

**Report on the Review of the
NZ AID Small Projects Scheme
for Vanuatu**



Water users, Paunagisu Village, North Efate

Jean McKinnon, Team Leader
Kinsa Associates, Wellington
Selwyn Aru
Mele Village, Port Vila

Contents

| | | |
|-----|---|----|
| 1. | Executive Summary | 1 |
| 2. | Background to the Review | 2 |
| 2.1 | Background | 2 |
| 2.2 | Purpose of the review | 3 |
| 3. | Review Objectives and Key Questions | 4 |
| 3.1 | The Objectives of the review are to | 4 |
| 3.2 | Key Questions of the Review | 4 |
| 4. | Methodology | 5 |
| 5. | Findings of the Review | 6 |
| 5.1 | SPS Fit with the NZAID Vanuatu Development Programme Strategy | 6 |
| 5.2 | SPS Fit with Vanuatu national development priorities | 7 |
| 5.3 | Effectiveness of SPS Management | 8 |
| 5.4 | Consistency of Projects with SPS Targets and Criteria | 15 |
| 5.5 | Outcomes Achieved and Sustainability of Benefits | 19 |
| 6. | Conclusions and Recommendations | 25 |
| 6.1 | Continuation of the Small Projects Scheme | 25 |
| 6.2 | Proposed Alternative Options | 25 |
| 6.3 | Recommended Modifications to the SPS | 29 |
| 6.4 | Proposed M, A, M & E Framework | 35 |
| 7. | Appendices | 39 |
| 7.1 | Interview Diary | 39 |
| 7.2 | List of Projects Audited | 42 |
| 7.3 | Review Analysis tools | 43 |
| 7.4 | Documents Consulted for the Review | 45 |

List of Abbreviations

| | |
|----------------|--|
| AusAID | Australian Agency for International Development |
| CBO | Community Based Organisation, also referred to as CSO or Civil Society Organisation |
| CRP | Comprehensive Reform Program |
| DESP | Department of Economic and Sector Planning |
| DoF | Department of Finance |
| EU | European Union |
| FSPV | Foundation for the Peoples of the South Pacific Vanuatu |
| GIP | Government Investment Program |
| NSA | Non State Actors small grants programme of EU |
| NZAID | New Zealand Agency for International Development |
| PAA | Prioritized Action Agenda |
| RTC | Rural Training Centre |
| SPS | Small Projects Scheme |
| STT | Short Term Training |
| TBA | Traditional Birth Attendant |
| TIV | Transparency International Vanuatu |
| VANGO | Vanuatu Association of Non Governmental Organisations |
| VCCI | Vanuatu Chamber of Commerce and Industry |
| VRDTC/A | Vanuatu Rural Development Training Centres Association |
| WSB | Wan Smolbag Theatre |

Acknowledgements

The review team wishes to express thanks to all those who willingly gave time to share their views about the Small Projects Scheme. We also wish to thank the NZAID staff in Port Vila, especially those who gave up many hours of their time to assist us with our research, organise travel and generally help in every way possible. In this regard we are particularly indebted to Johnson Vora, the SPS Administrator. While we have attempted to accurately reflect the views of the many parties interested in the SPS, the findings and conclusions in this report are the sole responsibility of the review team.

Jean McKinnon, Kinsa Associates, Wellington

Selwyn Aru, Mele Village, Port Vila

21 May 2007

1. EXECUTIVE SUMMARY

The NZAID Small Project Scheme for Vanuatu has been in operation for more than five years. It is timely to review how well the Scheme fits with the aims and priorities of the NZAID Vanuatu Development Programme Strategy and what its development impact has been.

Key findings:

1. Stakeholders and grant recipients support continuation of the Scheme. It is felt to meet specific needs which fall outside of normal government service delivery, to enhance existing programmes and create opportunities for groups to access small but significant funds to realise their development goals.
2. The Scheme has contributed to capacity building of both government and non government agencies through institutional strengthening, human resources development, provision of essential equipment, technical systems and management information systems.
3. 40 per cent of projects have had a direct impact on people in rural areas or poor urban communities. Benefits include access to domestic water supply; improved health services particularly maternal and infant care; access to pre school education, support to specific aspects of rural training centre development, youth training and counselling and civil society education. The Scheme has enabled a small number of community groups to carry out their own economic development projects.
4. Project management and return of reports and financial acquittals is generally of a high standard by NGOs. Government recipients are less diligent about reporting, but agencies which have received multiple grants consistently furnish good and timely reports. Community based organisations do not have a good record in this respect.
5. SPS guidelines and criteria need to be improved to remove barriers for groups outside the urban centres and better align with the NZAID/Vanuatu Development Programme Strategy.
6. Management by NZAID could be improved with enhanced internal systems and procedures and the resources to market, appraise, monitor and evaluate projects.
7. Management by Vanuatu government contributes to transparency and accountability but creates barriers to access and does not add value.
8. The majority of grants have gone to groups located in the urban centres although over half of these have an intended impact on poverty and hardship alleviation. The focus on poverty and hardship is not in keeping with the proportion of people living either in rural areas or poor urban settlements.

Recommendations:

1. Continue with the SPS for at least another 5 years but with modifications to improve efficiency, access and focus on rural and urban settlements as follows.
2. Modify SPS guidelines and criteria in line with the current Strategy and NZAID's focus on reducing poverty and hardship for rural communities

Review of the NZAID Small Projects Scheme for Vanuatu

3. Strengthen management systems within NZAID including a marketing and AM&E plan, and work towards improved capacity and support at the provincial level
4. Actively market the SPS to widen the catchment for proposals beyond urban centres and attract groups working to alleviate poverty and hardship
5. Work with the Vanuatu government to simplify the application and proposal process and release of funds.
6. Gradually increase engagement of provincial officials (and NGOs) in SPS management, as capacity in the provinces is increased – as part of the initiative to support de-centralisation and strengthen provincial government.
7. Conduct a stock take after two years to assess the degree of improvement of SPS management and outcomes
8. If the stock take reveals a poor degree of improvement the SPS should be re-designed. It would be replaced with a Small Grants Programme comprised of two schemes:
 - a capacity building small grants scheme managed much as the current SPS; and
 - a community grants scheme which is managed and funded directly by NZAID working closely with provincial authorities and NGOs.

2. BACKGROUND TO THE REVIEW

2.1 Background

The NZAID Small Project Scheme (SPS) in Vanuatu, administered by NZAID in Port Vila, is a contestable and flexible funding instrument available to a wide variety of groups and organisations for small grants to provide assistance over six priority areas: Capacity Building, Private Sector Development, Health, Youth at Risk, Gender and Development and General. A set of guidelines was developed to align with the previous NZ/Vanuatu Development Programme Strategy and has since been modified, most recently in 2005. The current Guidelines state that this assistance will “relate to one of the three themes agreed by Vanuatu and NZAID to be the emphasis of future programme support: ie to: strengthen governance; improve social indicators; and to build prospects for sustainable economic growth”. That “future programme support” strategy is now in place as the New Zealand Vanuatu Development Programme Strategy 2006 – 2010 and aligns with the Vanuatu Comprehensive Reform Programme (CRP), the Government Investment Programme (GIP) and the priorities set out in the Government of Vanuatu's Prioritised Action Agenda (PAA) 2006 – 2015.

Review of the NZAID Small Projects Scheme for Vanuatu

The Scheme provides a fund of \$850,000 per year (approximately 60.35 million Vatu at current exchange rates)¹ for individual grants of up to 4 million Vatu per year for projects submitted through the Department of Economic and Sector Planning and appraised by NZAID. Funding is available for multi-year projects of up to three years. Final approval for all projects lies with the New Zealand High Commissioner, although projects with a budget of over \$40,000 must be referred to Wellington. Funds for approved projects are channelled to the recipients through the Department of Finance. Reports and financial acquittals are required to be provided by recipients at the end of the project, or for multi-year projects, as progress reports. These are channelled through the government system and eventually back to NZAID.

Grants have been awarded to over sixty government and non government agencies and community groups. The Scheme has been used, for example, to provide short term training and attachments for government officials, assist with a range of capacity building initiatives, community education on governance and health issues, women's safe house programmes, village pre schools and community health programmes and a variety of projects for urban youth at risk.

2.2 Purpose of the review

The purpose of this review is to determine the effectiveness and development impact of the SPS since it was first set up over six years ago. The review will assist NZAID and other stakeholders to determine projects' past effectiveness and in light of these findings, make recommendations for any improvements to ensure future assistance aligns with current Vanuatu and NZAID policy priorities and best practice. Further, provided the review recommends that the SPS should continue, it is also to provide recommendations for improvement to how the fund is managed and administered and provide an appropriate monitoring and evaluation framework.

In recent years donors have sought ways to enhance the impact of their development assistance by developing more of a programme rather than a project approach with their development partner governments. In Vanuatu small project funding has become less available to local groups since AusAID put their Small Grants Scheme on hold after the 2006 review of that instrument and the Vanuatu government's own REDI Small Project Fund is currently stalled². On the other hand, two new initiatives will begin to make small amounts of funds available: the EU funded Small Grants Programme to Support Non State Actors and Community Based Organisations; and the UNDP Global Environment Facility (GEF).

Small grants have been viewed as a means by which donors can make funds available at the community level in areas or sectors which do not readily fall within the reach of government service delivery. Such grants enable donors to make a concrete difference in small ways which may have big impacts for the groups and communities concerned, and to more readily reach into rural areas. As a philosophy this view has much merit, and is in line with the NZAID policy to eliminate poverty through development partnerships and aim of the

¹ Originally the Scheme totalled \$850,000 of which \$150,000 was earmarked for short term training.

This component has now been removed from the SPS and is managed in conjunction with the scholarships programme though some confusion exists around policy and management.

² The AusAID review recommended the SGS be terminated but a decision is yet to be made. A stock take of the REDI was under way at the time of this SPS review. Both schemes may be withdrawn.

New Zealand Vanuatu Development Programme Strategy for 2006-2010 "to reduce poverty and hardship, particularly in rural areas and to support a more stable and prosperous Vanuatu". However it is not always easy to ascertain whether the goal of making a difference for rural communities is actually achieved by small grants schemes. The review has examined this question as it has worked through the tasks set in the Terms of Reference.

The report is organised according to the key questions provided in the Terms of Reference. The conclusions and their concomitant recommendations are provided in the final section.

3. REVIEW OBJECTIVES AND KEY QUESTIONS

3.1 The Objectives of the review are to

1. Determine the development outcomes/impact of the Small Project Scheme between 2000-2006.
2. Recommend any changes to improve the Small Project Scheme or propose alternative options to better align with the objectives of the NZAID/Vanuatu Development Programme Strategy 2006-2010 with particular reference to aid effectiveness criteria.

3.2 Key Questions of the Review

1. To what extent is the SPS consistent with the Vanuatu Programme objectives outlined in the Country Strategy and with Vanuatu national priorities?
2. What outcomes/results have been achieved through the SPS (including any differences in outcomes for women and men)?
3. How effective have been NZAID and Vanuatu Government's roles in the management of the SPS?
4. To what extent have annual SPS targets and funding criteria been met (eg ratio of projects within three agreed thematic areas; 50:50 split between public/private sector etc)?
5. How well have the project funds been managed by project implementers?
6. To what extent are the benefits sustainable?
7. Should the SPS continue? If so what changes, if any, could be made to improve the SPS?

4. METHODOLOGY

The methodology for this review sought to understand the background and context for the SPS, the system for its management, the developmental impacts of grants over the period, and options for alternative or better ways to achieve the desired outcomes. The following is a summary of the methodology and tools used.

| | Methodology | Tools |
|----|---|--|
| | Background and Context | |
| 1. | Understanding the intention of the SPS, similar schemes of other donors in Vanuatu and the region | Desk study of NZAID and other related documents |
| 2. | Understanding the context; roles of related Vangov agencies DESP, DoFA and DoF; related functions of the RED! | Interviews with stakeholders in Port Vila and Luganville – question prompt lists |
| | Review of Selected SPS Recipients | |
| 3. | Determine short list of projects to audit and visit | Discussions with NZAID staff; review SPS Annual Reports |
| 4. | In depth audit of records for selected projects across focus areas and locations | |
| | 1. Read all available reports and acquittals | Report Audit Matrix (sample in appendices) |
| | 2. Note issues, problems or concerns | Notes on selected recipients for reference in meetings |
| 5. | Visit to selected recipients in urban & rural areas to assess development impact of the projects Ongoing benefit – especially of training and capacity building work, benefits to men and women 6 projects on Efate – 5 on Espiritu Santo | Site observation where relevant Meet beneficiaries – questions on impact or changes and gender Semi-structured interviews with question prompt lists (sample check lists in appendices) |
| | Review of SPS management | |
| 6. | Assess the SPS grants since 2004 according to SPS guidelines, NZAID/Vanuatu Country Strategy, NZAID key policies | SPS Cumulative Record – Excel matrix based on existing spreadsheets and reports. Use annual SPS reports and discussions with SPS Administrator (to be provided separately) |
| 7. | Assess the management of the SPS by NZAID and Vanuatu government Consideration of ways to improve SPS or possible alternative models | <ul style="list-style-type: none"> • Interviews and discussions with stakeholders and beneficiaries – • Interviews with the current and past SPS Administrator and other NZAID staff • Examination of guidelines, formats and records relating to SPS • In depth audit of selected projects – as above |

5. FINDINGS OF THE REVIEW

5.1 SPS Fit with the NZAID Vanuatu Development Programme Strategy

Although the guidelines for the SPS were set up prior to the introduction of the current NZAID Vanuatu Country Strategy there is a remarkably good fit with the main sectoral themes and priorities as they now stand.

- **Quality Basic Education, particularly in rural areas:** Pre School Association Blong Vanuatu, Rural Training Centres, Wan SmolBag youth sport link centre and FSPV youth programmes.
- **Build demand for and improve Governance, accountability and community safety:** many Capacity Building grants to government agencies, support for Vanuatu Women's Centre and Sanma Counselling Centre; Transparency International Vanuatu, Department of Women's Affairs, Wan SmolBag civil society initiatives, the Ombudsman office, and the Lakalakabulu Council of Chiefs conflict management capacity building. Because Good Governance has not been a priority category in the current SPS Guidelines it is not easy to determine exactly what proportion of grants have supported this theme.
- **Increase Economic growth and strengthen livelihoods, particularly in rural areas:** Vanuatu Chamber of Commerce & Industry forestry and agriculture projects; VRDTCA High Value Crop Promotion; a few small PSD projects such as the Matantas Community Fishery, Kefowia Bungalows.
- **Social sector outcomes in water and health:** rural water supply for Paunagisu and East Gaua; Traditional Birth Attendants in Tanna and Santo; rural clinic at Maskelyne Island; hospital equipment in Port Vila and Santo; attachments for medical workers.

Focus on poverty and hardship

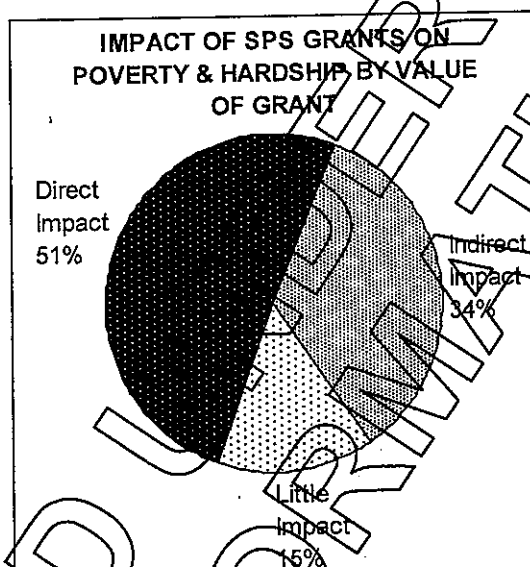
It is less clear how well the SPS contributes to the NZAID aim to alleviate poverty and hardship, especially for people living in rural areas, who in Vanuatu comprise the majority of the population. An analysis of all projects since the beginning of 2001 shows that 40 per cent of projects have had a direct impact on people in rural areas or poor urban communities; 36 percent would have indirect impact for this sector; and 24 percent would have negligible benefit in these areas. These estimates are based on the stated aims and target groups of the projects. There is insufficient information on actual impacts to tell for certain if the benefits intended have in fact occurred.

If we look at the total value of grants for each of these categories the picture is slightly better, with over 50% of funding going to projects with a likely direct impact on poverty and hardship. These ratios do not correspond well with the proportion of the population living either in rural villages or poor urban informal settlements, upwards of 80% of the total population. See Table 1 below.

Table 1: Impact of SPS Projects on Poverty and Hardship, 2001 - 2006

| Impact | Mil Vatu | % | Grants | % |
|-----------------|----------------|-------------|------------|-------------|
| Direct Impact | 135.102 | 51% | 64 | 40% |
| Indirect Impact | 91.565 | 34% | 58 | 36% |
| Little Impact | 40.344 | 15% | 28 | 24% |
| Total | 267.011 | 100% | 160 | 100% |

Figure 1: Impact of SPS Projects on Poverty and Hardship, 2001 - 2006



The review believes that the SPS should have a greater focus on projects which benefit Vanuatu's rural and poor urban majority. There is a direct link between the low level of active promotion and marketing to areas outside the main urban centres and the disproportionate capture of grants by the urban centres. In the next phase of Scheme there needs to be a greater effort to attract and encourage projects which have a clear potential to alleviate poverty and hardship, and a better reach into rural areas. This matter is expanded further in Section 5.5.

Benefits for women

Useful work has been carried out to benefit women, particularly in GAD and Health (TBA) priority areas. However the review finds that overall the focus on benefits for women and gender equity is weak. Revised Guidelines and application formats need to place greater emphasis on this cross cutting issue.

5.2 SPS Fit with Vanuatu national development priorities

The current management arrangements for the SPS involve a partnership between NZAID and three government offices, the DESP, the Department of Foreign Affairs and the Department of Finance. It is the role of the sector analysts in the DESP to assess all proposals for their fit with national development priorities before they are forwarded for consideration by NZAID. Sign off by the Director of the government department within which a given

proposal falls is also required. In this respect the system ensures that SPS projects are appropriate to the plans and priorities of specific departments and to the overall national strategies as set out in the CRP and the Priorities and Action Agenda 2006 – 2015. SPS Guidelines, based as they are on the NZ Vanuatu Strategy, ensure that projects funded are appropriate to government plans. Specifically SPS projects have fit under one or another of the following PAA priority areas:

- Private Sector Development and Employment Creation
- Good Governance and Public Sector Reform
- Primary Sector Development
- Provision of Better Basic Services, especially in Rural Areas
- Education and Human Resource Development

5.3 Effectiveness of SPS Management

This section outlines findings on SPS management by the three groups of stakeholders: NZAID, Vanuatu government and grant recipients.

5.3.1 Shared Management of the SPS – strengths and challenges

1) **Application and appraisal process.** The review finds the appraisal process is thorough, but exceptionally complicated and time consuming in proportion to the size of the average grant which is just over 1.6 million Vatu (see section 5.4.2). Under the GIP system NZAID and the government share responsibilities for project appraisal which entails 10 or 11 steps. Before they are forwarded to NZAID all proposals must be checked by four government offices, a process which may take anywhere from 3 weeks to two months.

- Project proposal written in consultation, or with assistance from (in the case of a local CBO) the relevant line agency official

Vanuatu

- Proposal to department or sponsoring agency for endorsement – checks fit with development plans for the area concerned
- Dir Gen of the department concerned - confirms fit with departmental or corporate plans
- DESP sector analyst confirms fit with PAA and assigns a GIP number. Nominal appraisal against SPS Guidelines. Little, if any, risk or sustainability analysis. Projects are rarely declined
- Director of Foreign Affairs – forwards with letter of recommendation to NZAID

NZAID

- Proposal received by NZAID manager responsible for SPS who decides which sector specialist should assess
- SPS Administrator records the proposal and sends to appropriate sector specialist for comment

Review of the NZAID Small Projects Scheme for Vanuatu

- SPS Administrator appraises proposal against SPS criteria, refers back for clarification, risk and sustainability analysis where questions arise
- Recommendation to fund, hold pending clarification or decline is sent to the HC
- HC required to seek Wellington approval of any project over \$40,000 or approximately Vatu 2.8 million
- HC letter to Director of Foreign Affairs. Cheque to Department of Finance

VanGov

- From here unclear what happens. Letter to recipient regarding the forms required to get funds from DoF.
- Reporting requirements conveyed to recipient – also not clear if or how this is done.

Once proposals are forwarded to NZAID the turn around time is normally between two to four weeks unless additional information is required. Appraisal is conducted at two levels – a preliminary check by the person looking after the relevant sector, then a full appraisal by the SPS Administrator who forwards the proposal with his written appraisal and recommendation to the High Commissioner for final approval. Projects with a budget of over \$40,000 must also be approved by NZAID in Wellington which adds further to the time for processing proposals.

The review learned that occasionally projects have been approved without following the correct agreed process, with at least two unfortunate outcomes. This can happen when NZAID or HC staff make commitments which result in a proposal being fast tracked. A rule regarding this practice should be included in the revised internal project appraisal Guidelines.

- 2) **Appraisal of proposals.** The main responsibility for project appraisal lies with the NZAID SPS Administrator. The current SPS Administrator has recently instigated an excellent project appraisal tool (*Appraisal template_v1*) which was not in place for most of the period examined in this review. Sectoral specialists within NZAID make a preliminary assessment as to the fit with both NZAID and Vangov priorities and raise any issues for follow up. Although a flow chart of the steps in the internal appraisal process has been drafted, there is still some confusion concerning roles and procedures within NZAID.³ This should be discussed and agreed between the parties concerned and incorporated into the revised Guidelines. A simple check list for the steps should be developed which would accompany all proposals through the stages of appraisal.

- 3) **Barriers to access.** A number of factors act as barriers to prospective applicants, particularly those outside the main urban centres. These include:

- Limited availability of information about the Scheme outside of the two main urban centres

³ The review notes that while the flow diagram is already in use, some NZAID staff consulted did not agree with it. The review suggests it is important that all staff who contribute to the SPS appraisal process need to be in agreement with the system in use.

Review of the NZAID Small Projects Scheme for Vanuatu

- Complicated guidelines and forms written in bureaucratic style of English and not available in Bislama
- Lack of an enabling system at provincial and area level whereby groups can learn about the scheme and obtain assistance to access it and complete proposals and reports
- Lengthy appraisal process which involves sign off by four government desks before applications are forwarded to NZAID.
- Reluctance on the part of DESP to apply the NZAID criteria and to reject ineligible proposals. The result is that unsuitable proposals can go right through the government system only to be declined by NZAID. This is not only inefficient but creates difficulties for applicants who are waiting to begin their projects.
- Once projects are approved and funds forwarded to the government, there may be unreasonable delays before funds are released to recipients by the Department of Finance.

Applicants located in or close to Port Vila are able to speed up the process by making frequent visits to DESP. Those outside Port Vila must wait in hope. This is an unacceptable and inequitable situation. NZAID staff feel that the lengthy process contributes to under-spending of the total SPS fund.

- 4) **Rejection of applications.** It is unfortunate that many projects are declined by NZAID because they do not meet the SPS eligibility criteria. DESP is reluctant to decline applications and the review understands that this is often due to 'political pressure'. To avoid this kind of pressure DESP simply does not apply SPS criteria but passes such proposals on to the donor to make the decision. This is inefficient and creates confusion for applicants.

5.3.2 Management by NZAID

- 1) **The SPS Guidelines and proposal format** are complicated and difficult for some applicants to understand. There is only one version of the Guidelines, which provides neither a full guide for NZAID staff, nor a clear and simple guide to assist applicants to access the fund. The formatting is dense and hard to follow and the language used is inappropriately bureaucratic and jargonistic for use by the general public.

A simple solution would be to develop two versions of the Guidelines: one for the public and one for internal use by NZAID and the Vanuatu Government.

- 2) **Reporting requirements** are not clearly spelled out to recipients by NZAID. There is some ambiguity around this. Acceptance letters, including a note on the reporting requirement, are sent by the High Commissioner to the Department of Foreign Affairs rather than directly to the recipient. Notification, including standard government reporting requirements, is sent to recipients by DESP. The review was unable to discover a standard procedure in this regard, with some recipients returning reports on standard government formats and others using their own forms. A simplified guide could be attached to NZAID notification letters, stating

specific requirements, topics to cover, including the time frame and the agency to whom reports should be submitted.

- 3) **Tracking Projects.** The SPS Annual Reports are submitted by the SPS Administrator. They provide an analysis of projects funded in each year against the SPS criteria, with comments on trends, problems encountered and suggested solutions. Comment on specific projects is provided though there is no analysis of ongoing projects funded in previous years. The records kept are not cumulative, which has made it difficult to look backwards to examine trends and ongoing issues over previous years.

The present SPS Administrator has recently developed a summary spreadsheet to track projects (*SPS Internal Assessment Record v1*) with the intention that it be available to all staff on the common drive. Some modifications to this tool would enable a cumulative analysis of grants awarded against the SPS criteria, weightings within priority areas, current status of projects and enable fulfilment of recipient reporting obligations to be recorded.

- 4) **Filing system.** The current system for filing documents relevant to SPS projects is inefficient, rendering it extremely difficult to investigate the history of any given project. All proposals, correspondence, appraisals, reports and acquittals are filed on a calendar rather than a project basis. Project reports are particularly difficult to find. NZAID staff must take a substantial amount of time to trace information about a given project, especially if there have been multiple inputs. The system seriously inhibited this review's ability to easily trace all the relevant material for any given project. A simple project based system should be adopted in which all documents relevant to any given project are kept in a single folder.

- 5) **A & M visits** are conducted on an informal basis by NZAID and HC staff as a part of their other work, especially during visits to the outer islands. This has enabled a number of worthwhile projects to be identified and encouraged. It has also enabled a certain amount of risk mitigation when investigations happen to be made regarding projects under consideration as in the proposal for the Inaki fishing project on Tanna. However not all HC personnel are qualified to conduct appropriate monitoring tasks and a better, more structured approach is required if the SPS is to function well. Lack of resources in NZAID, and low capacity in the provincial and area centres leads to a low level of risk assessment for most projects outside of Port Vila. Both the current and the previous SPS Administrators have raised this matter in their annual reports, pointing out the need for an A&M system and budget to support it.

A more structured process needs to be adopted which would contribute to the assessment of risks and check on project outcomes and impacts, as part of an Appraisal Monitoring & Evaluation (A M & E) system. A specific allocation of resources to A M & E is important. More frequent visits outside of Vila by the SPS Administrator are advised and would have budget implications.

Detailed recommendations are included in section 6.

- 6) **Marketing SPS.** Promotion and raising awareness of the SPS as a means of attracting applications from the desired target groups is conducted in a relatively passive manner which contributes to the urban bias (see section 5). SPS rounds are advertised in the newspapers (recently paid with SPS

'grants') and information about the Scheme is made available to government offices. Ad hoc marketing is conducted by NZAID staff on their visits around the country, but there is limited provision for this work to be carried out by the SPS Administrator on a schedule of provincial visits. DESP and provincial authorities have been unable to contribute to awareness about SPS. Consequently uptake by groups outside of Port Vila and Luganville is very limited, particularly by CSOs. Over the five years covered in this review grants to agencies or groups located outside of Port Vila numbered only 27 out of 160 projects. Under the current management and resource arrangements the extent of the SPS impact in rural areas is largely dependent on the poverty focus of recipients based in Port Vila.

SPS needs to be more actively marketed in appropriate ways outside of Port Vila if it is going to reach more groups in rural areas and achieve the desired impact for communities outside of the two main urban centres. The SPS Administrator role needs to be expanded to include specific marketing tasks. These would be linked to provision of training workshops on project design, proposal writing and management at provincial or area level.

- 7) **Assessing the impact of funded projects.** It is not clear how many SPS reports have been received by NZAID. This information has not been captured and reports are not consistently filed - if present they are placed according to date received which makes them difficult to trace. It appears that reports have been received for less than half of projects funded.

A big challenge for the next period will be how to encourage more recipients to furnish reports and to include comments on impacts and benefits. Monitoring visits to recipients and beneficiaries are essential if NZAID wishes to gain a better understanding of impacts and benefits from the Scheme.

5.3.3 Management by the Vanuatu Government

- 1) The current system for shared SPS management between New Zealand and Vanuatu governments enables Vanuatu to maintain control of what type of work is funded and to ensure that projects fit with national plans and priorities. This system is also in keeping with New Zealand's commitment to the 2005 Paris Declaration for development cooperation. The current system enables transparency within the Government Investment Program and information about SPS projects to be recorded in the GIP database.
- 2) Proposals can take up to two months to get through this system. Some grant recipients complained of even longer delays, requiring them to make frequent visits to the DESP to find out where the proposal is in the system and try to hurry it along.
- 3) The Vanuatu government, specifically DESP, takes very little responsibility for application of the SPS criteria when processing proposals. Those proposals which do not fit the criteria are frequently endorsed and sent to NZAID where they are ultimately declined.
- 4) Cross checks on management and sustainability issues, or checks on potential conflicts which could impact on projects, are rarely undertaken, either by the forwarding agencies or by DESP.

- 5) Once projects pass through this initial assessment there is little follow up by way of monitoring or reminders about reporting. Provincial agencies, if involved, also rarely follow up projects once they are approved.
- 6) Projects approved by NZAID are notified to the Department of Foreign Affairs. Funds are sent to the Department of Finance. Recipients mentioned experiencing long delays before their funds were released by the DoF.
- 7) The review understands that lack of capacity within DESP is a major reason for slow processing of projects. Stakeholders interviewed, including DESP officials, mentioned that sector analysts within DESP have a heavy work load of which SPS is only a small part. It was suggested that an SPS administrator should be appointed within DESP to ensure proposals are processed more efficiently and to share in monitoring responsibilities. The Acting Director of DESP told the review that it would be better if their role was limited to appraisal of large projects and another agency, or a committee, handles small projects schemes.

If the main task of appraisal lies with NZAID then it should be possible to move proposals through DESP much more quickly. In the short term the review believes that there may be scope for greater coordination and communication between NZAID and the government agencies concerned to clarify roles and simplify procedures. The review understands that AusAID is about to engage in a capacity building initiative with DESP. This would present an opportunity for NZAID to ensure that management of small grant schemes is addressed as part of this work.

5.3.4 Effectiveness of project management by implementers (grant recipients)

- 1) Projects carried out by large, well resourced NGOs appear to have been well managed, especially by those agencies who have had repeat funding. These recipients reliably submit timely and complete reports with complete acquittals which are in line with budgets. Excellent examples are VCCI, WSB, VRDTGA, TIV, Pre School Association of Vanuatu and AA/CISCC. This also holds true for government agencies which have sought repeat funding, for example Department of Women's Affairs, Department of Health and the Vanuatu Cultural Centre.
- 2) Projects by small community based groups rarely submit reports but this cannot be taken as an indication of poor management or a failed project. The review visited three such projects. One of these, the Kefowia Bungalows, has not yet been completed and is experiencing difficulties (see Section 5.5). The community implementers of Paunagisu Village water supply and Matantas Village fishing project are aware that reports are required but have not got around to it yet. This is probably a typical situation for recipients who are unaccustomed to such requirements. Such groups need follow up support by whatever local agency assisted them to write their proposal. NZAID could more actively engage with these agencies at provincial level to encourage and enable such follow up.
- 3) Of the 15 projects which were audited by the review, five had not furnished reports, or reports (2) could not be located in the filing system.

Review of the NZAID Small Projects Scheme for Vanuatu

- 4) Reports rarely comment upon longer term impacts, or discuss issues such as benefits for women, difficulties encountered or sustainability measures. Unless NZAID staff make site visits to project implementers little is known about the actual management of projects other than what is offered in reports if they exist.
- 5) Proposals require applicants to show how the work and project sustainability will be managed. The involvement and benefit for women is also required. These matters are usually covered in a satisfactory way in proposals, but the review suspects they are not so well addressed in reality. Examples from projects visited:
 - Paganisu Village have completed installation of their water supply. One woman was trained as part of the installation team but has no ongoing role. No women are members of the water management committee. The committee has not yet set up a system for collecting money from the community for maintenance of the system.
 - Kefowia bungalows. The project is the inspiration of one man who sought community support by making agreements to share benefits with various community groups in exchange for their involvement in building and running the enterprise. Community support has now dropped away, leaving the leader to complete the building project with his own resources.
 - Matantas Village purchased their fishing boat and engine several years ago. Although there is a management committee for the project no profits have been distributed as planned, and there are no women on the committee. The boat is currently in the hands of the chairman of the committee, also the village chief, who has taken it over for his private benefit. This is part of a long standing community dispute which is well known to local people but was not evident in proposal documents or commented upon by sponsoring agencies.

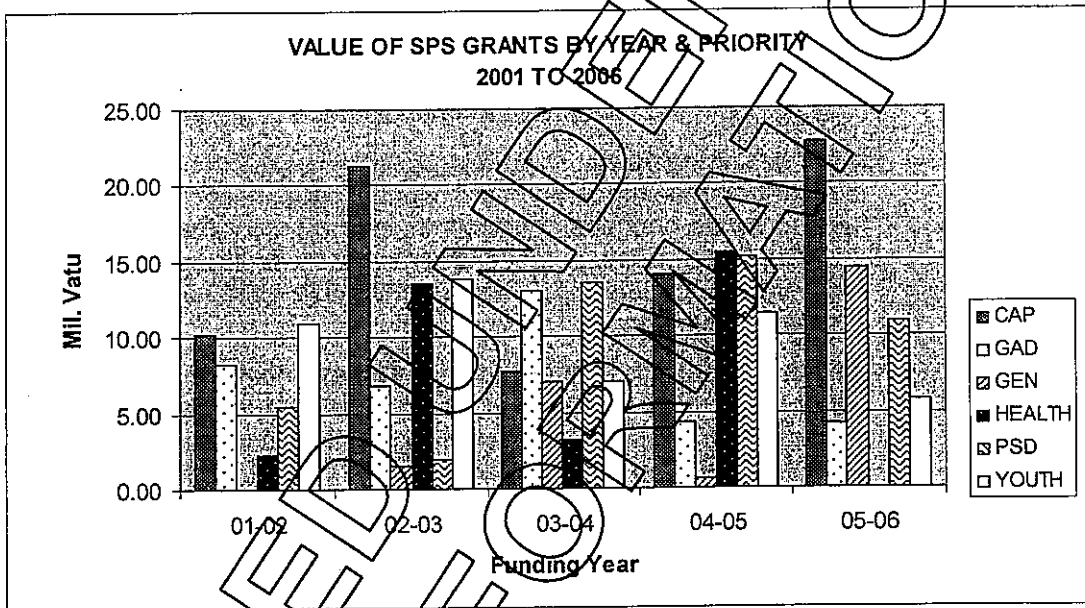


Fishing Project committee members and project fishing boat, with reviewer S. Aru, Matantas Village

5.4 Consistency of Projects with SPS Targets and Criteria

5.4.1 Priority Areas. The SPS was originally set up with only five priority areas: Gender and Development (GAD), Private Sector Development (PSD), Health, Youth, and Capacity Building (CAP). A sixth, General, category was added in 2002-03, presumably in order to add flexibility and responsiveness to worthy applications. Over the five years covered in this review the weighting of grants across priority areas has been quite variable, with no discernable trends.⁴

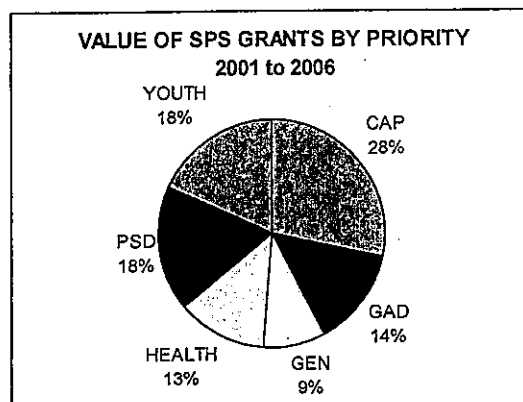
Figure 2: Value of SPS Grants by Year and Priority



Over the period reviewed the total value of grants according to priority area is shown below:

Table 2: Value of SPS Grants by Priority Area, 2001 to 2006

| | Mil Vatu | % |
|--------|----------|-----|
| CAP | 75.879 | 28% |
| GAD | 36.646 | 14% |
| GEN | 23.765 | 9% |
| HEALTH | 34.499 | 13% |
| PSD | 47.132 | 18% |
| YOUTH | 49.092 | 18% |
| | 267.013 | |



⁴ For the purpose of analysis all SPS grants which were awarded to NZAID or NZHC have been removed from the database. These were for staff travel to NZ for an orientation programme and advertisements for SPS funding rounds and amounted to a total of approximately \$3,646 out of a total grant expenditure of \$3,762,661 (based on current exchange rates).

Review of the NZAID Small Projects Scheme for Vanuatu

A handful of grants have not been in accordance with the requirements of the Guidelines: In 2001-02 under Capacity building a grant was awarded to NZHC for N Palmer to attend orientation in New Zealand. Six 'grants' for SPS advertising were included in the General category in 03-04 and 05-06. Although such deviations are rare, and totalled only V258,891, they should not occur at all if the SPS Guidelines are being applied correctly. A separate budget allocation for A, M & E including Marketing would be more appropriate than eating into the designated fund for grants to Ni Vanuatu recipients (see Recommendations).

Most Capacity Building grants have gone to government agencies: 36 in public sector compared with 14 to non public sector over the five years of the review. CAP grants were mostly to provide HRD inputs, policy development or assist with systems through installation of computer based management tools. This trend has fallen off lately due to the removal of Short Term Training from the SPS portfolio.

The Capacity Building priority area is perhaps the most confusing category as it does not directly relate to the main themes of the NZ Vanuatu Programme Strategy, but may be applied to projects which might otherwise be placed in sectoral categories such as Youth, GAD or Health. Further, a number of what were obviously capacity building (STT) grants were placed in sectoral categories rather than in CAP as would be appropriate. Now that the Short Term Training allocation has been separated from the SPS, continuation of the CAP category makes little sense. The review finds that capacity building would be better considered as an eligible type of input, along with training programmes, work placements, public education, technical advisory inputs and so on. This would enable priority areas to directly reflect the main Strategy themes of governance, basic education, economic development, gender and development, health and rural water supply.

5.4.2 Value of grants. The target annual expenditure of \$850,000 has been reached or slightly exceeded in most years indicating a good response from suitable applicants. Table 3 below shows the average value of grants for each year included in this review

Table 3. Average Size of SPS Grants by Funding Year

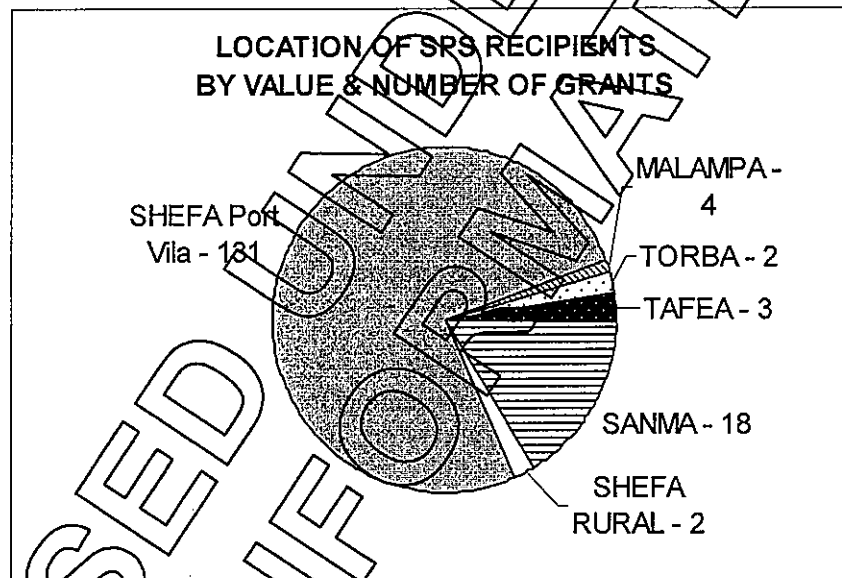
| Funding Year | Mil vatu |
|----------------------|--------------|
| 2001-02 | 1.271 |
| 2002-03 | 1.553 |
| 2003-04 | 1.560 |
| 2004-05 | 2.043 |
| 2005-06 | 2.008 |
| Grand Average | 1.679 |

5.4.3 Benefits to people in rural areas. Grants to groups outside the main urban centres are very few, though many more grants to urban based agencies are for the express benefit of people in rural areas eg VCCI, VRDTCA, FSPV- TBA, PSABV Pre Schools, and a handful of water/health projects. There is a disproportionate bias in favour of groups and organisations located in Port Vila as illustrated in Table 4 and Figure 3 below.

Table 4: Analysis of SPS Grants by Location of Recipient, 2001 to 2006

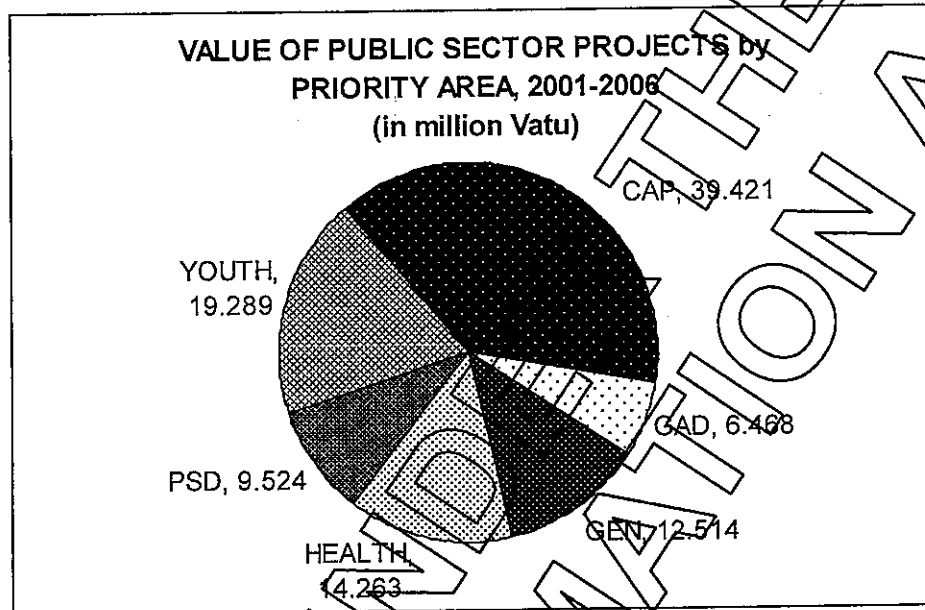
| LOCATION OF RECIPIENTS | GRANTS | VALUE Vatu |
|------------------------|--------|-------------|
| MALAMPA | 4 | 3,154,868 |
| TORBA | 2 | 4,912,770 |
| TAFEA | 3 | 7,179,768 |
| SANMA | 18 | 43,744,425 |
| SHEFA RURAL | 2 | 4,859,192 |
| SHEFA Port Vila | 131 | 203,091,896 |
| TOTAL | 160 | 267,012,621 |

Figure 3: Location of SPS Recipients by Value and Number of Grants



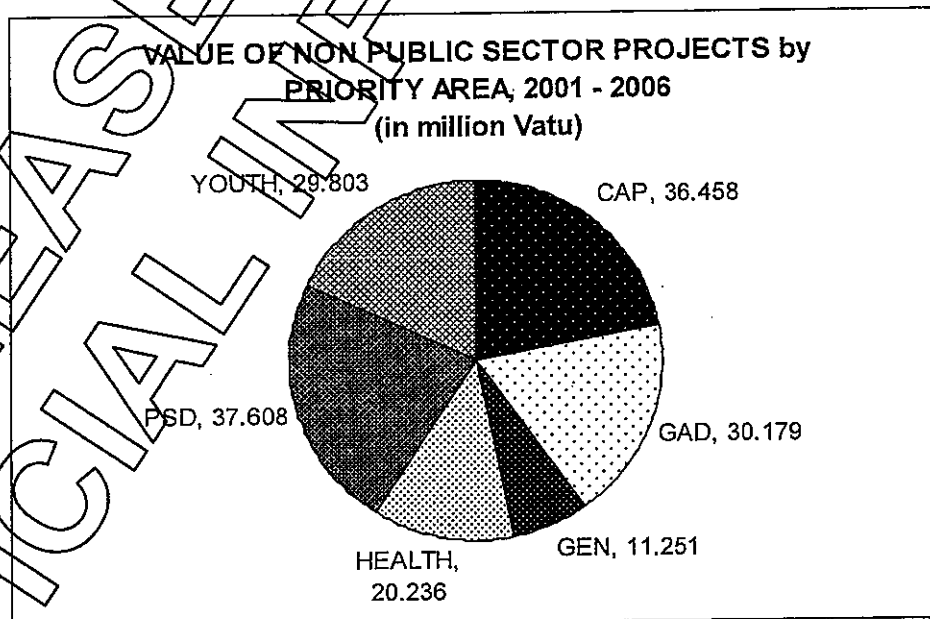
5.4.4 Equal weighting to public and non-public sector. The requirement set out in the Guidelines for a roughly 50/50 split between public and non public sector has been more or less consistently applied in terms of number of grants but not in terms of the value of grants. In the period under review 52% of the grants went to the Public Sector and 48% to Non Public Sector. In terms of value Public Sector grants totalled 101.478 million Vatu, or 38% whereas Non Public Sector grants totalled 165.534 million Vatu, or 62%. For the Public Sector by far the largest amount was spent on Capacity Building projects, nearly V40 million. Capacity Building projects in the Public sector have ranged from institutional attachments for on the job learning, setting up document management systems or databases, to attending conferences and staff recruitment, spread across a number of sectoral agencies such as Health, Youth, Aviation, Judicial and Parliamentary bodies. See Figure 4 below.

Figure 4: Value of Public Sector Projects by Priority



Grants to Non Public Sector recipients were spread relatively equally across priority areas of Private Sector Development, Capacity Building and Youth with slightly smaller grants to Gender and Development, and Health. See Figure 5 below:

Figure 5: Value of Non Public Sector Projects by Priority



5.5 Outcomes Achieved and Sustainability of Benefits

In keeping with its intention to be responsive to the needs of a wide range of agencies and groups, the outcomes of the SPS span across many sectors and have benefited many agencies and communities. Useful work has been carried out in all priority areas. The review can only comment with confidence upon outcomes and impacts of those projects which were visited. Table 5 summarises the outputs of SPS funded work since 2001. Table 6 provides a more detailed account of benefits, problems and sustainability issues for those projects which were audited and visited by the review team.

Table 5: Highlights of SPS Grants for 2001 - 2006

| Priority | Projects Funded |
|---|--|
| Capacity Building | Public awareness and education on governance, citizenship & community safety (Transparency International Vanuatu, Department of Women's Affairs) |
| | Work placements or conferences for nurses, judges, customs, immigration, midwives, Ombudsman, blood bank personnel, fisheries, |
| | Institutional strengthening through assistance with management information systems (Vanuatu Provident Fund, Quarantine), policy workshops (Department of Women's Affairs, VRDTCA); restructuring and capacity building (Department of Agriculture) |
| | HRD for trainers (VRDTCA, Pre School Association of Vanuatu) |
| | Conflict resolution training (Ombudsman, Lakalakabulu Council of Chiefs) |
| | Supply of equipment (RWS, Judicial Services Commission, Opposition office, Ministry of Health) |
| Gender and Development | Safe house and counselling services (Vanuatu Women's Centre, Santo Counselling Centre) |
| | Education and awareness for women voters, Women's Empowerment Training – domestic violence prevention (Department of Women's Affairs) |
| | Family protection order bill awareness for Chiefs (Department of Women's Affairs) |
| | Advocacy training for Men on violence against women (Vanuatu Women's Centre) |
| General (most projects would better fit other sectors) | Constitutional review committee (Parliament), |
| | Village water supply (East Gaua Village, Paunagisu Village); Water management training (Rural Water Supply) |
| | Bridging funds for Transparency International Vanuatu, FSPV Aneityum Erosion Control wrap up, VANGO. |
| | Printing costs for the report on Customary Land Tribunal (Vanuatu Cultural Centre) |
| | VRDTCA Policy workshop |
| Health | HRD training for nursing clinical update, laboratory technician, ophthalmologist, pharmacist (Ministry of Health) |
| | Traditional Birth Attendant training programme in Tanna and Santo (FSPV) |
| | Equipment: standby generator for Northern Hospital, port Vila Central Hospital, Teaching Microscope, Haematology Analysis upgrade, Blood |

Review of the NZAID Small Projects Scheme for Vanuatu

| Priority | Projects Funded |
|----------------------------|---|
| | bag centrifuge (Ministry of Health) |
| | Youth awareness and training – Reproductive Health and HIV/AIDS (VFHA, VSO) |
| | Maskelyne Island aid clinic project (Ministry of Health) |
| Private Sector Development | Assistance to the Meat Industry Advisory Board, Agriculture and Trade Show (Department of Agriculture) |
| | Eco Sanitation for tourism bungalows (Vanuatu Island Bungalows Association) |
| | Kefowia Bungalows project at Pango Village |
| | Community Fishing Project, Vatthe Conservation Area (Matantas Village) |
| | Assistance to programmes in Reforestation, High Value crop promotion, Root crops promotion, Kava project (Vanuatu Chamber of Commerce & Industry) |
| Youth | Training, counselling and education for youth at risk - Youth Drop In Centres in Fresh Wota (Port Vila) and Luganville (FSPV); Youth Link through Sport (Wan Smolbag Theatre) |
| | Natangura Carving Project (FSPV with Rural Training Centres) – livelihood initiative |
| | Business management training for youth (Ministry of Education) |
| | Public education on substance abuse and reproductive health (Wan Smolbag Theatre) |

Sustainability

Sustainability is often an issue for projects which are entirely or to a large extent for purchase and installation of equipment; or in community based projects which require a high level of cooperation and collective action. While all proposals for such projects require that sustainability be built into plans, these may be no more than statements on paper. The standby generator for Northern Hospital is a good case in point where the proposal states clearly that a maintenance fund is to be provided in the hospital budget. In fact the review found that there is no specific budget line, but should repairs be needed the hospital administration "would find a way".

Projects set up and managed by communities are prone to difficulties. Management capacity is usually low and projects do not include management training or provide for mentoring. Three such projects visited by the review have run into management problems and may require further assistance to overcome their difficulties: Matantas community fishing project, Paunagisu Village water supply and Kefowia Bungalows project at Pango Village, near Port Vila.

The Vanuatu government has a role to play in seeing that benefits of projects are sustainable, particularly by providing down stream support where new programmes are seen to have major benefits. The Ministry of Health now has allocated V200,000 from its annual recurrent budget for Tanna to go to support of the TBA programme since that was successfully set up by FSPV and SPS funding. NZAID continues to work with government to encourage

budget allocation to programmes or projects where ongoing sustainability requires continuing funds.

The Pre Schools Association Blong Vanuatu's kindergarten programme is an excellent example of sustainability built into a system through engagement and commitment of supporting communities. Participating communities must demonstrate their commitment by raising funds and collecting materials before the PSABV comes in to assist local people to build their own kindy. Teachers are given ongoing training through the SPS. The Department of Education contributes to sustainability by paying the salaries of the National Director and Provincial Coordinators.

The low level of resources allocated to SPS management is a contributing factor to sustainability of projects which are managed by local CBOs or located far from Port Vila. It cannot be assumed that such groups will have the skills and capacity to successfully manage their project and risk mitigation strategies need to be built into the programme. Section 6 of this report includes recommendations for building capacity at the provincial level through a programme of training and enlisting local officials or NGOs to contribute to monitoring and mentoring projects in their area.



Ms Roni, senior Village Midwife, South West Santo

Review of the NZAID Small Projects Scheme for Vanuatu

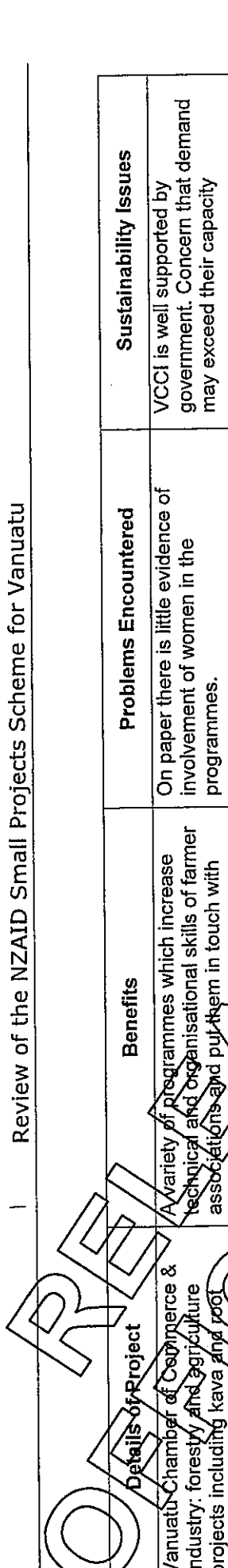
Table 6: Summary of Benefits, Problems and Sustainability for Projects Audited

| Details of Project | Benefits | Problems Encountered | Sustainability Issues |
|---|---|---|---|
| Paunagisu Village & RWVS water supply. Technical training, installation and water management organisation | Village now has a reliable supply of water to several taps in the village. Water also supplied to the area health clinic and school. Decreased burden on women. Installation was done by Village with RWVS supervisor. Project was dependent on evidence there were no land disputes. Several people were trained to install the system, including a young woman. | At high demand times water flow is slow – households at end of line have a long wait to fill buckets. Committee says that pipe from tank to village is too small | Committee checks the line regularly but has not begun to collect the water users fee. Committee wants to collect money to get 1 person trained as plumber for ongoing maintenance. Land claims by outside groups – some have damaged the line |
| FSPV: Traditional Birth Attendant in Santo. Following the successful model conducted in Tanna. Technical training, community education and village support mobilisation for village midwives in rural areas | Improved knowledge and skills on part of village midwives and communities. Improved coordination between village midwives and nearest clinics. Decrease in infant and maternal mortality on Tanna from same programme | Project halted half way through due to FSPV management problems. The trainer and Health Centre are waiting for the rest of the funds. Many very isolated villages in Big Bay-Bush have not yet had the training | Existing traditional system of training will ensure knowledge is passed to others. Communities, chiefs now more aware and support the work. Some core funding for TBA programme from MoH since this project was set up in Tanna |
| Pre Schools Association Blong Vanuatu: kindergarten teacher training. TOT including teacher practice and making learning aids to cover all pre schools in the country | Teacher training for trainers. Benefits in improved quality of pre school education in rural areas. Communities participate by providing materials, fees for running costs, kindy management committee. | Buildings need replacing every 6-7 years, teachers may leave and replacement teachers require training | PSABV provides ongoing monitoring and training support; advice available if there are difficulties; the system has built in provision for community ownership |
| Wan Smolbag Theatre: Youth Link through Sports programme coordinator. | Sports, counselling, technical vocational training, health and nutrition awareness programmes for at risk youth | The programme is very popular and a higher than expected number of clients seek to be involved | None anticipated. WSB now has core funding from donors |

⁵ The review understands that mid-way through the funding period, the funds designated for this project were used by FSPV management for another activity. NZAID staff in Port Vila commented that FSPV is now working to set up a quality management system and restore donor confidence. In the mean time Simo Watijo, the TBA coordinator, expressed the view that another NGO such as World Vision would be prepared to step in to fund completion of the project.

Review of the NZAID Small Projects Scheme for Vanuatu

| Details of Project | Benefits | Problems Encountered | Sustainability Issues |
|--|---|--|--|
| <p>Vanuatu Chamber of Commerce & Industry: forestry and agriculture projects including kava and root crops</p> | <p>A variety of programmes which increase technical and organisational skills of farmer associations and put them in touch with marketing outlets</p> | <p>On paper there is little evidence of involvement of women in the programmes.</p> | <p>VCCI is well supported by government. Concern that demand may exceed their capacity</p> |
| <p>Kefowia Bungalows, Pango Village Estate. Tourist accommodation in a village setting</p> | <p>Local tourism accommodation intended to benefit the community. Written agreements provide for profit sharing in exchange for community involvement in construction and management</p> | <p>Community support has dropped off leaving the organizer to complete construction. Need for business and hospitality training and mentoring</p> | <p>Project proposal included a business plan – cooperative action within the community is assumed, but appears to present difficulties</p> |
| <p>Port Vila Municipal Authority: buildings for women handicraft vendors "Mamas Haus"</p> | <p>Housing for the women vendors of the Vanuatu Art & Craft Association proposal presented as a small business development project. The Association includes the men vendors who sell from an adjacent building provided by government of China</p> | <p>Buildings are not entirely adequate. Vendors' incomes have dropped since being forced to move to new location. High fee paid to Municipal Authority. No support for business training etc</p> | <p>This is not a small enterprise project. Benefit seems to be more to the Port Vila Municipal Authority than the vendors. Their Association is considering how to manage the situation.</p> |
| <p>FSPV: Youth Drop In Centre</p> | <p>Training, education and counselling for young people from informal settlements. Has led to employment for some. Local chiefs feel it has great benefit</p> | <p>Currently closed due to management problems at FSPV. Community hopes it will be re-opened as it is seen as a valuable community resource</p> | <p>Dependent on funds and quality of management by FSP. Not seen as part of the education system.</p> |
| <p>VRDTCA: Home Care curriculum development & training for RTCs</p> | <p>Support and training for Rural Training Centres; Home Care curriculum is an entry point for young women (& men) to learn skills for income generation – just starting up.</p> | <p>RTCs occasionally experience management difficulties. Navita-Farm which was visited appears to be running down. Farm theory/generation has declined.</p> | <p>VRDTCA is well managed and received core and long term funding from donors. Their role is to help RTCs to keep running well and strengthen management practice</p> |
| <p>Ministry of Health – Northern Hospital: standby generator</p> | <p>Generator automatically cuts in during a power cut. Well housed, secure & well maintained.</p> | <p>None</p> | <p>Engineer follows a maintenance schedule. Technical support available locally. There is no special fund in the hospital budget to pay for repairs or save for replacement when needed</p> |



Review of the NZAID Small Projects Scheme for Vanuatu

| Details of Project | Benefits | Problems Encountered | Sustainability Issues |
|--|--|---|--|
| <p>Community Fishing Project, Vaithe Conservation Area, Matantas Village, Big Bay, Santo</p> | <p>Provision of a fishing boat would enable the community to earn income by selling fish, and transport around the bay. Organization by a management committee was set up with help of Peace Corps volunteer</p> | <p>Long standing dispute within the community has impacted on the fishing project. Profits have never been distributed, accounts are not revealed to the community. The Chief has taken over the boat for his private benefit</p> | <p>This project, and the eco tourism enterprise, is at a stand off between the community, committee and Chief. An interim manager has come in to try and resolve the problem. Potential for income from fishing is good.</p> |

RECEIVED UNDER THE OFFICIAL INFORMATION ACT 204

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Continuation of the Small Projects Scheme

There is overwhelming support from both stakeholders and grant recipients for the continuation of New Zealand's Small Projects Scheme in Vanuatu. It is seen as a valuable contribution to Vanuatu development and a means for groups to access flexible and responsive support for activities which otherwise do not fall within government service delivery. Representatives of DESP, who would prefer that the government contribution to SPS management be handled by another agency or a committee, also attest to the value of this programme.

The SPS is a highly visible instrument which provides a way for New Zealand to create a 'good neighbour' relationship with groups and communities in Vanuatu. It has considerable potential to deliver sustainable benefits to people living in more remote areas, but only if NZAID adopts a more active management strategy and simplified appraisal procedures. For the SPS to be a genuinely flexible and responsive fund, and benefit the poor and vulnerable, then it must be made much easier to access. At the same time management of the SPS needs to take on a greater level of risk analysis at the proposal stage, and monitoring during and after implementation, to help ensure there are real and sustainable benefits.

The SPS has been an excellent testing ground for the development of longer term partnerships with NGOs. Notable examples are the Vanuatu Women's Centre and Sanna Counselling Centre, Won Smolbag Theatre and the Vanuatu Association of Rural Training Centres (VRDTCA). Long term and mutually beneficial partnerships have also developed with Transparency International Vanuatu, Pre School Association Blong Vanuatu and the Vanuatu Chamber of Commerce and Industry.

The review recommends that the SPS be continued but it needs to be better managed and supported. Changes are recommended to provide for

- Easier access by groups outside the main urban centres
- An easier and more speedy application and approval process
- Improved sustainability of benefits through risk mitigation and mentoring
- More effective monitoring and evaluation to enable learning
- Gradually greater involvement of provincial agencies

The recommendations include substantial modifications to improve the criteria, guidelines and procedures and increased resource allocation to enable more effective management and greater uptake outside of the capital. Alternative approaches to change in the short term and longer term are suggested below.

6.2 Proposed Alternative Options

The review believes that the best way to improve the outcomes of the SPS would be through a sequence of change stages. In the first instance immediate changes to management within NZAID would create substantial improvement. Changes within the government domain would take longer, require a process of discussion and negotiation, and are dependent on the

outcomes of other related capacity building activities such as NZAID's capacity building initiative with Department of Provincial Affairs, AusAID's planned TA to build capacity within the DESP and the possible initiative to restore the REDI. The strategy suggested here provides for continued management through the existing NZAID-Vangov partnership in the short term, as well as a structured approach to a more fundamental change to the Scheme if the shorter term measures do not lead to the improvements expected.

The suggested stages of change are as follows:

- 1) **NZAID.** Continue the present scheme with internal modifications of the SPS procedures in order to improve management and increase uptake in rural areas. In the short term NZAID should continue with the existing system of funding through the DESP and GIP procedures but with substantial modifications to improve access by groups outside the urban centres, simplify the application and approval process, enable monitoring of project progress and impacts, and strengthen the focus on poverty and hardship alleviation.
- 2) **Vanuatu government.** While putting in place improvements to internal management of the SPS, NZAID should embark upon an investigation together with the key government stakeholders, especially DESP, DPA and DoF and Provincial Councils, into ways in which the shared aspects of SPS management could be streamlined and made more efficient along the lines suggested in section 6.3 below.

From an outside perspective the argument for simplification is compelling and government authorities may agree to such measures on the grounds that the grants are relatively small. The details would need to be worked through with all concerned, with the aim to pare down the work inputs by government, provided that projects can be assigned a GIP number and the data captured in the government system. The EU NSA scheme recently underway may provide a model of how a simplified SPS could be managed. The review understands that this scheme has already begun working with Provincial Councils, Planners and Area Council Secretaries to market the scheme and attract proposals. Proposals are approved by a committee rather than going through the DESP system.

- 3) **Stock take after two years.** In the light of the capacity building work currently underway with the DESP, the REDI, and Provincial Affairs an internal stock take of SPS should be undertaken in approximately two years. The main purpose of the exercise would be to determine the effectiveness of changes to SPS management put in place as a result of the current review.

Either: If the stock take concludes that SPS has improved the systems in place could continue with ongoing small modifications as required, and increased engagement and capacity building with provincial agencies, particularly a revitalised REDI (if this happens) and strengthened partnerships or cooperation with NGOs.

Or: if there has been little improvement, then more radical changes would need to be put in place through a re-design of the scheme.

- 4) **Re-design the SPS.** The most practical strategy would be to create a new scheme with two doors, which could be named the NZAID Small Grants Programme:

Capacity Building Scheme (CBS) - primarily focused on capacity building, for public sector and NGOs, following the newly improved procedures for SPS, and

Community Grants Scheme (CGS) - focused on benefits for people in rural areas and urban settlements, available to non public and public sector groups, but managed independently of the DESP with a notification process to government, along the lines of the EU Non State Actors fund.

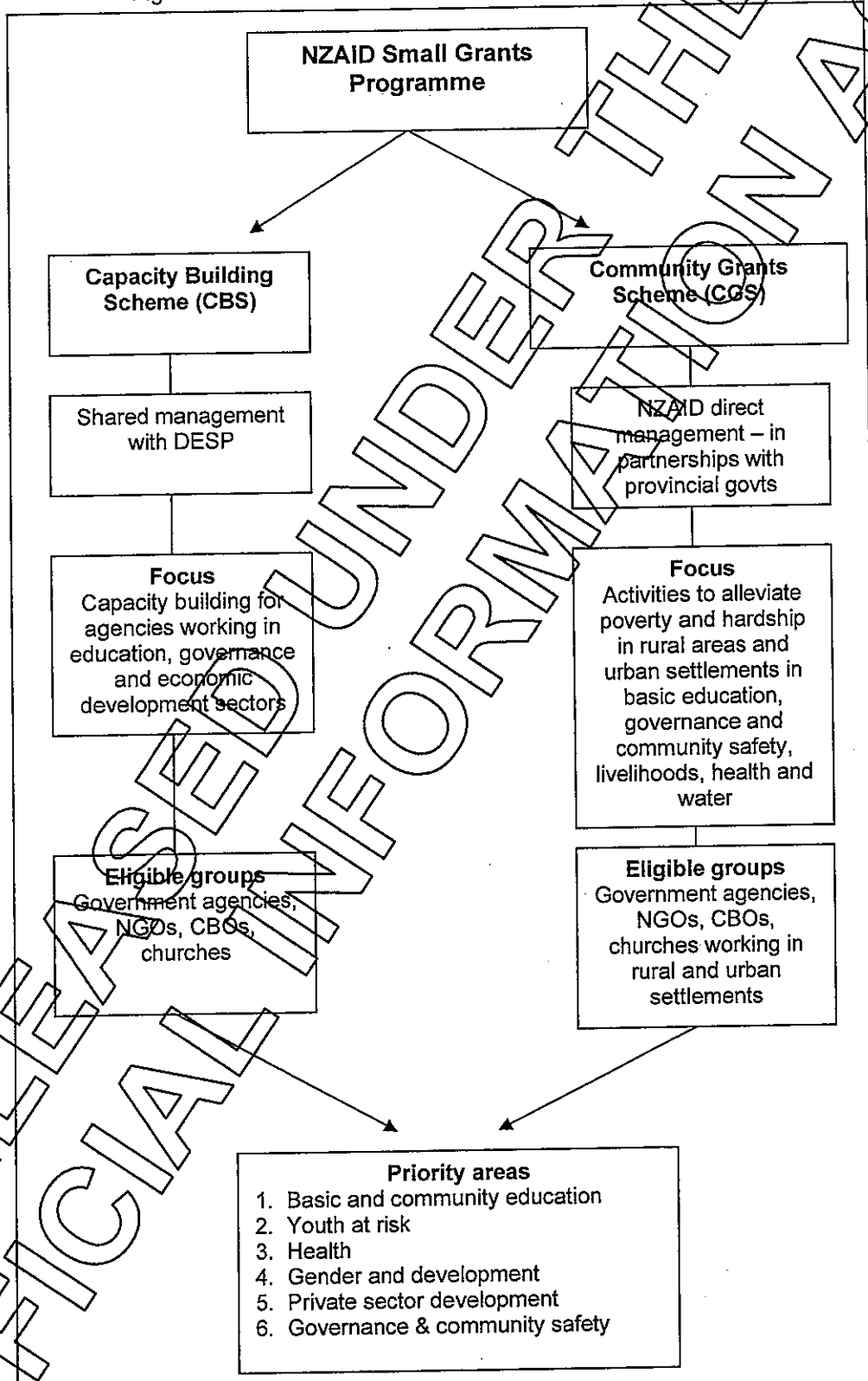
Given a different name, door two would be set up to enable more direct access by NGOs, CBOs and other community groups and particularly at the provincial level. It would also entail a more active role by NZAID staff, or a contractor, working more directly at the provincial levels, and building capacity and more effective working relationships with provincial and area officials, locally based CBOs etc. Projects would be eligible only if they will work to alleviate poverty and hardship in rural or poor urban areas.

While the review acknowledges the difficulties which could be created by having two separate small grant funding instruments, it must be pointed out that the 'one size fits all' approach of the present system is a significant contributor to its weaknesses. The new scheme would not breach the principles of the 2005 Paris Declaration but would bypass to a large extent the Port Vila gatekeeper problems of the current system. The stronger element of partnership with the Vanuatu government would be, eventually, at the provincial level.

The diagram on the next page shows what the structure of the suggested new scheme would look like.

RELEASED INFORMATION

Figure 5: Outline of a new Small Grants Programme



The following section offers specific recommendations for steps which can be taken immediately to improve the SPS.

6.3 Recommended Modifications to the SPS

SPS Guidelines and Application Form

- 1) Revise the aims of the SPS in line with the aim of the current NZAID/Vanuatu Development Programme Strategy to reduce poverty and hardship, particularly in rural areas and priority areas of education, governance, economic development, water & health.

- 2) **Suggested new Funding Priorities:**

Basic Education - support for basic education, such as the grants for pre schools, would continue until such time as the SWAp is up and running. Projects put up by individual RTCs would also come into this category.

Youth at risk - as in the former guidelines

Governance - capacity building in conflict resolution, public education and training to build capacity in provincial and area councils related to project planning, implementation and monitoring, and proposal preparation

Economic Development - livelihoods initiatives particularly in rural areas, private sector enabling, improving access to small business advice and training, support to service delivery in the productive sectors, conservation initiatives

Health - primary health with an emphasis on public education, capacity building, contributions to rural health services

Gender and Development (GAD) - as in the former guidelines

General - this category could be kept primarily for the occasional projects of merit which do not fit the other priorities.

The Capacity Building priority would be removed from the list of Priority Areas and instead would be treated as an eligible type of input within any of the funding priorities. See point 9) below.

- 3) **Programme overlap.** A process should be undertaken to avoid overlap with sectors which are heavily supported through small grant programmes of other donors such as the EU Non State Actors (NSA) scheme and the UNDP Global Environment Facility (GEF) small grants scheme. Until the outcomes of the current initiative to strengthen and restore the REDI bear fruit, funding to support community based economic development initiatives should continue, provided the recommendations regarding SPS appraisal and monitoring are also adopted. The VCCI should continue to be an invaluable partner to support such work.

In the short term SPS should continue to support rural water supply and education projects (pre schools) until New Zealand's contribution to the RWS strategy and Education SWAp are in place. If NZ and other donors provide comprehensive funding to these two programmes such projects can be removed from the SPS. The review understands that the

Education SWAp may only support year two of Pre School education, in which case the SPS grants to pre school education will continue to be essential. RTCs would also remain eligible for support. Direct funding proposals from individual RTCs should be actively encouraged.

- 4) **Areas of Focus.** The NZAID focus on poverty and hardship should be explicitly supported by the SPS. With its potential to help groups and communities with initiatives which relate to their economic and social well being, the responsive nature of the Scheme will be improved by setting a specific Rural Benefit Target. This would be in addition to the target of a 50:50 split in value of grants between Public Sector and Non Public Sector. Suggested wording is as follows:

Area of Focus Point 1. An indicative 70:30 total funding split (in value of project funding) between projects which have a demonstrable benefit for people in rural areas and informal urban settlements, and those whose benefit is primarily for people in urban areas.

- 5) **Eligible activities.** The list of eligible activities (inputs) would remain much as in the current SRS Guidelines, but with the addition of Capacity Building. The list should also be updated to reflect the removal of STT from the list of eligible activities, but clarify other types of HRD such as in-country training and workshops or professional attachments which would be permitted.
- 6) **Eligible groups.** The current eligibility criteria are appropriate and should continue. However, to facilitate increased uptake by groups which work in rural areas, NZAID should actively seek out potential new applicants through a programme of promotion and marketing which reaches out to smaller, local CSOs and church groups, or programmes of larger NGOs which are active in target areas. As capacity is likely to be an issue for smaller CSOs and church groups, it will be necessary to find out what the needs are and take steps to meet them with, for example, training in project design, proposal writing and management.
7. **Two versions of the SPS Guidelines.** The Guidelines should be revised and presented as two separate documents, one for use by NZAID (and DESP) and a separate, public version designed to be user friendly for all applicants in the SPS catchment:

- The **internal SPS Guidelines** would set out in detail the aim, mechanisms of the scheme, and eligibility criteria for projects. It would include a guide on the steps in the application and approval process, approval authority, check lists for project appraisal and tracking, and pro formas for these. Rules regarding matters such as proposal fast-tracking should be included. Suitable formats can be adapted from the examples provided in the NZAID *Guidelines for Designing In-Country Administered Grant Funding Schemes*.

- The **public SPS Guidelines** would provide a brief introduction to the scheme, list of eligibility criteria and an outline of the steps required in the application and approval process. A simple application format should be attached. All documents should be written in very simple, non bureaucratic/jargonistic language and be available in Bislama. Applications must be accepted in either English or Bislama.

- It is essential that there is a precise match between the criteria and requirements for projects set out in the public version of the Guidelines, project application forms, the project appraisal form used by the SPS Administrator and the reporting format provided to successful applicants.
- Suggested requirements:
 - clear statements of expected project outcomes, who will benefit & in what ways. Specific mention of benefits for women & youth, if any.
 - a work plan and time frame for the activities to be carried out
 - a detailed budget which clearly relates to the stated activities; contributions from the applicant in funds or in kind
 - how the project will be organised and managed, and who will be responsible. Where community management is entailed what provision is there for training?
 - statements about project risks and sustainability issues. If equipment is part of the project, evidence of a maintenance strategy

8. **Application Format.** The current application forms are generic government forms which do not encourage the kind of small projects which the SPS intends to attract. NZAID should create and use its own specific SPS format which is better suited to the purposes, intended applicants and criteria of the SPS, and available in Bislama. Both the EU – NSA scheme and the REDI have developed application forms which could furnish ideas for the revision. This revision would need to be negotiated with the DESP to ensure that project information can be captured in government information systems.

Revise the Project Appraisal Form to reflect the process in the modified Guidelines

Improved Management of the SPS by NZAID

9. Clarify the internal system for SPS appraisal and communication about projects. The flow diagram developed recently should be finalised through discussion and agreement between the NZAID staff concerned and the agreed system incorporated into the revised Guidelines. A simple check list for the steps in the appraisal process should be developed and accompany each proposal. Care needs to be taken to diligently apply this system once it has been revised in order to ensure transparency and avoid funding projects which do not meet the criteria.

10. **Approval authority.** The review feels there should be no need for projects above \$40,000 to be referred to Wellington. This additional step is time consuming and implies lack of confidence in the system which has been set up. Any considerations of political sensitivity for projects regardless of size would in any case need to be referred to the High Commissioner who is the MFAT representative in Vanuatu.

11. **Risk mitigation and sustainability.** NZAID can take a more active approach to help ensure project success and sustainability by building

support networks for SPS at the provincial level and engaging more directly in marketing and monitoring work there.

The SPS Administrator should work to build relationships with provincial and area level personnel (provincial council general secretaries, planners, area council secretaries, departmental provincial officers) who can assist with cross checks and risk analysis where there are concerns over issues such as community support and consensus for projects, potential conflicts or management of proposed projects. Ties should be strengthened with NGOs which have strong programmes in provincial areas or programming associations with government offices. Ideally each provincial centre should have at least one person who can act as an SPS Mentor where recipients need support.

Regular visits (six per year) to provincial centres would have a multi purpose focus including marketing and arranging for training, cross checking for appraisal of certain projects, networking with local partners and site visits to monitor selected projects.

Over a period of time, through dialogue, agreements and specific training, it should be possible to create sufficient support for SPS and enable less intensive engagement by SPS staff. Ultimately less frequent site visits would be supplemented with good and frequent communications with key individuals in each centre.

12. **Joint action.** The potential to share resources with other small grant providers such as the EU NSA scheme should be explored. Given the limited skills available in provincial areas it may be practicable to join forces with other schemes for marketing and training purposes.
13. **Project reports and acquittals.** While not wishing the SPS to become too prescriptive, a simple guide to the basic reporting requirements could encourage more recipients to complete this obligation. It makes sense that NZAID, as the donor, should set out what is expected and forward this directly to the recipient. The current system of sending acceptance letters via the Department of Foreign Affairs and funds via the Department of Finance, means the connection between the donor and recipient may seem rather distant. The review suggests that NZAID explore a way around this situation with the agencies concerned.
14. **Reporting guide.** The guide or format provided should relate directly to the points required in the application form and appraisal guide. It should require comments on changes (impacts), effects on women/men, problems encountered and how these were managed, sustainability, etc. Reports submitted in Bislama and either typed or hand written should be permitted. Short reports should be encouraged.
15. A **Project Tracking Database** in Excel has recently been set up by the SPS Administrator in which basic information about new projects is recorded. This is a useful tool and should be extended to function as a simple, cumulative tracking and analysis tool. New fields could be added for recording key information such as fit with the Strategy, SPS criteria, rural/urban benefit, public/non public sector as well as key dates: received, approval/denial letter sent, report/acquittal received. The PTDB would be maintained by the SPS Administrator and available to all staff on the common drive.

The database developed for the purpose of this review has been made available to the SPS Administrator as an example of the type of information that could be easily captured in a Project Tracking Database. Its use as part of the proposed A M & E system is discussed in section 6.4.

16. **Filing system for SPS documents.** The filing system for SPS documents needs to be revised. All documents relating to any given project should be stored together in the same folder, rather than the present calendar based system which scatters records relating to projects across a series of file folders. A numbering system could be devised to meet the NZAID/NZHC requirements, but enable anyone to easily access everything relevant to a given project. This is a matter of efficiency and should make it much quicker and easier to check on any aspect of a project's history and progress.

Increasing the Impact in Rural Areas

17. **Good marketing** is essential to remove barriers and enable the SPS to be accessed by the right groups. As a part of an A, M & E system (perhaps better described as M, A, M & E) there should be concerted and targeted activities which bring the Scheme to a wider target group, make accurate information about criteria and procedures widely available, and build knowledge and skills (training) in provincial and area centres which support the use of the SPS for local development initiatives. Marketing the SPS will require regular scheduled visits of the SPS Administrator together with DESP and other government officers to the provinces in conjunction with project appraisal and monitoring tasks. This would entail provision of additional resources to support SPS Administrator travel, contracting training workshops and other related expenses.
18. **Build capacity in the provinces.** While such visits may not be required in the long term, they should be the responsibility of the SPS Administrator until such time as there is capacity, and partnership arrangements, for this work to be carried out by local officials. Ultimately local governments would have a designated SPS Promoter who supports the programme's awareness, training and mentoring activities.
19. Continue to engage and build relationships with the provincial authorities and line agencies – while NZAID continues to work towards improving service delivery at the provincial and area secretary level. Arrange for training workshops on project planning, implementation, monitoring and proposal writing – pitched at an appropriate level to encourage grass roots groups. Target groups who have not been much engaged: eg local CBOs, churches.
20. **Extend networks.** Actively cultivate relationships with NGOs and CBOs which are, or potentially are, doing a good job at reaching beyond the urban centres. Explore ways their capacity might be developed through the SPS, leading to their more effective work with people in rural areas. Such a strategy might include entering into dialogues with RTCs, individual Pre Schools, church based organisations and a host of CBOs located away from the two main urban centres. Such groups might access SPS grants in the first instance to build their capacity in this regard.

Sustainability of Projects

21. Some of the suggested changes to the appraisal and monitoring functions of the SPS Administrator will contribute to sustainability of project benefits. In particular appraisal and monitoring visits to project sites, to learn more from local agencies about issues relevant to proposals, and building up local responsibility for support to project recipients, will make a difference.
22. NZAID should continue to work closely with government line agencies to encourage increased allocations to those services in which small project funds have made an impact. It is encouraging to see that the Ministry of Health, for example, now makes an allocation to support the TBA programme on Tanna. Pre-schools may be included in the SWAp currently being discussed. These are significant and positive moves and need to be encouraged wherever possible.
23. The review understands that donors are currently seeking a way past the current stall of FSPV. If these efforts fail alternative solutions should be sought to support completion of the valuable TBA project in Santo. It can be funded through a different agency such as World Vision in Santo who are already providing some support. Steps should be taken to support for a new TBA project in other at risk islands such as Pentecost or Malekula.

Role of the DESP

24. In the short term NZAID should work more closely with DESP to encourage their application of SPS criteria. A mutually agreed check list could be attached to proposals. NZAID should work with the proposed DESP capacity building programme (a TA funded by AusAID) to ensure that review of small project management is included in the terms of reference for this work.
25. NZAID should continue to work with DESP to explore mutually acceptable and practicable ways to simplify the appraisal process for small projects. One workable suggestion would be that instead of requiring three signatures to sign off applications before they are forwarded to NZAID, a single official could be required to verify that the proposed activity is in line with the GIP and PAA. This might be acceptable to DESP if it is presented as a special case for small projects which would not require the same level of scrutiny that is required by large projects.
26. As discussed in 6.2 above, ultimately the Vanuatu government might relinquish most of the responsibility for small project management to the donors concerned and their partnerships at the provincial level, provided an oversight role and the ability to capture the relevant project information in the government development database can be maintained.

Budget implications

27. **Allocation for A M & E.** The changes to SPS management and the M, A, M & E system proposed in section 6.4 below will require an increase in resources for the SPS, both in the time taken to manage the Scheme and the cost of travel and activities outside of Port Vila. The review suggests the SPS Administrator make two trips to the provinces every term (four month period) or six per year. A full costing of such travel would need to be done before a final amount is decided, but it could be approximately

V300,000 per year. Travel in Vanuatu is costly so this allocation should be additional to the SPS fund for grants and not taken out of the fund for grants. An increase in the cost of communications may also need to be provided for.

28. **Retain the current grant allocation.** It is not possible to determine whether the amount of funding currently allocated for SPS grants is sufficient for the needs. The review did not raise this matter with stakeholders nor did we hear of any cases worthy projects having been rejected for lack of funds. In the light of the extensive modifications to the SPS recommended here it seems sensible to remain within the current level of funding until such time as the revised system, particularly A, M & E, is working well. The review recommends a stock take in two years at which time the level of funding could also be considered. At that time NZAID may conclude that the SPS has become a more effective method of assisting poor and vulnerable communities and therefore may wish to increase the allocation.
29. **SPS Administrator job role.** The recommendations of this review call for an increased level of responsibility and time to manage the Scheme. The job role of the SPS Administrator would need to be reviewed and modified accordingly.

6.4 Proposed M, A, M & E Framework

A good monitoring and evaluation framework should include an integral appraisal and implementation process. For the SPS to be effective more resources must be allocated to appraisal of projects – and effective appraisal in this context requires a marketing element which goes beyond the current dependence on media announcements and inadequate promotion by provincial authorities. As discussed in previous sections, specific marketing and training activities will be required.

The framework provides for increased field activity by the SPS Administrator to ensure greater awareness and understanding of this facility on the part of provincial authorities, local NGOs and CBOs, councils and chiefs and build local capacity to support local groups to access the Scheme. While it is hoped that in the longer term this marketing function can be carried largely by provincial personnel, in the shorter term a more active approach on the part of NZAID is required. As capacity in the provincial centres is strengthened some of the responsibility for M A M & E could gradually be taken up by the appropriate local government offices or partner NGOs. This process would parallel and be part of the planned local government strengthening and capacity building programme.

Instigating a programme of M, A, M & E provides an opportunity to strengthen the partnership between NZAID and Vanuatu government with regard to the SPS. The idea of an SPS Team which jointly looks after specific aspects of the programme is incorporated in the approach suggested here. The Team would consist of the SPS Administrator, the NZAID manager in charge of SPS, and other staff who have roles in project appraisal etc. Vanuatu government officials are also part of the team but precisely who would be involved will need to be discussed between NZAID, DESP and other stakeholders.

6.4.1 M, A, M & E Framework Outline

- **Purpose:**

to ensure uptake of SPS by people in rural areas, to engender good development outcomes, to enable impacts to be measured, and to maintain tools with which to track projects and to enable learning to improve practice over time.

- **Marketing:**

Revised, simplified public guidelines and application formats. Public meetings and training workshops conducted in all provincial centres; greater use of public media and informal networks which reach rural communities. Engagement with all NGOs known to have a working relationship with government and communities in the provinces.

- **Appraisal:**

Revised internal criteria and guidelines; clearly defined roles and responsibilities; simplified procedures. Site visits and cross checks. Increased involvement of local government and NGOs.

- **Monitoring**

- Project Tracking Spreadsheet (excel database) available to all NZAID staff on the common drive,
- Improved return of reports and acquittals – clear requirements, simple formats, and regular structured follow up.
- Site visits to selected projects (combined with marketing and appraisal visits) according to an annual schedule
- Partnership agreements with provincial networks – to check progress of and mentor high risk projects
- SPS update meetings with SPS Team – every 4 months (3 per year). Progress reports on projects, site visits, provincial support matters etc.

- **Evaluation**

- annual analysis of grants against SPS Guidelines (from the Project Tracking Spreadsheet);
- annual SPS Team workshop to examine trends, impacts, issues
- Review of impacts every 2-3 years. An external local consultant to make in-depth visits to selected recipients. In conjunction with an SPS Team workshop to assess impacts and lessons and agree on any modification to approaches and practice.

An internal stock take should be conducted in 2 years to assess the impact of changes adopted from the current review and determine how to proceed.

6.4.2 Applying the Framework

To ensure that the M, A, M & E plan is put into practice a schedule or work plan could provide a guide which could be integrated with or work along side the general annual work plan. It is a good idea to have one person designated

Review of the NZAID Small Projects Scheme for Vanuatu

to be responsible for implementing the plan and making sure scheduled tasks are factored into periodic planning within the NZAID office. The following matrix is offered as a starting point for building the plan. Specific details can be added once NZAID has decided upon its response to the recommendations of this review and how it will proceed with an M, A, M & E plan. A work plan and budget drawn from the plan can be created in Excel.

Table 7: Draft M, A, M & E Matrix

M, A, M & E Planning Matrix: 2007 - 2008

| Activity | Time frame | Person/s Responsible | Outputs | Means of Verification |
|--|------------|-----------------------------|--|-------------------------------------|
| Marketing: increased awareness of SPS and local skills in project management in all provinces | | | | |
| SPS Guidelines & application formats revised: | | SPS Administrator, SPS Team | Public version of guidelines available in 2 languages | |
| SPS awareness & information workshops in each province | | SPS Administrator | 6 meetings attended by ... Guidelines, formats available at all contact points Provincial officials, local stakeholders informed about SPS | |
| Media adverts for each round: print, radio | | SPS Administrator | Information available 1 month prior to closing dates | |
| Training workshops arranged in each province – project design & management, etc | | SPS Administrator | Skilled people in each province | |
| Develop network of stakeholders in each province | | SPS Administrator | List of networks, information on potential for collaboration | |
| Appraisal: simplified procedures and increased support capability in provinces | | | | |
| Simplified procedures agreed within NZAID & DESP | | SPS Administrator, SPS Team | Appraisal guidelines, flow chart, check lists | All documents on file and available |
| Cross checks and site visits to selected applicants | | SPS Administrator | Info on risks, action taken to mitigate | Visit reports |
| Build capacity in provinces to contribute to appraisal | | SPS Administrator | Increased local skills to assist applicants | List of provincial promoter/mentors |

Review of the NZAID Small Projects Scheme for Vanuatu

| Activity | Time frame | Person/s Responsible | Outputs | Means of Verification |
|---|---------------|----------------------|--|------------------------------|
| Monitoring: project progress, meeting targets in guidelines, issues and risk analysis | | | | |
| Track progress of projects via reports from provincial promoters, project reports & acquittals | | SPS Administrator | SPS Tracking Database is updated monthly | |
| 6 monitoring visits per year – meetings with provincial promoters, site visits to selected projects | | SPS Administrator | Monitoring visit reports after each visit | |
| Distance communication with provincial contacts | | SPS Administrator | Up to date information especially for at risk projects | SPS Admin. file notes |
| 4 monthly SPS update meetings (3 per year) | | SPS Team | Project progress reports, visit reports, issues needing attention | Internal file notes, minutes |
| Evaluation: examining impacts and lessons learned to give direction for future practice | | | | |
| Annual review of SPS outcomes and expenditure (analysis from SPS Tracking Database) | | SPS Administrator | Annual SPS Report to NZAID includes analysis of trends, discussion of issues, lessons, recommendations for changes in approach or practice | |
| Annual SPS Review workshop | | SPS Team | workshop record – lessons & recommendations | |
| Impact review – external | Every 3 years | Local consultant | Feedback on impact of projects | |

RELEASSED
OFFICIAL INFORMATION ACT

7. APPENDICES

7.1 Interview Diary

| Name | Organization | Position | Date | Interest |
|------|------------------------------------|--|----------|---------------------------|
| | Department Of Education | National Coordinator Of Pre-School | 16/03/07 | recipient |
| | NZAID | NZAID Staff | various | NZAID |
| | WSB | Director Project Manager | 19/03/07 | recipient |
| | Ausaid | Counsellor (Development Cooperation) Program Officer | 20/03/07 | stakeholder |
| | Port Vila Municipal Council | Coordinator of Mamas Haus Sec of Mamas Ass. | 20/03/07 | recipient |
| | VWC | Director | 20/03/07 | recipient |
| | VRDTC | Director | 21/03/07 | recipient |
| | DESP | Acting Director Sector Analyst | 21/03/07 | stakeholder |
| | DSM | Director | 21/03/07 | recipient |
| | NZHC | | 21/03/07 | Former SPS admin |
| | ESPV | Acting Director | 22/03/07 | recipient |
| | VSO Office | Programme Officer | 22/03/07 | stakeholder |
| | VCCI | Director | 22/03/07 | Recipient |
| | Public Service Commission | Secretary | 23/03/07 | stakeholder |
| | VIT | Office Manager | 23/03/07 | recipient |
| | Ponagisu | Shefa Counsellor Community | 23/03/07 | facilitator/ recipient |
| | WSB | Youth & Sport Development Coordinator | 23/03/07 | recipient |
| | Ni Vanuatu Art & Craft Association | Member & vendor | 24/3/07 | recipient |
| | Sanma Provincial Health Office | Manager Nurse & trainer | 26/03/07 | recipient |
| | Vules Epe Clinic, S W Santo | Nurse | 26/03/07 | stakeholder |
| | Tangoa | Village Midwives (TBAs) | 26/03/07 | recipient |

5.9(2)(a)

Review of the NZAID Small Projects Scheme for Vanuatu

| Name | Organization | Position | Date | Interest |
|------|------------------------------------|--|----------|-------------|
| | Village, S W Santo | | | |
| | Narango Village, S W Santo | TBA Training Attendees | 26/03/07 | recipient |
| | Sarete Village, S W Santo | TBA Patient and Attendee | 26/03/07 | recipient |
| | Navota Farm RTC, S Santo | Trainer And Students | 26/03/07 | recipient |
| | Sanma Education Office, Luganville | Pre School Coordinator | 27/03/07 | recipient |
| | Northern Hospital, Luganville | Mechanic | 27/03/07 | recipient |
| | Northern Hospital, Luganville | Financial Administrator | 27/03/07 | recipient |
| | Sara Village, North Santo | Pre-School | 27/03/07 | recipient |
| | Matantas Village, North Santo | Community | 27/03/07 | recipient |
| | FSPV Luganville | Coordinator of TBA project | 28/03/07 | recipient |
| | Sanma Province, Luganville | Sanma Planner, Redi Facilitator, Community Facilitator | 28/03/07 | stakeholder |
| | FSPV | Project Manager | 29/03/07 | recipient |
| | NZAID, Wellington | Working on DPA capacity building | 29/3/07 | NZAID |
| | Watergall, Port Vila | Consultant | 29/03/07 | stakeholder |
| | Kefowia | Manager | 30/03/07 | recipient |
| | Sanma Province | Former Environment Officer | 02/04/07 | stakeholder |
| | WSB | Coordinator Youth Sports Link Programme | | recipient |
| | SANMA Province | Environment Officer | 02/04/07 | stakeholder |
| | VSO | Administration Officer | 02/03/07 | stakeholder |
| | NZHC | High Commissioner | 02/04/07 | MFAT |
| | NZAID | NZAID staff | 03/04/07 | NZAID |
| | Ni Vanuatu Art & Craft Ass. | Member and vendor | 03/04/07 | recipient |
| | Ni Vanuatu Art | President and vendor | 03/04/07 | recipient |

5.9/2/07

OFFICIAL INFORMATION ACT

Review of the NZAID Small Projects Scheme for Vanuatu

| Name | Organization | Position | Date | Interest |
|------|------------------------------------|--|----------|-------------|
| | & Craft Association | | | |
| | Port Vila Municipal Council (PVMC) | Town Clerk | 05/04/07 | recipient |
| | Shefa Council | Shefa Planner Redi Facilitator | 10/04/07 | stakeholder |
| | Vango | Secretary-General | 16/04/07 | stakeholder |
| | Lakalakabulu Chiefs Association | Chairman/Coordinator (also VANGO board) | 17/04/07 | recipient |
| | Department of Foreign Affairs | Development Cooperation Officer | 26/04/07 | Stakeholder |

S.9(2)(c)

RELEASED UNDER THE OFFICIAL INFORMATION ACT

7.2 List of Projects Audited

| | Priority | Project | Visit | Proposal | Report |
|-----|----------|---|---------------|----------|----------------------|
| 1. | CAP | Parliament – code of conduct | Not available | | n/a |
| 2. | CAP | Dept of Strategic Planning Coordination and Corporate Services | ✓ PV only | ✓ | |
| 3. | GAD | DWA National Women's Forum | ✓ | ✓ | |
| 4. | GAD | VCW/SCC | ✓ PV only | n/a | ✓ |
| 5. | GEN | VRDTCA Policy Workshop, Home Care training, High Value Crop promotion | ✓ | ✓ | ✓ policy workshops |
| 6. | GEN | PSBV – Pre Schools | ✓ | ✓ | ✓ |
| 7. | GEN | Matantas - Vatthe Conservation Area community fishing project | ✓ | ✓ | n/s |
| 8. | GEN | Paunagisu water supply | ✓ | ✓ | n/s |
| 9. | HEALTH | FSPV TBA Santo | ✓ | ✓ | ✓ half year progress |
| 10. | HEALTH | MOH/NDH standby generator | ✓ | ✓ | n/s |
| 11. | PSD | VCCI Reforestation publicity. Planter bags | ✓ PV only | ✓ | ✓ |
| 12. | PSD | PV Municipal C - Women's Handcraft market buildings | ✓ | ✓ | n/s |
| 13. | PSD | Kefowia Bungalows | ✓ | ✓ | n/s |
| 14. | YOUTH | WSB – Youth Link Sport | ✓ | ✓ | n/a |
| 15. | YOUTH | FSPV Youth Drop In Centre | ✓ | n/a | ✓ |

n/a = not available in filing system
n/s = not yet submitted

7.3 Review Analysis tools

7.3.1 SPS Project Audit Matrix

| | |
|---|--|
| Project Details: | |
| Grant Recipient: | |
| Name of Project: | |
| Project time period: | |
| Report Dates (if any): | |
| Location of Recipient (province): | |
| Location of benefits - Rural/Urban: | |
| SPS Priority Area: Youth, Health, SPS, GAD, CAP, Gen | |
| Impact on poverty alleviation in rural areas? | |
| Project Content: training, HRD, equipment, etc | |
| Co funding from other donors? Who? | |
| Application and Appraisal Process: | |
| Quality of proposal: clear objectives, implementation plan, detailed budget | |
| Appraisal process follows guidelines? | |
| Timeliness of appraisal process and release of funds | |
| Written Report: | |
| Quality of report - clear description of outcomes? In line with Objectives? | |
| Comment on impacts and benefits? Men & women benefits? | |
| Is there analysis of problems and issues? Lessons learned? | |
| Comment on sustainability of benefits? | |
| Financial Report: | |
| Acquittal included in report? | |
| Timely? Report submitted on time? | |
| Acquittal in line with budget? | |
| Acquittal complete? All money accounted for? | |
| What follow up action taken on outstanding reports? | |
| Any new grants despite outstanding reports? | |
| Additional Comments? Review team comments on the report and project. | |

7.3.2 Interview Guidelines

Points to capture in semi-structured interviews with recipients/beneficiaries:

Seek comments from recipients on the following matters:

1. Description of the project supported by SPS, and when it was carried out. Who are the beneficiaries
2. Their experience of the SPS application process
3. Report writing – have reports been submitted and accepted? If not, what constraints have been faced regarding this?
4. Impacts and benefits of the project: who, how, what? Focus on differential benefits for men and women
5. Their comments on the sustainability of the project – or the ongoing programme to which it contributed
6. Views on the value of SPS to them. Should it continue? Why?
7. Any comments on how SPS could be made more effective in the future?

Points to capture in meetings with other donors (AusAID, other?):

1. Their understanding about NZAID SPS
2. Does the agency have a similar scheme? If so how is it going and what are the issues and challenges: application process, reporting, monitoring and evaluation, ongoing benefits
3. (AusAID) How has the Small Grants Scheme been changed as a result of the 2006 review?
4. Is there a better way to set up the application process and financial arrangements than how it is currently done? Eg possible direct funding to recipients?
5. How do they coordinate/harmonize with other donors' small project schemes?
6. What alternative mechanisms can reach the poorest groups?

Points to capture in meetings with SPS stakeholders (DESP, REDI, DFA, DPA, etc):

1. Their understanding about NZAID SPS
2. Views on how SPS fulfils Vanuatu development priorities – what is the value of SPS – what benefits does it bring to people?
3. Views on ways SPS could be made more effective and efficient
4. How should SPS be monitored?
5. Views on grants made directly to individuals?

7.4 Documents Consulted for the Review

- Chung, M and David Hill November 2002 **Urban informal settlements in Vanuatu: Challenge for equitable development** A report prepared for Pacific Islands Forum Secretariat and UN Economic and Social Commission of Asia and the Pacific
- Cox, Marcus et al February 2007 **The Unfinished State: Drivers of Change in Vanuatu** for AusAID Draft for discussion
- Grant, R November 2006 **The National REDI Unit Capacity Building Assessment Final Report & Recommendations** Vanuatu Department of Provincial Affairs
- Government of the Republic of Vanuatu June 2006 **Priorities and Action Agenda 2006 – 2015** Department of Economic and Sector Planning, Ministry of Finance and Economic Management
- NZAID June 2006 **NZAID/Vanuatu Development Programme Strategy**
- NZAID March 2006 **Guidelines for Designing In-Country Administered Grant Funding Schemes**
- NZAID September 2005 **NZAID: Vanuatu: Small Projects Scheme (SPS) Guidelines**
- NZAID March 2004 **Review of New Zealand Bilateral In-Country Administered Funding Mechanisms**
- NZAID July 2002 **Policy Statement: towards a safe and just world free of poverty**
- Swan, D May 2006 **Review of the Vanuatu Small Grants Scheme** Australia-Vanuatu Development Cooperation Program AusAID