decline in ODA *(Global)* • Domestic policies and budget constraints driving transactional gains at the cost of LDCs and long-term sustainable development *(National/Global)* • Implementation models not fit for purpose *(Global)* • Blended financing not fit for purpose *(Global)* • Reduced visibility of Finland *(National)* • Disagreement between MFA & Business Finland on trade and development coherence *(National)*

8 Recommendations

This section presents the recommendations of the review. The recommendations address opportunities and challenges within three areas: policy & coordination, capacity development and knowledge management.

Policy & coordination

Recommendation 1. Develop a more focused strategy based on Finland's strengths and best opportunities for scale and impact. Limit the number of policy priorities to three.

This recommendation is based on findings 13, 22, 25 and 27, and Conclusions 2 and 4.
It is addressed to MFA's development policy leadership and the high-level coordination group on technology.

The current strategy entails multiple priorities; from digital mainstreaming across Finland's development portfolio, over strengthened of UN, EU, and transatlantic collaborations at local, regional, and global levels, to blended financing and Finnish private companies. Several factors constrain both relevance and effectiveness of the strategy. A changing geopolitical situation seems to make stronger transatlantic cooperation less realistic, at least over the short-medium term, while the cutback in ODA warrants a more focused approach. Working through multilateral channels offers scale and coherency which can compensate for some of the cutbacks, but these channels are also not immune against cutbacks. In addition, Finland's reduced presence in developing countries, potentially reduces its capacity to engage in local D4D hubs.

Moving forward, develop a focused strategy based on Finland's strengths and best opportunities for impact. Limit the number of policy priorities to three and consider developing a resourced multiannual action plan to monitor the strategy and facilitate coordination with external stakeholders, see Recommendation 5. Current policies and practises which are relevant, in demand and maximize Finland's impact in a scenario of declining ODA, include:

- Promotion of Finland's lead role lead role in the EU Global Gateway and the D4D hub on digitalization.
- The focus on connectivity and blended financing to underpin digital infrastructure investments and innovation ecosystems for entrepreneurs. Ensure that LDCs are included.
- Promotion of Finland's lead role in gender & digitalization, including mainstreaming efforts in all interventions and instruments.
- Strengthened expert secondments to promote policy influencing and synergies of UN processes, MDBs and EU cooperation.
- Support for UN innovation hubs based on Finnish solutions and innovation ecosystems.

Recommendation 2. At a later stage, assess the policy coherence and effectiveness of mainstreaming digitalisation across the foreign policy. Effective from the current moment, mainstream digital development in MFA's policy and strategy evaluations and other analytical work

This recommendation is based on findings 5, 6 and 27, and Lessons Learned 5 and Conclusions 2 and 3.
It is addressed to MFA's leadership and the high-level coordination group on technology as well as to Development Evaluation Unit.

At a later stage, lessons could be learned from the policy coherence and effectiveness of mainstreaming digitalisation in the Government Report on the Finnish Foreign and Security Policy (2024), the Government Report on International Economic Relations and Development Cooperation (2024), and Finland's technology foreign policy priorities being outlined by the MFA in 2025. While at the current time, it is too early to assess the ensued operations, steps towards mainstreaming digital development in the MFA's analyses and practices can be already done. One domain for this are the centralised development evaluations and reviews, where digital development could be assigned as a cross-cutting interest across the topics.

Recommendation 3. Improve incentives for Finnish actors to participate in digital development and collaborate with local partners. Also strengthen measures to forge synergies between private sector, public authorities, and CSOs.

This recommendation is based on findings 13, 22, 25 and 27, and Conclusions 2 and 6.
It is addressed to MFA's leadership and the high-level coordination group on technology.

Sourcing of Finnish expertise and solutions has become more coherent with Finnfund's blended financing instruments for digital infrastructure and connectivity, and with HAUS expert secondments. HAUS and Finnfund contributions are improving EU development offers, while the Team Finland reform aim for more coherence between trade and development instruments from 2026. The improvement of incentives, coherence and collaboration across sourcing instruments and cooperation channels should continue, including:

- Aligning of incentives for Finnish SMEs to engage in emerging markets and in collaborative businesses partnerships
- Measures to strengthen private companies in developing country to support digital transformation and economic development, and to identify credible partners for Finnish companies. In particular, the FCA Investment's model should be financed, supported, and leveraged.
- Development of blended financing suitable and eligible for LDC contexts.
- Measures to engage Finnish private companies in multilateral and EU cooperation.
- Incentives for synergies between institutional cooperation and private sector solutions.
- Measures that tap into Finnish experience on inclusion, co-design, and locations of results, including experience from local governments, CSOs and smart city networks where appropriate.

- Measures to communicate incentives more effectively and guide different actors in their use. This could be in the form of a virtual one stop shop, where different, but coordinated incentives are displayed from the point of view of encouraging relevant companies and other actors to take part in digital development.

Recommendation 4. Consider branding Finnish expertise in digital transformation to mobilize international partnerships and co-funding of Finnish development interventions. A branding option could be the promotion of a "FinnStack" offer based on Finnish expertise and solutions and underpinned by annual thematic events in Finland.

This recommendation is based on Findings 18 and 27, Lessons Learned 3 and Conclusions 2 and 4.

It is addressed to MFA's leadership and the high-level coordination group on technology, with the actual development and management of the service outsourced to, for instance, HAUS or a private partner.

Finland is praised for its contributions to global policy processes and programmes, and there is a demand to learn more about Finnish best practises. Branding of Finnish development offers could be a way forward to mobilize international partnerships and co-funding for Finnish development interventions. At the same time, it can mitigate the risk of reduced Finnish visibility in multilateral cooperation. A branding option could be the promotion of a "FinnStack" offer with Finnish expertise and solutions, and with sandbox tailoring offers like Estonia and Germany's GovStack offer with ITU. A "FinnStack" offer could also serve as marketing platform for Finnish companies and solutions, and it could be underpinned by annual thematic events in Finland, like the annual e-Governance Conference and the Tallinn Summer School of Cyber Diplomacy organised by EGA end ESTDEV with support from the EU, the World Bank and others.

Pending a revision of the digital development strategy, a "FinnStack" may include:

- Finland's public and private expertise in connectivity, innovation, cyber security, public-private partnerships, and inclusion/gender equality.
- Finnfund innovations in development finance, for example the EFSD+ loan guarantees for Global Gateway, and solutions developed with UNICEF's Innovative Finance Hub and IFC.
- UNICEF and UN Global Pulse innovations leveraging strengths of building on the Finnish innovation ecosystem, for example the Eduten math education platform from Turku University tailored for developing contexts
- NGO expertise such as FINGO's public good solutions for CSO partnerships with the private sector in developing countries, and Finn Church Aid Investment's scalable e-services for investment in small and medium-sized enterprises in developing countries
- Public goods which can be shared through the Digital Public Good Alliance.

Recommendation 5. Engage in strategic dialogue and cooperation with all relevant actors from public and private sector, civil society, and the Helsinki-based UN innovation hubs.

This recommendation is based on Findings 13, 22, 25 and 27, Lessons Learned 5 and Conclusion 5.

It is addressed to MFA's development policy leadership, the high-level coordination group on technology, and the Unit for Technology and Sustainability under the Department for International Trade.

There is scope for a broader stakeholder engagement in digital development, which can link national targets with digital development targets and leverage more public and private sector expertise in development cooperation. Current engagements are limited to stakeholders participating in digital development projects, the EU Global Gateway and the D4D hubs, including with HAUS and Finnfund, while ICI and HEI-ICI/HEP partners are engaged at programme level. In contrast, the Ministry of Finance, the Ministry of Traffic and Communication, DPC, CSOs, other line ministries, local government associations and smart cities networks, are not engaged, preventing Finland from tapping into expertise such as inclusion, service co-designs, public-private partnerships, and localisation of results. The is also scope for a more strategic cooperation with UN innovation hubs in Helsinki. This is particularly urgent for the UN Global Pulse to enable it link with the Finnish innovation ecosystem and stakeholders.

Recommendation 6. Explore options for HAUS and Finnfund to co-lead Global Gateway working groups and similar activities and define division of roles to facilitate it.

This recommendation is based on Finding 13 and Conclusion 5.

It is addressed to MFA's development policy leadership, the high-level coordination group on technology, and the Unit for Technology and Sustainability under the Department for International Trade.

The growing role of Finnfund and HAUS gives them a potential to co-lead more of Finland's digital development activities such as Global Gateway/D4D hub working groups. HAUS could also take on secretarial functions regarding a stakeholder dialogue platform and maintain a registry of ongoing digitalization and development interventions where Finnish actors take part and can take part. To realise such options, clear division of roles must be defined to avoid gaps and overlaps.

Capacity development

Recommendation 7. Develop a capacity building plan to sustain the MFA's management and coordination capacity and to underpin the digital development strategy.

This recommendation is based on Findings 9 and 18 and Conclusion 7.

It is addressed to MFA's development policy leadership, the high-level coordination group on technology, and the Unit for Technology and Sustainability under the Department for International Trade.

The MFA should undertake a capacity needs assessment to understand how its capacity to manage the digital development strategy can be sustained. Based on the needs assessment and available funding, a two-legged capacity building plan could be developed with:

a) A recruitment plan with updated staff profiles that meets the need for specialised digital expertise at the embassies and strategic secondments to support Finland's policy influence, and

b) An in-service training offer on digital transformation in developing contexts, covering priority areas such as the role of the private sector, inclusion, sector mainstreaming, etc. The training plan should include exposure opportunities and on-the-job training, for example secondments in multilateral and EU cooperation engagements including secondment for the D4D Hub in Brussels. This will also serve influencing opportunities for Finland.

Portfolio and knowledge management

Recommendation 8. Introduce a digital marker and mainstream digital development in decentralised evaluations to enhance portfolio and knowledge management. If applying the EU internal digital marker, amend the middle marker to capture significant results from digital mainstreaming and catalytic interventions.

This recommendation is based on Finding 10 and Conclusion 8.

It is addressed to MFA's development policy leadership, and the Unit for Technology and Sustainability under the Department for International Trade as well as all commissioners of the MFA decentralized evaluations.

The MFA plan for RBM improvement of digital development could introduce a digital marker to enhance its ability to define and capture the digital portfolio, and enable programming, learning and documentation of results. If the EU internal marker is applied, the middle marker should be amended with mainstreaming results and catalytic impacts from innovations and unintended positive outcomes in for example institutional cooperation. To capture such outcomes, project and programme evaluations should engage in thorough discussions with beneficiaries on both intended and unintended outcomes, and evaluations conducted by third parties, including EU twinning with Finnish actors, must be obtained to get a full picture of Finland's contributions. Mainstreaming of digital development in decentralised evaluations commissioned by the MFA would help in this process along with a systematic mapping of external evaluations involving Finnish contributions.

Annex 1. List of interviewees and references

Positions and Organizations Interviewed

MFA FINLAND AND FINLAND'S EMBASSIES	
Senior Adviser, Development Policy	Development policy loans and investments-team, Unit for Development Finance and Private Sector Cooperation
Chief Senior Specialist	Technology team, Unit for Technology and Sustainability
Team Leader	Multilateral Development Banks Team, Unit for Development Finance and Private Sector Cooperation
Senior Specialist	Private Sector Instruments Team, Unit for Development Finance and Private Sector cooperation
Senior Adviser, Development Policy Director	Unit for Development Cooperation Financial Management and Legal Affairs
Under-Secretary of State, Development Policy	Development Policy, Middle East and Africa
Senior Adviser, Development Policy	Unit for Human Rights Policy
Desk Officer	Unit for Human Rights Policy
Deputy Director General	Department for Development Policy
Team Leader, Development Policy loans and investments	Unit for Development Finance and Private Sector Cooperation
Director	Unit for UN Development Issues
Specialist, Statistics	Unit for Development Cooperation Financial Management and Legal Affairs
Deputy Director General	Foreign Trade
Ambassador of Digitalization and Technology	Unit for Technology and Sustainability
Ambassador for Global Gateway	Unit for Technology and Sustainability
Chief Senior Specialist, Development Policy	Department for Africa, the Middle East and Latin America
Chief Senior Specialist	Department for Africa, the Middle East and Latin America
Senior Specialist, Development Policy Strategic Team for Africa	Unit for Eastern and Southern Africa
Senior Specialist, Senior Adviser, Development Policy	Department for Asia and Oceania
Team Leader, Ukraine, development cooperation	Unit for Eastern Europe, Euro-Atlantic Department
Team Finland Advisor	Euro-Atlantic Department
Team leader	Unit for UN Development and Innovation Issues
Counselor, Development Cooperation	Embassy of Finland in Pretoria, South Africa
Head of Cooperation	Embassy of Finland in Dar es Salaam, Tanzania
Senior Specialist	Embassy of Finland in Dar es Salaam, Tanzania
Head of Cooperation	Embassy of Finland in Addis Abeba, Ethiopia
Senior Specialist, Somalia Team	Embassy of Finland in Nairobi, Kenya

MFA FINLAND AND FINLAND'S EMBASSIES	
First Secretary, WTO Council for Trade in Services	Permanent Mission of Finland to the United Nations, Geneva
First Secretary, Human Rights	Permanent Mission of Finland to the United Nations, Geneva
OTHER FINNISH PUBLIC SECTOR	
Chief Specialist, Data, Safety and Security Department	Ministry of Transport & Communications
Chief Specialist, Team Leader	HAUS
CEO	HAUS
Expert (1.)	HAUS Pretoria Data centre project
Expert (2.)	HAUS Pretoria Data centre project
Secretary General	Development Policy Committee (DPC)
Head of Cooperation	FMI
Tax Director	VERO
Senior Adviser, Strategy, Digitalisation and Information Society	Federation of Municipalities
UNITED NATIONS AND MULTILATERAL DEVELOPMENT BANKS	
Member of UN SG's Scientific Advisory Board	Rector, UN University
Head of Office, Finland	UN Global Pulse
Education Manager	UNICEF Global Learning Innovation Hub
Innovative Fundraising Manager	UNICEF Innovative Finance Hub
Head of Office, Finland	UN Futures Lab
Deputy Head of Office, Finland	UN Futures Lab
Global Director, Digital Core	Vice Presidency, World Bank Digital Development Partnership
Program Manager, Digital Development Partnership	Vice Presidency, World Bank Digital Development Partnership
CIVIL SOCIETY ORGANISATIONS	
Adviser, Innovation and Development	Fingo
ICT4D Specialist	Fingo
EU, PEERS	
Global Coordinator	Digital for Development Hub, European Commission
Deputy global coordinator	Digital for Development Hub, European Commission
Programme Manager	Directorate General for International Partnerships (DG INTPA), European Commission
Policy officer - D4D Hub coordinator	Directorate General for International Partnerships (DG INTPA), European Commission
International Policy Officer	DG CNECT, European Commission
Ministry of Foreign Affairs and International Cooperation	Italy

MFA FINLAND AND FINLAND'S EMBASSIES	
Executive Director, Chairman of the Management Board	Estonia e-Governance Academy
Programme Manager for Digital Transformation	ESTDEV
PRIVATE SECTOR INSTRUMENTS, PRIVATE SECTOR	
Impact Specialist	Finnfund
Co-founder	Fibertime
CEO Communications	Worldlink
Global Gateway Project Lead	Finnpartnership
Manager, Grant Financing, Business Partnership Support	Finnpartnership
CEO	FCAI
Director, International Policy and Government Affairs	Nokia
Head of Government & Policy Affairs Middle East & Africa	Nokia
Customers and sales, other countries	GoFore
AI Strategy Consultant	GoFore
Senior Consultant	CGI
Chair of the Board of Directors	Vaisala
CEO	Comprehension Games
ICI Coordinator	Niras
ACADEMIA	
UTU Tanzania team leader	University of Turku
IRIS & SUSIE Team Leader	Turku university of applied sciences

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Annex 2. Terms of Reference

Digital and Development - Review of efforts of Finland's development policy and cooperation in accelerating inclusive digitalisation

Terms of Reference

Background and Rationale

Digital technologies are transforming governments, economies, and societies. The development of technologies which have a transformative impact on our economy and society, such as Artificial Intelligence (AI), has accelerated rapidly, and the digital transition offers a huge opportunity for sustainable development worldwide. While the digital transition carries great potential to amplify social and economic benefits around the globe and across sectors, the current rates of digitalisation are very unequal. About one-third of the global population, or 2.6 billion people, remained offline in 2023. While more than 90 percent of people in high-income countries used the internet in 2022, only one in four in low-income countries used the internet.

Digital advances can support and accelerate achievement of the 17 Sustainable Development Goals (SDGs) – from ending extreme poverty to reducing maternal and infant mortality, promoting sustainable farming and decent work, and achieving universal literacy. They have the potential to play a catalytic role in supporting the global community to achieve the 2030 Agenda[48].

Digital technologies can also threaten privacy, erode security and fuel inequality. In an increasingly challenging geopolitical context, the threats to the human rights-based and human-centric model for digital transformation have become more acute, calling for strengthened international digital governance.

Finland has been ranked as one of the leading countries in several digital transformation related assessments. For example, in *the Digital Economy and Society Index 2022,* Finland ranks as the first with particular strengths in digital skills and digital public services. According to the World Economic Forum's *Global Competitiveness Report 2020,* Finland leads with digital skills. Based on this experience and expertise, it is justified to say that Finland has world-class expertise and plenty of very qualified and experienced companies and other actors with innovative ecosystems in several fields enhancing digitalisation - not only in Finland and Europe - but more broadly in global south and developing economies.

The Government Report on Finnish Foreign and Security Policy (2024) highlights the impact of disruptive technologies on foreign, security and defence policy. AI and quantum technologies are mentioned in particular. The report outlines that Finland advocates taking fundamental and human rights, and the risks related to them, strongly into account when developing and applying AI and drawing up relevant regulation. In addition to identifying the risks of disruptive technologies, it is important to also recognize the opportunities they provide in relation to security, the development of defence capability, economic growth, productivity, sustainable development, technological competence and investments in the sector.

48 https://www.sdg-digital.org/

The government report concludes that the use of *disruptive technologies* and *solutions* provides enormous opportunities for achieving progress in different sectors, *promoting the clean transition, generating sustainable economic growth, and increasing efficiency and productivity*. The potential of disruptive technologies in enhancing *global security, education, well-being and health* is also mentioned. The report flags that the security threats, potential for misuse, human rights issues and interdependencies related to such development need to be well understood. *The Government Report on International Economic Relations and Development Cooperation submitted to Parliament* (2024) – which is complementary to the previously mentioned report - states that Finland promotes the digital transformation of developing countries in support of their sustainable development and by strengthening Finland's relations with the countries. This is carried out under the broader umbrella of more ambitious Finnish foreign technology policy. The government reports demonstrate the strong links between international trade and development. The commitment to seek opportunities for Finnish private sector actors to participate in international development efforts is particularly highlighted.

Digital development - the use and application of technology and digital tools - has featured centrally in Finland's development policy and cooperation for more than 20 years. During this time, Finland has gained extensive experience in supporting the application of digital solutions and advancing digitalisation of developing countries. While digital development has been an integral element in Finland's development cooperation – either as an element or modality in a project under one of the priority policy areas or a stand-alone intervention – there is no explicit digital strategy as such guiding Finland's activities in this area. However, as part of Finland's preparation for the UN World Summit for Information Society (WSIS) 2003-2005, the Ministry for Foreign Affairs developed *Development Policy Guidelines for ICT and the Information Society* (2005) which defined how ICT and information society is promoted as part of Finland's development policy. The guidelines were developed to help Finland carry out its development cooperation activities with greater consistency and coherence between activities in all policy sectors. The guidelines have not been updated and no longer in use as such, but have rather been integrated and mainstreamed into other sectors, such as aid for trade and other development policy areas.

The topic is timely from an international perspective. At the global level, the UN Summit of the Future was held in September 2024. The UN Member States adopted the Pact for the Future, Global Digital Compact, and Declaration on Future Generations to cement collective agreements and to showcase global solidarity for current and future generations. One of the items discussed at the summit was *the* Global Digital Compact that sets out principles, objectives and actions for advancing an open, free, secure and human- centred digital future, one that is anchored in universal human rights and that enables the attainment of the SDGs.

With the EU's Global Gateway (GG) strategy, *digitalisation* has become a more visible element of the EU's development policy. The EU's goal is to promote investments in sustainable, high-quality and safe telecommunications infrastructure and to support the strengthening of the digital economy and society in partner countries. The EU's increasingly active engagement and enhanced international cooperation in this sector offers new opportunities for Finland in bridging the digital divide and supporting the digital transformation in partner countries while promoting economic interests.

There has been no centralised assessment conducted on support to digital development in Finland's development policy and cooperation to date. However, digital development is included as a topic within broader evaluations, such as *the Evaluation on Finland's Aid for Trade* (2016) and *the Evaluation of Economic Development, Job Creation and Livelihoods* (2021). The latter highlights that the Ministry for Foreign Affairs (MFA) has **no guiding principles in a form of a policy,**

strategy, road map or any other, for innovation and digital development. There are a number of decentralized evaluations on projects specifically focused on digital development and application of digital solutions. However, e.g. in the meta- analysis of MFA's project and programme evaluations, digital development does not feature visibly as a theme. To date, there has not been a systematic mapping of the MFA-funded initiatives in support of digitalisation or digital transformation in developing countries.

Preparing for this assignment, the Development Evaluation Unit conducted a series of consultations of selected internal and external stakeholders, including key personnel in MFA at different levels, CSO perspectives and sector experts.

The topics covered by this review are likely to remain relevant for a longer period of time. In addition to taking stock of achievements and learning from challenges, the review aims to support the Ministry for Foreign Affairs so that it is able to effectively implement the government objectives, including providing opportunities for Finnish private sector actors to contribute towards accelerating digital transition in developing countries.

It is against this background that the review is commissioned.

Description of the Object under Review

In the context of UN WSIS, the Ministry for Foreign Affairs produced the first Development Policy Guidelines for ICT and the Information Society (2005) defining how ICT and information society should be promoted as part of Finland's development policy. According to the guidelines, Finland supports developing countries' access to new information and communication technology (ICT), promotes efforts towards bridging the digital divide, and, in cooperation with the private sector and the developing countries themselves, seeks ICT solutions that suit the poorest countries. The document states that people have a basic right to knowledge and learning as a cornerstone enabling an independent life and a self- reliant livelihood, and that people's own skills and expertise are vital from the point of view of development in society. In the *Aid for Trade Action Plan 2008-2011,* ICT and Information Society featured as one of the main themes, along with private sector development, and environment and climate change.

While digital development is not a stand-alone priority area in Finland's development policy, digital development and solutions are included in the theories of change under the following priority areas: Quality inclusive education, Sustainable economies and decent work, and Peaceful democratic societies.

Government Report on International Economic Relations and Development Cooperation (2024) highlights that a large part of the tensions in international politics is currently linked to the desire of states to control technologies and resources critical to future growth. According to the report, success in technology competitions is believed to determine both economic success and the power in the global economy. The report reminds that Finland must also prepare for new kinds of threats as new technologies are developed. Geopolitics, security threats or human rights issues related to technological development must be taken into consideration extensively in political decision-making.

Furthermore, the government report concludes that the ability to use technology and harness innovations plays a key role in the development of countries. It emphasizes the role of new technologies

and digitalisation in improving productivity and enabling business operations in hard-to-reach locations. Development is mentioned as a way to promote the ability of developing countries to use innovations and technological solutions. **Finland aims to promote the digital transformation of developing countries in a way that supports their sustainable development and strengthens Finland's relations with the countries.** In development cooperation, Finland aims to utilise and promote digital approaches and tools. The following measures are identified:

- Promote digital solutions in Finland's development policy and mainstream the use of digital tools in development cooperation.
- Take an active part in implementing the EU-US Trade and Technology Council's commitments in developing countries. Promote cooperation with USAID in digitalisation.
- Strengthen digital cooperation with the UN both globally and at the country level and utilise Finnish digital competences in these partnerships. Promote greater synergies between UN and EU initiatives.
- Strengthen the ability to participate in the implementation of EU digital diplomacy, partnerships and development cooperation. The expertise of Finnish actors, especially companies, will be utilised. The importance of digitalisation projects in the EU's Global Gateway initiative will be promoted.
- Increase Finnfund's digital sector investment activities.

Government Report on the Finnish Foreign and Security Policy submitted to Parliament (2024) outlines that in promoting open, multilateral and rules-based trade and in supporting the EU's efforts to reform the WTO, the themes considered particularly important include digitalisation, the clean transition and the promotion of an equal competitive environment.

To date, MFA has participated and influenced in the context of various international fora and cooperation platforms. In the implementation of the *UN Secretary General's Roadmap for Digital Cooperation*, Finland has been involved in three coalitions: Artificial Intelligence cooperation, Digital Public Goods and Digital Inclusion and Data, and more recently taken an active role in the development of the UN Global Digital Compact. Finland has also actively supported the UN's innovation functions and capacities which have provided opportunities to accelerate development of digital solutions. These include Finland's enhanced cooperation with the UN and the increased presence of UN's innovation hubs in Helsinki: UN Global Pulse, UN Futures Lab as well as UNICEF's Global Learning Innovation Hub and Innovative Finance Hub. Finland has actively supported gender equality by leading the Generation Equality's technology and innovations action coalition.

In development banks, digitalisation is one of Finland's key influencing priorities. Since 2016, Finland has been particularly influential in the World Bank's Digital Development Partnership fund. Digital development can also be seen as a theme in Finland's membership of the Human Rights Council, Finland's efforts in the *Freedom Online Coalition*, and through the projects by international and Finnish non-governmental organization projects supported by MFA, where the intersections of digitalisation and democracy are strong.

Finland invests in the implementation of the EU's Global Gateway strategy in the digital sector based on the Finnish know-how and development and trade policy priorities. Implementation takes place mainly through Team Europe initiatives and through infrastructure investments that support the goals of the initiatives. Since 2020, Finland has actively participated and influenced in the *Digital*

for Development Hub (D4D), which is a collaboration and competence platform between member countries, the Commission, and development financiers. Finland co-leads the digital connectivity work of the EU's Global Gateway strategy in the D4D Hub, which offers opportunities to influence the direction of the EU's and Team Europe's GG contributions in the digital infrastructure sector. Finland's capacity to design and implement Team Europe intiatives in the digital sector and utilize Finnish expertise in digital and green transition topics in Africa have been strengthened through a programme funded by the MFA and implemented by the HAUS institute.

Finland utilizes private sector instruments in the implementation of the Gateway. Finnfund in thus far the only European development finance institution that makes use of the EU Commission's EFSD+ quarantees in the digital sector, and Finnfund's investment activity in the digital sector is expanding. Finnpartnership has a separate Global Gateway campaign, financed by the MFA and aimed at opening up opportunities for Finnish companies in Global Gateway projects and Team Europe initiatives.

Finland currently focuses particularly in supporting the following Team Europe digitalisation (capacity building) initiatives and Global Gateway infrastructure projects:

- Data Governance in Africa (in implementation from 2023)
- Africa-Europe Digital Innovation Bridge
- Central Asia Digital Connectivity
- EU-LAC Digital Alliance (in implementation; Finland takes part in certain activities but does not implement or fund the initative)
- Part of the EU's Digital Economy Package for the Philippines
- Safe Digital Boost for Africa (participation in consideration)
- Finnish companies are involved in several digital infrastructure projects that implement the Global Gateway strategy. Funding for these initiatives comes mainly from development finance institutions and multilateral development banks.

Digitalisation features as a key theme under various development policy instruments: bilateral cooperation, multilateral cooperation, ICI, private sector cooperation, and civil society cooperation. Digitalisation is mentioned as one of the key priorities in a number of multilateral influencing plans, including for most of the international financing institutions. Digitalisation as a theme and as investments is managed both in the Department for Development Policy (Senior Adviser in the Unit for Development Finance and Private Sector Cooperation) and the Department for International Trade (Digital Ambassador and Chief Senior Specialist in the Unit for Technology and Sustainability).

Finnish development finance institution Finnfund has digital infrastructure and solutions as an investment priority. Finnfund is so far the only European development finance institution that makes use of the EU Commission's EFSD+ guarantees in the digital sector, and Finnfund's investment activity in the digital sector is expanding. Finnpartnership has a separate Global Gateway campaign, financed by the MFA and aimed at opening up opportunities for Finnish companies in Global Gateway projects and Team Europe initiatives. Finnpartnership and the Developing Markets Platform provide support to Finnish companies and their partners in business cooperation and innovation projects in ODA eligible countries. Digital is a prominent sector within both funding instruments.

The MFA utilizes returnable development policy loans and investments in the digital sector. To date, the investments have been climate focused, however with digital elements included. For example, the MFA has invested in the Asian Development Bank's ADB Ventures funds, which invest in technology-driven climate-focused innovative ventures in developing Asia.

Purpose and objectives

The purpose of this review is to provide MFA and its stakeholders with an analysis of policy coherence and relevance in the global context related to digital development as well as an analysis of coherence and relevance of Finland development cooperation portfolio in support of digitalisation in developing countries. The analysis will focus on the achievements, strengths, and challenges in advancing digitalisation through development policy and cooperation. It will also assess how coherent the support has been through various interventions, instruments, and partnerships. The review will take into account Finland's commitments to gender equality, human rights and the principle of leaving no one behind. The emerging Finnish agenda for foreign technology policy should also be considered. The focus of the review is forward-looking as it aims to inform and provide recommendations for MFA as it moves forward in defining the strategic priorities and plans in this area.

Three case studies will be conducted to illustrate how other development partners are approaching digitalisation to inform MFA's future planning.

The main users of the review are different units and departments in the MFA managing policies and cooperation on digitalisation and development as well as on investments. The secondary users include the Ministry of Economic Affairs and Employment and the Development Policy Committee (DPC). Similarly, different partners, actors and stakeholders are likely to find the results useful. The review also aims at producing useful information for private sector actors who are considering engagement in this sector.

Scope

The scope of this review has been informed by previous studies, evaluations, and reviews conducted. The priorities and measures included in the Government Report on International Economic Relations and Development Cooperation will guide the approach.

This review will be based on a systematic policy and portfolio analysis. It will take into account all relevant policies, instruments, and partnerships, with particular focus on the private sector cooperation instruments, the EU Global Gateway, and multilateral cooperation, especially with the UN. Results reporting, reviews, studies, and evaluations commissioned by MFA and produced by partners will be used as a source of information.

The **main focus of this review is on development policy and cooperation**. The review will pay particular attention to challenges of achieving digital inclusion as a critical foundation for shared economic and social progress, highlighting the importance that no community or country should be excluded from the benefits of digital tools and technologies. In addition to the benefits and opportunities provided by digital, attention will be paid to **addressing the harms and threats**, including cyber insecurity. The review will also look into the 'twin transition' – the **relationships between the digital and green transitions**. On one hand, the digital transition can accelerate green transition, and on the other hand, it can increase pressures on the environment. The review will also

look into the role of innovation in relation to digitalisation – particularly, how innovation capacities have been used to accelerate digitalisation.

On the **level of analysis**, the review is not focussing on assessing the performance of individual projects, organisations or partners. Neither are the results intended to be brought together at country level. Rather, based on the **policy and portfolio review**, the team will **identify lessons** learned and **provide recommendations for the future**.

Although many actors in Finland contribute towards advancing digital development in developing countries, this review focusses on the work **financed through the Ministry for Foreign Affairs**, particularly under development policy and cooperation. Other Finnish actors may however constitute important stakeholders and informants in some cases. The review will cover the portfolio of years 2018-2024, but there is flexibility in regards to the policy timeframe. Policy guidelines have different cycles and timeframes, and they appear prior to implementation. Development Policy Guidelines for ICT and the Information Society (2005) will be taken into account in the analysis.

The cooperation instruments/modalities foreseen part of this review:

Private sector instruments (PSI) and channels (e.g. Developing Markets Platform (DevPlat) and Public Sector Investment Facility (PIF) and other instruments (e.g. Finnfund, Finnpartnership),

Bilateral cooperation with Finland's partner countries (including regional cooperation),

Institutional Cooperation Instrument (ICI).

Multilateral cooperation (incl. UN digital cooperation, core and earmarked funding, trust funds)

Support to civil society organisations (CSOs), including CSO support (programme and project-based instruments) and International Non-Governmental Organisation (INGO) support,

EU cooperation (incl. decentralised) and Global Gateway

Fund for Local Cooperation (FLC) by the embassies.

Other relevant actors, such as Team Finland or Business Finland, will be included as deemed relevant.

Review Questions

The achievements, strengths, and challenges in advancing digitalisation will be assessed based on policy analysis and portfolio review. It will also be assessed how coherent Finland's digitalisation for development policies have been regarding the achievement of the SDGs and how relevant has been the provided support through various instruments and partnerships.

The review questions are:

EQ1: How coherently has Finland's development policy on digital development evolved over time vis-à-vis Agenda2030, in particular, the SDGs related to economic growth and decent employment?

EQ2: Based on the policy analysis, how relevant has Finland's development cooperation on digital development been in advancing Agenda2030 through various instruments, partnerships, and policy influencing - at global, regional and country levels, during 2018 to 2024?

EQ3: What have been the most notable achievements in digitalisation through Finland's support?

EQ4: How has Finnish expertise and experience on digitalisation been used to advance digital development in developing countries, including both private and public sector actors?

EQ5: What have been the particular strengths and challenges of the Finnish support to digitalisation?

a) How inclusive has Finland's support been, taking into account the specific needs of women and girls, and those at the risk of being marginalized?

b) What has been the role of innovation, private sector development and cooperation and investments in support of digitalisation?

c) What specific benefits or challenges has the growing role of multilateral cooperation created for Finland's ability to pursue its goals on digital development?

d) What opportunities has Finland's support to digital transformation provided to the green transition, or vice versa, what negative impacts has it had on the environment?

EQ6: Based on the policy analysis and portfolio review, how should MFA approach digital development to advance external economic and development cooperation objectives, taking into account the broader foreign and security policy priorities?

Methodology

The methodology is expected to use mixed-methods, with dominant qualitative analysis. The foreseen methods for data collection and analysis include:

- Document analysis
- Key informant interviews
- Analysis of MFA's administrative data
- Analysis of selected peer donors'/development partners' publicly available material related to the digital portfolio/strategy

There are **limitations** to the existing MFA and partner intervention data, including documentation and indicator data. As capturing all results may not be feasible, nor is it the objective, outcome harvesting may provide part of the solution. Although much of the data and information stems from

the intervention level, the main level of analysis is portfolio level, which consists of stand-alone interventions and other activities separate from each other.

There is no travel expected, except for key informant interviews in Helsinki. Other interviews and case studies can be conducted as desk reviews or remotely.

The service providers are expected to describe their proposed approach and methods as well as their limitations in their proposals.

Review Process, Timeline and Deliverables
Deliverables
Inception report
A document/materials review containing
Context analysis (policy context, organisational context)
Review plan, including detailed methodology, review matrix, proposed sampling, and other data collection activities, workplan and division of labour, communications plan.

Review reports (draft and final)
The estimated length of the reports is around 40-60 pages, excluding annexes. The proposed content of the report:
Summary of the review in English (incl. FCR table), with brief description of methods, sources and analytical process applied and limitations, and a box of key results achieved with SDG tags. (2 pages)
Summary in Finnish and Swedish.
Introduction (1 page)
Methodology (1-2 pages)
Briefly presenting the approach, methods, sources of evidence, process of analysis, quality assurance and limitations.
Context: (around 4-5 pages)
Overview of Finland's objectives and approach
Overview of the relevant operational context of the interventions/activities; global, regional and country, including national and international actors
Findings (around 20-30 pages)
Overall answers, contextualised findings and their evidence on review questions
Conclusions (2-3 pages)
Recommendations with options for courses of action to consider (3-4 pages)
Annexes (Sample, Lists of documents analysed, lists of positions/organisations interviewed, detailed methodology and analytical process steps, detailed results of data analysis, photographs from site visits, other data and/or visualisations, ...tbc)
The content will be further specified during the inception phase.

Communications outputs and products
A draft communications 4-pager presenting key results messages of the review in the usual EVA-11 format and style, not duplicating the summaries.
5 short informative communications messages from the review in plain language and in bullet form.

Expertise Required from the Review Team
In addition to meeting the minimum requirements and quality standard levels of FACE for the different roles, successful completion of this assignment requires:

- Solid understanding and experience in digitalisation and/or use of digital solutions for sustainable development.
- Demonstrated success in implementing quality mixed-methods evaluations and/or reviews in the field of development policy and cooperation.
- Strong experience in policy analysis, including the mainstreaming of policy priorities and the use of various financing instruments. Capabilities in strategic foresight and provision of future-oriented policy recommendations.
- Knowledge of Finland's development policy and external economic relations as well as Finland's foreign and security policy context. Good understanding of the role of innovation and private sector engagement in sustainable development.
- Capabilities in English and Finnish languages. Capabilities in other languages is an asset. Strong time management skills, availability and commitment, and flexibility.

In addition to the Team Leader, the Evaluation Team will include a Senior Evaluator and an Emerging Evaluator.

Management of the Review

The review is commissioned by the EVA-11. The Evaluation Manager of EVA-11 will be responsible for the overall management of the process. The Evaluation Manager will work closely with other units/departments of the MFA and other stakeholders in Finland and abroad.

This review is managed through the Framework Agreement for Centralised Evaluations (FACE), and it will be conducted by an independent review team.

There will be one Management Team responsible for the overall coordination of the review. This consists of the EVA-11 Evaluation Manager, the Team Leader, and a representative of the Service Provider.

There will be no formal reference group established for the review as such, but key MFA staff and other stakeholders will be consulted throughout the process and they will be involved in the design and scoping of the review, informing others about the progress of the review, raising awareness of the different information needs, quality assurance throughout the process, and using and disseminating the review results.

The Team Leader will manage the review team. This requires careful planning to ensure that a common, consistent approach is used to achieve comparability of the data gathered and the approach used in the analysis.

The Team Leader will develop a set of clear protocols for the team to use and will convene regular online team meetings to discuss the approach. Particular attention should be paid to strong inter-team coordination and information sharing within the team during the process.

The review team is responsible for identifying relevant stakeholders to be interviewed or surveyed and organising the interviews/surveys. The MFA and embassies will not organize these or meetings on behalf of the review team but will assist in identifying people and organizations to be included in the review.

Management of the review entails risk management. The most pertinent risks are identified at the time of proposal submission and proactively discussed, monitored and managed during the review process by all parties. The service providers will identify key risks and their mitigation in their proposals.

Mandate

The review team is entitled and expected to discuss matters relevant to this review with pertinent persons and organizations. However, it is not authorised to make any commitments on behalf of the Government of Finland or the Ministry. The review team does not represent the Ministry for Foreign Affairs of Finland in any capacity.

All intellectual property rights to the result of the Service referred to in the Contract will be the exclusive property of the Ministry, including the right to make modifications and hand over material to a third party. The Ministry may publish the result under Creative Commons license to promote openness and public use of review results.

Authorisation

Antero Klemola Director
Development Evaluation Unit Ministry for Foreign Affairs of Finland

Annex 3. Review Matrix

RQ 1	HOW COHERENTLY HAS FINLAND'S DEVELOPMENT POLICY ON DIGITAL DEVELOPMENT EVOLVED OVER TIME VIS-À-VIS AGENDA2030, IN PARTICULAR, THE SDGS RELATED TO ECONOMIC GROWTH AND DECENT EMPLOYMENT?				
Rationale and coverage of the question	To understand how coherently Finland's development policy on digital development evolved over time vis-a-vis the global policies, EQ1 will assess the coherence and relevance of Finland's development policy (internal coherence) and its coherence and relevance with the global policies (external coherence).				
OECD/DAC evaluation criteria addressed	**Coherence**, relevance				
	JUDGEMENT CRITERIA	**SUBCRITERIA**	**DATA SOURCES/MOV**	**DATA COLLECTION AND TRIANGULATION**	**DATA ANALYSIS**
	Internal policy coherence and relevance External policy coherence and relevance MFA's digital readiness	Finland's development, trade, foreign and security policies, and MFA's guidelines underpinned the internal and external coherence and relevance of Finland's approach Finland employed a well-functioning coordination mechanism that iterated between its multilateral, EU and bilateral engagement channels. Evidence of missed opportunities for internal and external coherence and relevance MFA's development cooperation RBM- and knowledge management systems supported the advancement of digitalisation MFA's development cooperation RBM- and knowledge management systems supported coherence and relevance of Finland's digitalisation development cooperation	2030 Agenda, in particular SDG 8*) Global policy papers and guidelines Government of Finland policy papers and guidelines Government of Finland UN/ MBD influencing mandates and frameworks Peer country policies, guidelines and approaches Reviews and evaluations Independent policy research papers Stakeholder engagements	Desk review Semi-structured Key Informant Interviews Focus Group Discussions Policy outcome harvesting	Policy analysis Information gaps analysis Peer review (case studies) Lessons learned analysis

*) SDG 8 - Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

RQ 2	BASED ON THE POLICY ANALYSIS, HOW RELEVANT HAS FINLAND'S DEVELOPMENT COOPERATION ON DIGITAL DEVELOPMENT BEEN IN ADVANCING AGENDA2030 THROUGH VARIOUS INSTRUMENTS, PARTNERSHIPS, AND POLICY INFLUENCING - AT GLOBAL, REGIONAL AND COUNTRY LEVELS, DURING 2018 TO 2024?				
Rationale and coverage of the question	To understand how Finland responded to the needs and demands at multilateral and bilateral level regarding digital acceleration of the Agenda2030				
OECD/DAC evaluation criteria addressed	**Relevance**, effectiveness				
	JUDGEMENT CRITERIA	**SUBCRITERIA**	**DATA SOURCES/MOV**	**DATA COLLECTION AND TRIANGULATION**	**DATA ANALYSIS**
	Global progress and needs Global and regional responses Finland's D&D portfolio	Global benchmark indexes on global progress and needs Global governance relating to digitalisation EU Global Gateways offer on digital transformation Finland's support for digital transformation was significant and relevant to the needs and demands of development countries, including support addressing Finland's crosscutting development priorities: Digital inclusion, harms and threats, and green transition Finland's multilateral contributions were significant and aligned with the UN's policy on digital transformation for the achievement of the SDGs – Policy influence – Instruments and resources – Development financing – Open-source contributions – Innovation and scaling Emerging opportunities Finland's contribution to the EU Global Gateway is value added and significant Missed opportunities and gaps	2030 Agenda Global policy papers and guidelines, incl. Global Digital Compact Global indexes incl UN E-Gov Dev Index WB GovTech Maturity Index ITU Global Cybercrime Index SDG reporting Reviews and evaluations Government of Finland policy papers and multilateral influencing mandates and reporting Partner strategies Reviews and evaluations Independent policy research papers Stakeholder engagements	Desk review Semi-structured Key Informant Interviews Focus Group Discussions	Mega trend analysis Policy analysis Information gaps analysis Contribution analysis Results-based assessment SWOT analysis Lessons learned analysis

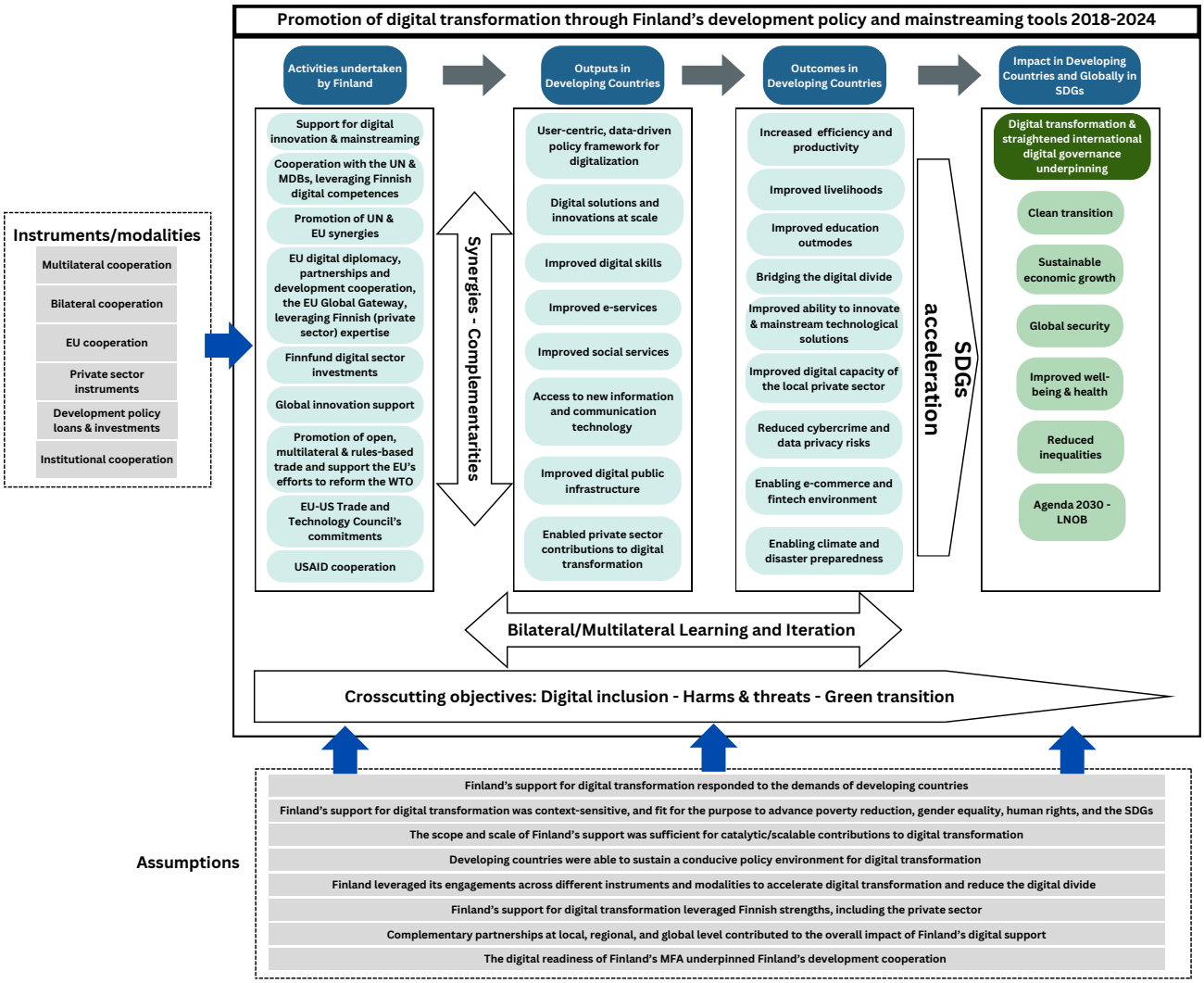
RQ 3	WHAT HAVE BEEN THE MOST NOTABLE ACHIEVEMENTS IN DIGITALISATION THROUGH FINLAND'S SUPPORT?				
Rationale and coverage of the question	To understand where Finland's support to digitalisation has been most effective, how significant the results were and the changes they contributed to.				
OECD/DAC evaluation criteria addressed	**Effectiveness**, sustainability, impact				
	JUDGEMENT CRITERIA	**SUBCRITERIA**	**DATA SOURCES/MOV**	**DATA COLLECTION AND TRIANGULATION**	**DATA ANALYSIS**
	Achievements Portfolio leverage	Finland's most notable achievements in digital transformation The significance of the most notable achievements, and sectors where they contributed to change Catalytic achievements with a wider impact on digital transformation beyond the specific intervention – sector, country, regional and global level Unintended outcomes (positive and negative) Leverage of Finland's instruments increased synergies and complementarities in development cooperation on digital transformation. Finland's support leveraged synergies and coherence with development partners	Stakeholder engagements OpenAid and interventions' monitoring reports Evaluations and reviews Government of Finland UN/MBD influencing reporting	Desk review Semi-structured Key Informant Interviews Focus Group Discussions	Outcome harvesting and substantiation Contribution analysis Results-based assessment

RQ 4	HOW HAS FINNISH EXPERTISE AND EXPERIENCE ON DIGITALISATION BEEN USED TO ADVANCE DIGITAL DEVELOPMENT IN DEVELOPING COUNTRIES, INCLUDING BOTH PRIVATE AND PUBLIC SECTOR ACTORS?				
Rationale and coverage of the question	To understand in which sectors and areas Finland was able to leverage its digital expertise and solutions in development cooperation RQ 4 will assess how effective Finland's aid modalities were in the mobilisation of Finnish expertise and solutions and how this contributed to digital transformation in developing countries.				
OECD/DAC evaluation criteria addressed	**Effectiveness**, relevance, coherence				
	JUDGEMENT CRITERIA	**SUBCRITERIA**	**DATA SOURCES/MOV**	**DATA COLLECTION AND TRIANGULATION**	**DATA ANALYSIS**
	Provision of Finnish expertise/experience in the public and private sector Enablers and constraints	Development contexts and sectors where Finland leveraged its strength in digital transformation Development contexts and areas where Finnish expertise and experience could not be applied, scaled, or sustained Missed opportunities and gaps Factors that enabled or constrained successful application of Finnish expertise and solutions – MFA readiness/Team Finland – Cooperation channels - design and resources – Sourcing of Finnish expertise – Adaptability of Finnish solutions to development contexts – Reform contexts, digital readiness, absorption capacity and timing – Market access	Policy research Evaluations and reviews Stakeholder engagements	Desk review Semi-structured Key Informant Interviews Focus Group Discussions	Information gaps analysis Results-based assessment Contribution analysis SWOT analysis Lessons learned analysis

RQ 5	WHAT HAVE BEEN THE PARTICULAR STRENGTHS AND CHALLENGES OF THE FINNISH SUPPORT TO DIGITALISATION?				
Rationale and coverage of the question	To understand that value added of Finland's digital support. RQ 5 will assess the strengths and challenges of Finland's digital support across its cooperation channels and how it responded to Finland's development priorities within gender equality, LNOB and the green transition.				
OECD/DAC evaluation criteria addressed	**Effectiveness**, relevance				
	JUDGEMENT CRITERIA	**SUBCRITERIA**	**DATA SOURCES/ MOV**	**DATA COLLECTION AND TRIANGULATION**	**DATA ANALYSIS**
a) How inclusive has Finland's support been, taking into account the specific needs of women and girls, and those at the risk of being marginalized?	Results Strengths and challenges	Sectors and instruments where Finland significantly contributed to inclusive digital transformation, including public service access, employment generation and participation. Missed opportunities and gaps Enabling factors and constraints that impacted on the success of Finland's support, including mobilisation of expertise and adaptation of solutions	Policy research Evaluations and reviews Environmental Impact assessments Stakeholder engagements OpenAid and interventions' monitoring reports Government of Finland UN/ MBD influencing reporting	Desk review Semi-structured Key Informant Interviews Focus Group Discussions	Information gaps analysis Results-based assessment Contribution analysis SWOT analysis Lessons learned analysis
b) What has been the role of innovation, private sector development and cooperation and investments in support of digitalisation?	Results Strengths and challenges	Sectors and instruments where Finland's support for innovation, private sector development and investments was significant, catalytic and at scale. Sectors and instruments where Finland's support for innovation, private sector development and investments was unsuccessful and unsustainable. Missed opportunities and gaps Factors that enabled or constrained scaling and sustainability, including aid modalities, contexts and frameworks			
c) What specific benefits or challenges has the growing role of multilateral cooperation created for Finland's ability to pursue its goals on digital development?	Policy and support value added Strengths and challenges	Value added for Finland's digital development cooperation achieved through multilateral cooperation (UN, MBDs and the EU) Achievements of UN innovation support enabled by support from Finland Coordination of Finland's global influencing and bilateral support was mutually benefitting for learning and adaptation of Finland's digital development cooperation Evidence of unsuccessful advocacy Missed opportunities that could have leveraged Finland's strengths. Factors that enabled or constrained Finland's influence on the global digital agenda and the use of Finland's digital strengths. Factors and enabled and constrained the role of innovation			
d) What opportunities has Finland's support to digital transformation provided to the green transition, or vice versa, what negative impacts has it had on the environment?	Results and impact	Significance of Finnish support to the green agenda that benefitted from a digital transformation approach Types of digital support that enabled the green transition Adverse environmental impact of digital support to the green agenda Missed opportunities and gaps			

RQ 6	BASED ON THE POLICY ANALYSIS AND PORTFOLIO REVIEW, HOW SHOULD MFA APPROACH DIGITAL DEVELOPMENT TO ADVANCE EXTERNAL ECONOMIC AND DEVELOPMENT COOPERATION OBJECTIVES, TAKING INTO ACCOUNT THE BROADER FOREIGN AND SECURITY POLICY PRIORITIES? (ADDRESSED IN THIS REVIEW IN LESSONS LEARNED AND RECOMMENDATIONS)				
Rationale and coverage of the question	To develop policy recommendations and options that enable Finland to improve its support for digital development in accordance with the new development strategy.				
OECD/DAC evaluation criteria addressed	**Relevance**, coherence				
	JUDGEMENT CRITERIA	**SUBCRITERIA**	**DATA SOURCES/MOV**	**DATA COLLECTION**	**DATA ANALYSIS**
		Policy options for Finland's development cooperation that leverage Finland's strengths Global, regional, and local engagement opportunities where Finland's support is likely to be catalytic, value added and mutually benefitting.	Review findings MFA stakeholder engagement	Foresight exercises Peer review (case studies)	Data synthesis SWOT analysis Foresight analyses Options development and verification

Annex 4. Review Theory of Change



Annex 5. Global benchmarking on digital transformation

Digital transformation at the country level is a long-term, multistakeholder and whole-of-government endeavour. Global benchmark indexes measure progress and gaps in this process (see examples below) and inform global cooperation on digital acceleration of the SDGs. The indexes rank, group and/or categorise countries and regions according to maturity and progress across core dimensions, drivers, and enablers of digital transformation. Benchmark metrics cover national strategies, frameworks, and ecosystems, with attention to supportive regulation, connectivity and access to affordable telecom infrastructure, digital legal identity and signature, digital payment, interoperability and data exchange for seamless e-services, data privacy and security, digital skills, and efforts to tackle the digital divide. The metrics also reflect global best practises in digital reforms such as user-centric and data-driven strategies, sustained government leadership, and robust institutional arrangements to steer reforms.

Most countries now have a digital strategy, and many of them have stronger institutional and legal frameworks for e-governance.[49] Frameworks include legislation on cybersecurity, private data protection, a national data policy, open government data, and platforms for citizens and private companies to access online information and e-services. Global progress has been noticeable within health, education, and social protection, driven by the COVID-19 pandemic. However, such achievements are not shared by all countries and regions, and the digital divide widened during the pandemic, especially in Africa and the Pacific region. Low Internet penetration, gaps in connectivity and affordable mobile broadband subscriptions are key constraints in these regions.[50] Moreover, according to the Global Cybercrime Index, only half of the countries have a responsible authority and a dedicated framework with cybersecurity standards, and child online protection strategies and initiatives (covering awareness-raising, campaigns, training for educators, training for police, and reporting mechanisms, etc.).[51]

49 147 countries have an approved digital transformation strategy, but only 79 have a strategy with a focus on innovative/disruptive technologies such as artificial intelligence, blockchain, internet of things. See The World Bank (2022). GovTech Maturity Index 2022 update: Trends in Public Sector Digital Transformation, p. 48.

50 See United Nations (2022), E-Government Survey 2022 and the amendment on COVID-19 responses.

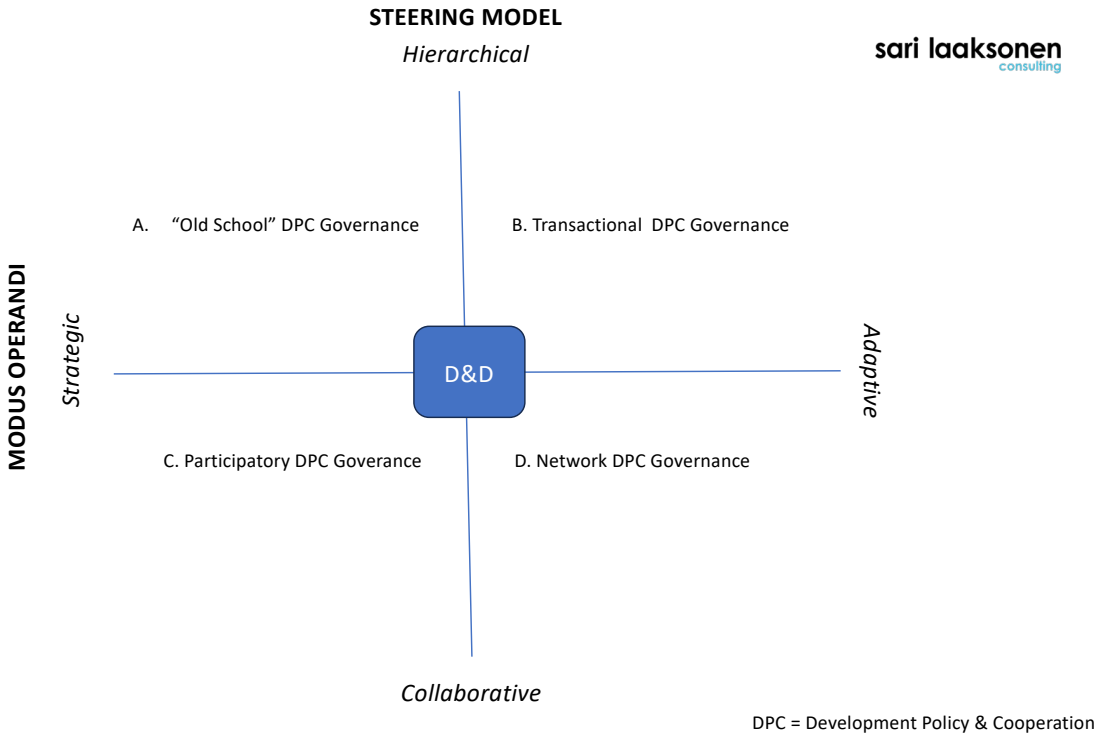
51 See Global Cybersecurity Index (GCI), 2024, published by the International Telecommunication Union (ITU)

Samples of global indexes on digital transformation

INDEX	FOCUS	INDICATORS/COMPONENTS	LATEST UPDATE/ COVERAGE
E-Government Development Index (EGDI) United Nations	Measures the quality and development of e-government services	• **Online Service Index (OSI):** Sophistication and scope of e-government services. • **Telecommunication Infrastructure Index (TII):** Access to ICT infrastructure. • **Human Capital Index (HCI):** Population's education and digital literacy levels. • **Smart cities (pilot)**	2022 193 countries
GovTech Maturity Index (GTMI) World Bank	Assesses countries' adoption of GovTech to enhance public sector digital transformation	• **Core Government Systems:** Efficiency of administrative digital systems. • **Public Service Delivery:** Accessibility and quality of online public services. • **Citizen Engagement:** Inclusion of citizens in decision-making via digital platforms. • **GovTech Enablers:** Legal, policy, and institutional frameworks supporting digital governance	2022 198 economies
Global Competitiveness Index (GCI-WEF) WEF	Assesses the competitiveness of countries and their ability to achieve sustained economic growth and prosperity	• **Enabling Environment:** Institutions, Infrastructure, ICT adoption, Macroeconomic stability • **Human Capital:** Health, Skills, • **Markets:** Product market, Labor market, financial system, Market size • **Innovation Ecosystem:** Dynamism, Innovation capability	2021/22
ICT Development Index (IDI) ITU	Tracks the development of ICT worldwide	• Digital access • Digital use • Digital skills	2024 170 economies
OECD Digital Government Index (DGI)	Measures digital government maturity	• Digital by design • Data-driven public sector government as a platform • Open by default • User-driven • Proactiveness	2023 34 OECD member and partner countries
Global Cybersecurity Index (GCI-ITU) ITU	Measures the commitment of countries to cybersecurity as a means of addressing cybercrime	• **Legal measures** (cybercrime laws and enforcement) • **Technical measures** (cybersecurity frameworks and incident response) • **Organizational measures** (national strategies and agencies) • **Capacity development** (education and training) • **Cooperation** (international and inter-agency collaboration)	2024 194 countries
Digital Economy and Society Index (DESI) European Commission	Tracks the digital performance of EU member states	• Connectivity • Digital skills • Use of internet services • Integration of digital technology by businesses • Digital public services	2024 EU Member States

Annex 6. MFA workshop on future policy options

The MFA´s stakeholder event on 2 April 2025 explored governance models related to the Development Policy and Cooperation (DPC) framework, see table below. The discussions revealed that interactions between hierarchical and collaborative structures, as well as strategic versus adaptive approaches, are critical for effective governance.



The analysis identified four distinct models, each with different implications for the governance of digitalization and development initiatives:

→ **Model A**, the "Old School" DPC Governance, represents a rigid hierarchical structure with a focus on strategic goals. While this model may provide clear directives, it often lacks the flexibility necessary to adapt to rapidly evolving challenges in the digital landscape.

→ On the other hand, **Model B** - Transactional DPC Governance - retains a hierarchical approach but demonstrates an adaptive element, its transactional nature may still limit deeper engagement with stakeholders and hinder collaborative innovation.

→ Contrast this with **Model C** - Participatory DPC Governance - which emphasizes a strategic and collaborative framework. This model recognizes the importance of stakeholder input and active involvement in shaping policies, ensuring that diverse perspectives are integrated into decision-making processes. Ultimately, this model can foster a shared sense of ownership and commitment among stakeholders, which is pivotal when addressing complex issues associated with digitalization and sustainable development.

→ Furthermore, **Model D** - Network DPC Governance - highlights the dual necessity of being adaptive and collaborative. In today's fast-paced world, networked governance can facilitate

real-time responses to emergent needs, incorporating insights from various stakeholders to create a more cohesive and responsive approach. This model champions the establishment of dynamic networks that can co-create solutions in a shared space, allowing the MFA to leverage collective intelligence and innovation.

The dialogues facilitated in small group discussions emphasized a critical insight: successful digitalization and development require a long-term vision; one that extends beyond the confines of political cycles and current challenges. To transition towards such a vision, it is essential to adopt an adaptive execution framework that integrates the participation of a broad range of stakeholders - including civil society, private sector actors, and community organizations.

By fostering an inclusive atmosphere, the MFA can ensure that its initiatives are not only guided by expert analysis but are also reflective of the realities faced by those impacted by its policies. This approach brings coherence to the MFA's objectives and initiatives, as it aligns stakeholder aspirations with the MFA's overarching goals.

In summary, increasing coherence and prioritizing participatory processes is vital for MFA's digitalization and development strategies. Engaging multiple stakeholders in collaborative governance will not only enhance the relevance and impact of the initiatives but will also ensure that the MFA remains adaptable in the face of an ever-changing global landscape. Thus, establishing both participatory and adaptive governance structures is imperative for fostering sustainable progress and achieving long-term objectives in digitalization and development.

Annex 7. Table of Findings, Conclusions and Recommendations

FINDINGS	CONCLUSIONS	RECOMMENDATIONS
POLICY & COORDINATION		
Finding 1: Early recognition of the importance of digital development, enabled Finland to influence global policies and responses to the acceleration of the SDGs. **Finding 2:** Finland's bilateral and regional support was also relevant for Agenda 2030, for example its support for digital enhancement of innovation ecosystems, good governance, and education. **Finding 3:** A growing focus on connectivity addresses key barriers for achieving the SDGs. **Finding 4:** Private sector engagement and investments are relevant in addressing the financing gap of Agenda 2030. **Finding 5:** Whilst lacking an overarching strategy, there were some attempts to ensure policy coherence before 2024. **Finding 6:** The 2024 White Paper established high-level commitments for digital development, whereas policy influencing mandates outline how they can be implemented by MDBs and the EU. **Finding 7:** Broad priority measures, reduced ODA and a fast-changing context present open questions about the implementation of the digital development strategy. **Finding 8:** Reorganization of the MFA improved its internal coordination capacity. The new setup must now be internalized at management level. **Finding 11:** There are no direct links between Finland's ambitious national digitalisation and innovation targets and its digital development strategy. **Finding 12:** There are active stakeholder engagements within digital development, but not all stakeholders are included on a regular basis. **Finding 13:** Sourcing and funding modalities have become more focused, but further improvements are needed to strengthen coherence. **Finding 14:** Finland's most notable influencing achievements include its support to UN processes that led to the adoption of the Global Digital Compact under the Futures Pact. **Finding 15:** Influencing of the World Bank and the EU also led to notable achievements. These include shaping of the World Bank's DDP and shaping of the EU Global Gateway's digitalization, connectivity, and development financing offers.	**Conclusion 1.** Finland's leadership in digital development contributed to milestone achievements for the acceleration of the SDGs, including UN digital governance and EU development cooperation. *(This conclusion is based on Findings 1-3, 5-7, 13-18, 20-22, 23-27.)* **Conclusion 2.** Finland's influencing and cooperation achieved most impact when it was proactive, and when it could leverage Finnish value-added strengths, including innovation, the role of the private sector, and inclusion. Moving forward, these attributes will be a critical to achieve the full potential of multilateral and EU cooperation. *(This conclusion is based on Findings 14-16, 21-27, Lessons Learned 1-2, 4-5 and contributes to Recommendations 1-4.)* **Conclusion 3.** While there is a disconnect between national digitalisation and digital development objectives, in Finland's foreign policy, the current policy documents address digitalisation from their respective angles. Assessing how their operationalisation works could be done at a later stage, but gathering the evidence-base can start now. *(This conclusion is based on Findings 5-7 and Lessons Learned 5 and contributes to Recommendation 2.)* **Conclusion 4.** The white paper from 2024 established an overarching strategy for digital development. Influencing mandates for the multilateral development banks and the EU provide more details on how Finland can pursue the strategy. However, broad strategy measures, ODA cutbacks and geopolitics pose questions that need to be addressed. *(This conclusion is based on Findings 13, 22, 25 and 27 and contributes to Recommendations 1 and 4.)*	**Recommendation 1.** Develop a more focused strategy based on Finland's strengths and best opportunities for scale and impact. Limit the number of policy priorities to three. *(This recommendation is based on findings 13, 22, 25 and 27, and Conclusions 2 and 4.)* **Recommendation 2.** At a later stage, assess the policy coherence and effectiveness of mainstreaming digitalisation across the foreign policy. Effective from the current moment, mainstream digital development in MFA's policy and strategy evaluations and other analytical work. *(This recommendation is based on findings 5, 6 and 27, and Lessons Learned 5 and Conclusions 2 and 3.)* **Recommendation 3.** Improve incentives for Finnish actors to participate in digital development and collaborate with local partners. Also strengthen measures to forge synergies between private sector, public authorities, and CSOs. *(This recommendation is based on findings 13, 22, 25 and 27, and Conclusions 2 and 6.)* **Recommendation 4.** Consider branding Finnish expertise in digital transformation to mobilize international partnerships and co-funding of Finnish development interventions. A branding option could be the promotion of a "FinnStack" offer based on Finnish expertise and solutions and underpinned by annual thematic events in Finland. *(This recommendation is based on Findings 18 and 27, Lessons Learned 3 and Conclusions 2 and 4.)* **Recommendation 5.** Strengthen strategic dialogue and cooperation with all relevant actors from public and private sector, civil society, and the Helsinki-based UN innovation hubs. *(This recommendation is based on Findings 13, 22, 25 and 27, Lessons Learned 5 and Conclusion 5.)*

FINDINGS	CONCLUSIONS	RECOMMENDATIONS
Finding 16: A best practice in innovative land administration illustrates how digitalization enables poverty alleviation and gender equality and mitigates rural-urban disparities. **Finding 17:** HAUS' expert procurements and Finnfund's private sector investment support are the primary sourcing modalities for Finnish expertise in digital development. **Finding 19:** Finnfund has become the flagship instrument for blended finance and private sector engagement. Its growing role is also key to swaying more European DFIs to follow suit. **Finding 20:** ICI and HEI-ICI/HEP provide institutional support for partner authorities, research, and education. The role and visibility of digitalization varies, and there may be a potential to do more in innovation and digitalization. **Finding 21:** Inclusion objectives were mainstreamed well across influencing and cooperation programmes. In multilateral engagements this included support for the Global Digital Compact, the Freedom Online Coalition, Access Now, and UNICEF innovation hubs, whereas support for connectivity investments and digitalisation of land use rights are significant examples at country level. **Finding 22:** Inclusion outcomes have been mixed, in particular in job creation in entrepreneurship interventions. More involvement of Finnish inclusion expertise may be a way forward, but the reduction in country programmes could make it harder to promote inclusion in digital development. **Finding 23:** Finland's support for innovation and private sector engagement has shifted toward multilateral and EU cooperation channels. This allowed Finland to leverage its long-term experience in the influencing of international partnerships and programmes. **Finding 24:** The growing role of Finland's investment instruments is key to underpin the role of private sector engagement in digital development. They are also a key for Finland's contribution to multilateral and EU cooperation programmes. **Finding 25:** Increased focus on private sector engagement, and cooperation through multilateral and EU channels also has challenges. It is difficult to mobilize Finnish SMEs in emerging markets, and joint programming will not make that easier. Financing instruments are not yet fit for purpose either. **Finding 26:** Multilateral cooperation offers several opportunities for Finland to pursue its development priorities. This includes influencing of global policy processes, and synergy and complementarity gains that allow Finland to focus on its priorities and value added, without compromising on sustainability and coherence. **Finding 28:** The support to digital development offered opportunities to address green transition, while negative environmental impacts were not evident. This is mostly because Finland's support is embedded in EU and multilateral programmes with integrated approaches and programming safeguards that underpin sustainability goals.	**Conclusion 5.** The MFA introduced organisational changes to improve its inhouse coordination of digital development. The new setup must now be internalized at management level and across funding streams. External stakeholders working directly with digital development are also engaged. However, strategic cooperation is not extended to the government programme level, and to a broad range of Finnish stakeholders working with digital transformation and in digital development related areas. *(This conclusion is based on Findings 13, 22, 25, 27, and Lessons Learned 5 and contributes to Recommendations 5, 6 and 7.)* **Conclusion 6.** Sourcing and funding modalities have become more coherent, and with the Team Finland reform, there is potential for more coherence between trade and development objectives. Further initiatives are needed to improve coherence and effectiveness. *(This conclusion is based on Findings 13, 22, 25 and 27, and contributes to Recommendation 2.)*	**Recommendation 6.** Explore options for HAUS and Finnfund to co-lead Global Gateway working groups and similar activities and define division of roles to facilitate it. *(This recommendation is based on Finding 13 and Conclusion 5.)*

FINDINGS	CONCLUSIONS	RECOMMENDATIONS
CAPACITY DEVELOPMENT		
Finding 9: The digital development strategy is managed by staff with a comprehensive technical capacity. There is a need to develop a similar capacity beyond the current circle of coordinators in the ministry. **Finding 18:** HAUS' role as focal point for Finnish expert secondments and TEI support was key for the launch of Global Gateway/D4D hub offers.	**Conclusion 7.** The digital development strategy is managed by MFA staff with comprehensive skills and experience. A long-term solution is needed to sustain this capacity and underpin the digital development strategy. *(This conclusion is based on Findings 9 and 18 and contributes to Recommendation 7.)*	**Recommendation 7.** Develop a capacity building plan to sustain the MFA's management and coordination capacity and to underpin the digital development strategy. *(This recommendation is based on Findings 9 and 18 and Conclusions 5 and 7.)*
PORTFOLIO AND KNOWLEDGE MANAGEMENT		
Finding 10: The MFA plans to improve the results-based management of digital development. Introduction of a digital marker is a key measure towards improved accountability, learning and adaptation in the sector.	**Conclusion 8.** The plan to improve RBM of digital development programming and strengthen accountability and learning is commendable. The EU internal digital marker is a good point of departure, but mainstreaming results and catalytic impacts should also be considered. *(This conclusion is based on Finding 10 and contributes to Recommendation 8.)*	**Recommendation 8.** Introduce a digital marker and mainstream digital development in decentralised evaluations to enhance portfolio and knowledge management. If applying the EU internal digital marker, amend the middle marker to capture significant results from digital mainstreaming and catalytic interventions. *(This recommendation is based on Finding 10 and Conclusion 8.)*

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