

New Zealand-Vanuatu Programme Strategy 2006-2010

Evaluation

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CONTENTS	2
EXECUTIVE SUMMARY	3
SECTION ONE: INTRODUCTION	9
SECTION TWO: THE EVALUATION METHODOLOGY	12
FINDINGS	
SECTION THREE: THE RELEVANCE AND USEFULNESS OF THE STRATEGY DOCUMENT AND M&E FRAMEWORK	15
SECTION FOUR: PROGRAMME IMPLEMENTATION	22
SECTION FIVE: PERFORMANCE OF THE VANUATU PROGRAMME	27
SECTION SIX: LESSONS AND IMPLICATIONS OF THE FINDINGS FOR A NEW FRAMEWORK	34
Appendix One: Glossary of acronyms used	37
Appendix Two: Terms of Reference	38
Appendix Three: Evaluation Plan	47
Appendix Four: List of background materials or papers utilized	58
Appendix Five: List of persons consulted	60
Appendix Six: Information Sheet distributed to people interviewed	62
Appendix Seven: Aide Memoire	63
Appendix Eight: The 2005-2010 Strategy's Programme logic	69

EXECUTIVE SUMMARY

Introduction

The New Zealand Aid Programme (formerly NZAID) of the Ministry of Foreign Affairs and Trade (MFAT) has country strategies which guide the distribution of its Overseas Development Assistance (ODA). These strategies support New Zealand's aim to make the biggest impact with its aid by supporting fewer, larger scale activities over a longer period, and aligning expenditure with other relevant policies and guidelines. This evaluation assesses the relevance and usefulness of the NZ-Vanuatu programme strategy 2006-2010 (the Strategy), what difference the Strategy has made, how well it has been implemented, lessons learnt, and makes recommendations.

The Strategy, agreed with the Government of Vanuatu (GoV), set out the areas of focus (education, governance, economic development and water) and the intended purpose of spending. Expenditure is now \$19 million per annum, more than double that of 2005/06.

Vanuatu is ranked 126th out of 182 countries on the Human Development Index measure. Between 1999 and 2009 Vanuatu's population grew by an average of 2.3% per year reaching 234,023 in 2009. Urbanisation increased and the rural share of the population dropped from 79% to 76%. The Vanuatu economy grew at an average annual rate of 6.6% between 2003 and 2008 falling to just under 4% in 2009. In contrast with the situation prior to 2003, economic growth is now rising on a per capita basis.

The Evaluation Methodology

The evaluation was managed by a Steering Group which including representatives from the New Zealand Aid Programme and the GoV. It involved a review of key documents and discussions with the Vanuatu desk in Wellington, and with the NZ High Commission (NZHC), GoV officials, and other stakeholders in Port Vila. Discussions were confidential, and tailored to individuals. A Port Vila debrief was held with NZHC and the Department of Strategic Policy, Planning and Aid Coordination (DSPPAC) staff.

Limitations

The evaluation was a one person job by an external consultant. The DSPPAC staff member who was to have been involved in interviews and reflections was, unfortunately, not available. The evaluation was a high-level review and subject to the constraints of a two week in-country study. A few programmes of activity (Education, Decentralisation and Water) were looked at in some more depth.

A further limitation was the lack of information on the performance of the Strategy in its first two years. The Monitoring and Evaluation (M&E) Framework for the Strategy was not in place until 2008/09. No benchmarks are in place for the expected costs of ODA planning and management (efficiency) and no conclusions have been drawn on Value for Money.

Findings

The Relevance and Usefulness of the Strategy Document and M&E Framework

Relevance of the Strategy

The Strategy was designed to align with the Vanuatu Government's Priorities and Action Agenda (PAA) 2006-2015 whilst maintaining New Zealand's ODA priorities. The

Strategy's overall aim "to reduce poverty and hardship, particularly in rural areas, and to support a more stable and prosperous Vanuatu", is distinct from, but consistent with, the PAA aim of "An Educated, Healthy and Wealthy Vanuatu". The PAA and the subsequent Planning Long Acting Short priorities (PLAS) focus on macroeconomic and government service issues, and have largely been developed within government. They are not broad-based national development programmes. Consultations during the development of the Strategy were broad-based but missed business interests (apart from one person) and churches.

The activities funded by New Zealand over 2006-2010 have fitted within the sectors identified in the Strategy. There was a lack of analysis within the Strategy, and supporting documents, on how some priorities, such as lifting rural populations, were going to be achieved; this may have contributed to slow progress.

In 2010, the following emerging issues are additional to, or an augmentation of, the challenges facing Vanuatu to those considered when the Strategy was developed:

- the limited flow of benefits from Vanuatu's economic growth to the ni-Vanuatu population and the accompanying issue of land alienation (Cox et al, 2007)
- the growth in urbanisation and the higher rates of material deprivation that are occurring in urban, compared with rural, areas (Freeland and Robertson, 2010)
- environmental degradation, as a consequence of population growth, climate change, the impact of increased tourist and housing development in an environment where there is limited land use controls, and invasive plants and pests
- a recognition of the importance of sustainable development and a questioning of the primacy of economic growth as a goal in the Pacific.

Contextual changes impacting on the Strategy's relevance for New Zealand include: the changed mandate for New Zealand's ODA; a sharper focus within the NZ's ODA on measurable outcomes, value for money, and strategic alignment and cooperation with Australia; the reintegration of the NZAID agency into MFAT, and the proposed replacement of country strategies with Joint Commitments for Development (JCfD).

The usefulness of the Strategy and the Monitoring and Evaluation Framework

Initially, neither the Strategy nor the PAA included a results framework, practical performance indicators or a defined Monitoring and Evaluation (M&E) framework. More critically, the log frame did not show the logic used by the NZ-Vanuatu ODA Programme to determine its judgments about how it acts proactively in relation to the Strategy. An implicit logic was developed to fill this gap.

The Strategy was a statement of what the NZ-Vanuatu ODA programme would, and would not do. This was seen as particularly important during a period of budget growth. The Strategy's usefulness diminished as the programme funds became committed.

Changes made to the categorisation of programmes within the Strategy indicate a retrofitting of the Strategy to the overarching Pacific Strategy. The primacy given to a sectoral approach may have contributed to a lower profile and lesser importance being attributed to some projects including rural water, the Sanma Counselling Service (SCS) and the Small Project Scheme (SPS).

The M&E framework was developed with DSPPAC and completed in 2009. It formalised a process for reflection, and includes a commitment to quarterly meetings with DSPPAC

and regular high level meetings. NZHC and DSPPAC value the framework and quarterly meetings which are seen as strengthening mutual accountability.

NZ-Vanuatu ODA Programme Implementation

In Education intended actions were mainly achieved. The education plan and Sector Wide Approach (SWAp) took longer than anticipated to get started and expenditure dipped in 2007/08 when the plan stalled due to gaps in staffing and functions. The Vanuatu Education Monitoring and Information System (VEMIS) is slow to generate information. However getting VEMIS started before the comprehensive education plan was underway means lack of data should not hold up future progress and monitoring. Stakeholders regard the Vanuatu Education Road Map (VERM) as a good plan and the SWAp as solid. However, delivery is behind schedule due to infrastructure delays and procurement policies. One gap in the VERM is an asset management plan that caters for growth in the school population and regular refurbishment of facilities.

Attempts to develop a National Human Resource Development plan to guide tertiary scholarships were not successful. This task may now be picked up by DSPPAC.

In the **Governance** area, the Strategy permitted a large range of activities, not all of which have occurred. The largest project was the Correctional Services strengthening which has seen lessons learnt and benefits from making a larger, longer-term commitment. Apart from the Strategy for Engaging with Civil Society, there was limited analysis around how the NZ-Vanuatu ODA Programme can support progress on some of the smaller governance programme commitments.

The discussion on **Economic Development** in the Strategy was the least focused of all the sector analyses and this has flowed on into a piecemeal approach to funding activities over the 2006-2010 period. The NZ-Vanuatu ODA Programme got money back from projects where it was not allocated to agreed activities and also teamed up with the Millenium Challenge Account (MCA) as a substantial donor on roading.

Progress on **access to clean water** largely stalled post the development of the National Water Strategy and the completion of an evaluation of training. . Apart from the establishment of ad-hoc water projects, funded by other donors, as well as the Small Project Scheme (SPS) no substantive progress was made in improving services on the ground and Vanuatu may not meet the MDG target related to access to safe drinking water. A TA appointment, to work with the department to develop a plan, is immanent.

Responses to lessons learnt from the 2000-2005 Strategy Evaluation

The NZ-Vanuatu ODA Programme now has a stronger commitment to planning. Its refusal to fund projects in the absence of a clear plan (eg with Water Supply) is recognised by DSPPAC, and government staff in rural water and sanitation, as the right thing to do. There has also been progress in moving towards longer term commitments and in donor harmonisation. GoV capacity issues are recognised, but there may still not be enough attention to these at the planning stage. Plans still tend to be over-ambitious.

Other achievements against Strategy plans

- NZAID's intention to consider the scope for additional support for the Vanuatu Country Strategy from regional programmes has not materialized.
- There was an increase in Aid staff at post. There has been no analysis of whether an increase in local sourcing of consultancy and programme inputs occurred.

- Harmonisation and coordination have increased as planned.
- Processes to take account of cross-cutting issues are in place and used. However a planned gender stocktake did not occur.

Performance of the NZ-Vanuatu ODA Programme

Efficiency and value for money

There are no benchmarks from which to assess the efficiency of the implementation of the Strategy overall. It is recommended that the New Zealand Aid Programme establish ODA delivery benchmarks related to costs and effectiveness indicators. Compared to having no Strategy, it is likely there have been reduced transaction costs around new projects. Expenditure risks are well-managed; there is active project management, and processes to prevent poorly designed projects being funded and funds to be paid back.

The vacuum of long term commitments in Economic Development resulted in time-intensive expectations on the programme to engage in discussions and consider small projects that fit within the ambit of strategy. From a Value for Money perspective, appraisals would be more complete if they specified requirements in relation to sustainability, and addressed key policy issues such as: why ODA is being sought as opposed to other funding sources; and whether the project put forward is the best way to address the purpose and outcomes sought.

Decision-making processes and responsibilities across Wellington and the post ODA staff are complex. In Vanuatu, the GoV regards the New Zealand High Commission (NZHC) as a single entity and the High Commissioner as the overall manager. Financial delegation to Post, mooted in the Strategy, has not occurred. The highly consultative approach between post and Wellington does not fit well in an environment where ODA is shifting from projects to large sector-based commitments involved pooled donor funding. Much of the decision-making and influence needs to occur in the field and often via negotiation. There is an opportunity with the merger into MFAT to reassess the locus of delegations, the accountabilities of key managers and the skill levels of staff with different levels of responsibility. Public messages about the programme would raise its profile and support a shared vision and direction within the whole of the NZHC.

Effectiveness and Sustainability

The lack of a results framework and time-bound outputs makes it difficult to assess the effectiveness of the programme of work that flowed from the Strategy. There have been achievements and failures and M&E reports suggest there is room for improvement.

Stakeholders in Vanuatu viewed post staff as effective, and committed to government ownership, coordination, and using government financial systems. The NZ-Vanuatu ODA Programme M&E has put systems in place that encourage reflection on what is working and a process for mutual accountability with DSPPAC. Similar structures for regular planning and progress meetings are evident at the sector level. Coordination has been supported by the GoV's creation of DSPPAC within the Prime Minister's department and staff increases to enable: the development and management of the GoV's plans; the monitoring of achievements; and coordinating donors. There was a healthy debate between GoV and donors on how per-child subsidies might leverage quality improvements. The post sees the potential for a move towards budget support in Education as reporting and management improves.

The Vanuatu government needs to address the churn of Director Generals, the high levels of vacancies, slow appointment processes, and too many people (particularly in management) being poorly matched to their current position within the public service. During the evaluation, the Public Service Commission signalled its intention to progress this agenda. Other capacity solutions raised were: more training at the executive level of government, the need for management and other higher level training being available in Vanuatu; and increasing the pool of talent by ensuring women progress in the public service. Structural and legal barriers also slow the pace of development implementation.

The NZ-Vanuatu ODA programme can do more to ensure technical advisors (TAs) are more effective. The evaluation of the Corrections project recommended that the Programme provides more support and direction to TAs. An AusAID study has also identified improvement strategies for the use of TAs in the Pacific.

The Strategy projects that were well planned achieved the most progress. However, the quality of planning and analysis in the Strategy is patchy. In Governance, the substantial gap between what GoV wants to achieve in decentralization, and what the current support can deliver, is not articulated in the partnership agreement. Some linkages in the Strategy for Engaging with Civil Society are weak, and there needs to be criteria for moving the Vanuatu judiciary to greater ownership of appointments. The Programme is currently undertaking analysis to support a clearer direction in Economic Development.

The NZ-Vanuatu ODA Programme's culture of moving at the partner's pace has a downside of sometimes being hands-off when projects stall and waiting until the lead department takes the initiative to shift. This has reputational risks where NZ has put its hand up to support key projects that then don't succeed. The Programme has taken steps to address this issue by putting in place partnership agreements that provide for the escalation of discussions where projects fail to progress. Cross-cutting issues are assessed for new projects and in evaluations.

Impact of the Strategy

The quality of education had increased. There are more children in primary schools, but growth is only matching population and the proportion of year 1-6 at school has stayed at 82% since 2007 and possibly dipped last year. The marked improvement in security and public safety over the last years represents a major achievement of the Corrections project. Improvements in the Courts throughput is directly attributable to NZ assistance.

Overall, the Strategy has been well adhered to and has reinforced good processes such as the establishment and maintenance of good communications with the Vanuatu government and the commitment to working towards the OECD-DAC principles of Aid Effectiveness. The M&E framework is starting to generate mutual accountability for problem solving. Weaknesses in the Strategy's analysis have followed through into weaknesses in the programme areas. Some planned stocktakes did not occur.

Lessons and Implications of the Findings for a New Strategic Framework

Both the Vanuatu Government and NZ are shifting to a focus on whole sector needs and paying more attention to planning, monitoring and evaluation. This supports spending being more cost-effective and results-oriented. Two gaps that form barriers to achieving more effective ODA that have emerged in this evaluation are:

- getting traction when there are capacity issues or other factors that slow down the partners' actions on an agreed element of the Strategy; and
- the NZ-Vanuatu ODA Programme needing to be more proactive in identifying what is needed to achieve success in the projects it supports.

Addressing both these issues will require a greater commitment to planning and analysis.

A five year strategy or plan needs to be reviewed or tweaked along way and nothing in the evaluation suggests there are benefits from moving to a longer term plan. Some of the issues facing Vanuatu, such as urban poverty and limited spread of the benefits of growth, are more prominent now than when the Strategy was developed. Nevertheless, the sectors targeted by the Strategy remain relevant. It is recommended that commitments in Education and Corrections continue in the next plan and both the Programme and GoV give early consideration to:

- whether the programme's commitment to support decentralisation should be scaled up and extended,
- whether access to clean water is continued and, if so, how to ensure success, and
- whether capacity building at DG level is taken on as a new commitment.

It is recommended that an exit strategy is developed for the judiciary programme and that the review of the Strategy for Engaging with Civil Society is deferred until 2012. Different views were expressed about what was needed in Economic Development and analysis has begun on where the Programme's future emphasis will be. A focus on infrastructure over the next five years is an option to consider.

Organization-wide processes and guidelines related to financial control and OECD-DAC Aid Effectiveness principles are well-developed. However, there are gaps in ongoing support for: M&E systems and its moderation, performance benchmarks for country programmes; and in analytical and content support (the Education area was noted as an exception).

Recommendations arising from this evaluation (listed in full on pages 35-36) are:

1. The new framework be of five years duration and be focussed around the NZ-Vanuatu ODA programme and its goals, activities and results
2. Note that the areas of focus in the 2006-2010 Strategy remain relevant
3. GoV and the NZ-Vanuatu ODA programme have preliminary discussions around the possible programmatic areas for the next five year plan so that both parties have time to undertake the necessary research and assessments prior to a finalised JCfD
4. The NZ-Vanuatu ODA programme and DSPPAC advise their governments on inclusions (listed in full in the recommendations) in a new programme
5. Specific items (listed in full in the recommendations) are included in the next NZ-Vanuatu ODA programme five year plan
6. MFAT consider the need for supports and policy changes (listed in full in the recommendations) that have application beyond the Vanuatu programme.

SECTION ONE: INTRODUCTION

The purpose of country strategies

Country strategies are five to ten year plans to support recipient countries to achieve their own national development strategy. They are an agreement with a country partner on what NZ will, and won't, support with its Overseas Development Assistance (ODA) and reflect New Zealand's aim to make the biggest impact with its aid by supporting fewer, larger scale activities over a longer period, and aligning expenditure with other relevant policies and guidelines (such as mainstreaming cross-cutting issues) (NZAID, 2007b). The Strategy and its implementation are part of the New Zealand Aid Programme's work.

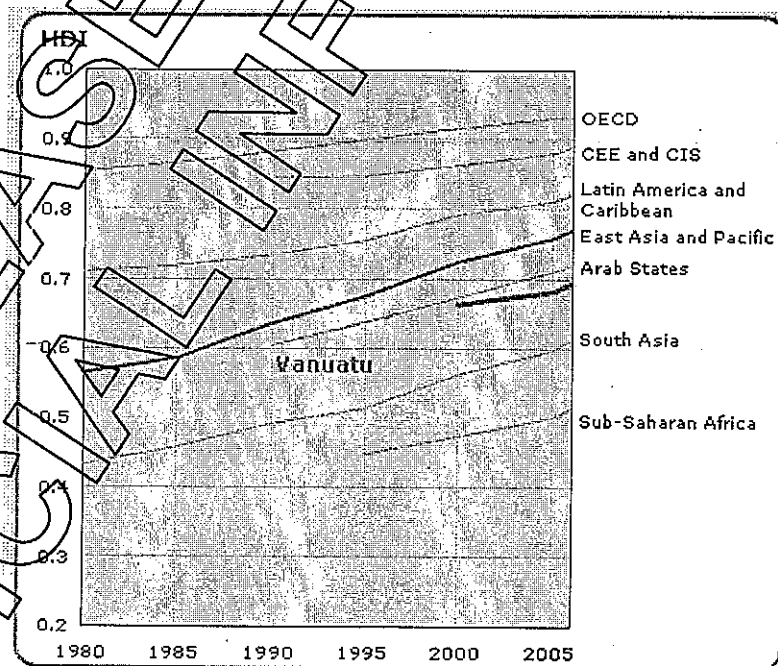
The structure of this report

This section provides a brief background on Vanuatu and the key features of the NZ-Vanuatu Programme Strategy 2006-2010 (the Strategy). Section Two describes the purpose and objectives of the evaluation, the approach taken, and the limitations. Section Three considers the relevance and usefulness of the Strategy and Monitoring and Evaluation (M7E) Framework, Section Four discusses implementation, Section Five discusses the performance of the Strategy and Section Six discusses lessons and implications.

Overview of Vanuatu's position and progress

Human Development Index (HDI) The United Nations Development Programme (UNDP) HDI is a composite measure of wellbeing indicators, including life expectancy, adult literacy, education and gross domestic product (GDP) per capita. Between 2000 and 2007 Vanuatu's HDI rose by 0.62% annually from 0.663 to 0.693. This upward trend is occurring in all regions (see Graph one below) and Vanuatu's HDI score is 126th out of 182 countries.

Graph One: Vanuatu HDI Trends



Source: Indicator table G of the Human Development Report 2009

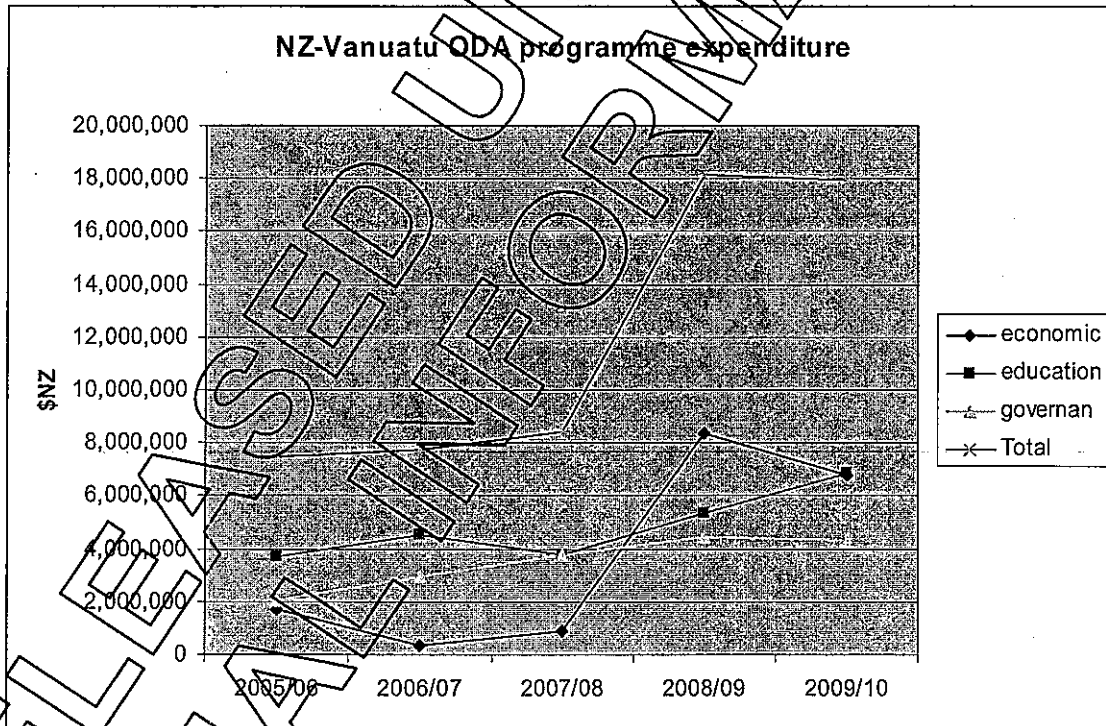
Population change between 1999 and 2009 censuses: Vanuatu's population grew by an average of 2.3% per year reaching 234,023 in 2009. Urbanisation increased and the proportion of the population who are rural dropped from 79% to 76%. The population is widely dispersed. Provincial populations in 2009 were: Malampa, 36,724; Penama, 30,819; Sanma, 45,860; Shefa, 78,721; Tafea, 32,540; and Tolba, 9359.

Economic growth: GDP grew at an average annual rate of 6.6% between 2003 and 2008 dropping back to just under 4% in 2009. Thus, in contrast with the situation prior to 2003, GDP is above the population growth rate and rising per head of population. Growth has been attributed mainly to the tourism and construction sectors (Howes and Soni, 2009).

NZ-Vanuatu Programme Strategy 2006-2010: Key features

As agreed with the Vanuatu government, the Strategy set out the areas of focus (and intended purpose) for New Zealand's Overseas Development Assistance (ODA) as education, governance, economic development and water. Responsibility for the Strategy is shared between New Zealand Aid Programme staff in Wellington (planning and evaluation) and at the New Zealand High Commission in Vila (implementation).

Graph Two: NZ-Vanuatu Strategy: Expenditure on main programme items



Evaluator's calculations from NZ-Vanuatu ODA programme data

Programme Expenditure

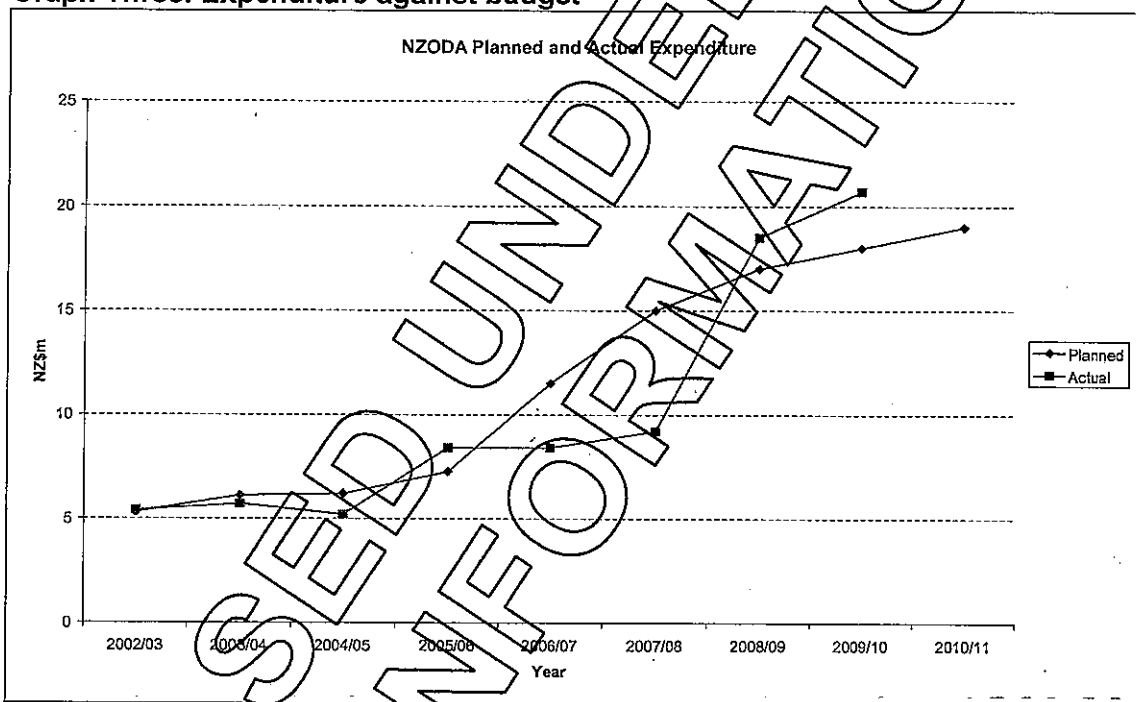
Graph Two shows total expenditure on the programme to implement the Strategy over five financial years and in the three main sectors: education, governance and economic development.

Expenditure on education was on an upward trend over the Strategy period (as was the intention), with a dip in 2007/08. Expenditure on governance has similarly been on an

upwards trend with the major programme to build capacity in corrections absorbing the bulk of this budget. Expenditure on economic development has been the most volatile. The main intended focus of this spend was to encourage the development of the "productive sector" to lift rural livelihoods via a partnership with the Ministry of Agriculture, Quarantine, Forestry and Fisheries (MAQFF). The large expenditure increases in 2008/09 and 2009/10 were due to New Zealand's contribution to the MCC roading projects of \$7 million and \$5 million respectively.

Expenditure on "other" activities varied between \$260,000 and \$960,000 per annum. The Small Projects Scheme (SPS), the largest "other" item had its project expenditure allocated to the three main sectors in most recent years.

Graph Three: Expenditure against budget



Source: NZ Vanuatu QDA programme data

As illustrated in Graph Three, the proposed increase in expenditure on development assistance in Vanuatu was more gradual than anticipated in the first three years of the programme (2005/06 to 2007/08) with expenditure increasing to exceed the planned budget for 2008/09 and 2009/10.

SECTION TWO: THE EVALUATION METHODOLOGY

Purpose of the evaluation

As stated in the Terms of Reference (Appendix 2) this evaluation is intended to assess the relevance and usefulness of the Vanuatu programme strategy 2006-2010 (the Strategy), what difference the NZ-Vanuatu ODA programme has made (results), how well the NZ-Vanuatu ODA programme has been implemented (efficiency), and to identify lessons learnt and provide recommendations for the future strategic direction. Regional programmes are not covered by the Strategy, but the evaluation was asked to consider the coherence of New Zealand-funded regional programmes in Vanuatu in terms of their impact on the effectiveness of the bilateral programme, and in relation to the efficiency of implementation of the programme.

Objectives

The evaluation had the following four objectives, which are set out in more detail in Appendix 2:

- 1) To assess the Strategy document's and M&E Framework's relevance and usefulness in guiding the NZAID Vanuatu programme (and the monitoring of its performance) over 2006-2010
- 2) To assess and explain the extent to which programme implementation has followed the Strategy
- 3) To assess and explain the performance of the Vanuatu programme over 2006-2010, and to identify the factors that have enhanced or constrained performance (eg modalities, number and size of activities, coherence with regional programmes)
- 4) To identify learnings, describe the implications of the findings (and learning) for the new strategy, and make recommendations that will inform: a new strategic framework for 2011-2021; a new M&E Framework; and funding decisions.

Approach

The evaluation was set up with a briefing from the New Zealand Aid Programme, the provision of key programme documents and the development of an evaluation plan which was discussed and signed off by the Steering group (refer Appendix 3). The evaluation plan identifies, inter-alia, the assessment of stakeholders, information sources, and risk management.

Following a review of the Strategy document, monitoring and evaluation reports, and reviews and evaluations of programmes in Vanuatu between 2006-2010, discussions were held with the Vanuatu desk in Wellington and then with NZHC and stakeholders in Port Vila between 9-20 August 2010. Additional documents, data and literature were accessed through a combination of requests, referral and internet searches. The list of materials utilised is contained in Appendix 4 and discussants are listed in Appendix 5.

As outlined in the evaluation plan (Appendix 3), the evaluation involved consultations about the whole programme with Vanuatu government officials from the Department of Strategic Policy, Planning and Aid Coordination (DSPPAC), and consultations with officials from other departments about the three elements of the Strategy looked at in more depth (education, rural water supply and decentralisation). Information was not gathered on some smaller and newer Strategy elements and recent evaluations were used as the primary information source, where they existed. Table One summarises the different elements of the Strategy, their cost and information sources used.

Table One: Elements of the Strategy, their cost, and the extent of their review		
Programme element	Approximate spend 2005/06-2009/10 (\$NZ)	Information sources
		Reviews & evaluations, plans, MFAT at post & HQ, GoV officials, other donors & stakeholders
Education (all elements)	\$ 24.15 m	All
Rural Water Supply	\$ 0.45 m	All
Provincial government /decentralisation (exc REDI)	\$ 0.54 m	All
Agriculture & related projects & primary sector &/or productive sector	\$2.27 m	MFAT at post and HQ, EU-led presentation
Passport upgrade	\$0.4m	MFAT at post
Vanuatu Chamber of Commerce and Industry (VCC1)	\$251,000	Evaluation
Farm Support Association	\$148,000	Draft evaluation
Correctional Services project	\$10M	2010 evaluation
Judicial Strengthening programme	\$2.3m	MFAT at post and HQ
Wan Smolbag	\$2.8m	2010 evaluation
Small Project Scheme (SPS)	Around \$750,000 pa	2010 stocktake, 2007 evaluation summary, MFAT/IDG at post and HQ
Not assessed:		
Agricultural Census (one off contribution) (\$1.27m)		
REDI (discontinued) (\$0.7m)		
Trade capacity building (discontinued) (\$59,000)		
Inter-island Shipping (research and planning phase) (\$1.24 m)		
Roading infrastructure – direct contribution to MCA project (\$12m)		
Land Sector programme (\$125,000)		
Vanuatu Rural Development Training Centres Association (VRDTCA) (\$253,500)		
Revenue Sector support (concluded) (\$204,000)		
VBTC restoration of radio services (concluded) (\$409,000)		
National Census (one off contribution) (\$435,000)		
Sanma Counselling Centre (\$536,000)		
Vanuatu Association of Non-Government Organisations (\$125,000)		
Medical Treatment Scheme (annual allocation of \$150,000)		

In addition to gathering programme information, the evaluation sought views and evidence on the overall performance of the NZ-Vanuatu ODA Programme in relation to the Strategy. Discussions were tailored to particular stakeholders. All participants received a one page information sheet about the evaluation prior to the discussion (Appendix 6). Participants were informed that comments, if reported, would not be attributed to particular individuals. If comments could be identified, participants would be emailed text for their approval. To maintain independence and to encourage frank discussion, the evaluator undertook all the interviews on her own with one exception¹.

At the end of the Port Vila visit, a debrief was held with NZHC and DSPPAC staff. Both parties were sent a copy of the Aide Memoire (Appendix 7) for comment prior to the debrief in order to stimulate discussion and avoid major inaccuracies.

¹ the evaluator asked the NZAID programme contact to also attend this meeting as a way to manage a sensitive relationship.

Literature and data was used to assess broader contextual issues, and to complement and triangulate findings from the stakeholder interviews and programme documents. As far as possible, the approach take to the review has been transparent, and has taken into account the New Zealand Aid Programme's principles of partnership, independence, participation, transparency and capacity building.

Finally, some of the issues identified in the evaluation are larger than the NZ-Vanuatu ODA Programme and require systemic change. These have been identified in the recommendations as areas for consideration by MFAT.

Limitations

This evaluation was carried out as a one person job by an external consultant. As such, it was necessarily a high-level review and subject to the constraints of a two week in-country study where it was impossible to comprehensively assess all activities related to the Strategy. This resource issue was managed by selecting a few programmes of activity (education, decentralisation and water) to look at in some more depth.

It was intended that the evaluation would be conducted in partnership with the Government of Vanuatu (GoV) to as great an extent as possible. Jonas Arogogona, a monitoring and evaluation expert at DSPPAC, was to partner the consultant in carrying out interviews. However, due to other urgent work, he was unable to be involved and there was not time to recruit an alternative counterpart.

A further limitation on this evaluation was the lack of information on the performance of the Strategy in its first three years. Of all those currently employed by the New Zealand Aid Programme in Wellington and Port Vila, only one administrator in Port Vila has been employed since the Strategy's inception, and one other local staff member was involved in the country strategy consultation as a Vanuatu government representative. The Monitoring and Evaluation (M&E) Framework for the Strategy was not put in place until 2008/09. In addition, the categorisation and description of some expenditure items, as well as their amalgamation within budgets, changed several times over the five year period. This made it difficult to track some expenditure.

There were some elements of the evaluation objectives and plan where it was difficult or impossible to draw conclusions, for example, no conclusions have been drawn on Value for Money as no benchmarks are in place for the expected costs of ODA planning and management.

Recommendations have aimed to take account of contextual issues. The New Zealand AID Programme is going through considerable change and it is possible that some context has been missed. Steering Group feedback has been taken on board to manage this risk.

Findings

SECTION THREE: THE RELEVANCE AND USEFULNESS OF THE STRATEGY DOCUMENT AND M&E FRAMEWORK

The main objectives of the Strategy

Table Two maps the Strategy's priority objectives, Education, Governance and Economic Development and the expected outcomes, to Vanuatu's development strategy, the Priorities and Action Agenda (PAA) as was done in the Strategy:

Table Two: The Strategy's main areas and outcomes mapped against Vanuatu's PAA (derived from the Strategy document)				
Vanuatu Government's PAA Vision: "An Educated, Healthy and Wealthy Vanuatu"				
Vanuatu 1 st National Priority <i>Improving governance and public service delivery by providing policy stability and fiscal sustainability via a strengthened law-enforcement and macroeconomic management capacity and a small, efficient and accountable government.</i>	Vanuatu 4 th National Priority <i>Enabling greater stakeholder participation in policy formulation by institutionalising the role of chiefs, non-governmental organisations, and civil society in decision-making at all levels of government</i>	Vanuatu 5 th National Priority <i>Increasing equity in access to income and economic opportunity by all members of the community. Specific areas of focus include: enabling universal access to primary education by school-age children, universal access to basic health services, and inducing increased employment opportunity for those seeking work.</i>	Vanuatu 2 nd National Priority <i>Improving the lives of the people in rural areas by improving service delivery, expanding market access to rural produce, lowering costs of credit and transportation, and ensuring sustainable use of natural resources.</i>	Vanuatu 3 rd National Priority <i>Raising private investment by lowering obstacles to growth of private enterprise including lowering costs of doing business, facilitating long-term secure access to land, and providing better support to business.</i>
supported by		supported by		supported by
NZ-Vanuatu Strategy Objective Two Governance To build demand for and improve governance, accountability and community safety.		NZ-Vanuatu Strategy Objective One Education To support the delivery of quality basic education to all Vanuatu children, particularly in rural communities.		NZ-Vanuatu Strategy Objective Three Economic Development To increase economic growth and strengthen livelihoods, particularly in rural areas.
so that (there is)		so that there are		So that there are
Communities and civil society in Vanuatu are empowered to help strengthen accountability, democratic process and legitimacy in government Strengthened local government and improved service delivery in rural areas Increased safety and security of the general population Reduction in actual and potential conflict associated with disputes over land ownership and user rights		Improvements in quality and access for all in basic education, and particularly rural areas, achieved by— 2010		Improved family livelihoods and employment opportunities, especially for rural communities Increased private sector investment

Key features of the Strategy

The Strategy's overall aim "to reduce poverty and hardship, particularly in rural areas, and to support a more stable and prosperous Vanuatu", is distinct from, but consistent with the PAA aim of "An Educated, Healthy and Wealthy Vanuatu". The rural focus is reflected in the stated outcomes (as well as the programme areas identified for support) within Governance (strengthened local government and improved service delivery in rural areas), Education (improvements ..particularly in rural areas) and Economic Development (improved family livelihoods and employment opportunities especially for rural communities) and water (improve access to clean water in the rural areas).

The Strategy document log frame (Appendix 8) covered the three priority areas, plus an objective around clean water. The Strategy also included the following elements:

- o identification of the challenges to set the scene for indicative areas of activity
- o signaling of an intention to increase the bilateral programme to more than \$NZ16.5m pa (more than double the 2005 level) by 2007/08 with concurrent increases in staffing at the NZHC in Port Vila
- o an expectation that specific outcomes would be identified (national, provincial, local). This has not happened at a Strategy level but has occurred within some programmes.

Implementation is discussed in terms of taking account of lessons learnt from the 2000-2005 programme, and the principles of:

- o *partnership*, through a commitment to openness, respect, mutual accountability and strengthening the staff resource in Port Vila to support the expanded programme
- o *improving Aid Effectiveness* through use of more programmatic approaches, addressing capacity constraints within key departments, moving towards earmarked budget support and donor harmonization and coordination
- o *regional engagement* through considering the scope for additional support to the Strategy from regional programmes and also support to Vanuatu's involvement in regional trade processes
- o *mainstreaming* of the cross-cutting objectives to uphold human rights; promote gender equality and women's empowerment, encourage good governance, promote conflict prevention, limit the spread of HIV/AIDs and protect the environment.

Relevance of the Strategy then and now

The Strategy was designed to align with the Vanuatu Priorities and Action Agenda (PAA) 2006-2015 while maintaining New Zealand's priorities such as the focus on education and rural livelihoods.

The PAA, and the latter priority setting document Planning Long, Acting Short; the Government's Policy Priorities for 2009-13 (PLAS) are successors to the Comprehensive Reform Programme (CRP) programmes of action. An Economic Policy Forum in 2002, which included representatives from NGOs, church groups, private sector and the civil society fed into the PAA. Notwithstanding this, both the PAA and PLAS focus on macroeconomic and government service issues, and have largely been developed within government. They are not broad-based national development programmes with commitments from all sectors. The Strategy document noted there was little reference to environmental and gender issues in the PAA. While the PAA explicitly recognises the importance of greater stakeholder participation in policy making, this is not the case in the PLAS. Both the PAA and PLAS address the issue of access to government services, neither directly addresses the issue of hardship and vulnerability.

In the evaluation, many stakeholders from outside government stressed that private business and civil society are important to Vanuatu's development and must not be forgotten.

The Strategy was the end point of a process which included:

- o desk studies covering key development issues and challenges in Vanuatu, key lessons learnt from the 2000-2005 country programme, a summary of regional programmes having some impacts on, and benefits for, Vanuatu, a summary of assistance from other donors, and a discussion of the rationale for the continuation of the New Zealand Aid Programme in Vanuatu.
- o consultations in Vanuatu by a six person team, which included a Vanuatu government representative and a Vanuatu government-nominated consultant.

It is difficult to judge how relevant the Strategy was to the country context at the time it was developed. It is not known what level of peer review there was for the background papers, and in particular the review of key development issues and challenges. Consultations within Vanuatu were reasonably broad-based and should have identified the breadth of challenges; included were government, donors, NGOs (both local and international), Council of chiefs as well as provincial government (two provinces). Missing from this list were business interests (apart from one person) and churches.

In 2010, the following emerging issues are additional to, or an augmentation of, the challenges facing Vanuatu to those considered when the Strategy was developed:

- o the limited flow of benefits from Vanuatu's economic growth to the ni-Vanuatu population and the accompanying issue of land alienation (Cox et al, 2007)
- o the growth in urbanisation and the higher rates of material deprivation that are occurring in urban, compared with rural, areas (Freeland and Robertson, 2010)
- o environmental degradation, as a consequence of population growth, climate change, the impact of increased tourist and housing development in an environment where there is limited land use controls, and invasive plants and pests²
- o a recognition of the importance of sustainable development and a questioning of the primacy of economic growth as a goal in the Pacific (for example by the Pacific Conference of Church Leaders Statement on Climate Justice, 13/08/10)

These issues are not trivial and cannot be addressed by the Vanuatu Government alone; their resolution will need broad-based agreements around priorities and pathways. There are new strengths too; communication advances, supported by the spread of cell phones and Chinese ODA which will fund high speed internet in every provincial capital, are lessening the problem of geographical isolation. Vanuatu faces good prospects for further economic growth and continued political stability.

The Strategy did not significantly shift the focus of programme activities from those of the 2000-2005 country strategy which were to: strengthen governance, improve social indicators (largely focused on education) and build prospects for sustainable economic growth. The Strategy was well-aligned to New Zealand's priorities and categorization of budget items changed year by year to better align with the priorities of the New Zealand Aid Programme's Pacific Strategy 2007-2015.

² SOPAC (Pacific Islands Applied Geoscience Commission) note that Vanuatu's current National Assessment report on sustainable development is currently not available but its 1993 National Conservation Strategy identified a range of sustainable management and conservation concerns

The activities funded by New Zealand over 2006-2010 have largely fallen within the sectors identified in the Strategy. However, progress in relation to the planned elements of the Strategy has been slower than anticipated, and many elements were not realized. Lack of guidance within the Strategy on how priorities such as lifting rural populations were going to be achieved may have contributed to slow progress. That said, it is likely that the Strategy's positioning as a support to the Vanuatu Government's own plan, along with the strong NZ-Vanuatu ODA Programme culture of working at the partner's pace, would have mitigated against more active positioning of New Zealand's priorities.

Contextual changes impacting on the Strategy's relevance for New Zealand in 2010 are:

- the shift in the mandate for New Zealand's ODA from a direct focus on poverty alleviation to "New Zealand's development assistance helps support sustainable development in developing countries in order to reduce poverty and contribute to a more secure, equitable and prosperous world". This suggests it is timely to consider how support for education, governance and economic development jointly contribute towards sustainability, reduction of poverty, security, equity, and prosperity
- the sharper focus within the New Zealand government's ODA on measurable outcomes, value for money, closer strategic alignment and cooperation with Australia and consistency with New Zealand's foreign policy and external relations outcomes.
- the reintegration of the former semi-autonomous NZAID agency into MFAT. This is an opportunity for development assistance to become better integrated with, and to influence, the broader New Zealand foreign policy, immigration and trade agendas
- to reinforce the above point, the access to labour markets afforded by Recognised Seasonal Employer scheme (RSE), whereby 1867 (2007/08) and 2523 (2008/09) ni-Vanuatu were employed as seasonal workers in New Zealand (Evalue, 2010), is regarded as a key initiative that supports development in Vanuatu through increasing incomes. The Reserve Bank of Vanuatu estimated RSE workers inflows in 2009 at VT299 million
- the planned replacement of country strategies with much shorter Joint Commitments for Development (JCD). The JCD is a bilateral agreement signed at Ministerial level which identifies commitments by both New Zealand and the partner country, priorities with specification of outcomes and expected results, and identifies the mechanisms for reviewing progress. This tightening of specifications will require officials in both countries to improve their planning processes and outcome logics.

The usefulness of the Strategy and the Monitoring and Evaluation Framework

Programme logic

Initially, neither the Strategy nor the PAA included a results framework, practical performance indicators. A Monitoring and Evaluation (M&E) framework was established in 2008/09.. The original log frame (Appendix 8) focuses on the Vanuatu government achieving programme outcomes with the role of the NZ-Vanuatu ODA Programme being largely considered as a response to risk and support for risk management. Similarly, neither the Strategy nor the M&E framework include a cascading logic which mapped out how outputs are expected to lead to outcomes and contribute to the overall aim and sector-specific objectives. When written, it was envisaged that the Strategy would become more detailed as Vanuatu's development priorities became more specific and time-bound and there was a clearer picture of the funding commitments of the Vanuatu government and other donors. This has happened subsequently in some programme

areas - most notably in education via the Vanuatu Education Road Map (VERM). The Strategy itself has not been modified and a proposed mid-term review did not occur.

More critically for this evaluation, the positioning of the NZ-Vanuatu ODA Programme at "arms-length" from the Strategy (with a role primarily related to risk management) does not show the logic used by the Programme to assess and judge where and how it acts proactively in relation to the Strategy. This has starting to change in the last two years as the M&E framework picks up on programme management and accountability issues as well as progress by the Vanuatu government in delivering in the programme areas.

To support the examination of the NZ-Vanuatu ODA Programme's performance in relation to the Strategy, Table Three sets out the implicit logic of the Programme. It is derived from documentation (particularly recorded in the M&E reporting), and discussions with programme staff in Wellington and the Port Vila post (post), and, to a much lesser extent, the observations of other stakeholders in Vanuatu. The logic is consistent with the New Zealand Aid Programme's commitment to the OECD DAC Paris Principles of Aid Effectiveness.

Long-term goal	New Zealand's Overseas Development Assistance (ODA) makes a greater, positive difference in Vanuatu, particularly to the poor.
Intermediate outcomes	1 Vanuatu government has the capacity to plan, deliver, monitor and adapt its own programmes 2 the New Zealand government is a best practice partner in ODA delivery.
Short-term outcomes	1 Improved coordination and harmonisation with other donor organisations 2 Increased spend on, and quality ³ of, New Zealand's ODA in Vanuatu
Supporting Actions	1. New Zealand works at the pace of the Vanuatu government 2. open and mutually accountable relations with the Vanuatu government

Usefulness of the Strategy

NZ-Vanuatu ODA Programme staff saw the Strategy as being useful in a number of respects. The Strategy was as a statement of what the Programme would, and would not do. This was seen as being particularly important during a period of budget growth and as having reduced the resources needed to assess requests for funding. Requests from the Vanuatu government (no list has been kept of what these were) that fell outside the Strategy were easy to turn down. The Strategy's upfront reference to principles and discussion of the likely progression of New Zealand's ODA was generally seen as helpful guide alongside more generic guidelines and policies.

The importance of the Strategy as a guide has diminished as the programme has absorbed the available budget. The post also over-programmes in recognition that not all planned activities get off the ground.

Changes made to the categorisation of programmes within the Strategy indicate a retrofitting of the Strategy to the overarching Pacific Strategy. Fit within the main three areas of focus and the desire to be more sector-focussed, was stressed as important. Programme staff appear to have struggled with fitting projects outside these areas into

³ quality is largely defined in relation to the four Strategy principles of partnership, improving Aid effectiveness, regional engagement and mainstreaming of cross-cutting issues

the programme and this has been reinforced by their uneasy fit into funding categories. The primacy given to the three sectors may have contributed to a lower profile and lesser importance being attributed to some projects including rural water, the Sanna Counselling Service and the Small Project Scheme.

The High Commissioner considers it important that a Strategy is not a straight jacket and that there is a need for a balance between the helpful discipline that a Strategy provides, and being responsive to changing context and circumstances. In this regard, several activities picked up during the Strategy's life were not signalled in original document but were assessed as fitting within the three main objectives. These include, under the economic development theme, support for the Census and the Agricultural Census, and, under the governance theme, the restoration of public radio services and the passport upgrade (refer Table One for detail on expenditure).

One NZ-Vanuatu programme staff member made the valid point that the label "Strategy" suggests political ownership and is not appropriate. A plan is arguably a better description of ODA expenditure intentions than a "Strategy". It would also fit better with the implicit logic of the NZ-Vanuatu ODA programme (Table Three). The evident need for responsiveness and adaptation, as well as the difficulties of catering for inevitable change over a five year period, suggest the next plan may be better served by a more conscious stance of reviewing commitments during the course of the plan, as needed.

Monitoring and Evaluation Framework

The M&E framework was developed with DSPPAC and was completed in 2009; thus it has only been used over the last two years. The late development of the M&E was attributed to the rapid growth of the New Zealand Aid Programme and the NZ-Vanuatu ODA Programme teams' priorities at the time being often focused on getting strategies in place to implement, and establishing the necessary relationships and funding arrangements.

The M&E formalised a process for reflection, including on NZ-Vanuatu ODA Programme management issues which, inter alia, include the way the High Commissioner and the post work together on difficult issues. The M&E plan also includes a commitment to quarterly meetings with DSPPAC to discuss progress and regular (at least every 24 months) high level meetings. The assessments ascribed to each programme element are developed within the NZ-Vanuatu ODA Programme. Overall, Programme staff considered the combined plan, stocktake and annual reports the most useful of the M&E processes. DSPPAC and NZAID value the quarterly meetings as a focus on mutual accountability and DSPPAC values the framework using Vanuatu's own indicators.

The NZ-Vanuatu programme developed the M&E framework from scratch with DSPPAC. As yet, there is no formal process for moderating the composite assessments made of progress in key areas. Getting the M&E framework established was a time consuming process and there are likely to be benefits gained for the quality of country programmes' M&E by developing templates and peer review systems across some or all Pacific country programmes, if not the whole ODA portfolio.

Table Four summarises performance results for the last two years.

Table Four: NZ-Vanuatu ODA Programme's M&E assessment of progress for 2008/09 and 2009/10 (summary from combined plan, stocktake and annual reports)				
Progress against programme strategy objectives				
	July-Dec 08	Ann 08/09	July-Dec 09	Ann 09/10
Economic development	good	Good	Adequate	adequate
Education	unsatisfactory	adequate	Good	Good
Governance	adequate	Good	Good	Good
Activity management				
Transport infrastructure	good	Excellent	Excellent	excellent
inter-island shipping service			Good	Good
Productive sector support	good	Good	Adequate	unsatisfactory
Rural water supply	unsatisfactory	unsatisfactory		
lands tribunal & Land info	good	adequate	unsatisfactory	unsatisfactory
VESAP and successor arrangement, VEMIS	unsatisfactory	adequate	Good	Good
Scholarships and training	excellent	Excellent	Good	Good
Corrections projects	unsatisfactory	Good	Good	adequate
Support to Civil society	good	Good	Good	Good
Provision of judge	good	Good	Adequate	adequate
Programme management : confidential to MFAT and covers issues such as the use of M&E, GoV leadership, closing off unsatisfactory programmes, integration of cross-cutting issues				
Performance against Aid effectiveness principles				
Indicator	08/09		09/10	
Partner has a development Strategy	Yes		Yes	
Partner CPIA rating	3.5 (2007)		3.5 (2007)	
Partner rating on procurement systems	Not rated		Not rated	
% on NZ ODA reported in partner budget	0%		100%	
% of NZ technical cooperation that is coordinated	-		45%	
% of NZ technical cooperation that uses partner financial systems	-		57%	
% of NZ technical cooperation that uses partner procurement	-		31%	
No of NZ-supported project implementation units	7		9	
% of ODA released according to schedule	-		75%	
% of ODA that is untied	92%		93%	
% of Aid delivered in programme context	-		70%	
% of missions that are joint	-		-	
% country analysis that is joint	10%		10%	
Partner has a performance assessment framework	Yes		yes	
Participate with partner in a mutual assessment of progress	Yes		yes	

As shown above, data is still being developed to measure performance in relation to the Strategy principles of partnership and improving Aid Effectiveness through: use of more programmatic approaches, addressing capacity constraints within key departments, moving towards earmarked budget support and donor harmonization and coordination.

SECTION FOUR: PROGRAMME IMPLEMENTATION

This section examines progress against the Strategy goals: on a sector by sector basis, in relation to lessons learnt, and in relation to the principles of regional engagement, partnership, effectiveness, harmonisation and coordination, and mainstreaming.

Table Five: Education: Intentions, Achievements and Unplanned Activities	
Overview: improve access and quality particularly in rural primary schools.	
<i>Intentions in the Strategy</i>	<i>Achievements (not planned in bold italics)</i>
A whole of sector approach to planning, coordination and alignment and a SWAp	Achieved better alignment Achieved pooled funding and a SWAp Funded information system (VEMIS) as a precursor to education plan (VERM)
EAP to address specific education needs for a transitional period.	EAP was judged a successful programme in many respects & closed before the SWAp got going
Increase resources for basic education.	Funding on an upward path apart from 07/08
Conclude a bilateral agreement on scholarships policy.	Moving towards harmonization with AusAID and GoV funding. No bilateral policy yet.
Align the scholarship agreement with the Country Strategy and with the Vanuatu Government's proposed National Human Resource Development Plan.	The National Human Resource Development Plan has not been completed. NZ-funded scholarships achieve gender equity but this is not the case for GoV funded scholarships
Short-term training in New Zealand will be detached from the Small Projects Scheme	This has occurred
NZAID acknowledges regional expertise from University of the South Pacific and the South Pacific Board for Educational Assessment (SPBEA) & opportunities for complementary activities under regional projects with NZAID funding, such as the Pacific Regional Initiative for the Delivery of Basic Education (PRIDE)	Not known the extent to which regional expertise has been commissioned. Post commented that PRIDE did some projects in Vanuatu in 2007 with some benefits but that they had a very broad focus SPBEA not that relevant to Vanuatu as it does not do French examinations

For the most part, intended actions were achieved in Education. The education plan and SWAp took longer than anticipated to get started and a stalled plan resulted in a dip in education expenditure in 2007/08. GoV officials and NZ-Vanuatu ODA Programme staff identify the reason for this as reduced capacity due to changes and gaps in staffing (including at Director General level) and the dissolution of the planning and policy function in the Ministry of Education (now re-established). Whilst VEMIS is still slow to generate information, getting this started early has meant that future progress, and monitoring, should not be held up due to a lack of data. There is general agreement that the Vanuatu Education Road Map (VERM) is a good plan, and the donor coordination SWAp has been successful. However, delivery is behind schedule with infrastructure delays and procurement policies identified as largely responsible. One gap in the VERM is an asset management plan that caters for growth in the school population and regular refurbishment of facilities. Staff at post identified the valuable contribution of the SAEG education team in Wellington to their day to day negotiations over policy detail through the implementation process.

Attempts to develop a National Human Resource Development plan were unsuccessful with an external consultant saying there was too little information. DSPPAC indicated they may pick this up. Achieving greater gender equity across all scholarships is difficult as many more men meet the criteria. This will change as girls' achievements increase.

Table Six: Governance: Intentions and Achievements and Unplanned Activities	
Overview: strengthening key institutions of central government evolving towards a second phase focusing on provincial government and increased support for civil society.	
Intentions in the Strategy	Achievements (not planned in bold italics)
Conflict analysis & identify risks and trends	Can find no evidence that this was done
Funds earmarked for Vanuatu-NZ policy research in the governance & related areas.	Can find no evidence that this was done
Institutional strengthening project in the corrections and probation area	Underway, slower progress than anticipated some successes according to evaluations.
NZ participation in governing body of "Governance for Growth Partnership"	This has not occurred
Strengthening central government will be considered in areas of need	TA to MFEM (concluded)
the secondment of a NZ District Court Judge to the Vanuatu Supreme Court for a further term.	This is ongoing with no plan to ease out of secondment
Assistance to judiciary from regional Pacific Judicial Development Programme (PJDP).	attendance at regional workshops
assistance to develop legislation for disputes over customary land to be dealt with by community-based tribunals rather than courts	Slow moving largely because of changing DGs. Now on track and joint with AusAID.
Move from central to provincial focus and civil society work	Support to WSB and VANGO to strengthen civil society voice especially women and youth
strategic partnerships/core funding arrangements with selected NGOs	New Strategy for Engaging with Civil Society funded two peak bodies – VANGO & VRDTCA
further design work on a programme to directly assist provincial governments to support Vanuatu's national development priorities.	Vira and Cowan report (2007) TA in the Department of Internal Affairs. GoV has signaled it wants more NZ support to progress provincial government strengthening
expand support to the Sanma Counselling Centre which provides domestic violence awareness training and counselling services	Plan to stop funding SCC post development of Civil Society Strategy
NZAID will provide a briefing to Vanuatu NGOs on opportunities available to them at a regional level, in Small Projects Scheme and through Short-Term Training Awards programme.	No evidence about this
Unplanned	<i>VBTC restoration of radio services Passport Upgrade (also allocated to Economic Development) Supreme Court restoration following a fire</i>

The governance area of work was very broadly scoped and permitted a large range of activities, not all of which have occurred. The largest project has been the work with Correctional Services which, whilst a chequered path, has seen lessons learnt – in particular about the need for close engagement by the NZ-Vanuatu ODA programme. The Corrections project has benefited from there being a larger, longer-term commitment in order to deliver real change. This work is not yet finished but expected to scale down in 2-3 years. The intended shift of resources away from central government to civil society and local governance has occurred to some extent with the Strategy for Engaging with Civil Society being developed to provide a framework for funding peak NGO bodies and, to some extent, the Small Project Scheme. The TA commitment to design work on provincial government is nearly completed and the next steps have not yet been scoped. Within the judiciary, efforts to engage with the Chief Justice around developing local capacity have been unsuccessful.

Table Seven: Economic Development: Intentions and Achievements and Unplanned Activities

Overview: Focus on activities that encourage the development of a productive sector as a source of livelihood and employment for Ni-Vanuatu

<i>Intentions in the Strategy</i>	<i>Achievements (not planned in bold italics)</i>
Consider ways of supporting REDI	REDI was wound up and some funds paid back
Interim activities identified for support until Productive Sector plan established	Still no Productive Sector plan. Interim activities assessed and some supported. VCCI – evaluated and awaiting new proposal Farm Support Association – core support Forestry programme – seeding project Agricultural census supported Quarantine incinerator provided – slow to use Facilitated marketing of livestock Contribution to Roading infrastructure (MCA) <i>more sizeable involvement than indicated</i> Trade negotiation capacity building (from regional)
<i>Unplanned</i>	<i>Inter-island Shipping research completed and willingness indicated to support Stage 2 infrastructure</i>

From an overview perspective, the discussion on economic development in the Strategy was the least focused of all the sector analyses and this has flowed on into a piecemeal approach to funding activities over the 2006-2010 period. The Strategy's background paper on challenges noted that the Rural Economic Development Initiative (REDI) had difficulties meeting the expectations of the provinces and communities and made suggestions for interim projects. It had anticipated that the Medium Term Strategic Framework being developed by GoV would provide guidance for expenditure on rural development. The NZ-Vanuatu ODA programme was a substantial donor (\$NZ 14 million over three years) via MCA towards improving main roads in the islands of Efate and Santo and this funding decision kept the programme expenditure on track despite slow progress on Strategy commitments. Overall this joined-up project has proved a success, and New Zealand's overheads were low due to planning and implementation being already completed or underway.

Table Eight: Other projects. Intentions and Achievements and Unplanned Activities

<i>Intentions in the Country Strategy</i>	<i>Achievements (not planned in bold italics)</i>
improve access to clean drinking water strengthened planning, coordination and service delivery for the water sector under the bilateral programme. This may initially take the form of supporting a Strategic Development Plan for rural water supply	National Water Strategy developed Training of community members to manage and maintain water systems carried out and stalled pending agreements on 2008 evaluation Slow progress – no funding of water plants apart from via SPS. TA job description agreed.
the Medical Treatment Scheme (MTS) will also be maintained as part of the bilateral programme under this Country Strategy. The MTS provides for medical evacuations in certain circumstances.	Medical evacuation occurred as planned
Small Project Scheme (SPS) – contestable fund - not discussed in Strategy, but incorporated in the Strategy for Engaging in Civil Society	Review recs to strengthen rural & gender focus, & management. Stocktake confirmed improvements but that GoV needed to do more

In relation to other projects (Table Eight), the failure to move forward from the National Water Strategy to an implementation plan is a major issue in light of water being a basic need. The main barrier to moving forward appears to have been capacity in the water and sanitation department and disagreements over the findings of an evaluation on community-based training. A number of ad-hoc water projects, funded by other donors, as well as the SPS, have been put in place over recent years. Nevertheless, Vanuatu may not meet the MDG target of halving the proportion of people without access to safe drinking water (Government of Vanuatu, 2010).

Responses to lessons learnt 2000-2005

Table Nine: Assessment of progress in relation to lessons learnt in 2000-2005	
Lessons (summarised from Strategy)	Response
Projects suffered as a result of weak project design, and/or poorly described or over ambitious project goals	Over-ambition appears to still be a problem in GoV led programmes eg VERM and Corrections
Inadequate project management structures and Logframes hampered project success	a problem with carried over projects. NZ has not funded new projects with poor design
Asset management training should have been factored into project design, but often wasn't.	It appears to be more common to include this now although note the absence of a clear infrastructure plan in Education
Project design needed to make specific provision with respect to inter-agency coordination and links with other organizations.	Not evident that this is a problem from case-study areas. Donors are more coordinated. Time involved is still a problem for GoV and GoV is not as coordinated as it needs to be.
The provincial aspects of projects were not sufficiently considered in design.	The Strategy did not consider how it would ensure projects reached rural communities
Long term commitments were needed for sustainable impact, including with respect to technical assistance, training and establishment of systems	The intention is to have long-term commitments and new commitments are for at least three years e.g. VANGO, VRDTCA as well as GoV projects
Government capacity issues needed to be carefully considered in project design, including human resource capacity and financial management (including recurrent budget implications).	Government capacity issues are recognised but there appears to be too little dialogue about how to address these at the planning stage – it is more of case of waiting for GoV agency to recognise and bring up the issue
Community awareness and training issues, and community consultation at project design as well as implementation and review phases, need to be fully considered.	There are fewer grass-roots projects being funded so this is less of an issue. This theme could be taken up in negotiations with GoV over their own programmes

There has been progress in moving towards longer term commitments. The NZ-Vanuatu ODA Programme's refusal to fund projects in the absence of a clear plan (eg with Water Supply) is recognised by DSPPAC, and government staff in rural water and sanitation, as the right thing to do.

DSPPAC is preparing its first 6 monthly M&E report for Cabinet. This information to Ministers is likely to increase their demand for speedier implementation or action on projects that are not delivering. DSPPAC's work to determine clearer divisions of roles and responsibilities amongst the three agencies that deal with donors is also expected to improve coordination on the Vanuatu side. This is important as some slow progress within the NZ-Vanuatu ODA programme has been attributed to inter-departmental coordination issues.

Additional support through regional programmes – not achieved

The Strategy indicated that NZAID would consider the scope for additional support for the Vanuatu Country Strategy from regional programmes. For the most part, this has not materialized. The post indicated that, when it sees a need, it links with regional programmes – such as the Pacific Regional Infrastructure Facility (PRIF). However, NZ-Vanuatu ODA Programme staff do not have detailed knowledge of what regional programmes do, and how regional programmes could support the Strategy. The post indicated it would be beneficial if regional programmes provided more information on what they could do to support particular countries or bilateral arrangements. Similarly, apart from some engagement with Oxfam, there was little engagement with New Zealand-funded NGO programmes.

Weak regional-bilateral relationships are not unique to the NZ-Vanuatu ODA Programme and this evaluation cannot ascertain whether the relationships are weaker in Vanuatu than in other countries. It is recommended that the New Zealand Aid Programme considers when and how to strengthen links and synergies across all its bilateral and regional programmes.

Partnership – partially achieved

As intended, the numbers of Aid staff at post have increased. The Development Counsellor and the High Commissioner regularly talk to GoV over its budget and human resource commitments. The Strategy also indicated that an increased proportion of consultancy and programme inputs would be sourced locally. Some evaluations have included ni-Vanuatu but there has not been an analysis of, or targets set for, achievements on this policy.

Effectiveness, Harmonisation and Coordination – mostly achieved.

The NZ-Vanuatu ODA programme followed through on the Strategy intentions to: increase its use of programmes and sector-based approaches; focus high level discussions on policy priorities; promote donor coordination; support GoV in its donor coordination role through supporting sectoral coordination meetings and supporting GoV to clarify its development policy priorities. The MCA roading commitment was another form of partnership which involved filling a shortfall rather than a bilateral commitment. Budget support approaches have not been seen as possible yet, but may be possible for Education in the future.

Mainstreaming – mostly achieved

The New Zealand Aid Programme is committed to designing and implementing all its programmes (including the Strategy) to take account of the cross-cutting objectives to: uphold human rights; promote gender equality and women's empowerment; encourage good governance; promote conflict prevention; limit the spread of HIV/AIDS; and protect the environment. Processes are in place to make sure cross-cutting issues are assessed and there is evidence that these are used. As examples, gender equity formed a major element in the evaluation and recommendations of the Farm Support Association, and following poor performance in relation to this criteria, gender equity is now a more prominent criteria for the Small Project Scheme. A gender stocktake was planned for the Strategy but did not go ahead. The SAEG gender advisor left shortly after the stocktake was agreed, and the newly recruited advisor has not yet taken up her position. Other programming initiatives took priority over contracting out the work.

SECTION FIVE: PERFORMANCE OF THE VANUATU PROGRAMME

Efficiency and value for money

The New Zealand Aid Programme defines value for money of activities as "achieving the best possible development outcomes over the life of an activity relative to the total cost of managing and resourcing that activity and ensuring that resources are used effectively, economical, and without waste" (NZ Aid operational guideline)

Value for money is difficult to discuss in the absence of specific, measurable goals. As Clark (2009:9) concluded "without an appropriate planning framework and specification of expected outcomes and impacts within identified baselines and indicators, it is difficult to quantify results and wider, long-term impacts."

This evaluation has no benchmarks from which to assess the efficiency of the overall implementation of the Strategy. Compared to having no Strategy, it is likely there would have been savings in relation to transactions around requests for new projects or programmes. In the absence of benchmarks, and a results-focused Strategy, how structures and systems have helped or hindered efficiency is discussed below.

Budget control

There are processes in place to prevent poorly designed projects being funded and to request funds back if they are not used. As well as active contract management, the programme used mid-term evaluations or stocktakes to manage financial and other quality risks in programmes that needed more oversight, or where reporting was not satisfactory (eg Farm Support Association). In terms of money going out the door, risks appear to be well-managed.

Strategy gaps

There are efficiency consequences of gaps in the Strategy. The vacuum of long term commitments in the economic development appears to have resulted in there being many (time-intensive) expectations on the programme to engage in discussions and consider small projects that fit within the ambit of the Strategy.

Assessment of new initiatives

There are appraisal guidelines (NZ Aid Activity Appraisal Guideline) which provide standard questions, largely related to OECD DAC evaluation criteria, to assess new initiatives. From a Value for Money perspective, these guidelines could be augmented to ensure there are clearer requirements in relation to sustainability, including skills maintenance and asset management, and that key policy issues pertaining to efficiency are also canvassed. This could include questions such as: why ODA is being sought as opposed to accessing country budgets, user charges, loans or a mix of funding sources; whether the project being mooted is the best way to address the purpose and outcomes sought and what other options have been explored.

Leadership and human resources

Aid is a resource intensive business; the number of Aid staff at NZHC has more than doubled to support an Aid budget that has tripled in value since 2003/04. It is intended to reduce the Wellington-based staff component by one person over the next year. Human Resource issues within the New Zealand Aid Programme are a major cost in the overall budget, but were not part of this evaluation. This section draws observations only.

Country consultations suggested that whilst the NZ-Vanuatu ODA Programme was well-regarded for its commitment to process, it needed to pay more attention to achieving results, to be more decisive in relation to projects that were not proceeding as planned, and to not let a proliferation of small projects deter it from a more strategic focus.

Responsibilities for the NZ-Vanuatu ODA Programme are split between Wellington (planning and evaluation) and Post (implementation). Staff (in Wellington and Post) have parallel responsibilities for programme items and the Development Counsellor (Post) and Deputy Director (Wellington) are peers in the hierarchy. There has been no shift of financial delegation to the Post, as mooted in the Strategy, and post staff need to refer to Wellington on many matters. Engagement between the two locations appears to vary from DPM to DPM, and major programme issues are discussed in a weekly teleconference (or more frequently when required). The High Commission is regarded as a single entity by the Vanuatu government, and the High Commissioner as the overall manager. The current High Commissioner keeps closely involved with the NZ-Vanuatu ODA Programme and has played a hands-on diplomatic role in relation to both trouble spots and barriers such as churn in appointments of Director Generals of departments.

From the outside, the NZ-Vanuatu ODA programme processes look complex and not a good fit in an environment where ODA is shifting from projects to large sector-based commitments involved pooled donor funding. This means more planning, decision-making and influence needs to occur in the field and often via negotiation.

Consultations also indicated the programme needed to pay attention to its profile in recognition of its status as a large donor. An example cited was the limited information about what it funds (eg through the website).

The integration of the programme back into MFAT presents an opportunity to reinforce the overall the leadership of the High Commissioner, and this is anticipated in the guidelines for the JCID. A risk here is the different priorities and emphasis of the New Zealand Aid Programme and the diplomatic arm of MFAT. This could be managed by the High Commissioner, the Development Counsellor, and their staff having a media/communications plan which seeks a higher public profile and shared public messages around ODA, as well as acknowledging links to other New Zealand policies such as RSE. The merger also presents an opportunity to reassess the locus of delegations and the skill levels of staff with different levels of responsibility.

There may be scope to streamline reporting, and to empower staff at the Post, through supporting their development work via best practice literature reviews and "what is in it for Vanuatu" pieces on regional programmes funded by MFAT. It would also be timely for the New Zealand Aid Programme to look at benchmarks across the Pacific related to expected costs and other indicators of efficiency and effectiveness.

Effectiveness and Sustainability

The lack of a results framework and time-bound outputs makes it difficult to assess the effectiveness of the programme of work that flowed from the Strategy. Programme elements (Tables 5-9) indicate that the Strategy was ambitious in relation to the speed at which projects have progressed and a number of projects have faltered or stalled. Monitoring and evaluation (Table 4) indicates there is room to lift the numbers of

excellent and good results and reduce those that are just adequate or unsatisfactory. Performance in relation to the OECD-DAC Aid Effectiveness principles has been strong.

Coordination, mutual accountability and encouraging government ownership

The NZ-Vanuatu ODA Programme has had a positive impact on improved coordination, mutual accountability and encouraging government ownership. Post staff are viewed by other donors and GoV as committed to coordination and government ownership, which is consistent with the Strategy's implicit logic (Table Three). Programme staff regard themselves as honest brokers who take a long view, build trust and good relationships, listen and provide support. NZ has increased its use of Vanuatu government's financial systems so GoV can integrate its own and donor resources.

The Vanuatu government's creation of DSPPAC within the Prime Minister's department, and staff increases, support the development and management of the GoV's plans, the monitoring of achievements, and coordinating donors. DSPPAC recently convened and led a donor roundtable for the first time.

As discussed, the Strategy's M&E framework dovetails with the Vanuatu Government's own M&E framework and quarterly meetings with DSPPAC are developing mutual accountability for moving forward and solving problems. Similar structures for regular planning and progress meetings are evident at the sector level. Planning documents and agendas show that, at both the overall programme level and in relation to sectoral coordination meetings such as those in Education, NZ-Vanuatu ODA Programme staff are well-prepared for meetings and take on responsibilities for following up on issues. Strong relationships at the sector level are important as this is where programme progress is determined.

Within the Education sector, both GoV and donors report the debate on the delivery of per-child subsidies in education, and how this might be linked to supporting quality improvements, was positive. To minimise coordination efforts, donors have a rotating single contact point for the education SWAp. The post sees the potential for sector budget support within Education as reporting and management improves.

Capacity Issues

Programme evaluations and discussions highlighted capacity issues as a barrier to Aid effectiveness. Many people consulted considered not enough was being done to address capacity, and other barriers to development progress, across government.

The Vanuatu government needs to do more to address the churn of Director Generals, the high levels of vacancies, slow appointment processes, and people (particularly in management) not having the right skills for their public service position. During the evaluation, the Public Service Commission signaled that it intended to move forward on this agenda and that it may seek New Zealand assistance to do this.

The NZ-Vanuatu ODA programme provides external technical advisors (TAs) and it is recommended there is a greater focus on how to maximize TA effectiveness. The evaluation of the Corrections project recommended that the New Zealand Aid Programme supports TAs to be more focused on developing individual and organizational capacity. An AusAID study on capacity building in public finance in the Pacific concluded, amongst other things, that the sequencing of assistance was important to ensure ownership and agencies needed to have a clear vision and focus

first, pre-project situational analysis could require its own short TA placement, followed by design, exist strategies were important and twinning arrangements and on-the-job training are good strategies (AusAID, 2004). Some people consulted considered both donors and the Vanuatu government were too quick to opt for TAs as a solution to capacity building. While the job might get done, counterparts are not always in place, and therefore new systems and processes are not always sustainable. In addition, some TAs would benefit from orientation and training to maximize their effectiveness. Experience in both the Corrections and the decentralization projects, indicate that the NZ-Vanuatu ODA programme needs to maintain a strong overview of projects with TAs and not rely on TAs to determine the next phase of support.

Other capacity solutions suggested in Vanuatu included: more training at the executive level of government, the need for management and other higher level training being available in Vanuatu; and more focus on ensuring women progress in the public service so that there is a larger pool of talent to choose from. There was a GoV application to contract a New Zealand university to provide executive training in Vanuatu under the Strategy. This was not funded due to lack of contestability and it may be worth revisiting.

Planning

The quality of analysis in the Strategy and background papers was patchy and this flowed through into the quality of the programme on the ground. As discussed earlier, school education is beginning to benefit from a clearly charted direction. The Corrections project has benefited from a consistent ongoing commitment which evaluations suggest has become more focussed over time. However, despite the Strategy stressing higher living standards in, and getting services to, rural areas, this has not been achieved. There was never a clear plan of how this was to occur.

In the Governance area, there is a substantial gap between what GoV is aiming for in terms of strengthened provincial government and what the current NZ-Vanuatu TA assignment is going to deliver; a point not addressed in the partnership agreement which suggests a long-term relationship despite the Strategy being cautious about expanding into the area of provincial government. GoV indicated it will seek more support in this area. The NZ-Vanuatu ODA Programme funded the Vira and Cowan report (2007) which identified a large number of actions that needed to occur for improved service delivery in the provinces. The Programme needs to critically assessed progress to date, and develop its response to the GoV's proposed direction.

Other Governance commitments would benefit from more planning. The frame that suggests funding peak bodies and the SPS within the Strategy on Engaging with Civil Society is not well linked to its earlier analysis. New Zealand appointing the judge it funds has apparently been important to lifting standards in the judiciary. From a development perspective, however, there needs to be criteria for moving towards a modality where the Vanuatu judiciary takes more ownership.

Economic development is the least-well scoped aspect of the Strategy, largely because there was an expectation of a clear GoV initiative for rural development framework. Since this evaluation started, a two-person investigation (from the NZ-Vanuatu ODA programme and SAEG) has begun into future directions for the programme's support to economic development.

Addressing barriers within committed programmes and projects

Slow progress within projects and programmes was common and there has been limited success in getting traction on stalled projects. While a major barrier appears to have been the capacity and staffing issues at the GoV end, other factors contribute.

The Vanuatu government needs to address structural and legal barriers that slow the pace of development implementation. One example is the approval processes for government contracts. The Wan Smolbag evaluation also drew attention to the slowness of payments being processed through the Vanuatu government systems.

The NZ-Vanuatu ODA programme's culture of moving at the partner's pace is reasonable in terms of not wanting to drive programmes. However, it has a downside of sometimes being too hands-off and waiting for departments to take the next steps. This has reputational implications where NZ has put its hand up to support key projects that then don't succeed. The programme has now taken steps to manage this through the establishment of partnership agreements in the areas of decentralization and corrections.

The development of VEMIS whilst the broader education plan hit road blocks was a useful strategy to move an element of a project forward in isolation. This approach could have been used to get information on rural water systems and information for the proposed Vanuatu Human Resource policy in place as a base for future plans. There could be ownership risks, however, if such processes are not managed well.

Cross-cutting issues

The New Zealand Aid Programme is reviewing how to best manage cross-cutting objectives in all its programmes. Currently, cross-cutting issues are assessed as a standard item in assessments of new projects and proposals, but also need to be visible in monitoring frameworks. There are some gender indicators in the M&E Macro-indicator monitoring (although there could be more) and in sector projects.

At present, it is not clear how the NZ-Vanuatu ODA Programme would know whether indicators on cross-cutting issues were improving or deteriorating. There was no evidence presented from which to judge how cross-cutting issues have affected programme outcomes overall. There is a risk that regarding issues such as gender and environmental degradation as cross-cutting does not give them the attention their significance demands.

The programme could also consider paying explicit attention to the impacts of issues that are specific to Vanuatu such as Wantok. A strategy used to manage this in the scholarship area was to remove identifying data from scholarship applicants' forms to enable more detached decision-making.

Impact of the Strategy

This section is, unfortunately brief. The following quote from the assessment of the 2000-2005 Vanuatu country programme unfortunately still applies in 2010.

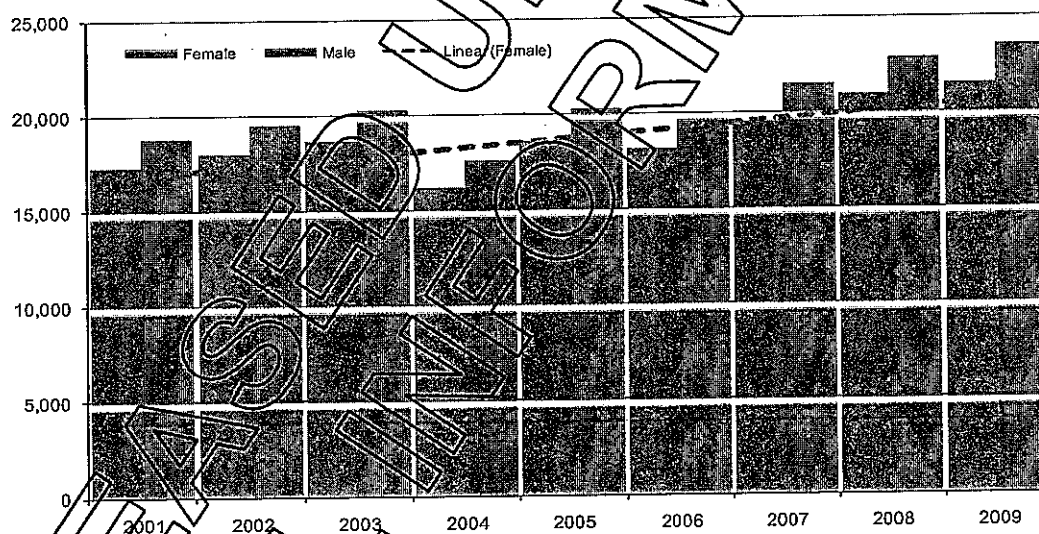
"While the 2000-2005 Country Strategy emphasised a focus on rural communities, it proved difficult to realise this goal... Reaching rural areas means addressing a range of socio-economic factors, including lack of infrastructure and wide variation between communities, in terms of leadership structures, levels of education, access to services,

etc. It also requires innovative approaches to project management, to overcome issues such as the tendency for resources to drain into central management structures, rather than being mostly directed to the community-level”

Table Four provides the best sense of impact of the Strategy’s implementation over the last two years. Impacts on the ground are difficult to measure and most activity evaluations have indicated that it is too soon to measure impacts. Evaluation of the EAP programme found evidence of improved literacy levels from the book flood and the mid-term evaluation of Wan Smolbag found its activities were all achieved or over-achieved and have led to employment creation, and contributed to good governance and better service delivery, particularly in the provision of reproductive health services. The NZ policy most often mentioned in Vanuatu as having a large developmental impact was the RSE scheme that enabled Ni-Vanuatu to work in New Zealand (later reinforced by the ODA programme to update passport systems). The impacts of roading reforms in Efate and Santo are being measured. Discussed below is the evidence of impacts in the two major expenditure areas of education and the justice sector in governance.

Education

Graph 4: Primary school enrolment, 2001-2010 (source Vanuatu government Annual Development Report)



There were indicators of increased quality over the Strategy period both during and since the Education Achievement Programme (EAP); literacy and numeracy results for year 4 students have increased and the percentage of primary teachers who were certified increased from 50.5% in 2008 to 56% in 2009 (VEMIS). The numbers of children in primary school is on upward trend as is gender balance (Graph 4). However, the best data available from VEMIS which estimated the proportion of children at school from attendance numbers and population estimates by age group indicates that the proportion of year 1-6 children at school has stayed at 82% since 2007 and may have dropped to 80% for 2009. (Ben McKenzie, DPM Port Vila). The programme goal of “improvements in quality and access for all in basic education, and particularly in rural areas, achieved by 2010” has only partially been achieved. Vanuatu appears unlikely to meet the MDG of universal primary education by 2015 although efforts to do make it potentially possible (Government of Vanuatu, 2010).

Justice Sector

Impact on prison escapes

Two incidents involving a total of 12 escapes from February 2009 to August 2010 represent the lowest rate of escapes in the last 11 years. Prior to February 2009 there were mass breakouts involving up to 50 detainees almost every two years (sometimes as a form of protest regarding poor conditions) along with an almost constant 'leaking' of smaller numbers of detainees. The marked improvement in security and public safety over the last represents a major achievement and the project in Corrections has clearly resulted in enhanced public confidence (John Claasen, DPM, Port Vila, data from the prison service)

Impact of judge on court cases

The number of cases pending went down from 683 at the end of 2008 to 453 at the end of 2009 (although there were 100 less new cases filed during 2009). During 2008 the number of current Supreme Court cases increased by 40, while in 2009 it decreased by 230. This improving trend in the Court's throughput is directly attributable to NZ assistance because over 50% of cases were disposed of by NZ-supported long- or short-term judges, including temporary judges who were not provided in 2008 (John Claasen, DPM, Port Vila, data from Justice Sector)

Summarising strengths and weaknesses

Overall, the strengths of the implementation of the Strategy have been in process; in the establishment and maintenance of good communications with the Vanuatu government and in the commitment to working towards the DAC principles of Aid Effectiveness. There also appears to be good risk management systems around the release of funds and a strong commitment to only funding on the basis of clear plans. Budgeted expenditure has been maintained through taking on additional commitments, which appear to have been well-planned and executed. The Strategy has also reduced transaction costs where funding applications fall outside the Strategy. It has been partly successful in achieving fewer "bigger, deeper longer" commitments.

Weaknesses in the Strategy's analysis have followed through into weaknesses in the programme areas. The Strategy has been adhered to over the five period largely without review. Planned stocktakes (mid-review and gender) did not take place and it has taken a long time to reconsider commitments in the economic development area. The Strategy paid too little attention to what the NZ-Vanuatu ODA programme needs to do beyond an adherence to Aid Effectiveness principles. There was little guidance in the Strategy, or elsewhere in NZAID programme guidelines on how to manage for results, on what constitutes best evidence-based practice, and on benchmarks against which country programmes can measure their performance. That said, the M&E framework is starting to generate deeper discussions about programme management and mutual accountability.

The Strategy's implementation focused most attention on the ODA spend. In the future, gearing the NZ-Vanuatu ODA programme more strongly towards its goal that New Zealand's ODA makes a greater, positive difference in Vanuatu, particularly to the poor (Table Three) is likely to bring the benefits of an NZ Inc approach where the programme spend is seen as a critical lever, but only one of many that New Zealand has, to support Vanuatu's development.

Section Six: Lessons and implications of the findings for a new framework

Over the Strategy period, both the Vanuatu and New Zealand governments have shifting further towards considering whole sector needs and paying more attention to planning, monitoring and evaluation so that the ODA spend is more cost-effective and focused on results. The NZ-Vanuatu ODA programme has made considerable advances over the last five years particularly in relation to supporting donor coordination, the Vanuatu government's leadership of donor-supported development, and using GoV systems. The establishment of M&E has set up a robust framework for strengthening mutual accountability and solving problems. There are demonstrable impacts of some programmes on the ground, for example in Corrections, School Education, the MCA roading project and Wan Smolbag.

However, progress against plans has generally been slower than expected and, in some cases, programmes stalled. Achieving Aid Effectiveness requires attention to more than the OECD-DAC principles: Good governance, including capacity development, non-corruptible processes and participatory processes, are essential underpinnings to achieving Aid Effectiveness. (Kaufmann, 2009; UNIFEM, 2007).

The next five year programme needs to contextualise the OECD-DAC principles within the very real challenges facing Vanuatu. Two gaps that are barriers to achieving Aid Effectiveness that have emerged from this evaluation are:

- getting traction when there are capacity issues or other factors that slow down the partners' actions on an agreed element of the Strategy
- the NZ-Vanuatu ODA Programme needing to undertake further analysis to assess the feasibility of, and what is needed for, success in the projects it supports.

Addressing both these gaps requires a greater attention to planning and problem solving on an ongoing basis. Continuing the shift to fewer "bigger, deeper, longer" activities will be needed to ensure resources are not spread too thinly. Taking advantage of opportunities to work in with other donors on good quality projects, as occurred in roading, will also support resources being concentrated on areas of need.

Another lesson from this evaluation is that a plan that lasts for five years needs to be reviewed or tweaked within that period to cater for changed circumstances. Regular review on what is being learnt and what is working is important. The commitments made by both governments within the JCfD will directly reinforce the new plan.

It is recommended that the new framework be focussed around the NZ-Vanuatu ODA programme and its goals (the implicit logic in Table Three), as well as linkages with other New Zealand supported policies and programmes. This will clarify that what is being planned for is not the Vanuatu government's performance, but the NZ-Vanuatu ODA programme's performance in relation to the programmes it supports.

The areas New Zealand ODA has supported remain relevant even in the light of changes to New Zealand's policy around ODA, and the emerging challenges in Vanuatu related to issues such as the limited flow of growth benefits to ni-Vanuatu, urbanisation and poverty, environmental degradation and the need to focus on sustainable development. Education is key to improving the ni-Vanuatu share of economic wealth, safety and stability are essential to achieving effective and intelligent development, and good governance will be reinforced by rising education levels. It is recommended,

however, that there is a process established to monitor need in relation to these emerging issues.

Improving quality and access to school education is likely to fully occupy the Education sector for the next five years, and scholarships are still needed, so there is no need to review these commitments over the next five or more years.

In the Governance area, the commitment to Corrections has several years to run. It is recommended that consideration as to whether the programme's commitment to decentralization is scaled up, and extended, is given early attention. As noted by Vira and Cowan (2007) success in this area is dependent on changes occurring across government. Both potential benefits and risks of continuing to work in this area are high. The Vanuatu government has signalled a possible interest in capacity building for Directors General, and it would be timely to consider appropriate criteria and a pathway to an exit strategy from the direct provision of a New Zealand judge. It was intended that the Strategy for Engaging with Civil Society would be reviewed in tandem with this evaluation. It is recommended that this review happen around 2012 so there is time to see results from that Strategy.

Access to clean water is an important development issue and one which many consider feasible to achieve. If the NZ-Vanuatu ODA programme is to continue supporting this area it is recommended that it is given a high priority with results specified in the JCfD.

There were different views expressed in Vanuatu about the programme's role in Economic Development including: whether the emphasis for economic development should be on rural areas or not, whether it should be on the private sector; and what more was needed to support economic development. This is an area requiring substantial analysis, which has already begun. The Pacific Strategy acknowledges the importance of an enabling environment, and access to markets. There is a wealth of international and local knowledge on how to get the kind of bottom-up development that is needed by the geographically-dispersed ni-Vanuatu population (see, for example, OXFAM, 2010 and Buse et al, 2008). The Small Project Scheme could be an important instrument to stimulate and support grass-roots economic development. The RSE is a unique feature that could be integrated into economic development in Vanuatu. Already, some ni-Vanuatu are using their RSE savings to support community needs such as supporting local businesses, and improving housing and water supply (Evalue, 2010). MFAT has considerable expertise about trade on which to draw. There is also an option to focus on infrastructure over the next five years, if there is a judgment that this is sufficiently important as an access to market issue.

Many of the issues identified in the evaluation are larger than the NZ-Vanuatu ODA programme and require systemic change. The evaluation found that while organization-wide processes and guidelines related to financial control and Aid Effectiveness principles are well-developed, there are gaps in: ongoing support for M and E systems and its moderation; performance benchmarks for country programmes; and in analytical and content support. While there are individual Strategy, Advisory and Evaluation Group (SAEAG) advisors who can be called upon for input, these advisors are generally stretched (the Education area was noted as an exception) and expertise is not available in all areas. There could be benefits from developing best practice resources to support work across the Pacific on common development issues such as best practice on: TA use; rural water supplies; and getting services to remote islands.

Recommendations

1. The new framework be of five years duration and be focussed around the NZ-Vanuatu ODA programme and its goals, activities and results
2. Note that the areas of focus in the 2006-2010 Strategy remain relevant even though there are new emerging challenges in Vanuatu and there have been changes in MFAT's ODA policy settings
3. The GoV and the NZ-Vanuatu ODA programme have preliminary discussions around the possible programmatic areas for the next five year plan so that both parties have time to undertake the necessary research and assessments prior to a finalised JCfD
4. The NZ-Vanuatu ODA programme and DSRPAC advise their governments on the inclusion (or not) of the following elements of a new programme:
 - access to rural water, how this will be achieved and inclusion of results in the JCfD
 - scaling up the commitment to decentralization
 - capacity building for Directors Generals that includes enhancing their authority around hiring and firing, and budget management
 - infrastructure support (including shipping)
 - other economic development proposals
5. The NZ-Vanuatu ODA programme includes the following in its next five year plan:
 - a logic model and management plan that focuses on its performance and what else is needed to be effective beyond the OECD-DAC Aid Effectiveness principles
 - continued commitments in Education and Corrections
 - criteria that will be used to determine an exit strategy from the programme whereby New Zealand directly employs a New Zealand judge for Vanuatu
 - stocktakes and monitoring of the current cross-cutting issues and emerging issues (such as urban poverty and land alienation) noted in this evaluation
 - a review of the Strategy for Engaging with Civil Society in 2012
6. The MFAT consider the following issues that arose in this evaluation and have application beyond the Vanuatu programme
 - the establishment of benchmarks related to expected costs and other efficiency and effective indicators from which to assess the efficiency of the implementation of ODA
 - how regional programmes can be better linked to and supportive of bilateral programmes
 - the need for best practice guidance on supporting Technical Advisors and on addressing common development challenges across the Pacific
 - support for M&E frameworks, peer review and moderation
 - the implications of more SWAps and country-led development programmes, and the integration of NZAID into MFAT for accountabilities and HR needs in posts
 - ways to ensure that key policy questions are incorporated in the assessment of programmes and priorities. These include: why ODA is being sought as opposed to other funding sources; whether the project being mooted is the best way to address the purpose and underlying problem; and having clearer requirements in relation to sustainability.

Appendix One: Glossary of acronyms used

ADB	Asia Development Bank
AusAID	Australian Agency for International Development
CRP	Comprehensive Reform Programme
DAC	Development Cooperation Directorate of the OECD
DG	Director General
DPM	Development Programme Manager
DSPPAC	Department of Strategic Policy, Planning and Aid Coordination
EAP	Education Assistance Programme
EU	European Union
GoV	Government of Vanuatu
HDI	Human Development Index
IDG	International Development Group (formerly NZAID)
JCfD	Joint Commitment for Development
LOV	Letter of Variation (to contract)
MAQFF	Ministry of Agriculture, Quarantine, Forestry and Fisheries
M&E	Monitoring and Evaluation
MCA	Millennium Challenge Account
MDG	Millennium Development Goals
MFAT	Ministry of Foreign Affairs and Trade
MFEM	Ministry of Finance and Economic Management
MoU	Memorandum of Understanding
NZAID	New Zealand Aid, now the New Zealand Aid Programme or IDG
NZHC	New Zealand High Commission
ODA	Overseas Development Assistance
OECD	Organisation for Economic Cooperation and Development
PAA	Vanuatu Priorities and Action Agenda 2006-2015
PLAS	Planning Long, Acting Short, the Government's Policy Priorities (2009-13)
REDI	Rural Economic Development Initiative
RSE	Recognised Seasonal Employer
SAEG	Strategy, Advisory and Evaluation Group of the New Zealand Aid Programme
SOPAC	Pacific Islands Applied Geoscience Commission
SPC	South Pacific Community
TA	Technical Advisor
TOR	Terms of Reference
UNICEF	United Nations Children's Fund
VANGO	Vanuatu Association of Non Government Organisations
VCSI	Vanuatu Chamber of Commerce and Industry
VERM	Vanuatu Education Road Map
VEMIS	Vanuatu Education Management Information System
VM	Value for Money
VRDTCA	Vanuatu Rural Development and Training Centres Association
WSB	War Smolbag

Appendix Two: Terms of Reference for Evaluation of NZAID's Vanuatu Country Programme (and Strategy) 2006-2010.

Background

A country programme strategy (Strategy) was agreed in June 2006 to provide direction to New Zealand's development cooperation in Vanuatu over the period 2006-2010. For further background, see Annex 1.

A Monitoring and Evaluation (M&E) Framework for the Strategy was developed in 2009 to guide ongoing M&E of the Strategy, aid effectiveness, achievement of intended results, and risks.

Rationale and Purpose

The results of the evaluation will be reported to NZAID and the Government of Vanuatu (GoV). This evaluation of the Strategy will:

1. Inform a new strategic framework for 2011 to 2021 that will reflect changes in the context and strategic priorities of the two countries. The new strategic framework will be known as a Joint Commitment for Development (JCfD) and will be signed at Ministerial level,
2. Provide learning for IDG about this country strategy and programme and other country programmes, to facilitate improvement,
3. Provide learning for GoV about this country programme/strategy that can inform recommendations for the new JCfD; about the process of evaluation of ODA; and about donor coordination,
4. Provide accountability for GoV and NZ Government around the Vanuatu country programme,
5. Inform future funding decisions.

The evaluation is intended to assess the relevance and usefulness of the Vanuatu programme strategy, what difference the NZAID Vanuatu programme has made (results), how well the programme has been implemented (efficiency), and to provide recommendations for future strategic direction.

Scope

NZAID's Vanuatu Country Programme (and Strategy) 2006-2010 are the foci of the evaluation. That is, the evaluation includes assessment of the strategy itself and the programme of activities predominantly undertaken during this time to implement it.

The evaluation will examine the Strategy, M&E framework, annual plans and reports, individual activity reports, the programme as a whole, and any other relevant aspects of the NZAID programme's implementation of the Strategy (e.g. high level consultations, other interaction between GoV and NZAID).

Regional and/or global programmes administered by the NZAID programme and other government or regional agencies were not covered by the Strategy and will therefore not be a focus of the evaluation. However the evaluation will address coherence of New Zealand-funded regional programmes in Vanuatu in terms of their effect on the

effectiveness of the bilateral programme, and management by New Zealand staff of bilateral and regional programmes in relation to the efficiency of implementation of the programme.

Objectives

The evaluation will focus on four objectives. Sample questions are included under each objective for guidance only.

For each objective, the implications of the findings for the new strategic framework should be reported (see Objective 4).

- 5) To assess the Strategy document's and M&E Framework's relevance and usefulness in guiding the NZAID Vanuatu programme (and the monitoring of its performance) over 2006-2010.
 - a. To what extent was/is the Strategy relevant to the country context (at the time of the Strategy was developed) and now)?
 - b. To what extent was/is the Strategy relevant to and aligned with the priorities, policies and strategies of the Vanuatu government, and the NZAID programme?
 - c. What other contextual changes have affected the continuing relevance of the Strategy?
 - d. To what extent was/is the Strategy useful as a clear strategic guide for implementation of the programme?
 - e. To what extent was the M&E Framework useful for monitoring the performance of the programme?
- 6) To assess and explain the extent to which programme implementation has followed the Strategy.
 - a. To what extent did or does the collection of activities and other aspects of the programme follow/reflect the Strategy?
 - b. What are the reasons for any divergence of the programme from the Strategy?
- 7) To assess and explain the performance of the Vanuatu programme over 2006-2010, and to identify the factors that have enhanced or constrained performance (eg modalities, number and size of activities, coherence with regional programmes).
 - a. Effectiveness:
 - i. To what extent has the programme been effective in achieving the objectives and outcomes as stated in the strategy, and the M&E framework?
 - ii. How have cross-cutting issues and aid effectiveness commitments affected the programme outcomes?

- b. Efficiency and value for money:
 - i. To what extent have resources been well used in achieving programme outcomes?
 - ii. To what extent has the programme provided value for money?
- c. Sustainability
 - i. To what extent has the programme fostered ownership by partners?
 - ii. To what extent has the programme established/enhanced capacity, processes and systems that are likely to be sustained?
 - iii. To what extent are programme results/benefits likely to be resilient to risk, and sustained?
- d. Impact:
 - i. To what extent has the programme contributed (or how likely is it that it will contribute) to its aim?
 - ii. What unintended outcomes (positive and negative) have occurred?
- e. Overall:
 - i. What are the key strengths and weaknesses of the Strategy, and the programme guided by the Strategy?
 - ii. To what extent, and how effectively have mainstreamed and cross-cutting issues been addressed in the programme?
 - iii. To what extent were good relationships and communication established and maintained with stakeholders (e.g. partners, NGOs, other donors, other organisations), and how did this affect performance of the programme?
 - iv. To what extent has risk been well managed?
 - v. What other factors have strengthened or constrained the performance of the programme?

- 8) To identify learnings, describe the implications of the findings (and learning) for the new strategy and make recommendations that will inform:
 - a. A new strategic framework for 2011-2021;
 - b. A new M&E Framework; and
 - c. Funding decisions.

Governance and Management of the evaluation

The evaluation will be governed by a steering committee which will be responsible for signing off the Terms of Reference, selection of a contractor, approving the evaluation plan, commenting on the draft report and addressing issues that are not resolved by the consultant and programme team. The steering committee will also sign-off the evaluation report as final when it is satisfied that the Terms of Reference are met.

The evaluation will be managed by the NZAID Development Programme Manager in Wellington, who will be responsible for contracting issues, day to day administration and arrangements, receiving outputs, and coordinating and ensuring feedback is provided to and adequately addressed by the evaluator.

Methodology

Approach

In line with the NZAID Evaluation Principles, the evaluation should be transparent and independent, and be conducted in partnership with the GoV to as great an extent as possible. The evaluation should also support the evaluative capability of the GoV (around evaluation of Official Development Assistance).

The evaluation will draw on all the evaluative activity carried out under the auspices of the Strategy since its inception, as well as relevant evaluative work carried out by the partner government, other donors and agencies, and local institutions and organisations.

The evaluation will begin with a desk study in Wellington, covering analysis of files, reviews/evaluations and supporting documents available in NZ. An estimated two weeks of field work in Vanuatu will follow, based at the New Zealand High Commission offices, with meetings as needed.

Evaluation plan

An evaluation plan will be prepared by the consultant in advance of the desk study, and can be revised after the desk study and before the field work begins if necessary. See Annex 2 for details of what should be in an evaluation plan.

The evaluation plan will be submitted to the evaluation manager in Wellington and will be approved by the Steering Committee. The evaluation plan (or a summary of it) should be appended to the report, and the main points included in the methodology section of the report. The evaluation plan will clearly discuss how relevant main streamed issues will be assessed in the evaluation.

As a starting point for the evaluation the evaluator should assess whether the intended 'logic' (aim, objectives and outcomes) of the Vanuatu programme is clear, and whether (and how) it has changed over time. If it not clear, or has changed then the logic should be retrospectively reconstructed in order to assess performance.

Outputs and reporting requirements

The contract will be held with NZAID and reporting will be made in the first instance to the NZAID Programme Manager in Wellington.

Outputs to be provided by the consultant:

- i Evaluation Plan
- ii Feed back to stakeholders through a workshop or aide memoire as agreed with the Steering Committee
- iii Draft report on the evaluation, including recommendations, conclusions and lessons learnt.
- iv Final report incorporating comments and feedback from peer review

NZAID will provide the draft report to GoV and invite feedback. NZAID will advise the contractor if further work and/or revision of the report is required if the report does not meet the TOR or the quality is not of an acceptable standard (ie NZAID Guideline on the Structure of Review and Evaluation Reports and DAC Evaluation Quality Standards).

Proposed Timeframe

The evaluation will be conducted in July –August 2010.

Activity	Days (max)	Timeframe	Milestones for payment
Briefing in Wellington & literature review	2	1-2 July	
Prepare Evaluation Plan	1	6 July	Evaluation Plan accepted by Steering Committee 10%
Desk Evaluation and consultations in Wellington	5	12-16 July	
Consultations in Vanuatu and feedback to stakeholders on initial findings and recommendations	10	9-20 August	Feedback to stakeholders 20%
Submit Draft Evaluation Report	4	30 August	Draft report received by Steering Committee 50%
Collated feedback provided by NZAID		13 September	
Incorporate feedback and prepare final draft report	3	20 September	Final report accepted by Steering Committee 20%
Contract end date		27 Sept	
Total	25		100%

Follow-up to the evaluation

The findings and recommendations will be reported to the New Zealand and Vanuatu governments, and to other stakeholders and donors in Vanuatu. The report will be taken to the NZAID Evaluation Committee and will be used by the Vanuatu programme team as part of the development of the new strategic framework and JCfD.

The final report will be appraised before being considered for public release by NZAID's Evaluation and Research Committee. The report, or any part of the report, will be made available publically (e.g. on the NZAID website), unless there is good reason not to do so. Any information that could prevent the release of the report under the Official Information or Privacy Acts, or would breach ethical standards, must be placed in a confidential Appendix.

Sources of written information

Reference material should include but not be limited to:

- Government of the Republic of Vanuatu, Planning Long, Acting Short 4 Year Matrix 2009-2013

- Government of the Republic of Vanuatu, Priorities and Action Agenda 2006-2015
- Relevant NZAID Strategies and Policies
- NZAID Guideline on Aid Modalities
- NZAID Guideline on the Structure of Review and Evaluation Reports (#1282921)
- NZAID Screening Guide for mainstreamed and other crosscutting issues
- OECD DAC Evaluation Quality Standards
- NZAID Guideline on Reviewing and Evaluating NZAID Country Programmes
- NZAID, Vanuatu Development Programme Strategy 2006-2010
- NZAID, Vanuatu M&E Plan (#2110356)
- NZAID, Correctional Services Review (#1358277 & #2101443)
- NZAID, Education Assistance Programme (#2099944)
- NZAID, Small Project Scheme Review 2007 (#1358266) and stocktake 2010
- NZAID, VCCI Review (#2102610)
- NZAID, WanSmolBag Review (#2199597)
- Other relevant Vanuatu programme activity completion reports

Skills and experience for the Consultant

- Substantial positive experience, and expertise, in reviews and evaluations
- Experience in country level evaluations/reviews
- Ability to look at 'big picture' analysis of strategies and programmes
- Familiarity with NZAID Programme Strategies and Policies
- Strong research and analytical skills
- Experience of working in the Pacific (particularly Melanesia) and understanding of the Vanuatu context
- Excellent written communication skills

Annex 1

Context

Vanuatu's population of approximately 243,000 is estimated to be growing at the rate of 2.6 % annually, with 77% living in rural areas, mainly supported by subsistence-based agriculture. An estimated 40% live below the US\$1 per day poverty line. Unemployment rates are high; growing income inequality, urban drift and the consequent expansion of informal settlements have increased social pressures and the risk of conflict. Land disputes are a significant social and economic issue. Vanuatu also has a high vulnerability to natural disasters.

The national economy had been showing positive economic growth for several years due to tourism, real estate sales and construction. In contrast the agriculture sector and rural economy have performed poorly despite their importance to the majority of ni-Vanuatu. The cost of doing business remains high and further attention is needed to the regulatory environment. There is scope to increase production for goods exports. The participation of ni-Vanuatu in the Recognised Seasonal Employer (RSE) scheme with

NZ is generating substantial remittances, and this is now Vanuatu's second largest foreign exchange earner.

While the Government has been more stable than in the past, limited capacity and distance from rural communities and challenges to effective service delivery continue to constrain development. Evidence based policy development and planning is improving and GoV has recently produced its first Annual Development Report, for 2008. It has also expanded its aid coordination capacity and established a monitoring and evaluation unit within the Department of Strategic Policy, Planning and Aid Coordination.

"Kastom" and religion are important social influences on governance and processes of change. There is some recognition by government of the role of chiefs in policy development and service delivery. Women's representation in formal decision making and public office remains low and there are high rates of sexual violence and physical abuse.

Rapid expansion in aid flows, particularly from Australia and EU, has generated concerns regarding aid coordination and absorptive capacity.

Background

The NZAID Vanuatu Country Programme Strategy 2006 - 2010 provides strategic direction for a flexible, co-ordinated and responsive programme of assistance. This Strategy, which guided a substantial increase in official development assistance (ODA), is now due for evaluation prior to the development of a new ten year Country Programme Strategy.

The Vanuatu Government (GoV) has a broad national development plan known as the Priorities and Action Agenda (PAA), finalised in June 2006 and covering the period 2006 to 2015. In 2009 the GoV released a four year policy matrix ("Planning Long, Acting Short") that identified PAA objectives to be prioritised in the immediate term. NZAID places importance on aligning ODA with the GoV's own priorities, and the PAA provides the primary framework for that alignment. NZAID will welcome close consultation with the Vanuatu Government in the evaluation and strategy development process, particularly around issues of ownership, performance targets, accountability and donor harmonisation.

The NZAID Vanuatu Programme sits within broader NZAID policies, which shifted in 2009 to have a core focus on 'sustainable economic development in order to reduce poverty and contribute to a more secure, equitable and prosperous world'. Other key elements of the new Aid Policy are a sharpened focus on development effectiveness through measurable outcomes and a commitment to internationally agreed aid effectiveness principles; aid efficiency including using effective aid delivery mechanisms and ensuring value for money; closer strategic alignment and cooperation with Australia and consistency with New Zealand's foreign policy and external relations outcomes. Gender, human rights and the environment continue to be cross-cutting themes to support effectiveness.

In 2006 the Vanuatu Strategy set out an aim for NZAID: To reduce poverty and hardship, particularly in rural areas and to support a more stable and prosperous Vanuatu.

The Strategy focused on three **priority areas** agreed following bilateral consultations during 2005. The three main strategic objectives are aligned with Vanuatu's Government priorities, the Millennium Development Goals and NZAID's Pacific Strategy 2007-2015. Each strategic objective had associated outcomes to achieve by 2010.

Education

- Improvements in quality and access for all in basic education and particularly rural areas, achieved by 2010

Governance

- Communities and civil society in Vanuatu are empowered to help strengthen accountability, democratic process and legitimacy in government
- Strengthened local government and improved service delivery in rural areas
- Increased safety and security of the general population
- Reduction in actual and potential conflict associated with disputes over land ownership and user rights

Economic Development

- Improved family livelihoods and employment opportunities for rural communities
- Increased private sector investment

In addition a fourth objective was listed in the Strategy – "Other Social Sector Outcomes – Water and Health"

- Improved access to clean drinking water in rural areas

The Strategy also sets out four **operating principles** which applied over the whole period:

- **Partnership:** including specific references to mutual accountability, partnerships with civil society, private sector and multilateral organisations as well as with the GoV; alignment with Vanuatu's development needs; and a commitment to increase the proportion of consultancy and other programme inputs locally
- **Effectiveness, Harmonisation and Coordination:** linking to the Paris Declaration, increased use of programme/sector-based approaches and helping the GoV to assume a lead role in donor coordination
- **Regional Engagement:** optimising regional approaches and expertise to development outcomes
- **Mainstreaming:** of cross-cutting objectives around human rights, gender equality and women's empowerment, good governance, conflict prevention, HIV/AIDS and the environment.

In mid 2008 the programme team decided not to carry out a formal Strategy stock take because: the strategy was already being rationalised and streamlined in recognition that the economic development strand had been slow to take off so that few if any outcomes would be apparent after only two and a half years; and that it would be a better use of resources to wait until a formal evaluation at the end of a full five year period.

The New Zealand Official Development Assistance Programme implemented in Vanuatu has a current annual allocation of NZ\$18 million. The allocation is expected to increase to NZ\$19m for 2010/11 and 2011/12.

New Zealand has been a key development partner in the **basic education sector** for 20 years. The programme evaluation in May 2007 recommended a shift towards a sector programme and NZ has since then played a lead role in coordinating donors and working with the Ministry of Education to move away from an ad hoc project based support to education. Since 2008, the NZAID programme has been working increasingly closely with AusAID in providing joint funding to the sector through earmarked sector budget support.

NZAID support for **economic development** in Vanuatu has taken time to scope and plan. Much of the 2006-2010 period involved positioning studies and interim support, although a major roading agreement was also signed. Over the period funds have supported agricultural extension, private sector support, infrastructure improvement (including roading) and national trade strategy development. The NZAID programme is currently working closely with ADB on an inter-island shipping support design programme, and with the EU and AusAID on a programme of support to the productive sector.

NZAID also supports **governance activities** with a particular focus on the law and justice sector, with funding for establishment and strengthening of the Corrections Department, prisons and probation system through the Correctional Services Department, and for a Supreme Court Judge. Underpinning good governance initiatives, the NZAID programme is also investing substantially in various capacity building initiatives to help ni-Vanuatu individuals and institutions to own, direct and manage their own development priorities.

Neither the Strategy nor the PAA initially included a results framework, practical performance indicators or a defined monitoring and evaluation (M&E) framework. The requirement for NZAID programme strategies to include a results framework was not introduced until 2007. An M&E Framework was drafted in early 2009 with the Aid Coordination unit of the Prime Minister's Office. It is now a working document being used to monitor progress to date where data is available. It will be further refined alongside development of the new Strategy.

Annex 2 Questions to be Answered in an Evaluation Plan

The following is a guide to the kinds of questions that should be answered in the evaluation plan:

- Who are the stakeholders in the evaluation, what is their interest or stake in the evaluation, what issues or constraints are there for their involvement in the evaluation (e.g. power issues, access, confidentiality)?
- What information will be needed to answer each of the evaluation questions?
- What are the most appropriate methods for data/information collection to address each of the evaluation questions? e.g. Will qualitative or quantitative methods be used and why? How will evaluation participants be selected? What specific methods

will be used – interviews (face-to-face or phone), email questionnaire, workshops, survey, focus groups etc?

- From whom will information be collected to answer each of the evaluation questions, and how will the evaluator ensure that the opinions of all stakeholders (eg women and men, young and old, powerful and less powerful) are included?
- What questions will be asked in questionnaires or interviews?
- How will information gathered be cross checked?
- What procedures will be used for data analysis – how will qualitative data such as interview notes be analysed, how will survey results be analysed?
- How will the way that crosscutting and mainstreamed issues (gender, environment and human rights, and if appropriate HIV/AIDS and conflict) have been addressed in the country programme be assessed, and how will the evaluation be conducted in a way that takes crosscutting issues into account?
- How will the findings be fed back and discussed with appropriate stakeholders during the evaluation process, and how will this be incorporated into the report?
- What risks, limitations or constraints are there likely to be to the evaluation and how can these be mitigated?
- How will ethical issues be addressed? For example how will participants of the evaluation be informed of the purpose and use of information they will provide? How will sensitivity to gender and culture be ensured during the evaluation? Is informed consent required from evaluation participants, if so how will this be obtained? How will confidentiality of participants be ensured and how will confidential material be stored? What potential harm to participants is there and how will potential harm be minimised?

Appendix Three: The New Zealand Aid Programme's Vanuatu Country Programme (and Strategy) 2006-2010: Evaluation plan

Background

The New Zealand government's bilateral programme for Vanuatu is now \$18 million pa and its support of regional programmes and activities \$5.8 million pa (2009/10).

The NZ-Vanuatu development programme strategy 2006-2010 (the Strategy) provides direction to New Zealand's development cooperation in Vanuatu. Its development drew on bilateral consultations which confirmed a focus on three of Vanuatu's own development priorities – education, governance and economic development. The bilateral consultations (October 2005) highlighted inter alia, the principles of:

- giving a high priority to improving aid effectiveness, including through adoption of more programme and sector based approaches;
- considering earmarking budget support, and partnerships through other donors;
- prioritising partnerships with civil society and drawing on in-country expertise to support programme implementation;
- increased integration with regional programmes and with regional initiatives such as the Pacific Plan.

The Strategy is a high-level document; it discusses the challenges within each sector and principles and lessons that would underpin actions. It has generalised outcomes related to improvements, but not specific time-bound targets. The Strategy was not specific about the programmes that would be funded to contribute to the achievement of the outcomes. The intention was that more specificity would be developed at the programme level as a clearer picture emerged of the specific, time-bound national priorities, the Vanuatu Government (GoV) funding available to support activities and clarification of the gaps where donor assistance was sought. The Strategy signalled an intention on the part of the New Zealand Aid Programme of the Ministry of Foreign Affairs and Trade (MFAT) to:

- reinforce the partnership with GoV by growing its team based in Vanuatu, working with GoV and other sectors (civil society, private sector, multilateral organisations) and sourcing an increasing proportion of consultancy and other programme inputs locally
- improve aid effectiveness by having fewer activities running over longer time frames and aligned with sector plans
- consider the scope for additional bilateral support for Vanuatu's involvement in regional trade processes
- mainstream cross-cutting objectives of human rights, gender equality, good governance, conflict prevention, limiting HIV/AIDs and disaster mitigation. (NZAID, 2006)

Much of the strategy cannot be achieved by GoV and NZ assistance alone, but depends on alignment with other donor-funded activities or making progress within a pooled funding arrangement.

A Monitoring and Evaluation (M&E) Framework for the Strategy - to guide ongoing M&E of the Strategy, aid effectiveness, achievement of intended results, and risks - was not finalised until 2009 due at least in part to the difficulties in establishing baseline data.

Governance and Management of the Evaluation

The evaluation has been commissioned by the New Zealand Aid Programme at MFAT and is governed by a Steering Committee comprising:

- Carolyn Nimmo, Development Programme Manager (DPM) Wellington and manager of the evaluation
- Sandra Hamilton, Deputy Director, Pacific Development Division
- Miranda Cahn, Evaluation Advisor, Wellington
- Sara Carley, Development Counsellor, Vanuatu
- Gregoire Nimbtik, Director, Department of Strategic Policy, Planning and Aid Coordination (DSPPAC)

The Steering Committee is responsible for approving the evaluation plan, commenting on the draft report and addressing issues that are not resolved by the consultant. The steering committee will also sign-off the evaluation report.

The manager of the evaluation is responsible for contracting issues, day to day administration and arrangements, receiving outputs, and coordinating and ensuring feedback is provided to and adequately addressed by the evaluator. The results of the evaluation will be reported to MFAT and the Government of Vanuatu (GoV). While in Vanuatu, liaison in relation to meetings, questions and a debrief with stakeholders, will be with the Development Counsellor.

Evaluation Design

Purpose of the evaluation

The Terms of Reference (ToR) specify that the evaluation of the Strategy will:

1. Inform a new strategic framework that will reflect changes in the context and strategic priorities of the two countries. The new strategic framework will be known as a Joint Commitment for Development (JCfD) and will be signed at Ministerial level
2. Provide learning for the New Zealand Aid Programme about this country strategy and programme and other country programmes, to facilitate improvement
3. Provide learning for the Vanuatu Government about this country programme/strategy that can inform recommendations for the new JCfD; about the process of evaluation of ODA; and about donor coordination
4. Provide accountability to GoV and NZ Government around the Vanuatu country programme
5. Inform future funding decisions.

Scope of the evaluation

The evaluation includes assessment of the New Zealand Aid Programme's Vanuatu Country Strategy 2006-2010 and the programme of activities undertaken during this time to implement it. Regional and/or global programmes administered by the New Zealand Aid Programme and other government or regional agencies were not covered by the Strategy and will therefore not be a focus of the evaluation. However the evaluation will

address coherence of New Zealand-funded regional programmes in Vanuatu in terms of their impact on the effectiveness of the bilateral programme, and management by New Zealand staff of bilateral and regional programmes in relation to the efficiency of implementation of the programme.

Methodology

The evaluation will address the objectives through gathering and analysing relevant data, discussion and synthesis. The evaluation will begin with a desk study in Wellington, which will analyse files, reviews/evaluations and supporting documents available in NZ. Key MFAT programme personnel will be interviewed. Reviews, evaluations and supporting documents will, as far as possible, be analysed by programme in terms of findings related to the performance of Vanuatu programme over the period 2006-2010 using the DAC criteria of effectiveness, relevance, impact, sustainability and efficiency and will note enhancing, constraining and other relevant features.

Further literature and data needs, will be identified as will any needed modifications to the field schedule to take cognisance of key information gaps identified during the desk review and Wellington interviews. Subsequently, further stakeholder meetings, investigation and review of documentation will take place over two weeks in Vanuatu.

The scale of the evaluation means it will not involve any primary research and will draw on secondary sources, namely records, interviews and programme evaluations.

To achieve a depth of understanding of how well and why activities succeed, or flounder, aspects of two programmes (yet to be confirmed) will be explored as case studies to identify:

- the logic connecting the Strategy to programme plans, understand what enhanced and constrained the programmes' performance, and to assess MFAT, GoV and other donor interactions in relation to problem solving and doing what is needed to achieve outputs and outcomes
- how the New Zealand Aid Programme is addressing, and has addressed the intent of the strategy in its work, and as way to achieve good development outcomes
- whether and how the MFAT approach to achieving outcomes has addressed the lessons of the 2000-2005 programme which included:
 - projects suffered as a result of weak project design, and/or poorly described or over ambitious project goals
 - there were inadequate project management structures – including development impact indicators, project management indicators and risk management strategies.
 - project design needed to take into account interagency coordination, provincial aspects, community consultation and community awareness and training, and asset management training
 - Government capacity issues (human resource and financial management) needed to be considered in project design and long-term commitments were needed for sustainable impact. (NZAID, 2006)

Case study areas will be confirmed with the Development Counsellor in Vanuatu and will be selected in relation to the following criteria:

- Post staff and Vanuatu officials have enough continuity/experience in the case study issues
- the case study is an area which New Zealand is likely to continue to fund
- there have been events/problems that have required some input from NZHC.

The evaluator is a member of the Australasian Evaluation Society and abides by its guidelines for the ethical conduct of evaluations. Transparency in the evaluation will be maintained by following this evaluation plan and placing an emphasis on impartiality and reporting back on interim findings at two points during the evaluation:

- at the end of the desk review and Wellington interviews with MFAT HO stakeholders
- at the end of the Vanuatu visit with key NZHC, GoV and other donor stakeholders.

Should a meeting not be possible, or where stakeholders are unable to attend, key points will be emailed and a response invited. An Aide Memoire will be finalised after the stakeholder meeting in Vanuatu.

Interviewees will be informed that information gathered in interviews will be treated as confidential and will not be attributed to particular individuals. Where confidentiality could be compromised by the inclusion of a comment, this will be discussed with the individual concerned. There will be an expectation of confidentiality within any group discussion (Chatham House rules), and no attribution of comments to individual participants. Interview notes will be tabulated against each of the objectives at the end of each day to ensure key points are captured and findings are reported accurately. A one page summary of the evaluation purpose and process will be developed for distribution to all those involved.

The evaluation in Vanuatu will involve GoV to as great an extent as possible and will endeavour to support the evaluative capability of GoV throughout the process. This means the GoV Department of Sector Strategic Planning and Aid Coordination (DSSPAC) counterpart will: be briefed on the evaluation design; be invited to identify key stakeholders to interview; have an opportunity to discuss and respond to interim findings, and be able to discuss the strengths and weaknesses of the Strategy, its processes and its management, on a confidential basis. As far as practicable, the evaluation will consider cross-cutting and mainstreamed issues eg by seeking data disaggregated by gender and other relevant population breakdowns.

Information Sources

The evaluation will gather and analyse data, and triangulate findings, from the following sources:

- the Strategy, M&E framework, annual plans and reports, individual activity reports, and any other relevant aspects of the New Zealand Aid Programme's implementation of the Strategy (e.g. high level consultations, other interaction between GoV and NZHC) as well as relevant evaluative work carried out by the partner government, other donors and agencies, and local institutions and organisations.
- key stakeholders in NZHC, MFAT HO and GoV responsible for the overall management, M&E and progress on main programme activity areas

- other donor agencies working in Vanuatu who contribute to pooled funding arrangements and/or who fund activities that closely related to, or interdependent with, those funded by New Zealand Aid Programme
- frontline managers and staff in the areas targeted for case studies
- representatives of interest groups and/or NGOs/media that can contribute to contextual knowledge

Stakeholders

Table One identifies the main stakeholders, their likely interests, and ethical issues, risks and constraints in relation to their contribution to the evaluation

Table One: Stakeholder analysis: interest/influence, ethical issues, risks and constraints		
Who	Interest/influence	Possible constraints, risks, ethical issues and their management
NZ Government	Interest in VfM. High influence over funding	Probably not possible to talk directly to Ministers and highest level advisors. Managed by drawing on notes from ministerial meetings and reports from managers in MFAT
Vanuatu Government	High interest in continued Aid for its priorities	NZHC, Vanuatu, and the DSPPAC
MFAT New Zealand Aid Programme Management	High influence over negotiation with GoV and high interest in success	Managers have changed since the inception of the Strategy. If necessary, any information gaps will be filled via conversations with former managers.
DSPPAC Management	High interest in NZAID continued support and in successful development	Access to highest level personnel many not be possible. Establishing rapport and committing time will be critical – managed via support from NZHC
New Zealand Aid Programme HO Desk	planning, M&E reports and high interest in lessons	
NZHC (field)	Interest in donor coordination, M&E, policy dialogue, and implementation	
GoV programme managers and staff	Varying influence on success. Employment/Union issues?	M&E suggests some constraints within GoV at programme level – may only be able to explore these within case studies. Confidentiality and rapport will be crucial – managed via support from NZHC
AusAID, EU, ADB, USAid other funders	Medium influence via pooled funds and harmonised sector programmes	
Managers of programmes that are close to NZAID activities	Eg: Pacific Regional Initiative for delivery of basic education (PRIDE) & RRNIPP	There may be vested interests to manage – will be done by clarifying scope and purpose of evaluation to all interviewed
Local NGO, Private sector, union, or media	Variable - will seek to identify a small number that have influence and interest	

Objectives and Questions

The ToR state that the evaluation is intended to assess the relevance and usefulness of the Strategy, what difference the NZ-Vanuatu programme has made (results), how well the programme has been implemented (efficiency), and to provide recommendations for future strategic direction.

The evaluation will assess the New Zealand Aid Programme's effectiveness in managing, negotiating, influencing, working with GoV and stakeholder in order to support the achievement of the Strategy outcomes. The first objective, *assessing the Strategy document's and M&E Framework's relevance and usefulness in guiding the NZAID Vanuatu programme (and the monitoring of its performance) over 2006-2010* contributes to this broader question of MFAT's own effectiveness as a funder and development actor.

The third objective, *to assess and explain the performance of the Vanuatu programme over 2006-2010, and to identify the factors that have enhanced or constrained performance (eg modalities, number and size of activities, coherence with regional programmes)* is largely related to the assessment of programme activities. This will occur through review of the findings of programme evaluations carried out over the time of the Strategy and via the proposed case studies.

The second objective, *to assess and explain the extent to which programme implementation has followed the Strategy* will be met from the findings that fall out of the questions related to the first and third objective.

The fourth objective *to identify learnings, describe the implications of the findings (and learning) for the new strategy and make recommendations that will inform:*

- d. A new strategic framework for 2011-2021;
- e. A new M&E Framework and
- f. Funding decisions.

will be met via a synthesis of conclusions from the other objectives.

Table Two sets out: the main evaluation questions, the approach to gathering information, and the sources of information (documents, interviews). Table Three sets out the main questions that will be asked of key informants.

Table Two: Information sources and key questions that will be used to meet the revised objectives				
Objective One: To assess the Strategy document's and M&E Framework's relevance and usefulness in guiding the NZAID Vanuatu programme (and the monitoring of its performance) over 2006-2010.				
Evaluation questions	Approach	Who involved	Information sources	Comment/risks
1a To what extent was/is the Strategy relevant to the country context (at the time of the Strategy was developed and now)?	Assessment of how reasonable and realistic the strategy was via questions such as:	MFAT HO, NZHC Post, Van Gov, Other donors	Strategy document M&E plan and reports programme evaluations Interviews	Question more relevant to programmes as Strategy outcomes were not SMART
1b To what extent was/is the Strategy relevant to and aligned with the priorities, policies and strategies of the Vanuatu government, and the NZAID programme?	Verification of alignment of Strategy, Vanuatu government priorities and NZAID priorities/goals	MFAT HO, NZHC Post, Van Gov	Strategy document Vanuatu government priorities,	
1c What other contextual changes have affected the continuing relevance of the Strategy?	Assess what has changed in terms of donors, Van Gov and NZ government over 2006-2010	MFAT HO, NZHC Post, Van Gov, other donors, external stakeholders	Interviews and relevant documents	Yet to locate any documents that may assist this
1d To what extent was/is the Strategy useful as a clear strategic guide for implementation of the programme? 2a To what extent did or does the collection of activities and other aspects of the programme follow/reflect the Strategy?	Assess how the Strategy is used and by whom and with what purpose. Identify links with plans in case study areas Assess Strategy quality and completeness Assess the Strategy's usefulness in situations where progress stalls and in relation to underspends and new opportunities	MFAT HO, NZHC Post, New Zealand Aid Programme managers (2 x case studies)	Interviews, programme evaluations, NZAID guidelines Case studies document linkages between programme plans and Strategy, identify gaps and follow up in interviews	
2b What are the reasons for any divergence of the programme from the Strategy?				
1e To what extent was the M&E Framework useful for monitoring the performance of the programme?	Assess why M&E took so long to develop, how it is used by NZAID and how it was referred to and used in evaluated programmes	MFAT HO, NZHC Post, case study programme managers	Interviews, M&E reports, plans and stocktakes, evaluations, case studies	

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Objective Three to assess and explain the performance of the Vanuatu programme over 2006-2010, and to identify the factors that have enhanced or constrained performance (eg modalities, number and size of activities, coherence with regional programmes)	Information sources	Comment/risks		
<p>Evaluation questions</p> <p>3a i) To what extent has the programme been effective in achieving the objectives and outcomes as stated in the strategy, and the M&E framework?</p> <p>a ii) How have cross-cutting issues and aid effectiveness commitments affected the programme outcomes?</p> <p>e ii) To what extent, and how effectively have mainstreamed and cross-cutting issues been addressed in the programme?</p> <p>3 b i) To what extent have resources been well used in achieving programme outcomes?</p> <p>3 b ii) To what extent has the programme provided value for money?</p> <p>3c i) To what extent has the programme fostered ownership by partners?</p> <p>c ii) To what extent has the programme established/enhanced capacity, processes and systems that are likely to be sustained?</p> <p>c iii) To what extent are programme results/benefits likely to be resilient to risk, and sustained?</p>	<p>Approach</p> <p>Clearly explicit the intention of the Strategy documented achievements identify whether and how the M&E made a difference</p> <p>Identify where these issues have been incorporated and what judgments have been and can be made about how effectively. Explore whether this enhanced or hampered the achievement of objectives/ outcomes</p> <p>Explore whether resources were sufficient to achieve what was sought and whether other enabling factors were lined up to support the achievement of objectives/outcomes</p> <p>Summarise findings from programme evaluations and any other evidence eg other donor evaluations</p> <p>Assess how the Strategy regarded by the Vanuatu government and how is this reflected by their decisions on investment, HR plans, data collection and seeking complementary support from other donors</p>	<p>Who involved</p> <p>MFAT HO, NZHC Post</p> <p>MFAT HO, NZHC Post, DSSPAC, case study managers other donors</p> <p>MFAT HO, NZHC Post, other donors</p> <p>MFAT HO, NZHC Post, case study programme managers</p> <p>MFAT HO, NZHC Post, case study programme managers, DSSPAC</p>	<p>Information sources</p> <p>Programme evaluations M&E reports Financial reports Interviews</p> <p>Programme evaluations M&E reports Interviews</p> <p>Programme evaluations M&E reports Financial reports Interviews</p> <p>Programme evaluations M&E reports Financial reports Interviews</p> <p>review evaluations interviews</p>	<p>The Strategy does not have time-bound goals but the weaker aim of improvements</p> <p>Due to the size of the evaluation, these questions will only be assessed partially via information available in M&E reports and programme evaluations. The case studies may assist in explaining factors that enhanced or constrained performance, but will not generalisable to other aspects of the strategy</p>

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ORIGINAL INFORMATION ACT 56

Evaluation questions	Approach	Who involved	Information sources	Comment/risks
3 d ii) What unintended outcomes (positive and negative) have occurred?	Examination of M&E results, case studies and programme evaluations supplemented by interviews	MFAT HO, NZHC Post, DSSPAC, case study programme managers	Programme evaluations M&E reports Financial reports Interviews	
3 e iii) To what extent were good relationships and communication established and maintained with stakeholders (e.g. partners, NGOs, other donors, other organisations), and how did this affect performance of the programme?	Explore balance of relationship between, for example, being cordial and positive and being assertive and outcome focussed and identifying and solving problems	MFAT HO, NZHC Post, DSSPAC, case study managers, other donors, other stakeholders	Interview stakeholders directly and glean from evaluations	These questions will be assessed via information available in M&E reports and programme evaluations and other documentation and discussions at Post. The case studies may provide examples that illustrate points but they may not be typical of other aspects of the Strategy
e i) What are the key strengths and weaknesses of the Strategy, and the programme guided by the Strategy?	Applying judgement to synthesis of other findings	MFAT HO, NZHC Post, DSSPAC, other donors	NZAID guidelines for developing a programme strategy Interviews	
e iv) To what extent has risk been well managed?	Explore what risks were and weren't identified and how successful the programme was at managing them	MFAT HO, NZHC Post, DSSPAC, case studies, other donors	Interviews, evaluation reports, M&E reports	
e v) What other factors have strengthened or constrained the performance of the programme?	Synthesis of findings	MFAT HO, NZHC Post, DSSPAC, other donors	Synthesis	

Table Three: Main areas proposed for inquiry with key informants	
Key Informants	Question areas
MFAT HO, NZHC Post	<p>Strategy's relevance and usefulness</p> <ul style="list-style-type: none"> ○ What was the main purpose of the Strategy? What was it expected to achieve? ○ How is the Strategy used and how does/has it influenced: <ul style="list-style-type: none"> ○ Ministerial meetings and other bilateral discussions ○ SWaPs and other donor harmonisation processes ○ sector-based support ○ the logic in relation to activities and their sequencing ○ Were there aspects of the Strategy that were more or less useful to implementing programmes and why? ○ Did the high level outcomes and analysis in the Strategy influence decisions on programme activities and if so, how? ○ To what extent and how does the strategy impact on the programme activities ○ What has been the impact of the M&E process on the usefulness of the Strategy to shape of the programme and programme activities <p>How has the Strategy assisted the achievement of the principles of:</p> <ul style="list-style-type: none"> ○ giving a high priority to improving aid effectiveness, including through adoption of more programme and sector based approaches; ○ considering earmarking budget support, and partnerships through other donors; ○ prioritising partnerships with civil society and drawing on in-country expertise to support programme implementation; ○ increased integration with regional programmes and with regional initiatives such as the Pacific Plan. <p>Effectiveness, Efficiency and value for money</p> <ul style="list-style-type: none"> ○ What has the Strategy added to the programmes? ○ Are there ways that savings could have been made or the strategy streamlined that would have been more cost-effective? ○ In light of the JCID, what should the new Strategy have more of/less of and why? In terms of managing for results, what would it take (country strategy aspects, personnel) to deliver a more effective NZ contribution in Vanuatu?

Key Informants	Question areas
NZ HC post and case study managers, DSSPAC (as appropriate)	<p>Efficiency, effectiveness, relevance, value for money, sustainability in relation to programmes – particularly in relation to case studies</p> <p>Whether and how has the strategy assisted in meeting the weaknesses noted at its inception, namely</p> <ul style="list-style-type: none"> ○ projects suffered as a result of weak project design, and/or poorly described or over ambitious project goals ○ there were inadequate project management structures – including development impact indicators, project management indicators and risk management strategies. ○ project design needed to take into account interagency coordination, provincial aspects, community consultation and community awareness and training, and asset management training ○ Government capacity issues (human resource and financial management needed to be considered in project design and long-term commitments were needed for sustainable impact. (NZAID, 2006) <p>Has the M&E framework added to effectiveness at the programme level and if so, why and how?</p> <p>What indications are there of resilience and ownership as a consequence of the New Zealand Aid Programme's input into the programme?</p> <p>What other factors have strengthened or constrained the performance of the programme? (cover off cross-cutting, communication, risk management)</p> <p>What would a new strategy (and/or an accompanying NZ management plan) need to include to achieve better results?</p>
Other donors	<p>What do you consider are the significant features of NZ's country strategy and the New Zealand Aid Programme's approach? How well does this work?</p> <p>What are the strengths and weaknesses in (specific) funding modalities/arrangements and why?</p> <p>What could donors do more of, or do better, to support development in Vanuatu? Where are the untapped points of leverage? (also questions in relation to case studies – yet to be developed)</p>
other stakeholders	<p>What are Vanuatu's largest barriers to improving the wellbeing of its population? How do you see these barriers being best addressed?</p> <p>What could donors do more of, or do better, to support development in Vanuatu?</p>

Outputs and reporting requirements

The contract will be held with MFAT and reporting will be made in the first instance to the New Zealand Aid Programme Manager in Wellington. Outputs to be provided by the consultant:

1. Evaluation Plan
2. Feed back to stakeholders at the end of the Vanuatu visit through a workshop or aide memoire as agreed with the Steering Committee
3. Draft report on the evaluation, including recommendations, conclusions and lessons learnt.
4. Final report incorporating comments and feedback from peer review

MFAT will provide the draft report to GoV and invite feedback. MFAT will advise the contractor if further work and/or revision of the report is required if the report does not meet the TOR or the quality is not of an acceptable standard.

References

NZAID (2006) NZAID Vanuatu Development Programme Strategy (2006-2010) June

Appendix Four: Documents and resources utilised

- AusAID (2004) *Capacity Building in Public Finance: An evaluation of activities in the South Pacific Education and Review Series No 36*, September
- Brook, David and Hone McGregor (2007) *NZAID Vanuatu Education Assistance Programme 2007 Report and overview of the programme 2003-2007* PINZ
- Buse, Kent, Eva Ludi and Marcella Vigneri (2008) *Can project-funded investments in rural development be scaled up? Lessons from the Millennium Villages Project* Natural Resource Perspectives, November, Overseas Development Institute
- Byers, Mark and Nikenike Vurobaravu (undated) *Vanuatu Correctional Services Project: Phase Two Review*
- Clark, Kevin (2009) *NZAID 2008 Evaluations and Reviews Development Themes Report*
- Cox, Marcus, H Alatoa, L Kenni, A Naupa, G Rawlings, N Soni and C Vatu (2007) *The Unfinished State: Drivers of Change in Vanuatu* AusAID, April
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- Evalve Research (2010) *Final Evaluation Report of the Recognised Seasonal Employer Policy 2007-2009* Department of Labour, Wellington
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- Gray, Alison, Andrea Hinge and Pamela Thomas (2009) *Mid-term Review Wan Smolbag*
- Howes, Stephen and Nikunj Soni (2009) *Fast growth in the Pacific is possible – look at Vanuatu* Pacific Institute of Public Policy, July
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- Government of Vanuatu (2006) *Priorities and Action Agenda 2006-2015* June
- McKinnon, Jean and Selwyn Aru (2007) *Report on the Review of the NZAID Small Projects Scheme for Vanuatu*
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Ministry of Education (2010) *Vanuatu Education and Support Action Plan 2008-2009 Completion Report and Acquittal* 28 June

NZAID (2006) *NZAID Vanuatu Development Programme Strategy (2006-2010)* June

NZAID (2007a) *Pacific Strategy 2007-2015*

NZAID (2007b) *NZAID Guideline for Developing a Programme Strategy*

NZAID (2008) *Strategy for engaging with civil society in Vanuatu 2008-2010*

NZAID (2009) *Monitoring and Evaluation Plan for Vanuatu Country Programme Strategy 2006-2010*

NZAID combined plan, stocktake and annual reports for Vanuatu 2008/09 and 2009/10

NZAID Activity Appraisal Guideline

NZAID Evaluation Guidelines (as listed in annex to TOR)

NZAID policy statements:

- Economic growth helps reduce poverty;
- Human Rights policy statement
- Achieving education for all

OXFAM (2010) *Learning from Experience: Sustainable Economic Development in the Pacific* OXFAM discussion paper. July

UNIFEM (2007) *Promoting Gender Equality in the Aid Effectiveness Agenda in Asia Pacific: Engaging the Principles of the Paris Declaration* Discussion Paper, November

Vanuatu / New Zealand Forward Aid Programme (FAP*) 2005/06-2007/08; 2008/09 - 2011/12

Vira, Henry and Cameron Cowan (2007) *Department of Local Authorities – Improving Service Delivery* NZAID, August

Appendix Five: List of Persons Consulted

New Zealand Aid Programme, Vanuatu Desk, Wellington

- Deputy Director, Pacific Division
- Development Programme Manager
- Development Programme Manager
- Development Programme Officer
- former DPM on programme who developed M & E (by email)

New Zealand High Commission, Port Vila

- High Commissioner
- Development Counsellor
- First Secretary (Development)
- First Secretary (Development)
- Development Programme Coordinator
- Development Programme Coordinator
- Development Programme Administrator
- Development Programme Administrator

s. 9(2)(a)

Department of Strategic Policy, Planning and Aid Coordination, Government of Vanuatu

- Head Aid Coordination Unit
- Head of Monitoring and Evaluation Unit
- Monitoring and Evaluation Unit
- Education Sector Analyst
- Economic and Productive Sector Analyst
- Economic and Productive Sector Analyst
- Governance Sector Analyst

s. 9(2)(a)

Ministry of Education, Government of Vanuatu

- Director General
- Director, Policy and Planning Department
- Acting Principal Education Officer, Policy and Planning
- Principal Scholarship Officer

s. 9(2)(a)

Ministry of Internal Affairs, Government of Vanuatu

- Director General
- Decentralization Advisor (Department of Local Authorities)

s. 9(2)(a)

Public Service Commission, Government of Vanuatu

Secretary
Manager, Corporate Services Unit

s. 9(2)(a)

Ministry of Lands and Natural Resources

Director, Geology, Mines & Water Resources (DGMWR)
Engineer, DGMWR
Rural water supply and sanitation specialist

s. 9(2)(a)

Donor Organisations

Development Counsellor, AusAID
Expert (Development Cooperation, European Union)
Chief, UNICEF Field Office and UN Joint Presence, Vanuatu
Education Officer, UNICEF

s. 9(2)(a)

Other

Managing Director, VANWGDs Microfinance
Chair, VANGO
Pacific Institute of Public Policy

s. 9(2)(a)

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Appendix Six:

Information Sheet

Evaluation of New Zealand's Vanuatu Country Aid Programme (and Strategy) 2006-2010

Background

The New Zealand government's bilateral programme to support Vanuatu's development is now \$19 million pa and its support of regional programmes and activities \$5.8 million pa (2009/10).

New Zealand's Vanuatu development programme strategy 2006-2010 (the Strategy) provides direction to New Zealand's development cooperation in Vanuatu. Its three focus areas - education, governance and economic development - reflect Vanuatu's development priorities. A Monitoring and Evaluation (M&E) Framework for the Strategy - to guide ongoing M&E of the Strategy, aid effectiveness, achievement of intended results, and risks - was finalised in 2009.

Purpose of the Evaluation

The evaluation will inform a new strategic framework for 2011 to 2021 that will reflect changes in the context and strategic priorities of the two countries. The evaluation It will provide accountability to the Vanuatu and New Zealand government around the Vanuatu country programme, and it will enable the 2011-2021 strategic framework to build on the lessons learnt from the 2006-2011 Strategy.

Objectives of the Evaluation

The evaluation will assess the relevance and usefulness of the Strategy, what difference the Vanuatu programme has made, how well the programme has been implemented, and provide recommendations for future strategic direction.

Process

The evaluation is being carried out by Maire Dwyer, an independent contractor to the Ministry of Foreign Affairs and Trade. She will work with the NZ High Commission in Vanuatu and in consultation with the Vanuatu Department of Strategic Policy Planning and Aid Coordination (DSPPAC) and, in particular, with Jonas Arugogona of DSPPAC.

All information gathered in interviews will be treated as confidential and will not be attributed to specific individuals.

Appendix Seven

20 August 2010

Aide Memoire of In-Country Discussions as part of the Evaluation of NZ's Aid Programme country strategy for Vanuatu 2006-2010

1. This Aide Memoire provides a summary of the main messages and issues arising from discussions as well as my reflections on these. It is an input into the evaluation, not the conclusion of the evaluation and aims to stimulate discussion.

Background

2. The New Zealand government's bilateral programme to support Vanuatu's development is now \$19 million pa and its support of regional programmes and activities \$5.8 million pa (2009/10). The Vanuatu development programme strategy (the Strategy) provides direction to New Zealand's development cooperation in Vanuatu. Its three focus areas - education, governance and economic development - reflect some of Vanuatu's development priorities.
3. The in-country discussions with DSPPAC, officials from a selection of Vanuatu government departments involved with the New Zealand Aid Programme, the NZ High Commissioner and Aid staff, other AID donors, and some NGOs and other stakeholders, will feed into the main evaluation objectives. These are:
 - the assessment of the relevance and usefulness of the Strategy;
 - what difference the NZAID Vanuatu programme has made;
 - how well the programme has been implemented; and
 - recommendations for future strategic direction in a new strategic framework.

Context

4. The Strategy was guided by two important foundation documents:
 - The Vanuatu government's Priorities and Action Agenda which guides what the New Zealand Aid Programme does
 - The Paris Declaration on Aid Effectiveness which provides the framework for delivering Aid
5. The period 2006-2010 has been one of economic growth and stability in Vanuatu. It has also been a time when Aid has grown and assessment and coordination of Aid has become a more important task:
 - the New Zealand Aid Programme budget has more than tripled since 2002/03
 - Aid staff at NZHC have more than doubled to support the increased Aid budget
 - the overall level of Foreign Aid to Vanuatu has increased
 - In the Vanuatu government - particularly in PM's department - staff increases support the development and management of the Vanuatu government's plans, the monitoring of achievements, and coordinating donors. DSPPAC was created.
6. Both the Vanuatu Government and NZ are
 - Shifting from a focus on projects, to thinking about whole sector needs
 - Paying more attention to planning, monitoring and evaluation so that the spend is more cost-effective and focused on results.

Findings

7. Vanuatu government departments highly value the assistance provided by NZ. They also value NZ's significant moves towards adopting the Paris principles.
8. NZ has **aligned** its strategy with the Vanuatu Government's priorities. NZ's commitment to working with the Vanuatu government, meeting with DSSPAC, and having regular sector meetings, is highly valued.
9. NZ is regarded as committed to **donor coordination and harmonisation**. Many people considered donors had come a long way in a relatively short time, although there was still some distance to go. Donor coordination was also seen as especially important in Vanuatu because government staff are so stretched.
10. The M&E framework New Zealand developed for the Strategy fed into the Vanuatu Government's own M&E framework.
11. NZ is increasing its **use of Vanuatu government's financial systems** which means that Government can integrate its own and donor resources and make the contributions transparent.
12. Government staff indicated that they find NZ Aid staff good to deal with. The NZ Aid staff see themselves as honest brokers – they take a long view, and emphasise building trust and good relationships, listening and providing support.
13. The hard and long work, to achieve a SWAp to support the Vanuatu Government's education road map (VERM) is seen by many as a very significant achievement.
14. The Strategy was seen by NZ, in particular, as being important in providing a focus and direction for its Aid to Vanuatu during a period of high budget growth. The programme budget has largely been spent within the three priority areas of the Strategy: education, governance and economic development. There was some variation in activities from those initially indicated. The overall spend largely matched what was planned.
15. In accordance with the Strategy, NZ has stepped back from providing support where agencies do not have a clear plan. There is general agreement that NZ needs to be firm about expectations so that spending is cost effective even though this can be difficult for those on the receiving end. At the same time, many people think not enough is being done to address capacity and other barriers to planning, and implementation, across government.
16. Capacity is a perennial challenge for a small country. Some people were of the view that both donors and the Vanuatu government were too quick to opt for ex-pat TAs as a solution to capacity building. While the job might get done, counterparts are not always in place, and therefore new systems and processes are not always sustainable. The capacity problem was also seen to stem from problems including the high levels of vacancies, slow appointment processes, and too many people (particularly in management) being poorly matched to their current position within the public service. Other ways to build capacity that were raised included the need for more training at the executive level of government, the need for management and other higher level training being available in Vanuatu, more opportunities for women

to progress, and the value of opportunities to working in teams with donors on evaluations.

17. Capacity is not the only barrier to development. A number of people talked of structural or legal barriers slowing the pace of development implementation. One example given was the approval processes for contracts.
18. DSPPAC is preparing its first 6 monthly M&E report for Cabinet. This information to Ministers is likely to increase their demand for speedier implementation of action on projects that are not delivering. In the future DSPPAC also hope to report on the disaggregated impact (eg rural areas) of government programmes – such as roads and free education.
19. Weakness in interdepartmental cooperation within Vanuatu was also raised as a barrier to development. DSPPAC's current work to determine clearer divisions of roles and responsibilities amongst the three agencies that deal with donors is expected to improve coordination on the Vanuatu side and will enable proper guidelines to assist in meeting the Paris Declaration and Pacific principles on Aid effectiveness to be put in place.
20. While every element of the current New Zealand Aid Programme had some supporters, there was a strong view that there were benefits from the NZ programme moving towards "bigger, fewer, longer, deeper" programmatic approaches. The strengths of this approach were seen to come from programmes being able to address systemic problems and therefore having more sustainable impact. There was however, some support for having seeding and other small funds particularly to support innovation in civil society and the private sector.
21. No need was identified for New Zealand to shift its Aid focus away from the three priority areas of the current Vanuatu strategy. There was some support for flexibility in the Strategy and not making it a straight jacket. I was told the MDG targets will be in focus over the next five years and this might influence the shape of NZ's next country strategy (particularly getting traction on rural water) and that decentralisation continues to be a high priority of the Vanuatu government.
22. Most people from outside government – and some from inside - stressed that the strength of other sectors of Vanuatu – private business and civil society – is important to Vanuatu's development and must not be forgotten. A few people suggested that the Vanuatu government did not yet embrace the importance of these non-government actors in to development.

What difference has the New Zealand Aid Programme made?

23. Examples of the impacts of the New Zealand Aid Programme drawn to my attention (but by no means all) follow. Evaluation of the earlier NZ-supported EAP programme found evidence of improved literacy levels from a book flood which no doubt impacted on its repetition in VERM. Better systems within Corrections are likely to have contributed to the reduction in prison escapes between 2008 and 2009. A small but significant shift to delete names and number scholarship applicant forms is an example of a practical step that supports objectivity in selection. The impacts of roading reforms in Efate and Santo are being measured.

24. Again and again, the NZ policy that was seen as having the most marked impact on Vanuatu was the RSE scheme that enabled Ni-Vanuatu to work in New Zealand (later reinforced by Aid to update passport systems). This was a healthy reminder to consider Aid as one part of the broader mix of NZ policies that can impact on development in Vanuatu.

Future direction

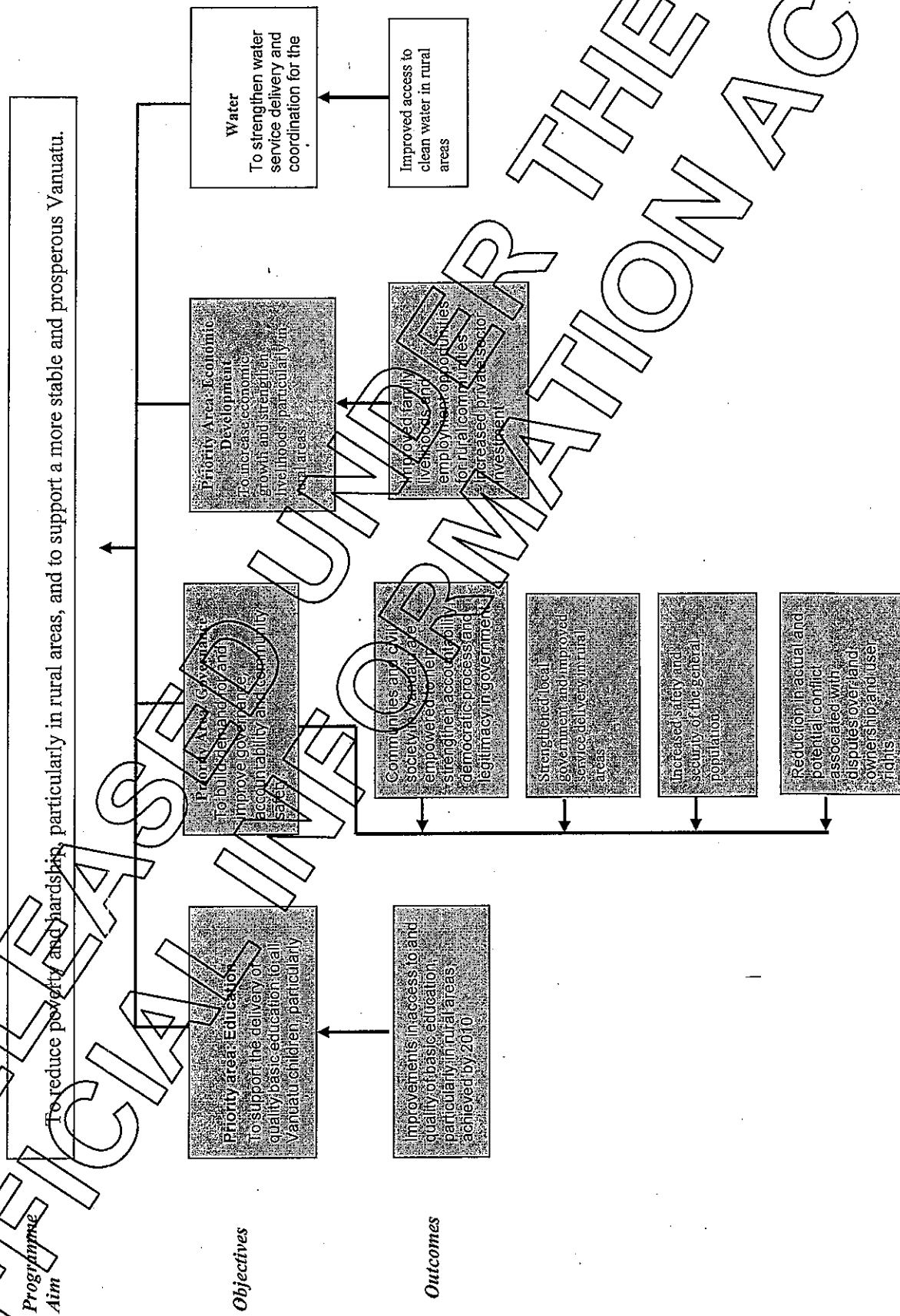
25. Education is seen as a non-controversial element of Aid and the NZ commitments are now closely tied to VERM. Improving quality and access to school education is likely to fully occupy this sector for the next five years, and scholarships are still needed, so there is no call to alter NZ's commitments within education.
26. There were different views about the priority issues within the much larger and more diverse Governance and Economic Development themes. These differences included whether the emphasis for economic development should be on rural areas or not, whether it should be on the private sector, whether NZ's civil society policy should be aimed at peak bodies, and what more was needed to support economic development.
27. There was a view that NZ needed to pay more attention to its brand and profile. One issue was that there was little information about what NZ funds (eg through the website); other comments were that NZ could act more decisively in relation to projects that were not proceeding as planned, and not let a proliferation of small projects deter it from a more strategic focus.

Can NZ's Aid become more effective in Vanuatu? Propositions for discussion

Two key themes emerged from the discussions. Firstly, there is a need to continue progress towards the Paris Declaration. Secondly, there is a need to make more progress on capacity building and enabling government departments to manage their own affairs. My propositions for discussion are:

1. NZ has moved a long way towards meeting the intent of the Paris declaration. Once the Vanuatu Education Road Map is clearly on the way, there is an opportunity for NZ, and its donor partners, to be more in tune with the Paris Declaration and step back from the day to day implementation and fund in tranches against clear deliverables.
2. NZ and other donors monitor their use of ex-pat TAs, and work with the Vanuatu government to do more to ensure they are not substitute employees but are engaged in capacity building, if not with a single counterpart, then in some other way. This may require further skills development for some TAs.
3. The Vanuatu government takes steps to speed up appointments, reduce vacancies and addresses the need to redeploy public servants who are poorly matched to their jobs, as well as procurement barriers faced by departments. The devolution of more responsibilities to DGs is likely to be part of this.

Appendix Eight: Overview of Draft Country Strategy for Vanuatu (from NZ-Vanuatu Country Strategy 2006-2010)



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<p>PROGRAMME AIM To reduce poverty and hardship particularly in rural areas, and to support a more stable and prosperous Vanuatu</p>			
<p>Priority Area 1: Education</p>			
<p>Objective: To support the delivery of quality basic education to all Vanuatu children, particularly in rural communities</p>			
<p>OUTCOMES</p>	<p>PERFORMANCE INDICATORS</p>	<p>MEASUREMENTS OF IMPROVEMENT</p>	<p>RISKS</p>
<p>Improvements in access to and quality of basic education, particularly in rural areas, achieved by 2010</p>	<ul style="list-style-type: none"> - Literacy and numeracy results - primary school dropout rates - enrolment rates of rural students in secondary schools (all gender-disaggregated) 	<ul style="list-style-type: none"> - MoE data, PILLS results, achievement tests - Education Management Information System 	<ul style="list-style-type: none"> - Lack of commitment to stronger coordination by other donors - VanGov deterred by initial challenges of stronger coordination or distracted by continuing high transaction costs of existing donor programmes - Reduced resurgent budget funding to Education - staff gaps or insufficient capacity in the Ministry of Education
<p>Activities: Assistance to stronger sectoral coordination, including consideration of a SWAp approach Specific support to the education sector under a SWAp or Education Assistance Programme</p>			<p>RISK MANAGEMENT</p> <ul style="list-style-type: none"> - Regular donor meetings & discussions in capitals - Offer support to VanGov, including with coordination of sectoral meetings & dialogue with other donors - Dialogue with VanGov on % of recurrent budget directed to key sectors - Support for government's efforts to strengthen HR planning

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PRIORITY AREA 2: Governance Objective: To build demand for and improve governance, accountability and community safety.	OUTCOMES	PERFORMANCE INDICATORS	MEANS OF VERIFICATION	RISKS	RISK MANAGEMENT
<p>Communities and civil society in Vanuatu are empowered to help strengthen accountability, democratic process and legitimacy in government</p>	<ul style="list-style-type: none"> - number of active civil society organisations - number and diversity of advocacy programmes - dialogue between government and civil society organisations 	<ul style="list-style-type: none"> - study of civil society organisations 	<ul style="list-style-type: none"> - Conflict amongst civil society groups undermines a collective approach - Government (local and national) lacks the will and/or capacity to engage meaningfully in dialogue with civil society 	<ul style="list-style-type: none"> - Communications & dialogue plan developed as part of project design 	<p>Strengthened local government and improved service delivery in rural areas</p>
<p>Strengthened local government and improved service delivery in rural areas</p>	<ul style="list-style-type: none"> - effectiveness of planning and coordination mechanisms between line ministries and provincial governments - access to and quality of services being delivered to communities - evidence of increased accountability being exercised by rural populations 	<ul style="list-style-type: none"> - reports from provincial govt offices - reports from key Ministries - feedback from civil society organisations - participatory reviews and evaluations 	<ul style="list-style-type: none"> - Efforts to encourage stronger coordination undermined by continued focus on processing individual projects - 'Short termists' undermines work for stronger coordination & planning - human and financial resource constraints prevent effective service delivery 	<ul style="list-style-type: none"> - Regular donor meetings, backed up by discussions in capitals - Roundtable meetings supporting a national interest focus - Discussion and agreement on resourcing involving national govt., donors and provincial govt.. 	<p>Strengthened local government and improved service delivery in rural areas</p>

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OUTCOMES	PERFORMANCE INDICATORS	MEANS OF VERIFICATION	RISKS	RISK MANAGEMENT
<p>Increased safety and security of the general population</p>	<ul style="list-style-type: none"> - number of escapes - re-offending rates - evidence of decrease in family violence 	<ul style="list-style-type: none"> - Feedback from key stakeholders - Newspaper reports - Department of Corrections and Police statistics - civil society reports 	<ul style="list-style-type: none"> - Insufficient VanGov resources to institutionalise new Dept of Corrections - Family violence issues are not given appropriate consideration in police/judicial training 	<ul style="list-style-type: none"> - Support from NZAID for establishment and ongoing functioning of Dept of Corrections - Support for activities of relevant NGOs - Policy dialogue
<p>Reduction in actual and potential conflict associated with disputes over land ownership and user rights</p>	<ul style="list-style-type: none"> - cases handled by Customary Lands Unit - land register records including new leases - number of land-related disputes taken to court 	<ul style="list-style-type: none"> - study of Customary Lands Unit - Court reports - Newspaper and other news reports 	<ul style="list-style-type: none"> - Ineffective leadership & lack of clear policy on land disputes - Failure to address the differences between traditional/customary and modern views on land ownership 	<ul style="list-style-type: none"> - Dialogue with VanGov on conflict prevention and policy on land disputes - Dialogue between VanGov and other interested parties, inc. Malvatumauri
<p>Activities: Participation in Governance Partnership being developed by Vanuatu and Australia Support for the establishment of a new department of corrections leading to safe and secure containment of detainees and effective rehabilitation of offenders Support for the Judiciary Conflict prevention-oriented assistance for establishment of an effective customary lands disputes resolution process Design and implementation of project to assist provincial governance Expanded programme of assistance to civil society governance work including Strategic Partnerships with Wan Smol Bag and the Samarina Counselling Centre</p>				

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OUTCOMES	PERFORMANCE INDICATORS	MEANS OF VERIFICATION	RISKS	RISK MANAGEMENT
<p>Priority Area 3: Economic Development Objective: To increase economic growth and strengthen livelihoods, particularly in rural areas.</p> <p>Improved family livelihoods and employment opportunities, especially for rural communities</p> <p>Increased private sector investment</p>	<ul style="list-style-type: none"> - diversity of livelihood options - employment opportunities for women, men and youth - increased rural incomes - increased sale of rural produce in domestic and export markets - number of new business licences issued & govt reports 	<ul style="list-style-type: none"> - participatory rural appraisals - study of changes in rural employment patterns - household income and expenditure surveys; agric. Census - shipping and export records - employment / underemployment surveys 	<ul style="list-style-type: none"> - Poor enabling environment for growth in productive sectors. - Low uptake of opportunities for growth in the productive sector by communities - Inadequate coordination of multiple donor inputs - Difficulties in accessing export markets 	<ul style="list-style-type: none"> - Dialogue & support to improve enabling environment for growth - Community communications and outreach to promote awareness and provide advice - Regular donor meetings, backed up by discussions in capitals - Assistance in trade-related matters.
<p>Activities: Finalisation and implementation of economic development assistance Support to donor coordination of productive sector assistance</p>				

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OUTCOMES	PERFORMANCE INDICATORS	MEANS OF VERIFICATION	RISKS	RISK MANAGEMENT
<p>Other social sector: Water</p> <p>Objective: To strengthen water service delivery and coordination for the sector</p>				
<p>Improved access to clean water in rural areas</p>	<p>- no. of rural communities and people with access to clean water</p> <p>- maintenance of existing water supplies</p>	<p>- VanGov national database on clean water coverage</p>	<p>- Lack of capacity in DGMWR continues to hamper progress on policy planning</p> <p>- Limited VanGov funding for new projects</p> <p>- In sufficient focus on maintenance / sustainability of existing schemes</p>	<p>- Provide support for institutional strengthening</p> <p>- Policy dialogue/advocacy</p> <p>- Continue to engage on improving maintenance partnerships with civil society</p>
<p>Activities: Support to stronger sectoral coordination on water resources, including possible Strategic Development plan for sector and related activities</p>				