

# Review of the New Zealand Government Agencies Fund

New Zealand Agency for International Development

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# Glossary of Acronyms<sup>1</sup>

AES	Australasian Evaluation Society
APEC	Asia-Pacific Economic Cooperation
AU	Australia
AusAID	Australia Agency for International Development
DAC	Development Assistance Committee of the OECD
DPMC	Department of Prime Minister and Cabinet
FRST	Foundation for Research, Science and Technology
GAF	Government Agencies Fund
IDWG	Inter-departmental working group
MFAT	Ministry of Foreign Affairs and Trade
MoRST	Ministry of Research, Science and Technology
MOU	Memorandum of Understanding
NGOs	Non-Government Organisations
NIWA	National Institute for Water and Atmospheric Research
NZ	New Zealand
NZAID	New Zealand Agency for International Development
NZ government agencies	New Zealand government departments and agencies
NZInc	New Zealand Incorporated (meaning the whole of New Zealand government)
NZODA	New Zealand Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
ODA	Official Development Assistance
OCO	Oceania Customs Organisation
PACER	The Pacific Agreement on Closer Economic Relations
PEST	Pacific Export Treatment Systems

<sup>1</sup> Note: The glossary cover all acronyms listed in the main report, but not all listed in the appendices.

PGSP	Pacific Governance and Support Program
PICs	Pacific Island Countries
PSF	Pacific Security Fund
SOPAC	Pacific Islands Applied Geoscience Commission
SPARC	Sport and Recreation New Zealand
SWAPs	Sector Wide Approaches
TEC	Tertiary Education Commission
WHO	World Health Organization
WhoG	Whole of Government
WQMD	Water Quality Management Database

# 1. Executive Summary

## 1.1 Background

In June 2005, the Official Development Assistance (ODA) Contestable Fund was established by NZAID. The purpose of the fund was to enable New Zealand (NZ) government agencies access to funds to work in partnership with their in-country counterparts in their areas of expertise. In 2007, the fund was renamed the Government Agencies Fund (GAF). The purpose and guidelines for the fund were redeveloped to focus more on achieving development outcomes. The purpose was *“reduced poverty and hardship in partner countries by supporting the development of national capacity for improved service delivery to their citizens”* (NZAID, 2007b: 1).

This report contains the findings of the review of the GAF, as requested in the original submission to the Minister of Foreign Affairs and Trade (NZAID, 2005: 5).

## 1.2 Review methodology

The purpose of the review was threefold, specifically to examine whether:

1. The GAF remains in line with its original mandate and objectives
2. Systems and processes to manage the fund are effective, relevant and appropriate
3. The GAF is the most appropriate mechanism for NZ government agencies engaging in delivery of ODA and for meeting New Zealand Whole of Government (WhoG) objectives, while contributing to development outcomes.

This formative review did not consider the effectiveness of individual projects receiving GAF funding.

A range of data sources were drawn on to address the review’s objectives and associated questions. This approach enabled the triangulation of review findings across the GAF’s key stakeholders and the GAF’s funding, implementation and project completion cycle. The key data sources were:

- Documentation and data analysis of GAF data, wider supporting documents and literature, and quality review of GAF applications and GAF projects through their project cycle
- Interviews with key stakeholders in New Zealand, including NZAID staff, NZ government agencies who have submitted GAF proposals (both approved and declined), members of the inter-departmental working group (IDWG), ineligible agencies and managers of other funding pools
- In-country interviews, including NZAID and Ministry of Foreign Affairs and Trade (MFAT) staff at Post, partner government agencies, Non-Government Organisations (NGOs) and private sector agencies in Vanuatu, Cook Islands and Samoa.

## 1.3 Key findings

### *Focus and scope of GAF*

#### **Alignment and relevance of GAF's mandate**

The GAF is aligned with its original mandate of providing a contestable fund for NZ government agencies to undertake activities in the Pacific and wider that can be counted as ODA, and have a broad development merit. The GAF's systems and processes are seeking to ensure GAF projects are in-country priorities that are not being met by other donors. Feedback from in-country partners highlighted a need to enhance in-country ownership and partnership.

Pacific partners, NZ government agencies, and NZAID staff in Wellington and at Post perceive that the GAF is relevant and meeting their unique needs, specifically:

- For in-country partners and Aid Co-ordination Division participants, the GAF enables in-country government agencies to work with their counterpart agencies in New Zealand to address emerging short-term in-country needs that sit outside of the existing long-term agreements. These needs may be issues of priority overlooked in the long-term agreement (e.g. human rights) or emerging in-country needs in relation to capability building.
- For NZ government agencies, the GAF is the only identified contestable funding stream that enables them to respond to in-country requests to undertake development activities in their areas of expertise with partner agencies. NZ government agencies receive adhoc and reactive requests to undertake development work due to their connections with regional and international agencies, their responsibilities for regional and international treaties or conventions, Ministerial agreements, direct approaches by in-country partners seeking their technical expertise and through the identification of projects that offer significant benefit to both in-country and NZ governments (e.g. matters of security).
- For NZAID staff, there are mixed perceptions of the GAF. On one hand, the GAF is inconsistent with NZAID's shift to long-term strategic agreements with partner governments. On the other, having a contestable fund for NZ government agencies ensures NZAID is aware of and can contribute to the wider development activities, and can ensure projects have development merit and are consistent with development principles. Having a contestable fund to meet emerging short-term in-country priorities enables NZAID staff to remain focused on longer-term strategic agreements.

#### **Right mechanism for NZ government agencies to engage in ODA**

The GAF as a contestable fund is perceived as the right mechanism for NZ government agencies to engage in development activities. The majority of NZ government agencies interviewed did not want to receive funding for development activities in their baseline due to the loss of NZAID's development expertise and a WhoG perspective for development, and the potential risk within their agency of funding being directed towards other non-development activities. In contrast, NZ government agencies with a security focus are seeking baseline funding, given their development activities tend to be of a longer and more strategic nature than GAF projects.

## **GAF's contribution to WhoG and policy coherence**

The GAF contributes towards WhoG and policy coherence objectives relating to development assistance that lie outside NZAID's bilateral and regional programmes. The assessment process underpinning the GAF ensures:

- Consideration by NZAID of the projects' coherence with NZODA and good development practice
- Awareness and discussion at the IDWG meeting about development projects being undertaken by NZ government agencies in the Pacific, thereby encouraging potential collaborations.

The GAF's contribution to WhoG, however, could be more effective through enhancing NZ government agencies' understanding of development assistance and NZAID's appreciation of other policy drivers for NZ government agencies. Ongoing robust dialogue between NZAID and NZ government agencies about GAF applications and more sharing of lessons learnt will strengthen the GAF's contribution to WhoG and policy coherence objectives.

## **Synergy with NZAID's bilateral and regional plans and country strategies and regional plan**

One of the GAF's core strengths is its ability to fund projects that address in-country partners' emerging short-term needs outside of the bilateral and regional agreements. The focus of the GAF is therefore not about whether projects can have greater synergy with bilateral and regional agreements, but ensuring that they are meeting important emerging in-country needs, have development merit and are not damaging to agreed bilateral or regional programmes. NZAID staff, both in Wellington and at Post, therefore have an important role to play in ensuring this, particularly through the assessment of GAF applications.

In-country expectation is that GAF projects will align with their organisational structures, national country programme strategies / national development plans and the corporate or business plans of their government agencies. In this context, it is critical for GAF applications to be endorsed by both the Aid Co-ordination Division and the senior management team of the partner agency to ensure it is meeting an in-country prioritised need. The introduction of letters of support in 2007 is meeting this requirement. It is unknown the extent to which GAF projects managed through regional organisations align with regional strategies; therefore this is an area for further exploration.

## **Tensions between NZ government agencies' and NZAID's objectives**

NZAID's focus is to manage the fund and ensure GAF applications have development merit, are partner-owned and sustainable, offer cost benefits and are NZAID aligned. NZ government agencies' focus is to ensure that their development activities align with their agencies' mandate and their wider regional and international responsibilities. Given these differing foci, tensions do arise between NZ government agencies' and NZAID's objectives. The type and depth of these tensions varies across NZ government agencies, specifically:

- Some NZ government agencies lack understanding of the OECD-DAC, the Paris Principles and the New Zealand Pacific Strategy and therefore are not aware of and do not apply good development practice in implementing projects
- Other NZ government agencies, more experienced in development assistance, expressed frustration that NZAID's development objectives appear to take



precedence over their agencies' regional and international drivers or Minister's request for their agency to assist a Pacific country

- Other NZ government agencies, particularly those with a security focus, disagree with NZAID's interpretation of what is DAC-able. NZAID's interpretation of what is and is not DAC-able is perceived as too restrictive relative to AusAID's interpretation.

Ongoing dialogue between NZAID and NZ government agencies, both individually and collectively through the IDWG, together with education on ODA and wider NZ government agency policy drivers, will go some way to minimise the effects of this tension.

### **Complementarity with other funds**

There is some complementarity between the GAF and the Pacific Security Fund (PSF), given the PSF can respond more proactively outside of the application rounds to urgent funding requests and fund non-DAC-able activities. These characteristics are especially beneficial to NZ government agencies with a security focus, who are at times required to respond to a security crisis that arises across the Pacific.

AusAID's Pacific Governance and Support Program (PGSP) focuses on funding regional year-long governance activities to a wider range of audiences than the GAF. AusAID is currently considering opening up their fund to NZ government agencies. This has the potential to undermine the fostering of WhoG and policy coherence on development in New Zealand, especially if there is a lack of communication between NZAID and AusAID.

### **Eligibility criteria**

At present, only New Zealand government departments, agencies and statutory authorities undertaking non-commercial activities are eligible to apply to the GAF. However, government entities operating commercially may be directly sub-contracted by an eligible government applicant on the condition that the ownership and accountability of the initiative rests with the eligible applicant and not the sub-contractor.

Three Crown Research Institutes have accessed GAF funding after submitting a joint GAF application with the Ministry of Research, Science and Technology (MoRST) for a total of six projects. Crown Research Institutes are seeking to develop a more embedded, long-term relationship with NZAID to support their role and work in the Pacific. While discussions with NZAID are progressing, the GAF is perceived as a potential funding mechanism to undertake initial risk assessment and scoping of the merit of proposals for in-country science-focused development activities.

Partner countries are supportive for Crown Research Institutes to be included due to their depth of specialist knowledge, and because their counterparts tend to be located in a government agency. In contrast, there are concerns about their inclusion due to the potential for their projects to focus more on doing interesting science and on commercial gain and not on developmental outcomes sought in-country.

Universities in New Zealand do not have access to the GAF. The one university which participated in the review of the GAF advocated strongly for access to the GAF, as they are already undertaking research and other activities in the Pacific, their funding structures are cost effective, and development projects being undertaken have sought to embed expertise and infrastructure in the Pacific. Currently, New Zealand universities have access to other NZAID and government research funding, including NZAID's International Development Research Fund (plus, for students, the Post-Graduate Research Fund), TEC funding,

MARSDEN, and funding through MoRST and the Foundation for Research, Science and Technology (FRST).

Only one local government authority participated in the review. This local government authority has council and community links to a number of Pacific Island countries due to a high proportion of their population coming from Pacific nations, an MOU of co-operation with the Cook Islands and Samoa following a trade delegation, but limited funds to undertake development activities. In-country partners are supportive of this local government authority being able to apply to the GAF.

### **Use of sub-contractors**

Currently, the GAF allows NZ government agencies to sub-contract to consultants and public or private sector organisations operating commercially. Most NZ government agency participants want the ongoing flexibility of being able to use sub-contractors in GAF projects due to the need to access specialist technical or sector expertise not available in-house, and at times a lack of in-house capacity. The risks of using commercially focused sub-contractors include additional project expense, NZ government agencies not taking responsibility for and disengaging from the project and contractors not seeking to build capacity in-country.

### **Scoping studies**

To date, five out of the 71 commenced GAF projects could be classified as scoping studies. NZ government agencies and in-country participants identified the benefits of the GAF funding scoping studies as ensuring appropriate, relevant and cost-effective design of larger-scale projects. Funding scoping studies raises a number of potential risks for the GAF, specifically little in-country return for money spent and NZ government agencies not demonstrating their commitment to the project through their initial investment of time and resources. NZ government agency participants and in-country participants are keen for the GAF to be flexible enough to allow them to work together in the most appropriate way. There are times therefore when it will be appropriate for the GAF to fund scoping studies, as it has done in the past.

### **Phase funding**

Two-thirds of GAF projects completed did not seek phase funding. In only eight projects did a NZ government agency seek phase funding. These NZ government agencies applied for phase funding due to requests from their in-country or regional partner to enable the project to continue, to enter a new phase, to continue building capability in-country or to facilitate an appropriate exit strategy ensuring project sustainability. In determining the merits of further funding, a review of the current GAF project is required focusing on its implementation and achievements, the relationship between the agencies, the project's ongoing need in-country and the consideration of its long-term sustainability.

### **Timeframe for GAF projects**

Feedback from other NZ government agency and in-country participants highlighted they were not overly critical of the current three-year timeframe for GAF projects, and the current time limit was not noted as having either a positive or negative effect on the project. NZ government agencies and in-country partners indicated a preference for flexibility around the timeframe for GAF projects to ensure the fund was able to accommodate the range of proposals being put forward to meet emerging in-country needs.

### **Eligible activity-specific costs**

Overall, the eligible activity-specific costs stipulated in the 2007 GAF guidelines continue to be appropriate. However, NZ government agency participants raised several issues with them, including:

- Inability to backfill specialists as there is no one else who can undertake their role
- Lack of recognition of NZ government agency costs in undertaking GAF projects
- Lack of funding to develop joint GAF applications with in-country partners
- Lack of start-up funding
- Being paid for work completed as many NZ government agencies have no funding allocation for ODA activities in their baseline.

The review found it is inappropriate for the GAF to cover the costs of proposal development due to the little return to in-country partners and the inconsistency of this approach with wider government practice across other contestable funds. The need for start-up funding has occurred in two instances in the past, where there was clear documentation of the reasons the agencies were unable to fund these start-up activities internally.

### **Value for money**

Review of GAF applications and MOUs showed that funding breakdowns for eight of the nine projects was very high level and generic. In many cases, it was difficult to determine exactly what the funds were being used for. Analysis of budgets found costs outside the guidelines were sought and the MOUs indicate that in some cases salaries, staff fees, consultants, project management and contingency line items were covered.

Few in-country partners or Aid Co-ordination Divisions are aware of the amount of funding received for their project or how funding has been allocated to specific activities. As a result, in-country partner agencies were confused about how the funding allocation for the GAF works. Some in-country partners expected that all funding for the GAF project should be given to them, which is inconsistent with the GAF's purpose of facilitating NZ government agencies to participate. This request is not supported by Aid Co-ordination Divisions.

The review of whether the GAF provides value for money could not be undertaken due to the review not assessing the development effectiveness of projects, a lack of budget breakdown for each project and normative data not being available.

## **Governance**

In the main, the IDWG is working well in peer reviewing NZAID's assessments of GAF applications. One area for strengthening is the IDWG's contribution towards WhoG and policy coherence through more robust discussions about GAF applications, greater sharing of lessons learnt across GAF projects and proactive identification of areas for future collaboration and co-ordination.

## **Systems and processes**

The review examined whether the systems and processes to manage the GAF are effective, relevant and appropriate.

### **Assessment criteria**

The GAF's assessment criteria are appropriate. There is room, however, to enhance this conceptual framework to incorporate key findings from the review, specifically assessing the risk to NZAID programming, placing more focus on NZ government agencies' policy objectives and drivers and ensuring the assessment criteria are clear and meaningful to those with little development experience.

### **Application form and process**

The application process is appropriate for a contestable fund. The current application process for the GAF is generally described by NZ government agencies as straightforward, fair and transparent with the level of rigour expected for a contestable fund. However, some NZ government agencies felt the application is repetitious, time consuming and information hungry. In preparing their GAF application, NZ government agencies want access to NZAID staff in Wellington and at Post to discuss their application and get a sense of its worth before investing significant amounts of time in its development. Further, the review of the applications highlighted a lack of in-country partner contribution and involvement in project design and drafting of the application.

### **Assessment process**

The assessment process is effective in seeking a range of perspectives on the relative merit of GAF applications from NZAID programme managers, NZAID at Post, MFAT and the IDWG. NZAID staff in Wellington and at Post play an important role in assessing GAF proposals in relation to their development merit, potential risks to the bilateral and regional programmes, development mechanisms being used, donor co-ordination and harmonisation and likelihood of project sustainability. NZAID staff find this role operationally challenging due to a lack of clarity about the amount of time they should allocate to working with GAF proposals that have merit but require more work to be approved.

### **Feedback process**

NZ government agency participants noted they find the assessment sheet summarising feedback on their application particularly useful in understanding the reasons for the decisions made, and if supported conditionally or declined conditionally the areas they need to address if resubmitting the application. In-country partners and the Aid Co-ordination Divisions did not comment on the feedback process as they do not receive this information.

### **Project sustainability**

In development activities, project sustainability commences with project design and continues through the project cycle, fostered by partnership and ownership. NZAID and the IDWG therefore need to continue scrutinising GAF applications for this evidence with a focus on the outcome leading from the project to the individual beneficiaries' gain.

As indicated, the GAF has a niche role to play in relation to NZODA – it sits outside of NZAID's agreed bilateral and regional programmes and enables government-to-government agency partnership to address an emerging in-country or regional need. In this context, some GAF-funded projects have a very short-term focus, to which the concept of sustainability does not easily align. In this context, NZ government agencies are seeking

some flexibility in the application of the sustainability criteria for discretionary, add-on type projects.

### **Monitoring and evaluation**

Currently, the GAF does not have a programme logic or an agreed monitoring and evaluation framework against which the overall fund or individual projects are assessed. Information about how GAF projects are progressing is derived from the GAF's annual progress reports and completion reports. However, there is variation in the quality and level of detail in these reports, particularly in relation to information about the partnerships developed, potential risks and their management and evidence to demonstrate progress towards development outcomes. There is also little reporting on the value for money of the projects, and in-country partners have little involvement in this reporting process.

The variation in quality of information appears to be compounded by a lack of distinction in the GAF's tools around the terms 'objectives' and 'anticipated outcomes' and this flows through to reporting. There is also little evidence that monitoring and evaluation frameworks for GAF projects, mentioned in GAF applications, have been developed and implemented and whether their findings are forming the evidence base of the reporting back to the GAF.

Given that the GAF has a niche positioning of enabling government-to-government agency capability building to address emerging short-term needs in-country, the extent to which it is feasible or cost effective to measure development outcomes needs to be considered. In this context, monitoring and evaluation should be tailored to reflect the type and value of the GAF project. The mantra from NZ government agencies is for the application and reporting process to be simple and not overly burdensome. However, there is a balance to be achieved between simplicity of reporting and the need for enough information to demonstrate funds are being used appropriately.

## **1.4 Conclusions**

### ***GAF's relevance***

The GAF's mandate is relevant. The GAF has a unique and niche role in NZODA in offering NZ government agencies access to development resources to respond to requests from their in-country and regional counterparts to meet their emerging short-term priorities or needs that sit outside of agreed programmes. In-country partners acknowledge the GAF's relevance and flexibility in responding to emerging short-term capability-building needs outside of existing agreements. For NZAID, the GAF allows the bilateral and regional programmes to focus on the longer-term systemic priorities agreed between NZAID and partner governments.

Inherent in the GAF is a tension between NZAID's development drivers and the NZ government agencies' wider policy mandates and international objectives. To manage this tension going forward, some NZ government agencies require ongoing education about development principles and protocols. NZAID's appreciation and consideration of NZ government agencies' wider policy drivers and mandates in relation to their GAF applications also needs to be enhanced.

## ***GAF's effectiveness***

The GAF's systems have been set up to 1) facilitate NZ government agencies to work with in-country and regional partner agencies, 2) contribute to a WhoG approach to development, 3) quality control that NZ government agencies' projects are DAC-able and align with development principles and practices, and 4) have more NZInc expenditure that counts as ODA. Inherent in the GAF's systems and processes are the concepts of simplicity (i.e. fewer bureaucratic hurdles than the bilateral and regional programmes) and flexibility to respond to in-country needs and changing environments in which the GAF projects are being implemented.

The GAF's challenges, as particularly evident for in-country partners and NZAID, lie with project implementation not consistently aligning with good development practice. The GAF's development effectiveness can be enhanced via greater in-country ownership of GAF projects and a more consistent partnership approach being used by NZ government agencies in the implementation and monitoring of GAF projects. Underpinning partnership is a need for communication processes that foster vertical and horizontal awareness and understanding of the GAF-funded project in-country and in New Zealand.

## ***GAF's efficiency***

GAF systems in relation to the application, assessment and feedback processes are, in the main, appropriate and efficient. Within the GAF's processes, the IDWG is an important mechanism in seeking to contribute towards a WhoG approach to development. There is room to enhance the robustness of this dialogue on proposals received, particularly in making more visible in the review of applications the wider policy drivers of NZ government agencies in seeking to undertake a particular development activity.

Revisions recommended to the GAF's systems and processes reflect a tightening to enhance in-country ownership, stronger partnership-based relationships and activities, and a strengthening of the GAF's contribution to WhoG in development assistance. Of particular importance is ensuring the roles and responsibilities of NZAID programme managers in Wellington and at Post in the GAF are explicit, given their expertise in ensuring GAF projects have development merit and do no harm to existing government-to-government agreements.

## ***GAF's impact***

This review did not assess the impact of the GAF-funded projects. However, it is evident that some projects appear to be achieving the development objectives detailed in the GAF application, while others appear to be less successful and have created damage to their relations in-country in implementing the project. Currently, the GAF does not have an agreed evaluation specification plan at either a project or fund level to examine the effects and contribution of the GAF, both at a community and WhoG level.

## ***GAF's sustainability***

Assessing the sustainability of the GAF projects was outside the scope of this review. However, there are indications that the sustainability of funded projects is mixed. This is an area for further consideration.

## **1.5 Recommendations**

### ***Focus and scope of GAF***

- Retain the focus on development impact as it ensures the GAF's alignment with international and national strategic directions for ODA
- Acknowledge, however, the GAF's niche role in NZODA by:
  - Enhancing NZAID's appreciation and consideration of NZ government agencies' policy drivers in seeking to undertake development activities
  - Shifting the focus from seeking to align the GAF with existing bilateral and regional agreements to one of ensuring GAF projects do no harm to these programmes
- Reinforce principles of in-country and regional partner ownership and partnership within the GAF through:
  - Continuing to seek a letter of support from Aid Co-ordination Divisions and adding a letter of support from the partner agency's Chief Executive Officer
  - Embedding evidence of in-country partner involvement in project identification, proposal and workplan development and its associated budget, project implementation, monitoring and evaluation and reporting
  - Promoting to NZ government agencies that partnership relationships extend beyond project completion
- Continue NZAID's annual GAF workshop to educate NZ government agencies about development principles and practice to improve implementation of GAF projects by:
  - Encouraging attendance by all NZ government agencies currently undertaking a GAF project or likely to apply to the GAF in the future
  - Grounding the workshop on NZ government agencies' needs through use of their draft GAF applications and the sharing of the lessons and successes in current and completed GAF projects
- Strengthen the GAF's WhoG and policy coherence contribution through:
  - Having greater dialogue and discussion at the IDWG about the differing policy drivers nationally, regionally and internationally in relation to GAF applications
  - Disseminating successes and lessons from completed GAF projects
  - Continuing the involvement of NZAID staff in Wellington and at Post in the assessment of GAF applications and clarifying this role
- Maintain the GAF's links to other funds by:
  - Continuing communications between MFAT and NZAID in relation to the GAF and the PSF and ensuring NZ government agencies are clear about the differentiation between the funds

- Undertaking high-level inter-donor dialogues with AusAID to ensure coherence in the application of what is DAC-able in relation to security-related projects.

### **GAF guidelines**

- Allow Crown Research Institutes direct access to the GAF. No change in the eligibility status of universities or local government
- Continue to permit the use of sub-contractors operating commercially to deliver components of GAF-funded projects provided the NZ government agency manages the partner relationship, in-country partners are involved in the selection process and sub-contractors contribute to capacity building
- Allow NZ government agencies to apply for phase funding, to enable the project to continue, enter a new phase or continue building capability in-country. Subject to:
  - Ensuring the request derived from the in-country or regional partner
  - Receiving a review of the current GAF project focusing on its implementation and achievements, the relationship between the agencies, the project's ongoing need in-country and consideration of its long-term sustainability. The review should be signed off by the partner agency
- Continue with a maximum three-year timeframe for GAF projects
- Request a more detailed breakdown of project costs in GAF applications, together with rationale for any line items outside the guidelines, and the reasons for changes in funding amounts between the GAF application and the MOU
- Consider on a case-by-case basis requests for NZAID to provide project start-up funding.

### **GAF's systems and processes**

- Tighten GAF systems and processes to foster in-country ownerships, partnerships and sustainability by:
  - Application process having a more partnership approach to development, demonstrating greater consideration of sustainability and removing duplication
  - Assessment criteria incorporating the assessment of risk to NZAID programming, placing more focus on NZ government agencies' policy objectives and drivers and ensuring the criteria are clear and meaningful to those with little development experience
  - NZ government agencies informing their in-country partners about the outcome of the GAF application. Partners to receive a copy of NZAID's assessment feedback sheet together with any conditions of approval
  - Role and extent of involvement of NZAID staff both in Wellington and at Post being clarified
  - Changes implemented being consistent with the mantra of keeping the GAF flexible and simple
- Develop a two-tiered evaluation specification plan for GAF projects and the fund, and revise progress and completion reports to strengthen reporting on partnership, risk, sustainability, capability building, development outcomes (as appropriate) and value for money.



### ***Other recommendations***

- Review GAF projects co-ordinated via regional organisations to assess their effectiveness
- Have available, as appropriate, for NZ government agencies and in-country and regional partners information about the GAF
- Consider the need to revise the GAF name to emphasise the partnership component of fund.

## 2. Background to the Review

### 2.1 Establishment and rationale for the GAF

During the budget process in 2005, Ministers agreed to a budget increase for Vote Official Development Assistance (ODA) to commence from July 2005 (NZAID, 2005). Ministers agreed that the majority of funding would remain in Vote ODA, but directed that other New Zealand government departments and agencies (NZ government agencies) would have the opportunity to propose ODA initiatives that would be funded out of a proportion of the increase. At the time of the submission, 11% of ODA-eligible activities were managed by other NZ government agencies. Accordingly 11% of the \$63 million increase was ring-fenced, which resulted in \$6.9 million being available for other NZ government agencies to bid against. This was subsequently adjusted to \$6.7 million per annum.

The proposed mechanism for managing the ring-fenced money was a Contestable Fund. The operating principles approved for the fund were that initiatives delivered by NZ government agencies should be countable as ODA by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), and have broad developmental merit. That is, initiatives are required to be counted as DAC-able (NZAID, n.d.b.). The DAC definition of ODA is *“those financial flows to developing countries, which are administered with the promotion of economic development and welfare of developing countries as its main objective”* (NZAID, 2007b: 2).

The submission (NZAID, 2005: 5) also noted that *“initiatives may serve broader relationship objectives such as deepening New Zealand’s links with the relevant country, enhancing constituencies and emerging leaders, which are positively inclined to New Zealand values and governance, and supporting trade capacity growth as an element of development and poverty elimination”*.

In June 2005, the ODA Contestable Fund was established by NZAID. The structure put in place was that NZAID would have overall responsibility for allocating the funds and NZ government agencies would manage ODA Contestable Fund activities.

NZAID invited NZ government agencies who traditionally provided ODA services offshore and other potentially interested agencies to submit proposals to the Contestable Fund. NZAID chaired the inter-departmental working group (IDWG) who collectively evaluated NZAID’s internal assessment of the proposals.

The following criteria (NZAID, 2005: 12) were used to assess proposals submitted to the ODA Contestable Fund:

- Alignment with partner government needs and partner government agreement via governance mechanisms for managing development assistance
- Harmonisation with other national or externally supported initiatives to minimise the potential for duplication or overlap
- Correspondence of benefits or outcomes to funding
- Incorporation of development principles of partnership, sustainability, exit strategy, evaluation criteria, plans and budget provision for conducting evaluations

- Alignment with NZODA’s current geographic footprint to contribute towards achieving a more systematic impact
- Coverage of only DAC-able activities. Projects with both DAC-able and non-DAC-able parts were required to seek alternative funding for the non-DAC-able components
- Coherent with New Zealand’s development policy and where appropriate related broader foreign policy objectives.

## 2.2 Evolution of the GAF

In mid 2007, with approval of the IDWG, the Fund’s name was changed to the New Zealand Government Agencies Fund (GAF). At the same time, the GAF guidelines were refined to enhance proposal quality by providing applicants with more specific information on the fund’s purpose, assessment criteria and eligible activities (NZOID, 2007b).

The revised guidelines redefined the GAF’s purpose as *“reduced poverty and hardship in partner countries by supporting the development of national capacity for improved service delivery to their citizens”* (NZOID, 2007b: 1). Further, the guidelines state the fund *“offers New Zealand government departments and agencies the opportunity to access ODA resources in order to undertake activities in their areas of expertise”* that:

- Contribute to capacity development through transferring skills and expertise to developing country partners, in particular public sector counterparts
- Support the development of long-term strategic partnerships between NZ government agencies and their counterparts in partner countries
- Provide technical assistance to developing country partners, in particular public sector counterparts to improve delivery of their core services.

NZOID defines a strategic partnership as *“typically an enduring two-way relationship between organisations based on common interests and objectives and involves elements of capacity development, management/leadership development, business systems improvement, mentoring, and staff exchanges for improved service delivery”* (NZOID, 2007b: 1).

The fund is managed by one NZOID staff member – a Development Programme Officer – with some administrative assistance from a Development Programme Administrator.

## 2.3 Overview of the GAF application and funding process since 2007

Applicants eligible for GAF funding are New Zealand government departments, agencies and statutory authorities undertaking non-commercial activities. DAC-able activities considered include strengthening governance, public service delivery, natural resource management and accountability institutions as well as inter-agency linkages, technical assistance and secondments. The primary location of the GAF fund is the Pacific, although initiatives benefiting other countries may be supported. Nine GAF projects were funded to partner with non-Pacific countries, primarily located in Asia (refer Appendix 1, Table 1).

Projects can be funded for up to three years with the expectation that projects will be either completed or sustainable in-country by project completion. NZOID does not make

commitment to fund other activities flowing on from an implemented activity. To date, eight GAF projects have received additional funding for flow-on project activities or project continuation funding. The eight GAF projects were from seven Ministries, specifically the Ministry of Health, Crown Law, New Zealand Customs, New Zealand Police, New Zealand Fire Service, Ministry of Economic Development and Ministry of Foreign Affairs and Trade (MFAT) (refer Appendix 1, Table 2).

There are two GAF funding rounds per year in April and November. Applications between rounds are not considered. GAF funding supports the cost of supernumerary staff for NZ government agencies or backfilling of time, the cost for partner agency for work attachments or secondments, procurement and training costs, and other travel and per diem costs (NZ Aid, 2007b).

Applications to the GAF go through a rigorous internal assessment by specialist NZ Aid advisors and programme managers in Wellington and at Post, and by MFAT policy officers. NZ Aid's assessment and recommendations of a GAF proposal is reviewed and critiqued by the IDWG who will approve, approve conditionally or decline the proposal. Currently, the IDWG is made up of around 21 senior managers from across NZ government agencies including NZ Aid (Chair), Department of Conservation, Human Rights Commission, Ministry of Agriculture and Forestry, Ministry of Defence, Ministry of Economic Development, Ministry for the Environment, Ministry of Fisheries, MFAT, Ministry of Health, Ministry of Research, Science and Technology (MoRST), Ministry of Social Development, NZ Police, NZ Customs, Statistics NZ, Te Puni Kōkiri and Treasury. All decisions relating to the applications are then sent to the Minister of Foreign Affairs and Trade for approval or moderation.

Funding for successful proposals is through a Memorandum of Understanding (MOU) between the implementing NZ government agency and NZ Aid. Funding is in the form of reimbursement to NZ government agencies on presentation of invoices for actual costs incurred. NZ government agencies receiving funding from the GAF must provide NZ Aid with an annual progress report and a completion report.

NZ Aid requires all NZ government agencies receiving funds from the GAF to brief and communicate with Heads of Missions and Post in countries where project activities are taking place, especially before in-country visits and arrival to and exit from the country.

## 2.4 Allocation of the GAF

Since the establishment of the ODA Contestable Fund / GAF, six funding rounds have been administered, and the seventh was underway at the time of this review (November 2008). To date, 100 proposals have been submitted to the GAF. Seventy-six were approved for funding. Three projects were subsequently cancelled and two were put on hold. In total, 71 projects have been approved and commenced across 24 NZ government agencies.

The highest number of GAF proposals received was in Round 1 with 35. The lowest was nine proposals in Round 4. Excluding Round 1, the average number of proposals received per round is 13. The latter indicates that interest in the fund has not waned, but based on its current awareness may have plateaued.

Twenty-four NZ government agencies have submitted proposals to the GAF. MFAT, Ministry of Health and MoRST have submitted the most proposals (with 15, 14 and 12

proposals respectively), reflecting their significant historical engagement in the Pacific and wider.

Twenty-four proposals were declined across 12 government agencies. The main reasons for declining proposals were due to concerns with the cost-benefit analysis, perceived lack of sustainability once the project was completed, and the project mechanism not being the best developmental approach to use.

The value of the fund is \$6.7 million per year (\$20.1 million over three years). Across the six rounds, \$22,404,574 has been allocated in MOUs for projects, and \$14,515,110 has been paid out for work completed. 65% of allocated funding has therefore been paid out.

The allocation of \$14.5 million by MOU to 33 projects in Round 1 and Round 2 was equivalent to three-quarters of the total value of the fund for the financial period 2005 to 2008. Consequently, the numbers of projects that could be funded in the following years may have been constrained. The volume of projects approved in Round 1 and Round 2 resulted in little time to trial the systems and processes around the new fund.

To date, 26 out of the 71 projects have been completed, at a cost of \$3,997,026; representing 28% of total payment to date.

The amount of funding per approved projects varies significantly from:

- A low of \$3,100 for Crown Law's project on training and evaluation of the Samoan Prosecution Programme, to
- A high of \$2,001,407 for the NZ Customs' permanent location of the Oceania Customs Organisation (OCO) Secretariat.

The average MOU funding allocation across the 71 GAF projects approved is \$324,704 and the median is \$177,901.

GAF-funded projects are occurring across the Pacific and wider. Of the 73 GAF-funded projects<sup>2</sup>:

- 24 are Pacific regional projects
- 22 projects focus on only one Pacific country
- 8 involve multiple Pacific countries
- 9 involve countries not in the Pacific
- 10 involve regional and global organisations.

Appendix 1 contains Tables 1 to 9, which offer a more detailed breakdown of proposals received and approved, funding allocations and locations.

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<sup>2</sup> Includes the two approved projects currently on hold.

## 3. Review Methodology

### 3.1 Review purpose

The original submission (NZAID, 2005: 5) noted NZAID would report to the Minister of Foreign Affairs and Trade on lessons learnt from the bidding process of the GAF and make recommendations for future years ensuring policy coherence in the use of ODA funds. Given the number of projects funded and the financial resources expended by 2008, it was timely to undertake a review *“to gain a better understanding of what is being achieved and to identify how implementation can be improved”* (NZAID, 2007c: 10).

The purpose of the review was threefold, specifically to examine whether:

1. The GAF remains in line with its original mandate and objectives
2. Systems and processes to manage the fund are effective, relevant and appropriate
3. The GAF is the most appropriate mechanism for NZ government agencies engaging in delivery of ODA and for meeting New Zealand’s Whole of Government (WhoG) objectives, while contributing to development outcomes.

This formative review did not consider the effectiveness or impact of individual projects receiving GAF funding. It is intended the findings of the review will be used to refine GAF’s systems and processes to enhance its performance and thus development impact.

Appendix 2 contains the review’s Terms of Reference.

### 3.2 Review objectives

The review objectives were:

- Focus and scope of the fund: testing how appropriate are the focus and scope of the fund, bearing in mind aid effectiveness principles
- Systems, processes, governance and guidelines: assessing whether the institutional systems and processes established to manage the fund are effective, relevant and appropriate with regard to the complete GAF cycle (i.e. project identification, application, assessment, implementation and monitoring and evaluation)
- Documentation: designing a new application form and associated documents, and project reporting templates including an annual report and project completion report<sup>3</sup>.

Appendix 3 contains the Review Plan, which details the review questions.

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<sup>3</sup> The redesign of the GAF’s documentation has been provided separately from this review report.

### 3.3 Review methodology

A range of data sources were drawn on to address the review's objectives and associated questions. This approach enabled the triangulation of review findings across the GAF's key stakeholders and the GAF's funding, implementation and project completion cycle. The key data sources were:

- Documentation analysis across four defined areas:
  - Analysis of GAF data to identify the mix of proposals received and projects funded
  - Analysis of wider supporting documents and literature to inform specific review questions (listed in Appendix 4)
  - Quality review of 16 GAF applications (12 successful and four unsuccessful) across the funding rounds to identify improvements to the guidelines and application process (listed in Appendix 5)<sup>4</sup>
  - Review of nine GAF projects from their initial application, approval, implementation and, if occurred, completion to elicit feedback on the project's selection, value to the country and its implementation lessons (listed in Appendix 5)<sup>5</sup>.
- Interviews with key stakeholders in New Zealand, conducted between 13 October and 5 December 2008, included:
  - 17 NZAID staff in New Zealand including senior managers, programme managers and policy advisors involved in assessing the GAF proposals and other advisors
  - 46 people from 21 NZ government agencies including those submitting proposals (both approved and declined), those managing or have managed GAF-funded projects and members of the IDWG
  - 14 people from seven ineligible agencies including tertiary institutions, local government and Crown Research Institutes
  - Five people from other funding pools including MFAT's Pacific Security Fund (PSF) and AusAID's Pacific Governance and Support Program (PGSP).
- In-country interviews including:
  - 14 interviews with key stakeholders in Vanuatu including five with NZAID and MFAT and nine with partner government and private sector agencies. Interviews were conducted between 28 and 31 October 2008
  - 19 interviews with key stakeholders in Rarotonga including five with NZAID and MFAT and 14 with partner government agencies, Non-Government Organisations (NGOs) and private sector agencies. Interviews were conducted between 3 and 7 November 2008
  - 33 interviews with key stakeholders in Samoa including three with NZAID, New Zealand Immigration Service and MFAT and 30 with partner government agencies, NGOs and private sector agencies. Interviews were conducted between 10 and 14 November 2008.

<sup>4</sup> 13 GAF applications were from rounds 1 to 4 and three were from rounds 5 and 6.

<sup>5</sup> Eight GAF projects were from rounds 1 to 4 and one was from round 6. The selection of GAF applications and proposals from rounds 1 to 4 reflects NZAID's request to focus on those projects more likely to have commenced.

Appendix 6 contains the list of people both in New Zealand and in-country who participated in the review. All those who participated in the review received a copy of the draft report to comment on for factual accuracy.

### 3.4 Review analysis

Addressing the review objectives required an integrated analysis of the review questions using the breadth of data sources. As detailed in the Review Plan (refer Appendix 3), an integrated analysis framework was developed that showed how each data source was drawn on to answer the specific review questions. The framework enabled the triangulation of existing documentation and literature with GAF data and qualitative data gathered from the range of stakeholders.

A grounded theory approach was adopted for the qualitative data collection, coding and analysis. As such, a process of constant comparative analysis throughout the lifespan of the review was used to address the review questions and to identify recommendations. The constant comparative method of grounded theory means:

- Comparing different individual and stakeholder perspectives (e.g. first each individual perspective was compared and the perspectives of those with different roles were compared with each other)
- Comparing data from interviews with supporting literature, documentation and other GAF data
- Comparing data within each review question
- Comparing findings to one review question with insights for other review questions to identify interlink ages, relationships and wider influencers.

In practice, this means thematic codes are created against the review questions (deductive analysis) as fieldwork, data analysis and literature/document review is undertaken.

Through coding, information is defined and categorized through a review of interviews, writing fieldwork notes and ongoing discussions by the reviewers throughout the fieldwork and analysis phases. As a result, emerging patterns were continually tested through the interview and data collection and analysis process.

On completion of the fieldwork, the reviewers held a three-day analysis workshop to discuss and debate themes arising, their implications and to identify key conclusions and recommendations. Through the analysis workshop, the draft structure and content of the report was agreed by the reviewers. The draft report structure was presented to NZAID for their consideration before report writing commenced.

The reviewers presented an overview of the key review findings at the December 2008 IDWG meeting. The draft report was distributed to all participants in late December 2008 for feedback on factual accuracy. Feedback from participants, NZAID and an independent reviewer was considered and incorporated, as appropriate, in the finalization of this report.

### 3.5 Ethics and quality assurance

Both members of the Review Team, Liz Smith of Litmus and Dianne Hendey of People and Projects, are members of the Australasian Evaluation Society (AES). As such, the Review



Team operated under the AES' Code of Ethics. During the informed consent process, participants were assured that their input into the review would not be personally attributed. In the few occasions where comments are attributed to specific NZ government agencies permission has been received to do so. Permission was sought and given by participants to be listed as contributing to the review (refer Appendix 6).

The Review Team are experienced evaluators, and incorporated participative approaches and applied the guidelines recommended by the OECD-DAC to ensure good practice and to improve the quality of development intervention evaluations (DAC Network, 2006).

### 3.6 Review limitations

In considering the findings and conclusions of this GAF review, a number of limitations are acknowledged:

- The emphasis of the review was on the GAF's processes and systems, reflecting many GAF projects are not yet completed. With regard to DAC's criteria for evaluating developing assistance (OECD, 2000), the review of the GAF focused on relevance, effectiveness and efficiency and did not undertake a cost-benefit analysis, or assess the impact or sustainability of individual projects.
- The information and data available to address the review objectives and associated questions were primarily qualitative in nature. Extensive efforts were made to ensure a range of key stakeholders, both in New Zealand and in-country, were included in the review. Positively, the review included a wide spectrum of people. Analysis of secondary documents and data was used to triangulate and validate participants' input.
- The review focused on a limited number of GAF applications and GAF projects. The findings detailed in this report therefore reflect these selected applications and projects and may not be representative of all GAF applications and GAF projects.
- Due to changes in staff, participant recall and the inability to include all stakeholders both in New Zealand and in-country, this report presents indicative and not definitive findings. Further, in-country partners have limited awareness of the GAF as a funding stream, and there is significant variance in NZ government agencies' understanding of development principles and practice. Consequently, the reviewers are therefore unable to categorically say whether or not the themes noted throughout the report are held wider than the stakeholders who participated.
- The Review Team, after substantial follow-up, did not receive feedback from regional organisations to provide greater insight into the systems and processes of GAF projects being undertaken through regional organisations. This is an area for further investigation.

The Review Team is confident the report accurately represents the views and perceptions of participants who contributed to review and are supported in the wider literature and data. The consistency of themes across participants and their support through wider documentation strengthens and validates the findings presented.

### 3.7 Acknowledgement

Litmus and People and Projects wish to acknowledge and thank all those who contributed to the review of the GAF. We would especially like to thank in-country participants from Vanuatu, Cook Islands and Samoa, and the NZ government agencies for their time and contribution.

We would also like to thank Ginny Chapman, the GAF Development Programme Officer, and NZAID staff at Post for facilitating and enabling the review process.

*He aha te mea nui?*

*He aha te mea nui o te ao?*

*Maku e ki atu*

*He Tangata, He Tangata, He Tangata.*

*What is the most important thing?*

*What is the most important thing in the world?*

*I will say to you*

*It is people, It is people, It is people.*

## 4. Focus and Scope of the GAF

### 4.1 Mandate and mechanism of the GAF

#### 4.1.1 GAF's alignment with original mandate

The review was asked to determine whether the fund is well aligned with its original mandate and meeting its objectives as specified in both the original submission and the current guidelines (refer section 2). Analysis of documents, interviews with in-country partners and NZ government agencies and NZAID indicated that, conceptually, GAF projects in rounds 1 to 4 align with some elements of the original mandate, specifically they:

- Met the OECD's DAC-able criteria and have to a large extent development merit
- Have sought, through the assessment process, to minimise duplication and overlap with other NZAID development activities and wider-known development activities in-country and regionally
- Fitted the geographic footprint of NZODA as three-quarters of approved applications are in Pacific Island countries
- Aligned with partner government agency priorities and New Zealand's development policy objectives and considered broader foreign policy objectives.

NZ government agencies' understanding of development principles and practice that underpin the GAF ranges from being in-depth and comprehensive to extremely limited. Consequently, the extent to which GAF projects are designed and implemented according to best practice development protocols varies. In-country feedback highlighted the value of GAF projects to partner agencies, but also raised concerns with how some projects were being implemented, specifically<sup>6</sup>:

- The depth and breadth of project ownership within in-country agencies, both vertically and horizontally. It was common for the key in-country contacts to be supportive and enthusiastic about their GAF project, but for there to be limited awareness of the project beyond this by senior management or front-line staff in-country
- The processes being used by NZ government agencies to ensure collaboration and partnership in project implementation (e.g. not working to the preferred in-country timetable). In-country participants noted that their desire for greater collaboration and partnership in GAF projects can be hampered by a lack of in-country capacity and capability and therefore at times a preference for NZ government agencies to do the project with little in-country agency input. In-country participants acknowledged that a lack of involvement places the sustainability of projects at risk
- In-country and NZ government agencies not giving thorough consideration to the long-term viability of the project in relation to the implications for the in-country agency budget and staff allocation. Aid Co-ordination Divisions and other in-country governance agencies were particularly concerned about the lack of consideration for long-term planning around some GAF projects.

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<sup>6</sup> Refer to section 6 for further examples.

Analysis of 16 GAF applications reinforced these findings (refer Appendix 7, Table 10). About half of the 16 applications assessed did not align with the principles of long-term partnership and partner ownership. Nine of the GAF applications had no evidence of in-country partner involvement in the application development or its sign-off. As it is not a focus of the review, there is insufficient information to determine sustainability from the reviewed GAF projects. However, across the reviewed applications and projects, no partner government documents were sighted agreeing to continue to fund the work after the project finished. Monitoring and evaluation frameworks for individual GAF projects were found in only one application, and applied in the reporting of two GAF projects.

In contrast, in-country interviews highlighted that four projects contained elements suggesting they may be sustainable:

- One project intends to develop changes to legislation so that funding could be sought from its government. However, progress in this GAF project is being held up by their NZ partner
- Another project is strongly owned by its in-country partners as evident by their assertion they would continue the work, even if the GAF funding ceased
- In two other GAF projects, all those who received very specific training as a subcomponent of these projects are continuing to apply learnings in their work after the project finished. Positively, the agency-to-agency relationships have also continued beyond project completion.

The focus of the GAF was adjusted in 2007 and its guidelines were revised to place greater focus on development principles through cultivating partnerships to support the advancement of national capacity for improved service delivery to in-country citizens. Review of the 2007 revised GAF application and assessment process highlighted greater emphasis is being placed on partnership and ownership. GAF proposals are now required to provide evidence of in-country ownership through alignment with in-country priorities and a formal letter of support from Aid Co-ordination Divisions. Document analysis and interviews with in-country partners and NZ government agencies about two projects approved in rounds 5 and 6 (2007/2008) revealed their alignment with the elements of the original mandate discussed above, their focus on capacity building and partnerships, and their alignment with NZInc and NZAID. However, no letters of in-country support were sighted by the Review Team.

In 2008, NZAID began to address, to some extent, the variance in NZ government agencies' understanding of development principles and practice through a day-long workshop. Those attendees interviewed for the review supported the initiative and noted an increase in their understanding of development principles and practice. These review participants are supportive of future NZAID educational initiatives to develop their understanding of the GAF and development outcomes. They suggested NZAID could further strengthen these educational initiatives through:

- Ensuring the relevance of the training content to NZ government agencies. ODA is not NZ government agencies' core business. Consequently, information needs to be tailored and relevant to facilitate appropriate access to the fund and contribute to positive development outcomes for partner governments and NZInc. In this context, NZ government agency participants requested that NZAID takes into consideration their wider policy mandates and drivers in designing educational initiatives about development activities (refer section 4.1.2)
- Using NZ government agencies' draft GAF applications as the basis for discussing development activities and outcomes and any issues of uncertainty

- Sharing lessons about GAF projects and working in partnerships with in-country partners so other agencies can be more prepared and educated about practical and best practice protocols and processes for implementing development projects.

A number of review interviews were with NZ government agencies' staff who had not attended the workshop and/or had only recently been given responsibility for GAF projects within their organisation. Discussions with some of these participants demonstrated limited understanding about the principles of development assistance. In this context, the review suggests:

- Encouraging attendance by all NZ government agencies currently undertaking a GAF project or likely to apply to the GAF in the future
- Recognising staff turnover at NZ government agencies can result in loss of corporate knowledge about the GAF and development principles and practice, and therefore, reiterating the importance of maintaining links with NZ government agencies who have previously submitted and inviting 'new' staff in this role to attend.

In summary, the review found the GAF aligned with its original mandate of providing a contestable fund for NZ government agencies to undertake activities in the Pacific and wider that can be counted as ODA and have a broad development merit. While the GAF is conceptually aligned with its purpose, the processes used to identify, design and implement GAF-funded projects are not consistently using best practice development principles and processes, particularly in relation to in-country ownership and partnership. The 2007 revision of the GAF guidelines and the 2008 introduction of an educational workshop for NZ government agencies went some way to addressing this issue. This continues to be an area for further strengthening. It is beyond the scope of this review to determine the sustainability of GAF projects. However, there are early indications from in-country partners that raise questions about the long-term sustainability of some GAF projects. GAF project sustainability is therefore an area for further investigation.

#### **4.1.2 Relevance of GAF's mandate**

To reiterate, the GAF's mandate is to provide a contestable fund for NZ government agencies to bid against for ODA resources to undertake activities in their areas of expertise in the Pacific and wider that have broad development merit. Using DAC's definition of relevance (OECD, 2000), consideration is given below to whether and to what extent the GAF addresses the needs and priorities of Pacific partners, NZ government agencies and NZAID.

##### **Partner Pacific Island countries' perspective on the GAF**

Across the countries visited, the Aid Co-ordination Divisions were largely unaware of the GAF and its purpose, and tended not to be aware of all the GAF projects being implemented in-country. In-country partner agencies involved in GAF projects did not have a high awareness that projects being undertaken with NZ government agencies were funded by the GAF. These in-country agencies did not differentiate GAF-funded activities and projects from the NZAID's bilateral and regional programme or SWAPs<sup>7</sup>.

<sup>7</sup> SWAPs: Have a sector-wide scope and a coherent sector policy framework that is developed through negotiation between the recipient government, donors and beneficiaries. The framework includes a detailed expenditure programme that ensures cohesion of the sectoral objectives with the macroeconomic framework. A key objective of this process is to ensure high levels of national ownership and government leadership. <http://www.oecd.org/dataoecd/49/26/35078940.pdf>. Accessed on 9 December 2008.

After receiving an explanation of the GAF and its mandate, participants from Aid Co-ordination Divisions and in-country partners noted that the GAF offers:

- An opportunity to receive technical expertise, and to partake in peer-to-peer shared learnings and mentoring through developing ongoing relationships with their NZ government agency counterpart. Across the countries visited for the review, interactions with New Zealand and especially NZAID were viewed positively. NZ government agencies working with their in-country partner were seen as specialists in their respective fields who understood, to some extent, the Pacific context.
- The flexibility to fund projects that do not fit with bilateral or regional programmes or SWAps, and that arose from a need or priority emerging after these programmes were signed off. For some, a significant benefit of the GAF was the ability to bypass this bureaucratic process. However, for one country who appears to have a more progressive WhoG approach to aid development, this disconnect from their more standardised process was of concern and one which requires careful management to ensure donor co-ordination and harmonisation.
- An opportunity for NZAID at Post to critique the proposed in-country activities of NZ government agencies against in-country priorities, wider donor activities and the appropriateness of the proposed project approaches in-country.

Across the nine GAF projects reviewed, only one project was perceived by the in-country partner as not relevant due to not aligning with in-country needs or priorities. This GAF project had received high-level sign-off as being relevant and needed. However, only limited wider dialogue had been undertaken to identify how the project aligned with in-country needs and priorities. Further, in-country capacity and capability to participate meaningfully in the project over the long term was not appropriately scoped. While this in-country participant was highly critical of this specific GAF project, they supported the need and mandate of the GAF. In contrast, the remaining in-country partner participants indicated their GAF projects were relevant to their specific needs and priorities.

Overall, there was little criticism of the GAF's mandate as a contestable fund to support NZ government agencies to work with their in-country counterparts. Criticisms about the GAF focused on the limited role of in-country partners in its application process and the implementation of GAF projects. In-country partner agencies commented they want to be an active partner and key driver of GAF initiatives. Ideally, in-country participants stated they want to:

- Identify the development activities in which they require assistance from NZ government agencies.
  - The review of the GAF proposals and discussions with NZ government agencies and in-country partners indicates that primarily NZ government agencies are responding to in-country or regional requests for development assistance.
- Identify their preferred NZ government agency partner.
  - The identification of NZ government agencies tends to occur via the networks and connections of the in-country partner or through MFAT's facilitation.
- Work in partnership with the selected NZ government agencies to design the development activity and its associated workplan and funding, sign off the GAF application, build capability through the implementation process, be active in the monitoring and evaluation of the project and establish a relationship that continues beyond project completion.

- Feedback from in-country partners highlighted a lack of involvement in the development of GAF proposals and the associated funding
- The review was unable to access jointly agreed workplans for the GAF projects, beyond the letter of agreement signed by NZAID and the NZ government agencies
- Most in-country partner participants were not involved in developing or signing off progress or completion reports to NZAID
- There was evidence of one GAF project where the relationship between the NZ government agency and their in-country partner did not continue beyond project completion. In this GAF project, the NZ government agency worked in partnership with the in-country partner to agree, implement and deliver the development outcomes. However, there was no further contact from the NZ government agency after project completion and evaluation. This lack of ongoing dialogue or connection was disappointing to the in-country partner<sup>8</sup>.

GAF projects aligned to Samoa's Treaty of Friendship were exemplars of partnership-driven and -owned GAF projects. For these GAF projects, project development and implementation were joint activities as evident by in-country partners and NZ government agencies coming together both in New Zealand and Samoa to discuss in-country needs, agree workplans and prepare the GAF proposal.

Aid Co-ordination Divisions stated they want to receive high-level information about GAF projects and their associated funding, and development outcomes on project completion. Given their high workload, Aid Co-ordination Divisions are seeking to achieve a balance of being informed but not being overwhelmed. The introduction of a letter of support from Aid Co-ordination Divisions for GAF applications aligns with this preferred in-country positioning. However, being consistently updated on approved GAF proposals and being informed of any implementation issues arising and development outcomes achieved on project completion would be appreciated.

In summary, all in-country participants acknowledged that the GAF has an important and unique role of facilitating NZ government to Pacific government agency relationships outside of existing agreements and funding streams. All but one of the nine GAF projects reviewed were deemed by in-country partners as relevant.

### **NZ government agencies' perspective on GAF**

Most NZ government agencies who have submitted GAF applications have a long history of liaising and undertaking initiatives with in-country and regional partners in the Pacific and wider. Reflecting their long-standing connections and networks, NZ government agencies receive requests for involvement in development initiatives from Ministerial-level discussions, or requests from partner government agencies or regional organisations funded by Pacific Island countries. Analysis of the nine GAF projects indicated that all projects arose due to an in-country or regional request; although one project appeared to have resulted due to high-level prompting from an NZ government agency.

MFAT through its interactions and engagement in-country and regionally are proactive in connecting in-country agencies and regional organisations as appropriate with NZ

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<sup>8</sup> Note: The GAF project referenced was not one of the selected GAF projects. This in-country partner attended a workshop where this issue was raised.

government agencies. Discussions with MFAT participants in-country highlighted that for them the GAF has less of a development focus, but is seen more as a fund to meet emerging in-country needs or to develop mutually beneficial relationships.

The reasons for NZ government agencies, who participated in the review, being involved in development activities can be broadly classified as follows<sup>9</sup>:

- Those agencies who are connected and have responsibilities to international and regional agencies and receive requests for assistance either regionally or bilaterally at regional meetings (e.g. APEC, Pacific Islands Directors Conference, Australasian Fire and Emergency Services Authorities Council, First Pacific Energy Minister meeting)
- Those agencies with responsibilities or obligations for international treaties or conventions who identify projects to assist other Pacific nations to deliver to their international agreements
- Those agencies requested by their Minister to respond to an identified in-country need
- Those agencies approached by in-country partner counterparts, usually through existing formal or informal networks, to:
  - Assist with a technical query
  - Elicit best practice systems and processes that may be adopted by the in-country agency
  - Offer on-the-ground technical assistance to overcome an immediate issue or crisis
- Those agencies who identify projects that will offer significant downstream benefits to both the partner country and New Zealand. Some Biosecurity, New Zealand Police and New Zealand Customs projects are classic examples of this dual benefit (e.g. improving biosecurity controls in a Pacific country will lessen risks to New Zealand's biosecurity)
- Those agencies who have an international division with a specific focus on offering offshore on-the-ground expertise and in building capability in the Pacific and wider.

All NZ government agency participants noted that the GAF is the only dedicated contestable funding stream available to them to undertake development initiatives that do not have a security focus (refer section 4.2.4 for information on MFAT's Pacific Security Fund). Only a few NZ government agencies fund development activities out of Vote funding. However, even these NZ government agencies noted that the amount received through Vote funding does not enable them to meet all the requests for assistance they receive from regional or bilateral partners, particularly those requests relating to emerging needs.

The majority of NZ government agency participants do not or are unable to fund development activities from their Vote funding. For many NZ government agencies, development activities (as funded through the GAF) are on the margins of their mandates. These NZ government agency participants commented on the challenges of receiving funding for development initiatives through their agency's Vote funding, specifically:

- There is little excess Vote funding for non-core and unplanned agency activities such as unplanned development initiatives

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<sup>9</sup> Note: the classification of NZ government agencies is not mutually exclusive; therefore an agency may undertake development activities for one or more of these reasons.



- The layers of internal bureaucracy act as an administrative barrier to seeking internal funding for unplanned development initiatives. As one participant explained it is easier to go through the GAF's contestable funding process than go through their internal processes for this funding. Within some of these NZ government agencies, this layer of bureaucracy can be compounded by a lack of wider appreciation about or prioritisation of the agency's regional responsibilities
- Restrictions on where NZ government agencies can allocate their Vote funding (e.g. funding gained through levies).

In this context, the GAF is a relevant and important funding source. Across NZ government agency participants the following benefits were noted in being able to apply and receive GAF funding for development initiatives, specifically:

- An opportunity to be responsive to unplanned or unbudgeted regional and in-country requests for capability development and technical assistance
- An ability to develop and build long-term sustainable relationships with in-country and regional partners
- An ability to work in developing countries for which they have an obligation but no funding to carry out agreed initiatives (e.g. NZ Customs involvement in the OCO or NZ Fire Service's relationship with the Cook Islands as agreed through the Australasian Fire and Emergency Services Authorities Council)
- An opportunity for staff to gain a better understanding of Pacific Island countries and their people and to apply learning in their work with Pacific Island people living in New Zealand
- The opportunity, for most, to access technical advice and support on development principles and processes from NZAID that is not available in-house (i.e. NZ government agencies acknowledge they are not experts in ODA).

In summary, GAF's mandate of enabling NZ government agencies' access to ODA resources to undertake development activities in their areas of expertise with partner agencies and the underlining flexibility to respond to in-country requests continues to be relevant.

### **NZAID's perspective on GAF**

NZAID staff in Wellington and at Post have mixed views on the GAF. On one hand, the GAF is seen as inconsistent with NZAID's shift to fewer, deeper and longer-term development interventions, but on the other hand the GAF processes and systems enable NZ government agencies to address emerging in-country development needs without NZAID losing focus on its agreed long-term programmes.

NZAID staff in Wellington and at Post acknowledge that NZ government agencies:

- Are requested through their regional and international networks and responsibilities to assist with development activities
- Have technical expertise and specialisation that can contribute significantly to development outcomes, as demonstrated in their involvement in NZAID's long-term bilateral and regional programmes
- Can assist their in-country partners to meet emerging in-country needs outside of existing bilateral and regional agreements through accessing funding via the GAF. NZAID staff at Wellington acknowledge that NZ government agencies having access to a contestable fund means that NZAID can remain focused on their agreed long-

term bilateral and regional programmes without being distracted by how to fund these reactive short-term emerging needs.

NZAID staff at Post in two Pacific countries visited particularly noted the GAF's value in addressing emerging in-country needs. However, the NZAID staff at Post in the other Pacific country was more critical of GAF projects not fitting with agreed development priorities. This variation in opinions about the GAF amongst NZAID staff at Post may reflect differing development needs across these Pacific countries, which require differing relationship approaches.

In contrast, NZAID staff noted the GAF contradicts NZAID's focus on fewer, deeper and longer-term development interventions. The GAF is perceived therefore by some NZAID policy managers and programme managers as inconsistent with the Paris Declaration, and one mentioned at the worst it could be perceived as tied aid. Criticism for the GAF tended to be stronger amongst NZAID staff with responsibilities with bilateral and regional programmes. These perceptions of the GAF tended to be compounded where NZAID staff have experience of a GAF project that appears to be inconsistent with their programme (e.g. a GAF project relating to a natural resource that from an NZAID staff perspective did not appear to consider other in-country projects being undertaken in this area)<sup>10</sup>.

Given these mixed perceptions, the GAF is seen by most NZAID staff as having a complementary, if to some extent disconnected, role alongside NZODA. NZAID staff particularly in Wellington acknowledged having a contestable fund, for NZ government agencies to access ODA resources and managed by NZAID, offered a number of key benefits, specifically:

- Being aware of NZ government agencies' development activities
- Seeking to ensure NZ government activities are grounded in development principles of seeking to ensure sustainable development outcomes for partner countries
- Seeking to maintain positive perceptions of NZInc in the Pacific and wider by ensuring development activities undertaken by NZ government agencies are not damaging to NZAID's bilateral and regional programmes
- Offering an opportunity to develop a more WhoG approach to development outcomes across NZ government agencies
- Seeking to maintain positive perceptions of NZAID. There is a risk that unsuccessful GAF projects or inappropriate NZ government agency processes relating to a GAF project will damage perceptions of NZAID. The latter is particularly the case where NZ government agencies' GAF projects stray into the domain of SWAp without NZAID programme managers being aware of and thus unable to inform their counterparts of this activity.

There are tensions between the GAF's more adhoc role of short-term projects to address emerging development needs and NZAID's long-term and strategic development perspective. These tensions require more explicit management. For some at NZAID, this means the GAF should align more closely with bilateral, regional and SWAp programmes. However, a core benefit of the GAF for in-country partners and NZ government agencies is its inherent flexibility to deal with emerging issues outside of existing NZAID programmes. It is recommended therefore that the GAF is not actively aligned with existing programmes but care is taken to ensure GAF projects do not damage the programmes.

<sup>10</sup> Discussions with the agency involved in this project highlighted a potential lack of understanding that the development outcomes from each of these projects were significantly different.

In summary, Pacific partners, NZ government agencies and NZAID staff in Wellington and at Post perceive that the GAF is relevant and meeting their unique needs in facilitating NZ government agencies to undertake development activities in the Pacific. As a contestable fund, the GAF has a niche role in enabling NZ government agencies to work with their in-country partners to deliver effective development outcomes. However, the GAF's mandate requires further adjustment and clarification to place greater emphasis on the role of partner government agencies through making more explicit the operationalisation of the development principles underlying GAF.

#### **4.1.3 GAF's contribution to WhoG and policy coherence**

The review was requested to determine whether GAF is effectively meeting WhoG and policy coherence objectives as outlined in NZAID's Draft Policy Coherence for Development (NZAID, 2008a), and if not how this may be achieved. NZAID (2008a: 3) uses the following 2005 OECD definition of policy coherence for development: *"working to ensure that the objectives and results of a government's development policies are not undermined by other policies of that government which impact on developing countries, and that these other policies support development objectives, where feasible"*. As noted in NZAID (2008a: 3) implicit in this concept of policy coherence is the notion of a WhoG approach to development objectives.

NZAID (2007a: 2) defines internal policy cohesion as *"having consistent aid policies within New Zealand, and having consistent New Zealand aid and non-aid policies, where these policies may directly or indirectly affect developing countries"*. International policy cohesion is defined *"as having consistent goals, policies and practices between New Zealand and other nations that contribute to developing countries, and between New Zealand and countries receiving aid"* (NZAID, 2007a: 2). Implicit in these definitions of policy cohesion is the primacy of development outcomes within a WhoG approach.

To identify whether the GAF is effectively meeting WhoG and policy coherence objectives, consideration needs to be given to where the GAF fits in the wider development context and how this has evolved over the last eight years. As illustrated in Diagram 1 below, the last eight years has seen, as demonstrated through OECD agreements, a global paradigm shift around the conceptualisation of ODA. The international community has agreed to focus development assistance to achieve the Millennium Development Goals and has endorsed the 2005 Paris Declaration on Aid Effectiveness (focusing on ownership, alignment, harmonisation, managing for results and mutual accountability). As signatory to these agreements, New Zealand has agreed to what and how it will provide development assistance. Policy coherence (within the donor country, across donor countries, between donor and partner countries) and WhoG approaches are implicit within this paradigm (refer row 1 in Diagram 1).

Operationalisation of the paradigm shift in New Zealand was boosted with the inception of NZAID in 2002 and as a result the shape and delivery of NZODA significantly changed. NZAID equipped its new direction with a series of policy frameworks and tools. Part 3 of the 2007 New Zealand Government Pacific Strategy is called 'How We Will Work'. The first part of this section calls for policy coherence with development partners and within NZInc, and it specifies partnerships with Civil Society and Multilateral Institutions. The second part reiterates the five principles for aid effectiveness: ownership, alignment, harmonisation, managing for results and mutual accountability. In Pacific Island countries, SWAs were

introduced to identify in-country needs and foster greater in-country WhoG approaches to aid delivery (refer rows 3 and 4 in Diagram 1).

**Diagram 1: Illustrates the paradigm shift in the conceptual frameworks for ODA and where GAF sits**

	2000	~	2002	~	2005	2006	2007	2008
<b>Global ODA DAC</b>	Global Policy Coherence	Millennium Development Goals			Paris Declaration on Aid Effectiveness			
<b>New Zealand Inc</b>	Little WhoG	Little WhoG Some NZ government agencies work in developing countries	Little WhoG ⇒	Some WhoG Vote ODA Increased ODA Contestable Fund ⇒	⇒	⇒	⇒	⇒
<b>New Zealand ODA</b>	Bilateral Programming less focused and less strategic Project based	Review	NZAID fewer, deeper and longer-term Harmonisation across donors	SWAps	SWAps	SWAps	SWAps NZAID Policy Coherence Strategy	SWAps
<b>Pacific Island Countries</b>	← Significant Institutional Strengthening in Pacific Countries SWAps →							

Across the NZ government agency participants, there is mixed awareness of this wider paradigm shift and the implications it has on their development assistance responses (refer row 2 in Diagram 1). Some NZ government agency participants demonstrate a depth of understanding about best practice development principles and processes, while a few have little awareness of the Paris Principles or the New Zealand Pacific Strategy and their relevance in developing GAF proposals.

Within a New Zealand context, the GAF's introduction in 2005 came at a time when greater focus was being placed on WhoG and policy coherence for development as well as across New Zealand government agencies in general. Within New Zealand, the WhoG is a mechanism to ensure all government branches are aligned to support the focus of Government policy. In 2005, the New Zealand State sector began developing greater co-ordination across its separate entities, assisted by joint protocols developed by Treasury and the State Services Commission. Each NZ government agency began publishing in Statements of Intent how it related to Government, the central agencies and each other<sup>11</sup>.

When in 2005 the budget for Vote ODA was increased, there was agreement that NZ government agencies could propose development initiatives to be funded out of a portion of this increase via a contestable fund. The GAF was therefore intended to be one mechanism to contribute to achieving WhoG coherence around New Zealand's development policy and activities and to reduce the risk of a silo approach being adopted by NZ government agencies in their development activities (refer row 2 in Diagram 1). As noted by NZAID (2008h), the GAF is one of five mechanisms that involve NZ government agencies in ODA.

Discussions with NZ government agency participants highlighted the recognition of the importance of WhoG approaches and policy coherence, in general terms. These participants recognised the importance of inter-agency information sharing to improve co-ordination and co-operation to achieve common policy outcomes and avoid unnecessary duplication. While NZ government agencies embrace the concepts of WhoG and policy coherence, many are at the embryonic stage of consistently applying and implementing these approaches. Across NZ government agency participants, there is evidence of variance in how they are interpreting and implementing WhoG approaches and policy coherence both in the context of their agencies' mandate and for development outcomes, specifically:

- Some participants, reflective of their relatively junior role within their NZ government agency, appeared to give little consideration of WhoG and policy coherence.
- Some NZ government agencies have a more developed approach to WhoG and policy coherence having fostered strong links across the breadth of related NZ government agencies and are proactively investing time and resources to ensure ongoing dialogue and collaboration around their policy initiatives and directions. This WhoG approach is applied in relation to their development assistance and GAF proposals. These agencies tended to have greater appreciation of the wider shifts in ODA
- Other NZ government agency participants' interpretation of WhoG and policy coherence starts from the policy focus or mandate of their agency and more widely their sector. For some of these agencies, the primacy placed on development outcomes by NZAID within the GAF application is seen to override or place little emphasis on their policy frameworks, objectives and obligations.

Participants from both of the above groups commented that NZAID needs to develop a greater understanding and appreciation of other NZ government agencies' policy frameworks, both nationally and internationally. They consider that WhoG is a collaborative and negotiated process rather than the one-sided process they are experiencing with NZAID.

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<sup>11</sup> The central government agencies are Prime Minister and Cabinet, the Treasury and the State Services Commission.

NZ government agency participants highlighted that MFAT was a key facilitator of WhoG approaches. MFAT was seen as proactive at spotting international opportunities or issues and gathering relevant NZ government agencies to consider integrated strategies and responses. In contrast, a few NZ government agencies mentioned NZAID could adopt a similar facilitative and connective role in fostering inter-agency discussions relating to shorter-term development assistance as funded under the GAF. The review acknowledges NZAID does undertake this facilitative role in relation to its long-term bilateral and regional programmes.

Feedback from NZ government agencies highlighted that the GAF is a mechanism that contributes to WhoG and policy coherence for development outcomes through several of its mechanisms, although for each there is room to enhance this contribution:

- NZAID's assessment of GAF applications enables the consideration of internal coherence of proposals with NZODA and good development practice. However, both NZAID assessors and some NZ government agency participants would prefer greater dialogue at this stage to:
  - Ensure NZAID appreciates the wider policy drivers for the project
  - Enable refinement of the proposal incorporating feedback from NZAID.
- The role of the inter-agency IDWG is to review NZAID's assessments of all GAF applications and consider and debate the wider NZ government policy implications or mandates for the applications. This forum offers NZ government agencies a mechanism to find out what other development activities are being undertaken by other agencies, how it relates to their and other GAF proposals and to consider potential collaborations. If the GAF did not exist, it is likely that NZAID and other NZ government agencies may not be aware of the breadth of development activities undertaken by NZ government agencies outside of the agreed bilateral and regional programmes.

NZ government agency participants praised the IDWG for enabling information sharing. However, feedback from IDWG participants indicated that discussions around proposals could be more rigorous in debating other NZ government policy perspectives as they apply to proposals. In this context, IDWG participants reinforced the importance of having senior officials representing a range of government agencies in this group. Further, IDWG participants wanted to see more sharing of learning and success from completed GAF projects.

- The partner countries' Aid Co-ordination Divisions consider the alignment and consistency of proposed GAF projects with wider in-country strategies, policies and practices, and harmonisation with other donor-funded projects and programmes. At the time of the review, this initiative had just been introduced and therefore it is unknown whether it will result in greater donor co-ordination and harmonisation of GAF projects in-country. While participants from Aid Co-ordination Divisions support this initiative, they are seeking NZAID at Post to minimise their workload in relation to GAF proposals.

Building on Piciotti's argument that policy coherence extends beyond the level of national jurisdiction (2004 cited in NZAID, 2008a: 4), the following recommendations are made to strengthen the GAF's contribution to WhoG and policy coherence for development:

- Internal coherence through making the GAF's mandate more explicit on the centrality of development assistance and what this means in operationalising GAF projects
- Intra-country coherence across NZAID and NZ government agencies via:

- Ensuring people attending the IDWG have the oversight to consider strategic implications of GAF applications from a wider government agencies' perspective and robustly debate the relevance of differing priorities and agendas outside of NZODA
- Recognising that policy coherence is not only about achieving NZAID objectives, it is also about how well NZAID overall policy aligns with NZ government agencies' objectives
- Recognising that development assistance is not the primary focus of NZ government agencies; therefore the GAF needs to be sufficiently flexible to ensure GAF projects meet NZInc priorities and are consistent with NZ government agencies' policies
- Sharing the lessons learnt in GAF projects as well as successes achieved.
- Partnership coherence through:
  - Enhancing partner countries' involvement in identifying their needs, developing GAF applications, implementing GAF-funded projects, ongoing project monitoring and ensuring their Aid Co-ordination Divisions support the need for the project and are kept informed of progress and issues through the project life cycle
  - Placing greater emphasis on the role of NZAID at Post in the GAF assessment and implementation process to consider GAF applications' consistency with in-country strategies, policies and practices.

The suggestion was made for the GAF to adopt a more thematic approach when seeking GAF applications from NZ government agencies. Such an approach would enable greater focus to be placed on NZAID's six key areas for promoting policy coherence, specifically: trade and investment, environment and natural resources, security, peace-building and conflict prevention, human rights, human resource development (i.e. education, immigration and remittances) and health. However, the use of a thematic approach for requesting proposals is not recommended as this would diminish the flexibility of the fund to address emerging in-country partner needs. If rationing of GAF applications needed to occur due to an excess of applications with development merit, this framework would provide a useful prioritising tool.

In summary, the GAF is one mechanism which contributes towards WhoG and policy coherence objectives relating to development assistance that lie outside NZAID's bilateral and regional programme. The GAF's contribution to WhoG could be more effective through enhancing NZ government agencies' understanding of development assistance and NZAID's appreciation of other policy drivers for NZ government agencies. Ongoing robust dialogue between NZAID and NZ government agencies about GAF applications and more sharing of lessons learnt will strengthen the GAF's contribution to WhoG and policy coherence objectives relating to development.

#### **4.1.4 Right mechanism for NZ government agencies to engage in ODA**

The review was asked to consider whether the GAF is the right mechanism for engaging NZ government agencies in ODA activities or whether alternative mechanisms would be more appropriate. NZ government agency participants explored the following potential mechanisms:

- Funding going directly to NZ government agencies

- The status quo of the current GAF
- A mechanism to allow for more strategic focused long-term development projects
- Other mechanisms that may be more appropriate.

The majority of NZ government agencies stated they did not want to receive direct baseline funding for development activities due to the risk of the funds being used over time for other non-development purposes. This reflects that for most NZ government agencies development activities tend to be add-on activities rather than core business. These NZ government agencies also noted the risks of NZAID not being involved, specifically:

- The loss of NZAID's development lens of ensuring projects funded adhere to good development principles
- A possible disconnect with NZAID at Post to provide an in-country assessment on projects and to facilitate partnerships when initiating and implementing projects
- A loss of a WhoG focus on development activities being undertaken across NZ government agencies.

In contrast, a few NZ government agencies with a WhoG focus on security are seeking baseline funding for their overseas activities. This reflects tensions with NZAID's DAC-able definition (refer section 4.2.3) as well as the long-term and more strategic nature of their activities. To date, their requests for baseline funding have been declined. However, they continue to be actively pursued.

Discussions with NZ government agency participants highlighted the GAF was seen as the 'right mechanism' for them to engage in ODA activities due to:

- NZ government agencies needing a dedicated funding pool to be able to undertake ODA activities
- The perceived fairness and transparency of the current funding allocation
- The GAF's ability to foster a WhoG approach to development assistance through NZ government agencies (and NZAID) being more aware of the wider development assistance context and where they fit
- The GAF offering a supportive and educational environment for NZ government agencies who have not previously responded to an in-country or regional partner request to participate in development activities.

Two government agencies are developing their organisation's long-term Pacific Strategy in line with the Government's Pacific Strategy. The impetus behind this development is a desire to be more proactive and less reactive in their approach to working in partnership in the Pacific, to mainstream development activities in their organisation, particularly at a senior level, and over time to secure baseline funding to support the implementation of their long-term workplan and ensure the sustainability of in-country and regional relationships. This strategic shift in development focus by some NZ government agencies raises the question of whether the current GAF mechanism needs to accommodate more long-term strategic projects.

Currently, NZAID expects, as indicated in GAF guidelines, that GAF projects are discrete one-off projects that will either be completed or sustainable in-country by project completion or within the maximum three-year funding period. NZAID does not currently commit to funding other activities flowing out of the original GAF project. NZ government agency participants suggested the need for greater flexibility within GAF guidelines to seek



additional funds to extend a GAF project, or to support development initiatives arising from the original GAF project, or to support their ongoing in-country partnership.

In exploring this option, some NZ government agencies and NZAID staff raised concerns about the need to ensure projects receiving further GAF funding are moving towards delivering sustainable development outcomes. Further, feedback from NZ government agencies and in-country partners highlighted there can be significant divergence of opinion about how each views their GAF project (e.g. NZ government agencies presenting positively the project outcome, while the in-country partner is very critical of the implementation process to the extent that the project deliverable is undermined). Such projects are unlikely to seek further funding. However, it does raise the importance of putting appropriate assurances in place before additional GAF funding can be considered. In this context, the review recommends that NZ government agencies have the opportunity to apply for phase funding to support their current GAF project or its new directions, or to foster their ongoing support of building the capacity of their in-country partner. However, in offering access to phase funding the appropriate review processes are in place and this is detailed in section 4.3.4 which focuses specifically on phase funding in relation to the GAF.

In-country partner agencies and Aid Co-ordination Division participants found it difficult to comment on whether the GAF was the most appropriate mechanism for NZ government agencies to engage in development activities. Most in-country partner agencies working with NZ government agencies on GAF projects had little or no knowledge of the amount of funding received by the NZ government agency through the GAF or how this funding was being allocated within the project. Across the GAF projects viewed the exception is Samoa's Treaty of Friendship projects, where in-country partners had a significant role in the project scoping and GAF proposal and budget development. Some in-country partner agencies suggested that funding should be given directly to them so they retained the control within the GAF project. However, this approach was not supported by Aid Co-ordination Division participants, who stated this would contravene their defined processes for managing aid flows. Further, Aid Co-ordination Division participants preferred a funding mechanism that could address emerging in-country needs without the need to go through the bureaucratic bilateral agreement process.

In summary, the GAF as a contestable fund is perceived as the right mechanism for NZ government agencies to engage in development activities. Given some NZ government agencies are developing long-term strategic partnerships, it is recommended that following appropriate review NZ government agencies are able to apply for more than one round of GAF funding.

## 4.2 GAF's linkages

### 4.2.1 Synergy with NZAID's bilateral and regional programmes

The review was asked to consider whether the management of the fund and implementation of projects could facilitate greater synergy with bilateral and regional programme activities. Currently, specialist NZAID advisors and programme managers in Wellington and at Post are selected to assess GAF applications based on their knowledge of the NZ government agency or activity. Their role is to review GAF applications and determine their development merit using the assessment criteria, which includes

harmonisation with other national or externally supported initiatives to minimise the potential for duplication or overlap.

Feedback from NZAID staff with bilateral and regional responsibilities in Wellington highlighted concern about the lack of alignment between the GAF and NZAID's bilateral and regional programme activities. Examples given by NZAID staff in Wellington and at Post of GAF projects that lacked synergy with NZAID's bilateral and regional programmes include:

- A GAF project that did not give due consideration to in-country SWApS. As a result, the NZAID staff member noted their discomfort at SWAp meetings where other donors had agreed to a defined workplan and then it appeared that NZInc contravened this agreement due to the GAF project
- A perceived lack of in-country ability to say no to projects that do not align with the bilateral agreements as noted in the country where a project received high-level sign-off following lobbying from an NZ government agency but did not meet in-country priorities
- A GAF project funds equipment where there is a local agreement not to.

In this context, GAF projects are seen by some NZAID participants with bilateral and regional responsibilities in Wellington to act counter to the focus on harmonisation and donor co-ordination as they sit outside the current government-to-government development agreements. Ideally, these NZAID participants would prefer that the GAF did not exist or that there is greater alignment between GAF projects and NZAID's bilateral and regional programmes. To achieve this greater synergy, significantly more time would need to be invested by NZAID staff in redeveloping GAF proposals received, potentially to the detriment of their core role.

As highlighted in section 4.1, GAF has a niche role of enabling NZ government agencies and their in-country partners to work in partnership to address emerging short-term needs outside of the bilateral and regional agreements. In-country partners and Aid Co-ordination Divisions commented that one of the GAF's core benefits is it does not have to go through the bureaucratic bilateral and regional agreements to meet these short-term needs. Thus, to create greater synergy with NZAID's bilateral and regional programme may undermine one of the GAF's core benefits to in-country partners and result in NZAID staff spending more time seeking to align short-term projects, potentially to the detriment of their longer-term programmes.

As noted GAF projects can pose potential risks to NZAID's bilateral and regional programmes. Consequently, a balance is needed between ensuring the GAF has the flexibility to address emerging short-term needs with development merit and ensuring the projects do no harm to NZAID agreed programmes. In seeking to achieve this balance, NZAID staff in Wellington have an important role, due to their knowledge of NZAID's bilateral and regional agreements and development principles and protocols, in assessing GAF proposals. Further, NZAID staff at Post bring a unique perspective to the GAF assessment process in considering potential short-term benefit against potential adverse effects on long-term agreements, through their in-country knowledge and local and regional connections. While NZAID programme managers at Post commented they are involved in the assessment process, they are not always informed when a GAF project is approved and about to be implemented in-country. The current Development Programme Officer for the GAF has enhanced this communication stream. However, NZAID staff at Post reiterated the importance of ensuring they are aware of all in-country GAF projects. To avoid overload of information, NZAID at Post would like to receive a list of GAF projects for

their country overviewing the project purpose, NZ government agencies and partner agencies, funding and timeframes and the NZ government agency contact person. NZAID at Post would therefore be able to keep their partner agencies in-country informed and ensure NZ government agencies are following appropriate processes and protocols for undertaking work in-country.

Feedback from NZAID staff in Wellington and at Post indicated a need for more clarity about their role in the GAF assessment process, specifically: the level of assessment or assistance they should be offering in GAF application development, the extent to which they should be consulting with in-country partners or Aid Co-ordination Divisions about GAF applications and their ongoing role when GAF projects are being implemented.

In reviewing GAF's process, NZAID's bilateral and regional programme managers in Wellington should be involved at the following stages<sup>12</sup>:

- Project concept stage where NZ government agencies present an informal overview of their proposed development activity to identify whether there are any potential 'red flags' from the bilateral or regional programme perspective or wider issues the NZ government agencies need to consider before preparing and submitting an application. Such an informal overview would avoid NZ government agencies investing time in GAF proposals that are unlikely to be approved
- Application assessment to identify potential risks to the bilateral and regional programmes and the development merit of the proposed project
- Monitoring and evaluation feedback to identify potential learnings as well as risks to the bilateral and regional programmes.

NZAID staff at Post should be involved at the following stages:

- Application assessment to identify potential risks to the bilateral and regional programmes, and confirm in-country need and the development merit of the proposed project
- Informed of all in-country GAF projects and made aware of any issues arising from implementation
- Monitoring and evaluation feedback to identify potential learnings as well as risks to the bilateral and regional programmes.

In summary, one of the GAF's core strengths is its ability to fund projects that address in-country partners' emerging short-term needs outside of the bilateral and regional agreements. The focus is therefore not about whether GAF projects can have greater synergy with bilateral and regional agreements, but ensuring that they are meeting an important emerging in-country need, that they have development merit and that they are not inconsistent or damaging to agreed bilateral or regional programmes. NZAID staff both in Wellington and at Post have an important role to play in ensuring this, particularly through the assessment of GAF applications.

#### **4.2.2 Synergy with in-country strategies and regional plans**

The review was asked to consider how the management of the fund and implementation of projects could promote better alignment with and support for individual country programme

<sup>12</sup> Section 5.2 offers a more detailed review of the GAF's systems and processes together with the role of NZAID in Wellington and at Post.

strategies / national development plans and regional plans such as the Pacific Plan. Consideration was also given to how the implementation of GAF projects could better meet principles of donor co-ordination and harmonisation.

### **In-country strategies**

Feedback from in-country partners and Aid Co-ordination Divisions highlighted that their overarching expectation is that GAF projects funded by NZAID will align with their organisational structures, national country programme strategies / national development plans and the corporate or business plans of their government agencies. In seeming contradiction, in-country partners acknowledged a particular strength of the GAF is it facilitates the funding of projects that address emerging priorities or issues of importance omitted in the country strategy or where the environment or need in-country changes (e.g. human rights or where revenue streams in-country change creating challenges in maintaining professional development for in-country staff). Feedback from some NZAID staff at Post also reflected that while the GAF does not need to align with the bilateral programme, it must align with in-country government priorities. In essence, this feedback recognises the dynamic environment in which in-country government agencies operate. Thus, while in-country strategies take a critical long-term view, needs emerge in-country that are unanticipated during the development of these strategies. The GAF therefore has an important role in offering an opportunity to NZ government agencies to assist with technical expertise in seeking to meet these needs.

In this context, it is critical to determine whether or not the in-country government agency request is in fact an emerging in-country priority. In-country partners and Aid Co-ordination Division participants emphasised the importance of Aid Co-ordination Divisions reviewing GAF applications to determine their appropriateness and fit with wider in-country priorities, other donor activities and the in-country partner's capacity for the project. Feedback from Aid Co-ordination Divisions highlighted they are not always aware of the full range of GAF projects occurring in-country. Since 2007, this is being addressed by the GAF guideline stipulation that all GAF applications have a letter of support from Aid Co-ordination Divisions. However, this does not address a lack of awareness of GAF projects approved before 2007. To rectify, Aid Co-ordination Divisions would like to receive a full list of all GAF bilateral and regional projects completed or in-progress in their country.

For Aid Co-ordination Divisions, the GAF is a very small component of their much wider considerations. Aid Co-ordination Divisions do not want to be overly burdened, but are seeking to be kept informed and involved in decisions about GAF projects through its life cycle via:

- Review of GAF applications before submission to NZAID to consider:
  - Alignment with in-country priorities
  - Risk of duplication with other donor programmes and projects
  - Capacity of the in-country partner to undertake this project
  - Likelihood of the project being sustainable on completion
  - Coherence with local, regional and international programmes
- Being informed if the GAF application is approved by the IDWG
- Being informed, as appropriate, of any issues arising from project implementation
- Receiving a copy of the monitoring and evaluation of the project
- Being informed of the next steps, e.g. exit strategy, applications for additional funding.

The only exception to the above is national human rights institutions who should not be requested to get approval from the in-country government as this is inconsistent with their mandate of remaining independent from governments. However, this does not preclude in-country partners being involved in the project design and preparation of the GAF application.

Some NZ government agencies noted their concern that the increasing involvement of in-country partners and Aid Co-ordination Divisions in the GAF application process will raise expectations about funding for in-country projects that may not proceed. On this basis, some NZ government agencies were reluctant to disseminate draft GAF applications for review in-country. However, discussions with in-country partners and Aid Co-ordination Divisions highlighted their realism about contestable funding applications as not being guaranteed funding streams. No feedback was received indicating unrealistic expectations was a significant issue in-country; although this may reflect that it is only in the last year NZ government agencies have had to seek endorsement of Aid Co-ordination Divisions.

Discussions with some in-country partners also highlighted the importance of in-country partner's senior management being informed and aware of GAF projects. The example was given by one in-country participant of their Chief Executive who informally found out about their regional GAF project and believed that the project should not have progressed until budget and project plans were reviewed by senior management. These participants had sought this information from the regional agency and were informed that no further information was available beyond that already received. The project has continued to progress to meet regional agency directives and senior management continue to be frustrated with the lack of a detailed budget and workplan for this project. It is possible this will undermine the sustainability of the project outcomes long-term.

In summary, in-country partners and Aid Co-ordination Divisions acknowledge that the GAF meets a unique need by addressing emerging in-country needs and priorities within their existing strategies and plans and they should be involved in the development of GAF applications. NZ government agencies need to ensure they inform their partners about the contestable nature of the fund.

### **Regional strategies**

Given the challenges for the review of accessing regional organisations, the level of synergy between the GAF's projects run by regional organisations and the Pacific Plan and other regional strategies is unknown. Feedback was, however, received from in-country participants about two regional GAF projects and this is discussed below.

Nearly a third of all GAF projects are regional in nature. Based on the GAF projects reviewed, GAF projects with a regional focus can be classified into:

- Those GAF projects where the NZ government agency has its own links with partner agencies across a range of Pacific nations. Two GAF projects reviewed fit this category. These GAF projects operated across a number of Pacific nations to address a common need but tailored the project and process to align with each country's preferred processes and environment. For these projects, the intention of 'government agency to government agency' association was fostered. Consequently, feedback from these NZ government and in-country agencies mirrored the comments noted under alignment with the bilateral in-country strategies.
- Those GAF projects that arise from the NZ government agency's links with a regional agency and this regional body links with partner agencies across the Pacific. Two

GAF projects reviewed fitted in this category. In these cases, the regional agency was funded, all or in part, by its member countries. The intent behind the establishment of regional agencies is for Pacific countries to share knowledge and best practice about a specific development issue and to maximise returns on funding allocation in addressing these common issues. The two regional GAF projects in this category are detailed below highlighting their successes and challenges.

The focus of one of the GAF projects is supporting professional development of staff in relation to in-country and regional safety for those government agencies who are a member of the regional organisation. Regional meetings are seen by in-country participants as critical in building cross-government networks and identifying opportunities for professional development that support in-country and regional needs. At the regional meetings, the countries brief each other about threats in their area and regionally, and develop solutions to address them. The country representatives come prepared and are able to identify the capacity-building opportunities they require for the following year. They are aware of the budget available and are actively involved in determining how it is spent. Given this proactive process of in-country government agencies identifying their professional development needs, there is strong support for the funding provided by this GAF project. While the professional development partly funded by the GAF is welcomed, feedback from one country indicated that the training received is not transferable in-country due to their systems and processes not aligning with training received.

The second GAF project received mixed feedback across the countries visited. This reflected that in each of the countries, there were strong debates about who was the appropriate in-country agency to lead the GAF project. In each country, two or more government agencies were invited by the regional organisation to be involved in the project with one taking the lead partnership role. Selection of the most appropriate lead agency was determined by the regional organisation following visits to each country. The lead in-country agencies were supportive of the GAF project and progress being made. In contrast, non-selected agencies, while supportive of the need for the project, questioned the capability and capacity of the lead agency to undertake the project and to facilitate the other inter-related agencies. It was noted by some in-country agencies that while NGOs have a legitimate interest in this project, they tended to have had minimum involvement. Consequently, some of these in-country government agencies have withdrawn from being actively involved in the GAF project due to what they perceive as poor facilitation by the lead agency and questionable long-term project viability.

Across the individual countries, there was awareness of the workplan for their country but a lack of knowledge about budget allocation from the regional organisation. This lack of budget information created suspicion that other in-country agencies and other countries were receiving more funding. The NZ government agency involved in this project confirmed these in-country tensions. Further, they commented that in this GAF project their relationship was with the regional organisation and to a much lesser extent the in-country agencies. In-country partners commented this did not foster a strengthening of their relationships with NZ government agencies. The processes around this project are not in line with 'How We Will Work' as defined in the New Zealand Pacific Strategy.

Aid Co-ordination Divisions of all three counties commented that they know little about either project, and noted this tends to be the case for regional projects in general. They commented they do not have much to do with regional organisations because the funds are disbursed outside of their country and they are not accountable for them. Aid Co-ordination Divisions also noted that regional projects tended not to create new links to NZ government agencies as the relationships were at the regional body level and not in-country. Comment

was also raised that some regional projects are not adapted to meet the unique in-country needs and environment. As with bilateral projects, Aid Co-ordination Divisions want to be kept informed of regional GAF projects which include their country.

The review has identified very contrasting views on GAF regional projects. In-country feedback indicates that regional projects tend to be generally perceived as more problematic than bilateral ones. However, the evidence from the review is inconclusive, indicating further investigation is needed into regional projects, particularly those deriving from regional organisations<sup>13</sup>.

In summary, in-country expectation is that GAF projects will align with their organisational structures, national country programme strategies / national development plans and the corporate or business plans of their government agencies. It is also acknowledged that the GAF offers an opportunity to address emerging priorities or issues of importance omitted in the country strategy or where the environment or need in-country changes. In this context, it is critical for GAF applications to be endorsed both by the Aid Co-ordination Division and senior management team to ensure it is meeting an in-country prioritised need. It is recommended the in-country partner takes responsibility for seeking this endorsement to instil from the outset their partnership with the NZ government agency in the GAF application process. It is unknown the extent to which GAF projects managed through regional organisations align with regional strategies; therefore this is an area for further exploration.

#### **4.2.3 Tensions between NZ government agencies' and NZAID's objectives**

The review was asked to explore the basis and depth of tension between the objectives of NZ government agencies and NZAID's objectives, and to recommend how these may be managed.

NZAID's focus is to manage the fund and ensure GAF applications align with the assessment criteria in section 2.1, in particular that GAF applications have development merit, are partner-owned and sustainable, offer cost benefits and are NZAID aligned. NZ government agencies are focused on delivering technical expertise to meet their regional and international responsibilities and specific in-country partner requests. NZ government agencies are therefore seeking to ensure that the development activities they are being primarily asked to engage in align with their agencies' mandate and their wider regional and international responsibilities. Given these differing focus points, tensions do arise between NZ government agencies' and NZAID's objectives.

As indicated, some NZ government agencies included in the review appeared to have limited or partial understanding of how internationally the focus and process of undertaking development activities has shifted over the last eight years (refer section 4.1.3). In particular, some NZ government agencies lack understanding of the OECD-DAC, the Paris Principles and the New Zealand Pacific Strategy. As a result, their engagement with in-country partners may occur more from an altruistic position of doing 'good' by addressing a defined need rather than working in partnership to build in-country capability. In managing this tension, there is a need to ensure ongoing education for these NZ government agencies about how to operationalise development principles in their GAF applications and through project implementation. Several NZ government agencies, both experienced and

<sup>13</sup> The review sought further insight from regional organisations but did not receive a response after numerous follow-up e-mails.

inexperienced in development assistance, acknowledged NZAID support and guidance in this area was well received.

Other NZ government agencies, more experienced in development assistance, expressed frustration that NZAID's development objectives appear to take precedence over their agency's regional and international drivers or Minister's request for their agency to assist a Pacific country. As a result, these agencies had to work hard to promote the benefits of their project to NZAID. In contrast, one NZ government agency acknowledged NZAID showed flexibility in accepting their GAF project to address a perceived in-country crisis, which required their assistance to build in-country capacity. Those critical NZ government agencies commented that NZAID needs to educate itself about the mandates, drivers and frustrations of NZ government agencies in this space and be more responsive to NZ government agencies' needs and drivers.

A few NZ government agencies are critical that, reflecting the Government's priorities, the GAF's purpose is focused on reducing poverty and hardship in partner countries. These agencies perceive that the Government's priority and thus the GAF's focus on poverty elimination does not allow adequate room to acknowledge or take account of their wider policy mandates. The New Zealand Government's Pacific Strategy (2007) is framed around the Millennium Development Goals (DAC, 2000), which are a global consensus to reduce extreme poverty, poverty of opportunity and vulnerability to poverty. As poverty elimination is the underlying development goal agreed and sought by Governments internationally in delivering ODA, it is an appropriate focus for the GAF. To remove mention of poverty elimination would disconnect the GAF from the Pacific Strategy and international agreements. The challenge therefore is to make this development goal more meaningful to NZ government agencies. Review of the nine GAF proposals indicates that they should in the long term contribute to this high-level goal.

The interpretation of what is DAC-able is another area of disagreement between a few NZ government agencies and NZAID, particularly for those with a security focus. NZAID's interpretation of what is and is not DAC-able is perceived as too restrictive relative to AusAID's interpretation. The example was given of development projects that focus predominantly on mentoring in-country security partners, but the NZ government agency needing the flexibility to respond in-country should a crisis arise. These NZ government agencies are aware that their counterpart agencies in Australia are receiving full funding for projects which they are informed by NZAID have non-DAC-able components. Consequently the NZ government agencies have had to find additional funding for the component of the particular mission that is not DAC-able. As a result, two NZ government agencies stated NZAID was restricting access to the GAF. Review of DAC's definition of what is DAC-able appears to be consistent with NZAID's interpretation of excluding projects with a military or enforcement component (refer Appendix 8). However, given the level of concern the review recommends discussions are facilitated within NZAID, AusAID and key NZ government agencies to explore these differing interpretations.

Within NZ government agencies tensions can also arise due to GAF projects not being embedded in NZ government agencies. For NZ government agencies, GAF projects tend to have resulted from an unplanned request, which aligns with their technical expertise and wider regional or international responsibilities. Consequently, as noted by some NZ government agencies, GAF projects tend to be an add-on activity, which is not embedded into their workplan. As a result of this positioning, staff tasked with writing GAF applications and implementing projects can struggle to fit this in on top of other work commitments or more pressing priorities. As one NZ government agency participant highlighted GAF projects tend to be driven by staff members with a passion and perseverance to invest a



considerable amount of their own time to develop a GAF proposal. Consequently, if managers perceive the investment in GAF project development as too great they may pull out. NZ government agency participants, and particularly those in senior management, recognised and supported the need for robust and rigorous processes around GAF applications. In this context, NZ government agencies are seeking a balance between the need for rigour and documentation in a contestable fund without the contestable process becoming overly complex or bureaucratic. Section 5.2.1 details NZ government agency participants' feedback on the current GAF application process.

In summary, tensions do exist between NZ government agencies and NZAID's objectives due to differing starting points and focuses of each agency. The type and depth of these tensions varies across NZ government agencies, from those who have little understanding of development principles and processes underlying their GAF projects, to those who believe that NZAID is not giving due consideration to their policy drivers, and to those who question the government priority of focusing on poverty elimination and NZAID's interpretation of what is DAC-able. These tensions are likely to exist going forward due to staff turnover and for many NZ government agencies that ODA tends to be a responsive and not proactive activity<sup>14</sup>. Ongoing dialogue between NZAID and NZ government agencies, both individually and collectively through the IDWG, together with education on ODA and wider NZ government agency policy drivers will go some way to minimise their effects. Care also needs to be taken to ensure that the GAF's contestable process and reporting is robust but not unnecessarily bureaucratic.

#### **4.2.4 Complementarity with other funds**

The review was asked to consider how the GAF can better complement other funds including the Pacific Security Fund (PSF) managed by MFAT, and AusAID's Pacific Governance Support Programme (PGSP), and to determine how any potential overlap might be managed.

##### **Pacific Security Fund (PSF)**

MFAT's PSF is an inter-agency pool of money drawn on by NZ government agencies to advance or protect New Zealand's security focus interests by reducing risks from threats arising in or operating through Pacific Island countries (MFAT, n.d.). The PSF was established in 2003 and has a budget of \$3 million per annum.

Projects under the PSF are considered in the light of the Pacific Security Strategy and its linked Risk Management Framework. Recommendations for projects are externally assessed and agreed by the inter-departmental PSF Co-ordinating Committee (the Committee), which consists of Department of Prime Minister and Cabinet (DPMC), Ministry of Transport, Ministry of Agriculture and Forestry (Biosecurity), Ministry of Fisheries, MFAT, Ministry of Labour (NZ Immigration), NZAID, NZ Defence Force, NZ Police, NZ Customs and NZ Security Intelligence Service.

PSF funds one-off or contingency activities in the Pacific that generally do not fit with NZAID's policy framework or priorities (i.e. not DAC-able), and which cannot be funded from agency baselines. The PSF may be used for 'pilot' projects or to provide seeding funding for longer-term projects. NZ government agencies can apply for funds for activities

<sup>14</sup> As noted, this is starting to change with several agencies starting to think more strategically about their ODA activities.

carried out by the agency or by a third party (e.g. The Pacific Forum Secretariat). The Committee considers proposals three times yearly and where proposals are of a semi-urgent nature. Examples of proposals funded by the PSF include urgent law and order requests due to a crisis, Customs training due to people in-country not following agreed rules, and other projects arising due to riots or cyclones.

Only four NZ government agencies interviewed had accessed both the PSF and the GAF. Other NZ government agency participants had little or no awareness of the PSF; reflecting they did not have a security focus. The four NZ government agency participants who had accessed the PSF and those managing this fund perceive that the PSF is a complementary fund to the GAF for two reasons. Firstly, the PSF can fund projects with non-DAC-able components. However, given the PSF has a significantly lower funding base than the GAF, amongst security-focused agencies the debate continues about NZAID's interpretation of what is DAC-able (refer section 4.2.3). Secondly, the PSF has processes in place to address urgent security projects that cannot wait until the next GAF funding round. To reiterate, the GAF does not consider projects between funding application rounds.

Discussions with NZ government agencies who have accessed both funds indicated some confusion about the purpose of each. As a result, there is some movement of applications between the two funds. It is estimated that around two to three applications have moved between the PSF and the GAF or vice versa. These projects tend to be related to security issues and are reflective of projects that could sit under either fund or those where the GAF cannot fund as the project is not DAC-able.

Feedback from NZ government agencies indicates a need for more proactive communication between NZAID and MFAT about applications received that may better fit the other fund. NZ government agencies also wanted more clarity on the criteria to determine to which fund their application should be submitted. The latter again reiterates the need for NZ government agencies to understand what are DAC-able ODA activities.

### **AusAID's Pacific Governance Support Programme (PGSP)**

AusAID's PGSP was established in 2004 to provide funds to Australian government agencies to undertake development activities with their Pacific counterparts to address governance issues. The objective of the fund is to develop public sector expertise in Pacific states, build institutional capacity and strengthen regional approaches to shared problems. Activities funded can support regional organisations, single countries or groups of countries (AusAID, 2008c). Expenditure is around \$(AU)5.5 million per annum.

The PGSP offers departments and agencies of the Australian Government (federal) the opportunity to compete for grant funding to work with their Pacific and Papua New Guinea counterparts on governance issues. Other levels of government may be involved under the co-ordination of a federal agency. Activities are delivered mainly in the form of technical assistance and training for up to 12 months and can include:

- Institutional strengthening and capacity-building in partner countries
- Short-term training in the partner country, Australia or the Pacific region
- In-Australia or regional secondments and work attachments
- Secondments of Australian staff in the partner country
- Applied policy research, feasibility studies and small projects.

Australian government departments, agencies and statutory authorities (excluding universities established under Commonwealth statute) are eligible to apply for funding. Australian government agencies may involve State, Territory or local government resources to support the PGSP activities in two ways:

- As partners in the delivery of the activity, but with the Australian government agency as the lead agency accountable for PGSP implementation, and/or
- Under consulting or procurement arrangements using PGSP funding.

The PGSP differs from the GAF in its predominant focus on governance (although a broad definition is applied), its more regional focus, its single-year funding and a two-staged application process (1. a two-page Activity Concept submission, 2. an activity details form, if the request is for more than \$(AU)75,000 and a new PGSP activity). Conceptually however, there is much similarity between the PGSP and the GAF and as a result potential for overlap.

Currently, AusAID is undertaking a review of the PGSP. The draft Terms of Reference suggests the fund may be opened up to NZ government agencies. As noted by a few NZ government agency participants, AusAID has a less restrictive definition of what counts as DAC-able than that applied by NZAID. It is possible therefore that these NZ government agencies may prefer to seek funding from AusAID's PGSP. There is a risk therefore that NZAID and other relevant policy agencies may not be aware of other agencies' development activities, and the emerging potential of the GAF to foster a WhoG and policy coherence for development may be undermined. Further, there is a potential risk of NZ government agencies who are refused funding in GAF, for legitimate development reasons, seeking funding for the same project via AusAID's PGSP.

Given the current redesign of the PGSP, it is recommended issues of potential risk and overlap and their management are raised at high-level NZAID and AusAID talks. The GAF's Development Programme Officer continues discussions with their PGSP counterpart in AusAID to monitor and assess the implications of this redesign for the GAF. Management of potential overlaps between the funds could be achieved via information sharing on funding applications received as well as approvals and declines.

In summary, there is to some extent complementarity between the GAF and the PSF, given the PSF can respond more proactively and fund non-DAC-able activities. The latter is especially beneficial to NZ government agencies with a security focus. There is room to enhance communication to NZ government agencies about the difference between the two funds and for NZAID and MFAT to enhance their communications about misdirected applications. AusAID's PGSP focuses on funding regional year-long governance activities to a wider range of audiences than the GAF. AusAID is currently considering opening up their fund to NZ government agencies; this has the potential to undermine the fostering of WhoG and policy coherence on development in New Zealand, if there is a lack of communication between NZAID and AusAID.

## 4.3 GAF's guidelines and boundaries

### 4.3.1 Eligibility criteria

The review was asked to consider whether there is merit in extending eligibility to Crown Research Institutes, universities and local governments. At present, only New Zealand government departments, agencies and statutory authorities undertaking non-commercial activities are eligible to apply to the GAF. However, government entities operating commercially may be directly sub-contracted by an eligible government applicant on the condition that the ownership and accountability of the initiative rests with the eligible applicant and not the sub-contractor. To date, seven projects from Round 1 of the GAF have been funded under this arrangement – MoRST was the eligible agency and Crown Research Institutes and a Crown agency the sub-contracted agencies. In rounds 2 to 6, no other joint proposals were received.<sup>15</sup>

#### Crown Research Institutes

At the GAF's inception, MoRST was invited to disseminate information about the GAF to Crown Research Institutes, which was done through Science NZ. Several Crown Research Institutes expressed interest in the fund. These Crown Research Institutes had previously worked with government agencies in the Pacific and had jointly identified the proposed projects. However, before the introduction of the GAF, there was no funding stream available to action the projects.

After dissemination, it was found that Crown Research Institutes could not directly access the fund. Following a number of discussions between NZAID, MoRST and interested Crown Research Institutes, it was agreed that joint applications would be submitted. As a result of these discussions, MoRST and NZAID undertook a joint project to better understand the role of NZ science in the development agenda in the Pacific. The findings of this project were not available during the review period. It is likely the findings of this project would contribute to the eligibility debate surrounding Crown Research Institutes and the GAF.

Three Crown Research Institutes have accessed GAF funding after submitting a joint GAF application with MoRST for a total of six projects. Landcare received, via MoRST, funding for three projects, NIWA two projects and AgResearch one project (refer Appendix 1, Table 8).

Staff from five Crown Research Institutes participated in the review. Each expressed they are seeking to develop a more embedded, long-term relationship with NZAID to support their role and work in the Pacific. In effect, they are seeking to develop a more WhoG and policy coherent approach to the role of science in enabling better development outcomes. While discussions with NZAID are progressing, the GAF is perceived as a potential funding mechanism to undertake initial risk assessment and scoping of the development merit of proposals for in-country science-focused development activities.

Feedback from Crown Research Institutes, in-country participants and some NZAID staff identified a number of merits in extending the GAF's eligibility criteria to include Crown Research Institutes, specifically:

<sup>15</sup> The Review Team was unable to identify the reasons that no further joint projects were submitted in later rounds.

- Acknowledging their existing relationship and connections with in-country partners in the Pacific and wider
- Respecting a direct request from partner countries for Crown Research Institutes to be included due to their depth of specialist knowledge. This in-country request did not reflect current needs but more a desire for flexibility to access these agencies, if needed. It also reflects that in-country Crown Research Institutes' counterparts tend to be located in a government agency
- Minimising the risk that Crown Research Institutes may seek funding via AusAID's PGSP, which may undermine the GAF offering a mechanism to provide a more co-ordinated WhoG approach to development
- Removing MoRST from acting in an administrative capacity on GAF projects involving Crown Research Institutes. Feedback has indicated little value is added via this role, and if anything it makes the communication pathways between NZAID and Crown Research Institutes more cumbersome and less transparent.

In contrast, NZ government agencies and some in-country partners are concerned about the inclusion of Crown Research Institutes due to the potential for their projects to focus more on doing good and interesting science and not on developmental outcomes sought in-country. As noted in section 4.1.2, one GAF project, which originated from a joint proposal, did not align with in-country needs or priorities resulting in significant in-country dissatisfaction with the project's process and deliverables. It is unknown whether this dissatisfaction is the case across other Crown Research Institutes' GAF-funded projects. There is an opportunity therefore, using DAC's evaluation criteria (refer Appendix 9), to review the development merit of these projects before expanding the eligibility criteria to confirm or dispel some of the underlying concerns of allowing Crown Research Institutes direct access to the GAF.

Crown Research Institutes are legislated to be profit-generating entities, which requires their scientists to proactively seek new funding streams and to charge commercial rates. Some Crown Research Institutes highlighted they are adopting more collaborative and cost-neutral funding models; although they admit this is not necessarily consistent across all or within Crown Research Institutes. All GAF applications are required to provide a project budget against which NZAID and the IDWG consider the cost-benefit ratio of the proposed GAF project. There is therefore process in place to ensure accepted GAF applications provide value for money and positive cost benefits in-country.

In summary, the review recommends Crown Research Institutes are eligible to submit proposals directly to the GAF. The reasons for exclusions noted above can be managed via clarity of NZAID's purpose and processes used to review applications.

## Universities

As noted, universities in New Zealand do not have access to the GAF. The one university which participated in the review of the GAF advocated strongly for access to the GAF for the following reasons:

- They (and other universities) are already undertaking research and other activities in Pacific countries and working collaboratively with the University of the South Pacific and Pacific government agencies
- Funding structures of the university offer a cost-effective model for delivering development assistance. The example was given that NZ university staff contributing to a specific development project required no professional time funding, and the

overhead component paid was only on monies needed to be administered through the university

- Development projects being undertaken by the university have sought to embed expertise and infrastructure in the Pacific that is relevant to conservation, biosecurity, health, agriculture and industry. The focus of the project has sought to initiate, in a cost-effective way, a programme that has the potential of long-term benefits in the Pacific region. The university is supporting rather than directing research and has engaged young Pacific Island people in important research work in the Pacific. The university is seeking access to the GAF to seek further financial support to strengthen and build this programme and ensure its long-term sustainability in-country.

NZ government agency participants were not supportive of broadening the eligibility criteria to include universities. These participants noted that the GAF is the only contestable fund available for NZ government agencies to enable them to work in partnership with their in-country counterparts to address emerging need. These participants were concerned that opening the fund up to all New Zealand universities would result in less funding being available for their development activities. Currently, New Zealand universities have access to other NZAID and government research funding, including NZAID's International Development Research Fund (plus, for students, the Post-Graduate Research Fund), TEC funding, MARS DEN, and MoRST/FRST funding.

Across the three Pacific countries, in-country government agencies and Aid Co-ordination Divisions had a mixed response to universities becoming eligible to apply for GAF funding. On one hand, some wanted the fund open to all types of agencies so they had the flexibility and choice in who they wanted to work with. However, the proviso tended to be added that the focus for all agencies accessing the fund had to be on building in-country capability. On the other hand, others were concerned that universities' more theoretical-based approaches would not offer in-country government agencies the practical assistance they were seeking. The review acknowledges that research coming out of the eight universities is of a practical nature and their researchers have worked very closely with Pacific country government agencies.

In summary, the findings of the review are inconclusive about whether universities should be eligible to access the GAF. Consequently, the status quo position of universities remaining ineligible to submit applications to the GAF is recommended. Universities continue, however, to be able to seek funding from the GAF through joint applications with NZ government agencies. This recommendation primarily reflects that, while the university which participated in the review made a compelling case for inclusion, they do currently have other funding streams for development activities through NZAID.

### **Local government**

Only one local government authority participated in the review. This local government authority presented the following points to support their case for being eligible to submit applications to the GAF:

- Deep council and community links to a number of Pacific Island countries due to a high proportion of their population coming from Pacific nations
- MOU of co-operation with the Cook Islands and Samoa following an invitation to send a trade delegation to these countries. The focus of the MOU is trade, education exchange and potentially infrastructure funding
- Limited local government funds available for development activities in the Pacific.

The Cook Islands and Samoan Aid Co-ordination Divisions and some in-country partners were supportive of local government authorities being able to apply to the GAF. As similar to the local government authority, this reflects their strong ties, the existing MOUs, as well as the unique expertise of the council in waste management, asset management and infrastructure.

As similar to universities, NZ government agency participants did not support broadening the eligibility criteria to include local government. This, again, reflects that the GAF is their only contestable fund source for development assistance.

In summary, there is insufficient information on which to determine whether or not local government authorities should be eligible to submit applications to the GAF. Consideration could be given to allowing those local government authorities with MOUs with particular Pacific countries to access the fund.

### **4.3.2 Use of sub-contractors**

The review was asked to consider whether the GAF should continue to allow NZ government agencies to sub-contract to consultants and public or private sector organisations operating commercially. Across the NZ government agencies who participated in the review and had or are currently undertaking a GAF project, five had contracted consultants to their GAF project for the following reasons:

- Three NZ government agencies, as policy agencies, did not have the specialist or technical expertise in-house to implement components of their GAF project, e.g. maintenance or upgrade of electricity production facilities, pest control and eradication, removal of scrap metal and production of books
- Two NZ government agencies, while having the capability in-house to undertake the GAF project, did not have the staff capacity to manage the GAF project or needed additional capacity to ensure an efficient process.

Across these five NZ government agencies, it is known that three undertook a competitive tender process to identify the contractors. One NZ government agency noted that their in-country partner was a member of the selection panel. Three contractors were located in the Pacific country, and two were NZ-based contractors.

One of the GAF projects reviewed involved the use of a contractor to deliver the project. In-country partner feedback on this project highlighted that while the contractor was working well with the partner agency to deliver the project's milestones, their relationship with the NZ government agency was not being maintained or enhanced. The in-country partner noted that they had little contact with the NZ government agency and were unsure who their contact was within the agency. Further, the in-country partner was becoming increasingly frustrated that communications through the contractor to the NZ government agency did not appear to be delivered or were not being responded to by the NZ government agency. As a result, the use of the contractor, while delivering on the project goals, was undermining one of the underlying intentions of developing long-term strategic partnerships between NZ government agencies and their counterparts in partner countries.

Other in-country feedback on the use of contractors in GAF projects reinforced the importance of the partnership model underpinning the GAF. In-country partners want to be involved in the selection process to ensure the appropriateness of contractors selected to

the project being undertaken. An example from one in-country participant reinforced the importance of this selection being a shared responsibility. The participant gave the example of being involved in a joint selection process for another project where they did not support the contractor selected as they preferred the selection of a local person. However, on hindsight, the in-country participant conceded the contractor was the right choice given the level of technical expertise they brought to a complex project. This example highlights the need for jointly agreed selection criteria for the contractor, in relation to their role and the skills and expertise they bring to the project.

Most NZ government agency participants want the ongoing flexibility of being able to use commercially focused sub-contractors in GAF projects should either of the following eventualities arise:

- The need to access specialist technical or sector expertise not available in-house
- A lack of capacity in-house.

NZ government agencies did acknowledge the risks of using commercially focused sub-contractors, specifically:

- The cost to the project may be too high
- NZ government agencies not taking responsibility for the quality of the project outcomes
- NZ government agencies disengaging in the project and not building a long-term relationship with their in-country partner
- Contractors focusing on project delivery and not on building capacity in-country, or not implementing the project in line with good practice development principles and processes.

Based on this analysis, the review recommends NZ government agencies continue to be permitted to sub-contract to consultants and public or private sector organisations operating commercially to deliver components of GAF-funded projects provided:

1. the NZ government agency continues to manage the relationship with their in-country partner
2. In-country partners are involved in the selection of contractors through a robust procurement process that aligns with NZ and in-country competitive tender protocols
3. Sub-contractors selected contribute to capacity development for in-country partners and understand and operate within development principles and processes.

### **4.3.3 Funding of scoping studies**

The review was asked to consider whether the GAF should fund project development activities such as scoping studies. The 2007 guidelines do not define whether or not project development activities will be funded through the GAF. To date, five out of the 71 commenced GAF projects could be classified as scoping studies. The projects are:

- Ministry for the Environment: Capacity Building on the Clean Development Mechanism in the Pacific. Pacific Regional. Round 1
- NZ Customs: Customs Electronic Systems in the Pacific – Scoping Study and Development of Business Requirements. Pacific Regional. Round 2



- MoRST – NZAID Joint Scoping Study: NZ Science and Development. Pacific Regional. Round 2
- Ministry of Agriculture and Forestry: Pacific Export Treatment Systems (PEST) Programme – A ‘capability/audit assessment’. Vanuatu, Tonga and Samoa. Round 5
- NZ Police: Community Policing: Conflict Resolution in Papua and West Papua Provinces, Indonesia. One country. Round 5.

Feedback from two NZ government agencies who undertook scoping studies highlighted that GAF funding resulted in:

- Identification of all key stakeholders and their needs and values, enhanced understanding and support for the programme across and within in-country government agencies and wider, enabling of the design of a robust programme involving in-country and NZ partners, identification and minimisation of potential risks, and significant cost savings of around \$400,000
- Identification of the wider contextual factors contributing to the emerging issue, the appropriateness, effectiveness and sustainability of the preferred solution being sought by in-country partners. This project did not proceed due to wider compounding variables, which meant the proposed project was unlikely to achieve the in-country partner’s desired outcomes or be sustainable in-country for the long term.

Across NZ government agency participants, there was debate about the merits and issues of the GAF funding scoping studies. Reflecting the experience of NZ government agencies who have undertaken GAF scoping studies, some NZ government agencies and in-country participants identified the benefits of GAF funding scoping studies as:

- Ensuring a project is a priority in-country beyond the initial in-country partner contact
- Avoiding potential duplication of development activities already occurring
- Understanding how the project fits in the wider in-country context, and identifying other compounding variables or uncertainties in the environment that may affect the emergence of desired development outcomes
- Agreeing the project context and scope through discussions with all stakeholders about the need, roles and responsibilities, and implementation process
- Identifying the level of capacity and capability in-country for the project implementation and importantly the potential sustainability of the project once the NZ government agency withdraws
- Exploring the values and standards and ways of operating to identify if the NZ government agency and the in-country agencies will be able to work together in a partnership.

In contrast, some NZ government agency participants and NZAID staff in Wellington believed that scoping studies should not be funded by the GAF. They noted the potential risk that the GAF may be used to fund ‘trips’ to the Pacific as rewards for NZ government agency staff (and vice versa for in-country partners). Further, offering access to GAF funding to scope potential projects may result in NZ government agencies not showing their commitment to the project through their initial investment of time, travel and money in developing partnerships and jointly agreeing the parameters of development activities. Comment was also made about the potential for a significant amount of GAF funding to be spent on scoping projects, which result in few in-country benefits. These concerns were not noted in two of the scoping studies funded by the GAF, but it is unknown whether the issues presented in the other three scoping studies.

Consistently, NZ government agency participants and in-country participants noted a preference for the GAF to be flexible to enable them to work with in-country partners to address emerging in-country needs in the most appropriate way. There are times therefore when it will be appropriate for the GAF to fund scoping studies, as it has done in the past. The potential risks discussed above can be managed through the GAF's assessment of cost-benefit ratio and development merits and the GAF's annual and completion reporting requirements. The review recommends therefore the GAF continues to fund, on a case-by-case basis, scoping studies for larger and more complex projects, or where a project is perceived to be of particular value and there is a lack of specific detail, or relationships in-country are still developing.

#### **4.3.4 Appropriateness and process of phase funding**

The review was asked to consider the trend for government agencies to apply for additional phase funding and recommend an appropriate process for determining the merits of further funding and the process for undertaking reviews or evaluations and consider what they should focus on.

GAF guidelines (NZAID, 2007b) state that NZAID makes no commitment in respect of any recommendations for further activities that may flow from an implemented activity. The guidelines continue that any projects seeking funding to build on/expand previous initiatives must have evidence of a review or evaluation before additional phase funding is considered and that NZAID will consider on a case-by-case basis whether review/evaluation reports are sufficient or if independent analysis is necessary. In this context, phase funding means a project receiving further funding to build on/expand previous initiatives.

Twenty-four of 73 GAF projects approved are now completed (refer Appendix 1, Table 5). Of these 24 completed projects, eight have sought and received phase funding<sup>16</sup>. Two-thirds of completed GAF projects did not seek phase funding on their completion. It appears that only one GAF application for phase funding was declined. The eight GAF projects identified as having received phase funding are:

- Crown Law. Samoa Prosecution Support Programme. One country. Rounds 1 and 6
- Ministry of Economic Development. Capacity Building Seminar on Ease of Doing Business. Pacific Regional. Rounds 5 and 6
- Ministry of Foreign Affairs and Trade. Pacific Partnerships Facility. Pacific Regional. Rounds 1 and 6
- Ministry of Health. Mental Health Initiatives in the Pacific. WHO Pacific Islands Mental Health Network. Extension of the Pacific Islands Mental Health Network. Pacific Regional / World Health Organization. Rounds 1, 4 and 6
- Ministry of Health. Proposal for Assistance to PICs to assist in improving drinking water. Drinking-water quality management capacity building in Pacific Island Countries Phase 2. Electronic water quality data storage and interpretation tool for developing countries (WQMD) (Possibly Phase 3). Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Rounds 1, 3 and 5.
- New Zealand Customs. Permanent Location of the Oceania Customs Organisation Secretariat. Pacific Regional. Rounds 1 and 5

<sup>16</sup> The coding in the GAF database makes it challenging to identify all projects that have received phase funding, e.g. projects such as those from Archives New Zealand, Ministry of Health and MoRST have Phase 3 in the title, but the database does not contain any earlier projects from that NZ government agency.

- New Zealand Fire Service. Capacity Development Cook Islands Fire Service. One country. Rounds 4 and 6
- New Zealand Police. Community Policing: Conflict Resolution in Papua and West Papua Provinces, Indonesia. One country. Rounds 5 and 6.

Across these eight projects, a diversity of development activities have received phase funding from short-term technical assistance, regional business seminars, phased and complex regional health initiatives, longer-term capability building and secretariat support. To date, it is not possible to determine any particular patterns in projects which return for further funding. It is possible this will remain the case, given the GAF tends to react to in-country and regional requests for help on short-term emerging issues.

Three of the nine GAF projects included in the review received phase funding for the following reasons:

- **In-country need for ongoing capability building.** The original GAF project resulted due to an identified in-country crisis due to the loss of senior staff within a government agency. The GAF project funded NZ experts in this field to go in-country and work in the counterpart agency to address a significant backlog of work. During these placements, training and capability building of staff was undertaken and a number of systems issues were identified that compounded the backlog and the lack of progress being achieved by NZ staff.

Following the end of project review, it became evident that the original crisis that triggered the need for NZ experts to assist in-country was not recognised by other closely linked in-country agencies. Given the perceived need to respond promptly to the in-country request, these associated in-country agencies had not been consulted about whether there was a crisis and if so how best to address it. These agencies were therefore greatly surprised when NZ experts appeared in-country. Through the project completion review, the in-country partner and the NZ government agency agreed there was an ongoing need for capability building of less experienced in-country staff, which resulted in further funding being sought from the GAF for short-term in-country technical training.

- **In-country partner is unable to access their government funds to continue ongoing capability building.** The lack of in-country legislation means this in-country agency does not receive any government funding for capability building. The agency receives only limited funding from levies. The development of the original project was a joint exercise between the NZ government agency and the in-country counterpart and its associated volunteer organisation. The project and GAF application was jointly developed following a joint in-country stocktake and scoping exercise involving both parties.

This project, operating in a very successful partnership model, has increased the capability of both the staff of the in-country agency and also an associated voluntary organisation (as evidenced through the evaluations of each training module). Increased staff capability offered enhanced safety and greater protection to the wider community. Due to the ongoing lack of in-country funding for capability building, a second proposal was forwarded to the GAF to continue the project. The proposal has been accepted. At the time of the review, the NZ government agency had not submitted their project completion report for the first round of funding; therefore this would not have been taken into consideration in approving funding for the second phase.

In line with the GAF project, the in-country partner has developed a three-year strategic plan relating to building and maintaining staff capability using a 'train-the-

trainers' model. A core focus of this three-year plan is to advocate for changes to in-country legislation to create a sustainable in-country funding stream. Retirement of the staff member leading this project in the NZ government agency has resulted in delays in progressing the second phase of the project. In-country partners are anxious to build on the success achieved and are unsure of how to encourage action from their NZ partner.

- **Regional project moving to next phase.** The documentation relating to this project is not clear about the project linkages and whether it was known from the outset this was a three-phased project. The project is located in a Pacific regional organisation and operates across five Pacific nations; these nations have representation in the regional organisation. The regional organisation was approached for further input into the review but no response was received.

Feedback from in-country partners did not clarify the projects' linkages due to the project being managed regionally and in-country tensions about the most appropriate lead agency. It appears that the three projects are closely linked and as one project was moving to completion funding was sought via the GAF for the next phase.

Phases one and two focused on establishing and implementing strategic plans and their associated action plans and identifying capital works needed, and phase three sought to develop testing, data storage and interpretation systems. The phase two completion report detailed progress across each country and issues arising. It is unknown the extent to which the findings of the phase 2 completion report informed the decision to fund phase three.

As indicated in the examples above, requests for phase funding in two of the projects was jointly agreed by in-country and NZ government agencies. In the regional projects, it is unknown whether the regional organisation requested or was involved in the development of the phase funding application to the GAF. Feedback from other NZ government agencies who applied for phase funding highlighted that the request stemmed from joint in-country and NZ government agencies' discussions about extensions or new directions arising from the current project. For regional projects, the drivers behind requests for phase funding are less clear, although there are indications that it arises from the NZ government agency needing to commit resources to a regional activity. The example was given of an NZ government agency seeking phase funding to contribute towards regional seminars or regular events to which their Canadian and Australian counterparts were already contributing.

Across NZ government agencies and in-country partners, there is support for phase funding to be considered within the GAF provided there is evidence that the initial GAF project achieved or is showing progress towards its development outcomes. They noted phase funding may cover:

- An extension of the current project
- The need for additional time to facilitate an appropriate exit strategy ensuring project sustainability
- New directions arising from the current project
- The need from in-country partners for ongoing capability development or project maintenance.

For NZAID and the IDWG to determine whether or not it is appropriate for phase funding to be approved, the following information and data will be needed:

1. A review of the current GAF project to gain a better understanding of how the project has been implemented, to assess what is being achieved and to identify how

implementation could be improved. Reflecting noted issues in-country with a few GAF projects, the review should also seek to gain an understanding of the level of ownership in-country of the project, the working relationship and partnership between the in-country and NZ government agencies and the factors that may be impeding the long-term sustainability of the project in-country.

2. A jointly prepared and agreed workplan is sighted detailing the rationale and project plan either for continuing the project or for heading in a new direction. The plan should also demonstrate alignment with in-country government and partner agency priorities, the shared roles and responsibilities of the all partners (which may also include NGOs and private sector agencies), the funding allocation for the project by NZ government agencies, in-country partners and the GAF, and how the project will become sustainable in-country. This plan should be signed off by the Aid Co-ordination Division or regional organisation, and the partner agency Chief Executive.
3. For more strategic projects, an agreement between the two agencies detailing the nature of the ongoing relationship, linkages with other in-country or regional stakeholders and how both agencies are committed to support the relationship independent of GAF funding in the long term.

The level of information required by NZAID and the IDWG for assessing a request for phase funding should reflect the complexity of the project and costs involved. Thus, the information requirements should be tailored to the diversity of GAF-funded projects applying for phase funding.

In summary, two-thirds of GAF projects completed did not seek phase funding. Those NZ government agencies seeking phase funding are doing so at the request of their in-country or regional partner to enable the project to continue, enter a new phase or continue building capability in-country. In determining the merits of further funding, a review of the current GAF project is required focusing on its implementation and achievements, the relationship between the agencies, the project's ongoing need in-country and the consideration of its long-term sustainability.

#### **4.3.5 Timeframe for GAF projects**

The review was asked to consider appropriate funding timeframe for GAF projects, and whether this should be extended. Currently, GAF projects may be funded up to three years. The review received incomplete data on contract duration of approved GAF projects; therefore care needs to be taken in interpretation of this data (refer Appendix 1, Table 6). Based on the data available, more than half of the GAF projects approved were for a period of less than three years and a third for a period of less than two years. Twenty-one GAF projects were contracted for a period of three years or more. The range in the duration of contract period reflects the diversity of GAF projects, ranging from complex multi-year water or health projects to more straightforward capability building through short-term technical placements.

Across the nine GAF projects included in the review, duration of contract varied from two projects of a one-year duration, three projects of two years, two projects of three years, one project of 3.5 years and one of unknown contract duration. Feedback from both NZ government agencies and in-country partners did not indicate the contract duration was having either a positive or negative effect on the project. Issues having an adverse effect on the project tended to relate more to how the projects were being implemented and relationships managed. The scope of this review did not cover assessing the effectiveness

or impact of individual projects receiving GAF funding. In this context, the review is unable to categorically comment on how contract duration may have affected development effectiveness.

Feedback from other NZ government agency and in-country participants highlighted they were not overly critical of the current three-year timeframe for GAF projects. NZ government agencies and in-country partners tended to indicate a preference for flexibility around the timeframe for GAF projects to ensure the fund was able to accommodate the range of proposals being put forward to meet emerging in-country needs. A few NZ government agencies noted that GAF projects tended to take longer than expected to start up and to achieve sustainability on exit. However, based on the information available it is not possible to determine whether this was due to an under-estimation of time, poor project management or other compounding factors such as in-country or NZ government agency staff changes.

A few NZ government agencies, particularly those more experienced in development assistance, would like GAF's timeframe increased to five years, and one mentioned taking it out to a maximum of ten years. These agencies would prefer to receive more long-term funding to support more strategic development activities with their in-country partners, and these agencies tended to be those seeking Vote funding for their development activities. A few NZAID programme staff in Wellington also noted a preference for an increased timeframe for GAF projects as they wanted the GAF to shift to funding more long-term strategic projects aligned with NZAID's bilateral and regional programmes. In contrast, feedback from senior management at NZAID in Wellington highlighted the administrative challenges for the contestable fund if the timeframe was increased; specifically allocating significant GAF funding out over the long term may result in fewer projects being funded.

The review recommends that the GAF timeframe remains at three years, given that more than half of all GAF projects were for a period of less than three years. The recommendation also acknowledges the GAF's niche role of enabling government-to-government partnership to meet a range of emerging short-term bilateral and regional needs outside of NZAID's agreed strategic programmes. The desire of some NZ government agencies to access GAF funding to support more long-term strategic projects with their counterparts can be accommodated via application for phase funding. From an administrative perspective, this manages the risks of committing significant GAF funds for the long term and then not being able to meet other emerging needs.

#### **4.3.6 Eligible activity-specific costs**

The review was asked to consider whether the eligible activity-specific costs stipulated in the GAF guidelines are appropriate and make recommendations for any changes to eligible costs. GAF guidelines (NZAID, 2007b) specify eligible activity-specific costs as:

- NZ Government Agency Personnel: The real costs of supernumerary staff or backfilling the time of participating NZ Government officials implementing the activity. Fixed costs (including staff salaries and corporate support/overhead costs) will not be funded.
- Counterpart Agency Personnel: The real costs for counterpart agency work attachments and secondments. Salaries of counterpart agency staff may be considered, but applicants will need to demonstrate succession arrangements for sustainability, and applicants and/or their counterpart agencies will contribute where possible to the cost.

- Procurement: The cost of essential items required for the successful completion of the activity/ies. (These will become the property of the counterpart agency at conclusion of the activity).
- Training: The cost of trainers, consumables, venues etc. (Proposals should indicate if these activity inputs are to be provided in cash or kind.)
- Other costs (applicable to both supernumerary staff and existing permanent staff) including: essential activity costs (e.g. incidental costs), airfares, per diems (including accommodation, meals, incidentals and ground transport) up to \$300/day, and medical insurance for officials of partner countries in New Zealand.

Few in-country partners or Aid Co-ordination Divisions are aware of the amount of funding received for their project or how funding has been allocated to specific activities. In this context, they were unable to comment on whether the eligible activity-specific costs stipulated in the GAF guidelines are appropriate. This lack of information is inconsistent with Part 3 of the 2007 NZ Government Pacific Strategy's 'How We Will Work' and is not in the spirit of partnership. As a result, in-country partner agencies were confused about how the funding allocation for the GAF works. Some in-country partners expected that all funding for the GAF project should be given to them, which is inconsistent with the GAF's purpose of facilitating NZ government agencies to participate. As noted earlier, in-country partners and Aid Co-ordination Divisions want to be informed about budget allocation for the GAF project. It is recommended that they receive information about GAF funding allocation detailed against the project's workplan and defined roles and responsibilities.

NZ government agency participants raised several issues with the GAF's eligible activity-specific costs, mainly in relation to the category of NZ Government Agency Personnel, specifically:

- Inability to backfill specialists as there is no one else who can undertake their role. Some agencies have suggested that the GAF should reimburse specialist salaries to their business unit based on time spent on the GAF. They commented that covering salary costs is likely to be cheaper than hiring a contractor
- Lack of recognition of the costs to the NZ government agency in undertaking GAF projects (e.g. staff time and costs in preparing to go out of country and the administration costs of a GAF project). Some NZ government agencies refer to these costs as the 'hidden costs' of the GAF. As a result, some seek to avoid these costs by employing a project manager to limit the impact on resources. It is notable that no NZ government agency said they would not undertake a GAF project due to these costs. It is likely this reflects that many are involved in GAF projects due to their wider regional and international roles and associated responsibilities.

Other funding issues raised by NZ government agencies included:

- Lack of funding to develop joint GAF applications with in-country partners to submit to the GAF. The latter would involve travel costs to the country to work together to design the project and prepare the application to the GAF
- Lack of start-up funding and being paid for work completed is challenging for many NZ government agencies as they have no funding allocation for ODA activities in their baseline
- Limited funding for equipment to facilitate the project. This restriction is deemed appropriate by NZAID at Post as NZ government agencies may not be aware of in-country agreements not to fund equipment that cannot be maintained or consumables that cannot be afforded in the long term.

It is acknowledged that there is a cost for NZ government agencies to respond to in-country requests to engage in development activities and addressing these needs can be challenging when there is no or little direct funding for this work stream, particularly at the proposal development stage. Suggested strategies to address these GAF application costs include the GAF covering the costs of proposal development and ensuring the application process, while robust, is not overly onerous. The GAF covering the costs of proposal development is inappropriate due to the little return or clear benefits to in-country partners, and would be inconsistent with wider government practice across other contestable funds. Further, as some NZAID staff in Wellington stated, if an NZ government agency is unable to commit staff time and some travel costs upfront to develop a collaborative proposal, it potentially indicates that the project may not sit well within the organisation and questions therefore how the partnership will be maintained long term.

In considering whether the GAF should fund NZ government agency staffing cost, an analysis was undertaken of the types of costs being detailed in the 16 GAF applications being reviewed. Review of GAF applications and MOUs showed that funding breakdowns for eight of the nine projects was very high level and generic. In many cases, it was difficult to determine exactly what the funds were being used for. Analysis of budgets found costs outside the guidelines were sought and the MOUs indicate that in some cases salaries, staff fees, consultants, project management and contingency line items were covered. No written rationale was found to explain this variation from the guidelines. Presumably, this has been agreed verbally on a case-by-case basis or is incorrectly coded (e.g. it was difficult to assess if salary costs referred to backfilling). Monitoring and evaluation costs were included in three of sixteen projects' budgets (refer Appendix 13, Table 16), and only one had a monitoring and evaluation plan.

The review of approved applications noted there was an unexplained downward discrepancy in costs in several instances from the GAF application to the MOU as costs went down but the workplan specifications stayed the same. It was expected that changes in funding allocation would be reflected in project specifications.

This analysis suggested there is inconsistency in coding across GAF project budgets in relation to staff and other cost items, and there is a need to ensure changes to the GAF budgets are documented. The review recommends therefore greater detail and consistency in budget line itemisation for GAF budgets to ensure more transparency in how the funding will be used. The question remains, however, whether or not the GAF should be covering NZ government agencies' staff and internal administrative costs. As noted by a few NZ government agencies mentioning hidden costs for their agencies, it would be deemed inappropriate for another NZ government agency to be seen to be covering the staff costs of another government agency. The review was unable to determine from the Treasury website whether or not this is the case. Assuming it is, the review recommends no change to the NZ Government Agency Personnel costs as currently defined in 2007 GAF Guidelines. This also reflects that these internal costs do not at this stage appear to be deterring NZ government agencies to submit a GAF application.

As the manager of the GAF, NZAID expects that NZ government agencies undertaking GAF projects will have money available to initiate their GAF project. The need for start-up funding has occurred in two instances in the past where there was clear documentation of the reasons the agencies were unable to find start-up funding internally. The review recommends therefore that the need for start-up funding by NZ government agencies continues to be assessed on a case-by-case basis. In order to facilitate consideration of access to start-up funding, NZ government agencies will need to document the reason for this request in their GAF application.



In summary, based on this analysis, the eligible activity-specific costs stipulated in the 2007 GAF guidelines continue to be appropriate. In-country partners and Aid Co-ordination Divisions should be informed of a project's total and activity-specific funding allocation. More transparency is needed in the breakdown of project costs in GAF applications, and written rationale should be given for line items outside the guidelines and the reasons for changes in funding amounts between the GAF application and the MOU. It is also recommended that project start-up funding is considered on a case-by-case basis.

#### **4.3.7 Value for money**

Although not specifically mentioned in the review's terms of reference, consideration was requested to be given to whether the GAF is providing value for money. NZAID requires that an assessment of whether an intervention provided value for money should include an assessment of how much money has been spent on intervention/s compared qualitatively with the broad outcomes, impacts or changes brought about by the work. As the review did not assess the impacts of the GAF projects selected, it is inappropriate to comment on this aspect.

NZAID requires reviews to examine value for money in two ways:

1. Comparisons of value for money against norms in other activities in the same country/region or internationally, where similar outcomes or impacts have been aimed for and/or achieved. This analysis is beyond the scope of the review due to normative data not being provided or available to the review team and the lack of budget breakdown for each project.
2. Analysis of the GAF's cost structures to identify cost-effectiveness issues, including whether savings could have been made (without disproportionately compromising outcomes) through different methods or management, procurement, prioritisation or design. The cost structures for the GAF were not made available to the Review Team, and identifying the cost effectiveness of the nine reviewed GAF projects is beyond the scope of this review, given the scope excluded the assessment of project outcomes.

Based on the information available from the review of the nine GAF projects, the following comments can be made:

- No GAF project either completed or in progress has exceeded their allocated budget and three completed projects came in under budget by between \$5,000 and \$10,000 (refer Appendix 13, Table 17)
- The cost-benefit ratio was considered during the assessment of eight of the nine GAF proposals. The one project for which there was little cost-benefit analysis was in Round 1. One project was conditionally supported subject to completion of proposal and delivery of a detailed budget. It is assumed this was provided, as not sighted by the reviewers.

Only one completion report commented on cost and benefits. The other reports noted budget variations but did not explain the reasons for this.

## 5. GAF's Governance, Systems and Processes

### 5.1 IDWG – GAF governance

The review was asked to examine the role and membership of the IDWG and assess if and how the IDWG could be better utilised during the proposal selection and submission of report process, and whether the IDWG should have a broader role including driving towards WhoG policy coherence.

The IDWG is a group of senior managers from a range of NZ government agencies that have traditionally been involved in ODA. The IDWG is essentially the governing body of the GAF. Currently, the IDWG is made up of around 21 senior managers from across NZ government agencies and is chaired by NZAID's Executive Director. Members have been invited to sit on the IDWG based on their history of undertaking development activities in the Pacific or their submission of proposals to the GAF. IDWG members include Department of Conservation, Human Rights Commission, Ministry of Agriculture and Forestry, Ministry of Defence, Ministry of Economic Development, Ministry for the Environment, Ministry of Fisheries, MFAT, Ministry of Health, MoRST, Ministry of Social Development, NZAID, NZ Police, NZ Customs, Statistics New Zealand, Te Puni Kōkiri and Treasury.

The IDWG sits twice a year to consider GAF applications received. Before the meeting the IDWG members receive all the GAF applications together with NZAID's assessment of the applications. NZAID's assessment of GAF applications includes a summary description of the application and its high-level budget together with NZAID's assessment of the application across the following attributes: partner ownership, sustainability, cost-benefit ratio, NZODA aligned, development merit and best mechanism, and MFAT's feedback on broader policy interests. For each attribute, a traffic light system is used to indicate feedback: green (positive assessment), amber (some issues with proposal) and red (significant concerns). A summary assessment is made by NZAID, along with a recommendation to support, support conditional to further work being done on the proposal, decline conditionally or decline.

At the IDWG meeting, each GAF application and its assessment is discussed. Those submitting can attend to talk to their application. Where the GAF application is from an agency represented on the IDWG (e.g. the Ministry of Health), the IDWG member may contribute comments to the discussion of the health application, but they abstain from the final decision on the proposal. The IDWG does not have a defined or technical voting system for each application. The decision process involves the Chair asking for feedback from the IDWG on the proposal and NZAID's assessment, and if the IDWG offer comment on NZAID's assessment or other information about the proposal, then NZAID's recommendation is seen as endorsed by the IDWG. To date, the IDWG has not received or discussed feedback on the implementation progress or effects arising from approved GAF projects.

Feedback from IDWG members who participated in the review were in the main satisfied with their peer review role in the assessment process. NZAID was commended for their role in preparing the assessment. One participant described the IDWG as collegial in its approach and a safe and confidential setting to critique the value of GAF proposals submitted. In contrast, three IDWG participants commented that the group leans heavily on

NZAID for guidance and assessment of GAF proposals. While these participants were not challenging the robustness of NZAID's assessment, they perceive that greater understanding of wider policy issues could be gained via more critical and discursive debates on proposals received. Participants who are members of both GAF's IDWG and MFAT's PSF noted that in comparison, there tended to be more challenging discussions about proposals received at the PSF than the GAF. However, it is possible this reflects that the PSF is dealing with proposals from just one sector (security) and in contrast the GAF deals with proposals across the breadth of government sectors. As one IDWG participant explained they have little to add to the assessment of proposals that are not in their sector of expertise. One participant commented that at times the lack of debate may reflect the amount of material each IDWG member is required to review before the meeting, and they suggested that perhaps this review was not as thorough as it could be. On average, IDWG members are required to consider 13 GAF applications per round. In considering changes to the GAF application and assessment forms, balance needs to be achieved between ensuring enough information on which to base a decision and not overloading the IDWG who are required to review all proposals and their assessment.

Across the IDWG, participants acknowledged that these discussions contribute towards the development of a WhoG approach to development through creating awareness and understanding of development activities other NZ government agencies wish to undertake, the policy and wider drivers behind these activities and NZAID's assessment of their development merits and contribution to NZODA. In encouraging greater discussion about GAF proposals, there is an opportunity to enhance understanding of differing perspectives and commonalities across a range of development activities and create a foundation to increase understanding of WhoG and policy coherence for development. IDWG participants did not identify how a greater level of debate about the merits of GAF proposals and NZAID assessment could be achieved at the IDWG meeting. However, it is something that NZAID may wish to be mindful of during the facilitation of these meetings.

IDWG participants noted that they are not currently receiving any feedback on how GAF projects are being implemented, their progress or effects. IDWG participants are keen to hear about the learnings emerging from across GAF-funded projects. Participants suggested this could occur through updates at the IDWG meeting and the dissemination of a summary of learnings from annual and completion reports.

Two participants commented that IDWG members can have dual roles at these meetings of both submitting applications and being involved in the decision-making process. IDWG participants commented that having the proposing agency discuss their application is informative in considering its merit. Further, attendance at the IDWG by partner agencies is very useful for gaining more insight to the partnership being proposed, and in-country commitment to and the potential sustainability of the project. In seeking to address the noted dual role, one IDWG participant suggested the submitting agency (and if present their partner agency) should withdraw from the meeting when the IDWG is determining whether to approve or decline funding. Given this issue was only raised by two participants and is not of wider concern, the review is not recommending this change is adopted.

Currently, the IDWG does not have an agreed Terms of Reference. IDWG participants articulate the IDWG's role as meeting twice a year to review proposals and critique the assessments made by NZAID on the GAF applications received. They also noted their contribution to the assessment process as encouraging discussions about the wider policy perspective of each GAF proposal. However, as indicated above fostering greater across inter-agency discussion about proposals is an improvement area. Opinion across IDWG participants is mixed on whether there is a need for a formal Terms of Reference. On one

hand, some IDWG participants prefer the simplicity of the current arrangement, noting their preference not to be constrained by procedure. Conversely, others noted that a Terms of Reference would tighten up what they perceive is a loose grouping with little real executive or decision-making power. In this context, having a Terms of Reference would create clearer expectations of the contribution of the IDWG members to the assessment process. One IDWG participant commented that a clearly defined Terms of Reference would offer greater clarity and appreciation of the scope of questions and advice members should be putting forward. Encouraging discussions of GAF proposals and their assessment would contribute towards a greater focus on WhoG. The review recommends therefore a Terms of Reference for the IDWG is developed to make more explicit the IDWG's role in the assessment process and their responsibilities to engender a WhoG approach.

In summary, the membership of the IDWG is appropriate and no changes are advocated for its structure, size or constituency. In the main, the IDWG is working well in peer reviewing NZAID's assessments of GAF applications. One area for strengthening is IDWG's contribution towards WhoG and policy coherence through more robust discussions about GAF applications, greater sharing of lessons learnt across GAF projects and proactive identification of areas for future collaboration and co-ordination.

## 5.2 GAF's systems and processes

### 5.2.1 Application process

The review was asked to make recommendations for improvements to the application and approval process, and consider to what extent NZAID should facilitate agencies in developing project applications to enhance project benefit and impacts, and what pre-application or pre-engagement guidance is appropriate and useful.

Since its inception, the GAF application process has used a one-stage process with NZ government agencies submitting a full application for assessment during the two GAF funding rounds in April or November. The GAF does not consider applications between rounds. During the development of their GAF application, NZ government agencies may contact GAF's Development Programme Officer to discuss their application and if appropriate they are referred to an NZAID Programme Manager.

Feedback from NZ government agencies confirmed that if needed, they want access to NZAID Programme Managers in Wellington and at Post to discuss their GAF application. These discussions would focus on testing whether their project concept had development merit, development issues they need to consider in preparing the application and seeking feedback on potential donor co-ordination and harmonisation. In essence, NZ government agencies are seeking to identify projects that are unlikely to be approved and thus avoid putting significant effort into proposal development for no-return. NZ government agencies commented that it takes a minimum of three days full-time to complete the GAF application, with another 10 days for project management and review.

Feedback from one NZ government agency participant suggested adopting a more formalised two-staged application process. This participant perceived that currently a number of GAF applications are conditionally approved or declined and then come back six months later in the next GAF application round for re-assessment and approval.

Consequently, this participant noted significant time is spent developing projects to the level of detail required by NZAID, including confirming support in-country. This NZ government agency participant suggested an intermediary process of submitting a two-page outline of the proposal so NZAID and the IDWG could provide feedback on whether or not a particular project is likely to be funded by the GAF. Using an intermediary concept stage would save time and resources for NZ government agencies, their in-country partner and NZAID if an application is unlikely to proceed.

Feedback from NZAID's GAF Development Programme Officer highlighted that of the 24 declined GAF proposals that have occurred up until Round 6, only three were invited to resubmit with a revised proposal in the next GAF round. Consequently, the scale of the issue identified by the NZ government agency participant is not as large as they suspected. It is relevant to note that AusAID's PGSP uses a two-stage application process:

- Stage one – Two-page Activity Concept Submission which involves completing a short project concept outline offering an overview of the proposed project with high-level indicative funding. The relative merit of the concept is assessed against the PGSP guidelines and selection criteria, the available budget and relative importance in terms of current WhoG priorities. The Selection Panel may seek further information or clarification of concept submissions.

If the Selection Panel supports an activity concept, and the funding requested is less than \$(AU)75,000 and/or a further phase of an existing PGSP activity then no further application is necessary<sup>17</sup>. However, further correspondence may be required to address any concerns that the Selection Panel has raised. AusAID and the applicant agency then proceed to negotiation of a funding agreement once letters of support have been received from the counterpart organisation, Aid Co-ordination Division and senior officer of the applying agency.

- Stage two – PGSP Activity Details Form which is completed by agencies applying for PGSP funding of more than \$(AU)75,000 and a new PGSP activity. This form has to be submitted within six weeks of being requested by AusAID and must be accompanied by letters of support from the counterpart organisation, Aid Co-ordination Division and senior officer of the applying agency. If the Selection Panel has any concerns or reservations about the Activity Concept, then the Panel may choose to assess the Activity Details Form. Otherwise it is assessed internally by AusAID.

An AUSAID participant identified the following benefits of this two-staged process:

- Applications for more limited funding have only to complete stage one, thereby decreasing the workload of these government agencies
- Projects that do not align with the guidelines and selection criteria are vetted early, again saving time and resources both for the submitting agency and AusAID
- Potential to offer advice and guidance for consideration in the completion of the PGSP Activity Details Form which can enhance the quality of the development activity.

The review is not recommending the adoption of a two-stage application process, as the rationale for this approach is not supported in the number of applications being requested to reapply in the next GAF round, and the mainly positive feedback on the current application

<sup>17</sup> Where an agency is seeking funding for a further phase of an existing PGSP activity, then the Activity Concept Submission must be accompanied by a one-page summary of achievements of the existing activity.

process (as discussed below). Further, NZ government agencies have access to NZAID's Development Programme Managers to discuss their projects before submitting an application.

The extent to which NZ government agencies are approaching NZAID in Wellington and at Post for assistance during their GAF application is unknown. At least six of the NZ government agencies interviewed had discussed their GAF application with NZAID's Development Programme Managers in Wellington, which enabled them to consider the wider development merit of their proposed project through greater awareness and appreciation of other NZAID and donor programmes. However, whether this advice has resulted in enhanced project benefits and impacts is unknown<sup>18</sup>. Access to NZAID at Post appears to be more limited. NZ government agency participants would welcome input from NZAID at Post, given their knowledge of in-country priorities and appropriate approaches. The GAF workshop is another mechanism that can be used to inform NZ government agencies' GAF applications. One NZ government agency, which attended the inaugural workshop, suggested attendees bring their draft GAF applications to the workshop to use in the group work as this will make the process more 'real' and help in understanding how concepts like NZAID's cross-cutting issues apply to their proposed project.

The current application process for the GAF is generally described by NZ government agencies as straightforward, fair and transparent with the level of rigour expected for a contestable fund. For some NZ government agencies the GAF application process is easier than their internal processes for seeking funding for unplanned and unbudgeted activities. Since the 2007 revisions, the GAF application process is described by at least four New Zealand government agencies and the IDWG as having saved time in proposal writing and has made more explicit NZAID's proposal requirements.

In contrast, a least five NZ government agencies stated the application template was repetitious, time consuming and information hungry at a time when not all information is available. This reflects NZ government agencies' experiences of scoping a project based on discussions with in-country partners only to find when they arrive in-country there are wider issues influencing or impeding the project. However, these comments may also indicate insufficient scoping of project and/or involvement of in-country partners in project design. The GAF's implementation processes are praised for being adaptive and flexible to these changing scenarios.

Review of GAF applications and interviews with partner government agencies indicates a lack of in-country partner contribution and involvement in project design and drafting of the application. Discussions in-country found only three in-country partners had a significant role in jointly developing their GAF application, which greatly benefited the implementation of the project. This intense collaboration was evident on review of two applications submitted to the GAF in Round 1, but was less obvious in the one submitted using the new template in Round 5. In-country partners want to be involved in the project design and development, and (as discussed further in section 5.2.4) this involvement will strengthen the sustainability of a project. Due to limited in-country partner capacity, NZ government agencies are likely to hold the pen on preparing the GAF application, with in-country partners in a review and sign-off role.

In seeking to demonstrate in-country ownership and partnership, the application template therefore needs to highlight:

- The need for the project and how it rose in-country or via a regional forum

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<sup>18</sup> The review scope did not include assessing the impact of individual GAF projects.

- The breadth and depth of ownership of the project in-country via:
  - A letter of support from a senior manager from the in-country partner together with comment on their capacity and ongoing input into the project
  - Evidence of consultation, as appropriate, with associated organisations that will interact or engage with the partner agency around this activity
  - Evidence of consultation, as appropriate, with beneficiaries, NGOs and the private sector if involved in the project design, implementation and monitoring of the project
- Alignment of project, as appropriate, with national or regional strategy and the in-country partner's business plan
- A letter of support from the Aid Co-ordination Division.

In seeking to strengthen the sustainability of GAF projects<sup>19</sup>, the GAF application needs to encourage NZ government agencies to present:

- A high-level workplan showing the commitment of NZ government agencies and in-country/regional partners to the project time and funding allocation, and the monitoring framework
- Exit strategy signed off by in-country/regional partner.

Feedback from NZ government agencies and wider analysis highlight the template redesign also needs to address issues of:

- Repetition
- Uncertainty of how to respond to questions on cross-cutting issues, gender, environment and human rights
- Lack of a detailed breakdown in the budget information (see section 4.3.6)
- Lack of detail about monitoring and evaluation and who will undertake this role (see section 5.2.5)
- Uncertainty about how an NZ government agency should prioritise multiple bids when both are Cabinet mandated
- Some confusion about the level of detail required in low-cost and very short-term GAF projects.

GAF applications are not accepted between the two funding rounds. The GAF has received requests to accept applications between rounds and this has only been accepted once or twice. The reasons for acceptance are unknown to the review. To ensure administrative efficiency, it is not recommended that the GAF receives applications outside of the funding rounds.

In summary, the application process is appropriate for a contestable fund. Enhancements are recommended for a more partnership approach to the GAF application development, to allow for demonstration of greater consideration of sustainability on project completion and for the removal of duplication from the application template.

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<sup>19</sup> Section 5.2.4 discusses in detail the sustainability of GAF projects.

## 5.2.2 Assessment criteria

The review was tasked with examining the GAF's assessment criteria based on the review findings and to prepare new criteria<sup>20</sup>. The GAF's applications are assessed by NZAID against a list of 14 selection criteria, which can be summarised into partner ownership, development merit, sustainability, cost-benefit ratio, alignment with NZODA footprint, best mechanism based on sound development principles and practice, and broader policy interests. Table 11 in Appendix 10 demonstrates the close alignment between the NZAID assessment sheet, the GAF guideline's assessment criteria and the GAF application form.

Based on the findings in the review, the GAF's assessment criteria, as detailed in the GAF guidelines (NZAID, 2007b: 4), are in the main appropriate. While there are no obvious omissions, there are issues around emphasis, with 13 of the 14 criteria addressing NZAID's development focus, and only one focusing on NZInc and wider policy considerations. Feedback from NZ government agencies highlighted an imbalance between the weighting being given to NZAID's development assistance and other wider policy considerations of addressing NZ government agencies' international obligations and NZInc objectives (refer section 4.2.3). In seeking to realign this balance, the following recommendations are made in revising the assessment criteria:

- Leading with criteria on the proposal's alignment with wider NZ policy interests in the country or region
- Adding a criterion of how the proposal fits with NZ government agencies' policy objectives and their international obligations and/or Strategic Plans.

As discussed in section 4.2.1, one of the GAF's core strengths is its ability to fund projects that address in-country and regional partners' emerging needs outside of NZAID's bilateral and regional agreements. The focus is therefore not about whether GAF projects can have greater synergy with bilateral and regional agreements, but ensuring they are meeting an important emerging in-country need, have development merit and are not inconsistent or damaging to agreed bilateral or regional programmes. In this context, a recommended modification to the selection criteria is to assess whether GAF proposals have any potential risks for NZAID's bilateral or regional programmes (rather than whether they align with NZAID).

Section 4.1.1 indicated a need to enhance partner ownership and partnership in GAF projects, and raised questions about the long-term sustainability of some GAF projects. These concepts are contained in the current assessment criteria. However, given the variation in NZ government agency participants' understanding of development principles and practices, it is important that they and other concepts are presented in a clear and understandable form to all potential GAF applicants. Again this supports the need for ongoing education of NZ government agencies on how to demonstrate development concepts in a GAF proposal.

In summary, GAF's assessment criteria and the current application form are in the main appropriate. There is room, however, to enhance this conceptual framework to incorporate key findings from the review, specifically: the assessment of risk to NZAID programming, placing more focus on NZ government agencies' policy objectives and drivers and ensuring the assessment criteria are clear and meaningful to those with little development experience or they are supported to understand this.

<sup>20</sup> The revised assessment criteria have been forwarded separately from this report for NZAID's consideration.



### 5.2.3 Feedback process

The review was asked to examine the current NZAID process for obtaining feedback on proposals from staff in Wellington and at Post and to recommend how this might be improved. Currently, the feedback process involves the selection of a lead assessor with the best knowledge of the NZ government agency or activity to co-ordinate the assessment of each GAF application. The GAF application is then circulated to anyone in NZAID who has a direct relationship with the country, NZ government agency or sector targeted. The lead assessor has 14 days in which to gather and collate this feedback on an assessment template. NZAID's guidance to lead assessors for the GAF advises against getting drawn into significant discussions with the GAF applicant to make a developmentally weak proposal stronger. However, if a proposal has potential merit the lead assessor may go back to the proposer; although the intent is for the proposer to undertake the revisions, not the lead assessor. The guidelines note the assessment process should take no more than 'a couple of hours' (NZAID, n.d.a: 2).

In this context, NZAID specialists and programme managers in Wellington play an important role in assessing GAF proposals in relation to their development merit, potential risks to the bilateral and regional programme, and development mechanisms being used. NZAID at Post are uniquely placed to consider in-country need, partner ownership and capacity, wider in-country issues that may relate to the application and its potential long-term sustainability.

From the NZ government agency's perspective, the feedback process appears effective in seeking a range of perspectives on the relative merit of GAF applications from NZAID programme managers, NZAID at Post and MFAT, followed by peer review from the IDWG. NZ government agency participants noted they find the assessment sheet summarising feedback on their application particularly useful in understanding the reasons for the decisions made, and if supported conditionally or declined conditionally the areas they need to address if resubmitting the application. No feedback was received from in-country partners or the Aid Co-ordination Divisions on the feedback process as they are not aware of it. However, Aid Co-ordination Division participants expect that NZAID at Post will review the applications for their country to determine their in-country merit.

While the assessment and feedback process is working at a fund level, NZAID staff find it operationally challenging. Although communications about the GAF have significantly improved since 2007, a common theme arising from NZAID staff participating in the review was a lack awareness of when they can expect to receive GAF applications for review. This lack of awareness may reflect that the assessment of GAF applications is not a key priority for NZAID staff, and as intended they fit around their primary work. Consequently, it is possible that review of GAF assessments is not scheduled into their workplans or, as the lead assessor varies depending on the GAF application received, scheduling can only occur after applications are submitted.

NZAID staff participants involved in the assessment of GAF proposals commented on the need for greater clarity about the amount of time they should allocate to working with GAF proposals that have merit but require more work to be approved. In part, this lack of clarity reflects that the more arms-length assessment of GAF proposals is contradictory to their normal mode of operation of working in partnership on development programmes. Similarly, NZAID at Post staff are unsure of whether or not they are allowed to contact the Aid Co-ordination Division, the in-country partner or other relevant in-country agencies about the application.

NZAID staff need therefore more clarity about their roles and responsibilities in the GAF assessment. Based on feedback from NZAID staff and in line with comments from NZ government agency participants, the review recommends that NZAID in Wellington are involved at the following stages:

- Offering advice on the development of GAF applications, as needed and facilitated by GAF's Development Programme Officer at the proposal development stage. NZ government agencies are keen to have access to NZAID programme managers in Wellington and at Post, when required, to discuss their proposal. In particular, NZ government agencies want to test their project concepts before preparing a full proposal
- Assessing GAF applications based on the information provided. The condition remains that NZAID staff in Wellington should only contact the NZ government agency if essential to give an opinion on the proposal submitted. The intention is to avoid overburdening NZAID staff in seeking to help redevelop the proposal
- Being informed of the final IDWG decision so they are aware of GAF projects proceeding that may have a bearing on the bilateral or regional programme they manage
- Being kept informed of any issues or learnings arising from the GAF project by receiving the annual progress and monitoring and evaluation reports.

NZAID at Post want more awareness and involvement in the GAF process and in the assessment of proposals. NZAID at Post should be involved in the following GAF stages:

- Identifying GAF projects emerging from changing in-country needs or priorities outside of the bilateral programme or SWAps
- Reviewing GAF applications in relation to its alignment with in-country needs, work culture and wider harmonisation. If needed, NZAID at Post may contact the Aid Co-ordination Division, in-country partner and other key agencies to discuss the application. The need for the latter will depend on the information received with the proposal (i.e. accompanying letters of support from these agencies), and their consistency with wider in-country knowledge
- Being informed of the final decision so they are aware of GAF projects proceeding in-country which will enable them to keep their counterparts updated
- Being kept informed about implementation activities, especially when NZ government agencies are coming in-country
- Being kept informed of any issues or learnings from the GAF project by receiving the progress report and monitoring and evaluation report.

A common theme from NZAID staff in Wellington and at Post was the additional workload created by the GAF assessment. It is beyond the scope of this review to undertake a comparative analysis of time spent on the GAF versus NZAID resources available. However, it is an area for further consideration under the question of resourcing in relation to NZAID's organisation development framework.

NZ government agencies are responsible for informing their in-country partners about the outcome from the GAF application process. Currently, in-country and regional partners do not receive a copy of NZAID's assessment feedback sheet. As in-country and regional partners are not aware of the assessment sheet, none requested it during their review interview. Consistent with the principles of partnership, the review recommends that in-country partners receive a copy of the assessment feedback sheet together with any conditions of approval. It is the role of the NZ government agency to forward this information to their partner/s.

In summary, NZAID staff both in Wellington and at Post require more clarity about their role in the GAF assessment process and the level of their involvement. Table 12 in Appendix 11 details the involvement of all stakeholders through the GAF project cycle reflecting recommendations throughout the report.

### 5.2.4 Increasing project sustainability

The review was asked to consider how the likelihood of project sustainability can be increased throughout all phases of the activity cycle, with a particular focus on the project identification and assessment phases. Sustainability is defined as whether and to what extent the benefits can be sustained after the end of the development assistance (NZAID, 2007c).

The sustainability of GAF projects reviewed appeared mixed, with some indicating more likelihood of sustainability than others. Project sustainability commences at project design and continues through the project's cycle, fostered by ownership and partnership. NZAID and the IDWG therefore need to continue scrutinising GAF applications for this evidence. Review of GAF projects and feedback from in-country partners and by NZ government agencies indicated the factors across the project cycle that if present are likely to contribute to a sustainable project<sup>21</sup>. The factors are more interdependent than linear, thus making prioritising inappropriate<sup>22</sup>.

#### Project identification

- Identification of the need for the project in-country or via a regional forum
- A breadth and depth of ownership of the project in-country by a diverse range of organisations, specifically the in-country partner including those involved in implementing the activity, senior management and staff affected by the project delivery of the activity (e.g. frontline staff), buy-in and wider recognition by associated organisations that interact or engage with the partner agency (i.e. there is agreement across in-country government agencies this is the 'right' agency to be involved)
- Alignment of projects with national strategies and programmes and the in-country partner's business plan. A proposed initiative meeting an emerging need may not align with national strategies. However, it would be expected to align with the in-country partner's business planning
- Early consideration of the implications for the in-country partner in managing and funding the project in the long term. The latter reflects consideration of staff capacity (i.e. can they fit another project into their already busy workload), and the cost to maintain the project including need for additional staff, equipment maintenance and consumables
- Strength and capacity of the in-country partner at the outset to undertake the project. Much institutional strengthening has occurred over the last ten years. However, there continues to be significant variance in partner capability
- A jointly developed and agreed workplan, monitoring and evaluation plan and exit strategy. Two sustainable GAF projects involved the NZ government agencies going in-country (and vice versa) to work with their counterparts on developing their

<sup>21</sup> Table 13 in Appendix 12 contains a breakdown of the likely sustainability of nine GAF projects.

<sup>22</sup> The review was not tasked with reviewing literature relating to factors that contribute to sustainability in ODA activities. Consequently, there may be other variables that contribute to project sustainability. The weighting of each variable and how they interrelate is unknown.

application to the GAF and an agreed workplan with clearly delineated roles and responsibility – agreed to after much robust debate and discussion

- Consideration of wider partners in the project (e.g. consultation with and support of NGOs and the private sector if involved in the project implementation and ongoing running of the project)
- A strategy for managing staff turnover during the project cycle.

### **Implementation**

- Stability of the wider social, economic and political environment
- Time to develop relationships, appropriately implement the project and build capacity
- Process by which the project is implemented, specifically development and maintenance of relationships, trust and respect and the NZ government agencies' focus on building capability
- Ongoing partnership support during the life of the project
- Flexibility to respond to a changing environment in-country and the maturity to recognise when the project scope and objectives should evolve to align with more clearly defined objectives, or that the project should discontinue as end outcomes are not achievable due to variables unknown at project outset
- Active monitoring of the project to identify and address any issues arising and remain on track to achieve the end goal.

### **Project completion**

- Ongoing communication and peer review by project partners in New Zealand and in-country.

The GAF has a niche role to play in relation to NZODA – it sits outside of NZAID's agreed bilateral and regional programmes and enables government-to-government agency partnership to address an emerging in-country or regional need. In this context, some GAF-funded projects have a very short-term focus, to which the concept of sustainability does not easily align. As one NZ government agency participant explained some agencies are responding to one-off requests as they have the technical expertise to fix a particular problem. Consequently, investing in capability building in a specialist field may not be economical or not warranted in the long term (e.g. specialist contaminated site experts). Such a request is easier to argue for as a one-off, as resources do not get committed long-term to an 'add-on'. In this context, NZ government agencies are seeking some flexibility in the application of the sustainability criteria for discretionary, add-on type projects. The participant noted it would be useful for NZAID in such circumstances to also assist agencies to put such requests in the contexts of regional and country programmes, given their familiarity with these documents.

In summary, given the breadth of variables contributing to sustainability, the challenge becomes how to demonstrate and assess sustainability in the GAF application without overloading or making the process more complex and in recognising the nature or type of project seeking funding. Currently, in GAF applications the voice of the NZ government agency tends to dominate, with little evidence of in-country or regional partner involvement in project design. The recommended changes to the application template discussed in section 5.2.1 incorporate features to strengthen consideration of the project's sustainability.

### 5.2.5 Monitoring and evaluation

The review was asked to consider whether the monitoring and evaluation systems of the GAF are adequate to identify contributions by GAF projects to development outcomes, value for money and timely management of risk, and to make recommendations for improvement including how counterpart organisations can be involved in this process.

Currently, the GAF does not have a programme logic or an agreed monitoring and evaluation framework against which the overall fund or individual projects are assessed. Information about how GAF projects are progressing is derived from the GAF's:

- Annual report on progress where projects extend beyond one year. The annual report template requests the following information: changes in the outcomes expected, implementation process, timing and completion date, monitoring and evaluation and the budget spent as well as a general update on what has happened to date.
- Completion report which is due within three months of project completion. In summary, the completion report template seeks information on changes to the original proposal, funds received, the level and nature of partner contact and involvement in implementation and monitoring and evaluation systems, the extent to which objectives have been achieved, project sustainability, effectiveness of monitoring and evaluation systems, extent of increasing partner capacity, positive and adverse effects, lessons learnt and detailed financial report.

In analysing the monitoring and evaluation systems of the GAF, the review requested copies of the tender, tender assessment, contracts, workplans, annual and completion reports and evaluation reports for the nine selected GAF projects. The design documents were critical for understanding project definition and the expected results to be gained from particular development activities and how progress to achievement of outcomes was to be monitored and evaluated. Progress and completion reports were the key information sources about the development outcomes achieved and lessons learnt. For the nine projects analysed, the review sighted:

- Eight proposals that specified their expected results
- Four proposals that stated they would develop a monitoring and evaluation plan – two included costs for this in their budget and only one offered a level of specificity about this plan. In this context, monitoring and evaluation is not an integral component of GAF project design, even though it is requested in the GAF application form
- Nine contracts that specified the expected results
- Two workplans
- One monitoring and evaluation plan
- Two budgets that included costings for monitoring and evaluation
- Annual progress reports from five NZ government agencies, which were submitted as required during the duration of their project. Five of the progress reports were undated. Three NZ government agencies were not required to submit a progress report as their projects did not extend beyond one year. The other NZ government agency has not yet submitted a progress report, even after follow-up by NZAID. Discussions with this agency indicate they are aware of this oversight, but as their GAF project is a more marginal activity they have not as yet prioritised its reporting.

- Three out of an expected five completion reports, as received by NZAID. One NZ government agency, although detailed in the GAF database as still in progress, has submitted three technical reports. Two GAF projects are noted as completed in the database, but no completion reports were sighted. This may be due to: one project receiving phase funding to extend the project; and the other having had an independent review undertaken of the project and therefore the agency perceived no need to submit a completion report.

The application form does not distinguish between the terms ‘objectives’ and ‘anticipated outcomes’<sup>23</sup>. This lack of distinction is creating confusion that flows through to reporting on the GAF’s projects. Assessments of project objectives and outcomes are crucial to recommendations for funding, and once approved monitoring and reporting about them is part of the MOU between NZAID and the NZ government agencies. However, the ‘objectives’ and ‘anticipated outcomes’ sections of proposals are a mixture of activities, outputs and outcomes. Consequently, four of the eight progress reports are about activities, even though outputs and outcomes were specified in their proposals and contracts.

Analysis of the annual reports received highlighted that four NZ government agencies used the annual report template in detailing progress made to NZAID (refer Table 18). As intended, these annual reports offer the reader a very high-level overview of the changes to the scope of the project and activities undertaken by the NZ government agencies and budget spent to date. However, they lack information about the relationship with and involvement of the partner agency and in some cases about the challenges faced in implementing the project. The annual reports also mentioned the implementation of or intention to design monitoring and evaluation of the projects. It is unknown whether the partner agencies reviewed or signed off the annual report. High-level findings from project monitoring and evaluation are not included in the annual report, which would offer greater evidence of progress towards expected results. However, this may reflect insufficient time has passed to collect meaningful data.

The other NZ government agency did not follow the annual report template in the submission of their three annual progress reports. The first progress report offered significant information about the purpose, background and development of the GAF project, involvement of partner agencies, detailed implementation activities together with challenges and lessons for the NZ government agency as relates to project implementation to date. The project implementation plan was appended detailing the roles and responsibilities of participating agencies in NZ and in-country, and providing a detailed budget breakdown. From a reader’s perspective, this report offers a clearer understanding of the project, its evolution, issues and challenges arising together with implemented solutions, and future directions and budget allocation. While there is more focus on the role of the in-country partner agency, the partner agency does not appear to have contributed to the report’s development. Annual reports received in subsequent years from this agency were not as detailed but still they offer the reader a good understanding of what has been implemented and refer to a monitoring and evaluation plan that was forwarded to NZAID.

Reflecting the diversity of GAF projects, the level of detail and information contained in the completion reports varies:

- Two projects used NZAID’s completion report template:

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<sup>23</sup> Both ‘expected results’ and ‘outcomes’ are used in the documentation.

- One project, which was in essence funding travel for Pacific partner staff to attend training, was very high level. Basically, the report noted that the staff attended the training, which was effective as they gained an accredited certificate. There was no evidence of the regional partner involvement in the development or sign-off of this completion report, and given the nature of the project this is not warranted.
- The other project offered a more substantive feedback on a more complex project. The report summarised how the project was implemented in each country and commented on the extent to which the project objectives had been achieved in each country. Feedback given was transparent about the challenges faced and the extent to which expected results were achieved. The relationship and involvement with in-country partners was made explicit. The agency noted their underestimation about the extent of joint work required to both engage and build partners' capacity and capability around the monitoring and evaluating of the key deliveries and technical transfers to the project objectives. While challenges relating to monitoring and evaluation were noted, it was not evident how these findings were used. It is assumed they formed the basis for the findings in the completion report.
- One project prepared detailed technical reports about the scoping work undertaken in three Pacific countries, and this has been interpreted to be the completion reports. A report was prepared and disseminated to partners in each of the three countries. The reports detailed how the scoping was undertaken in each country, who was involved, findings in relation to the project objectives and recommendations for going forward. One in-country partner noted they had received the report and disagreed with the recommendation not to invest further money in upgrading in-country facilities.
- The other completion report was a nine-page letter, which summarised the background to the project and the evaluation undertaken, which assessed both tangible and intangible benefits arising from the project. The report highlighted issues with initial assumptions underpinning the GAF project, which resulted in the expected effects not being achieved. The evaluation offered detailed insights from wider partner agencies of the completed GAF project and the wider context in which it was implemented, and identified an agreed way forward in relation to in-country capability building. This report included comments on the project's value for money, given the expected results were not achieved.

As indicated above, NZAID is receiving a range of annual and completion reports, and in a few instances it appears NZAID is not receiving them. There is variation in the quality and level of detail in the reports reflecting the nature and type of the GAF project and the amount of time invested by the NZ government agencies to report back to the GAF. It is acknowledged that NZ government agencies' reports focus on addressing the questions detailed in the templates provided, whether or not they are used. This raises the question of whether these GAF systems are adequate to identify contributions by GAF projects to development outcomes, value for money and timely management of risk.

Monitoring and evaluation frameworks for GAF projects are mentioned by five NZ government agencies but their use is only evident in one. Consequently, it is unclear the extent to which monitoring and evaluation of GAF projects is being undertaken by the NZ government agencies and their partners in relation to the GAF and if undertaken how it is being used (i.e. is it shared with key stakeholders, and is it used to facilitate ongoing improvements to the projects?). Further, it appears that NZAID is not consistently receiving copies of these monitoring and evaluation reports; although this assumes NZAID wants to

receive the documents. It is assumed annual and completion reports draw from this ongoing monitoring data but these links are not obvious.

Across the annual and completion reports, there is little information on value for money aside from reporting on budget allocation (only one project commented on this). In contrast, NZ government agencies are open in sharing challenges and issues arising and their mitigation through the implementation of the GAF project. However, there is no proactive identification of future risk and their proposed management in annual progress reports. Thus, the extent to which risk is being proactively identified and managed is unknown.

Completion reports seek to provide information on the GAF project's contribution to development outcomes through analysis of whether project objectives and in-country capability building were being achieved. Again, there is variance in the extent to which NZ government agencies are reporting against their project's objectives. While some agencies comment that activities such as training have been effective and will contribute positively to building capability, there is a lack of evidence supporting these claims. The review acknowledges that assessing progress towards development outcomes can be challenging, especially for smaller GAF projects where the focus is, for example, on providing travel for Pacific staff to attend out-of-country training, or where a project's objectives shift and not enough time has passed for outcomes to emerge. Given that the GAF has a niche positioning of enabling government-to-government agency capability building to address emerging short-term needs in-country, the extent to which it is feasible or cost-effective to measure development outcomes needs to be considered. In this context, monitoring and evaluation should be tailored to reflect the type and value of the GAF project (e.g. a greater investment would be made in monitoring and evaluating the Ministry of Health's three-phase water quality project than a GAF project seeking to cover Pacific staff travel costs to an AusAID conference).

In-country partners' involvement in the development of annual and completion reports appears to be limited – they are primarily a data source. Some in-country partners do review draft reports before submission to NZAID, but it is not happening consistently. In-country partners are critical that historically donor government agencies, in general, tend to be overly positive about projects' successes and gloss over less favourable feedback. In-country partners expect to be more involved in the monitoring and evaluation of the GAF project and to frankly put forward their perspective of how the partnership and project is proceeding. Some in-country partners went as far as wanting two reports – one prepared by each agency. However, they acknowledge that given their limited capacity, this is unlikely to happen. It is recommended that in-country partners should at a minimum receive the draft report to review, comment and sign off.

Monitoring and evaluation is the responsibility of the NZ government agency receiving the funding. However, NZAID has commissioned reviews of GAF projects where concerns were raised or where phased funding is being sought. NZAID funded these reviews to offer an independent perspective and because the NZ government agencies did not have funding available. The need for NZAID to fund reviews raises the question about the extent to which monitoring and evaluation is being costed and embedded into project implementation, and not being seen as an afterthought on project completion. This perception is reinforced by the fact only two of the nine reviewed GAF project had a funding line for monitoring and evaluation in their application.



A core delivery of the review is to prepare new templates based on the analysis of the reporting to NZAID. The templates have been revised taking the following into consideration:

#### **Annual monitoring report**

- Highlight changes to the project specification
- Detail specific activities undertaken against the project's objectives
- Report against the output measures
- Specify potential forthcoming risks and their mitigation
- Describe the involvement and partnership of the partner agency in the project and ongoing in-country ownership of the project
- Demonstrate some thinking is occurring about sustainability as relevant to the project.

#### **Completion report**

- Report against the monitoring and evaluation plan for the project to demonstrate movement towards the agreed development outcomes
- Describe the partnership and ongoing relationship with the partner agency
- Highlight the likely sustainability of the project
- Demonstrate the capability building in-country as a result of the project
- Illustrate the successes and lessons learnt
- Summarise the cost-benefit analysis of the project.

The mantra from NZ government agencies is for the application and reporting process to be simple and not overly burdensome. However, there is a balance to be achieved between simplicity of reporting and the need for enough information to demonstrate funds are being used appropriately. In refining the annual and completion forms, care is needed to ensure they are in plain English, intuitive to complete and avoid repetition.

In recommending revisions to the annual and completion reports, the review is aware of the need to develop and agree a monitoring and evaluation framework for the GAF. The review recommends an evaluation specification plan is developed to frame the evaluation of individual projects and the GAF and the draft evaluation frameworks are consulted on across key partners in NZ and the wider Pacific. A two-tiered monitoring and evaluation framework is recommended of:

- Project-level monitoring of the implementation process and development outcomes. Evaluation will be the responsibility of the NZ government agencies working with their in-country partner. The extensiveness of the monitoring will reflect the funding allocated to the project. A monitoring and evaluation report will replace the current project completion report and be presented to NZAID and other key stakeholders at the end of a project or year three (dependent on which comes first)
- GAF-level monitoring and evaluation of the extent to which the GAF is achieving its purpose and to assess whether tensions noted in this review are being addressed or becoming more heightened. The monitoring of the GAF at a fund level will enable the collation of learnings across projects to identify shared learnings about GAF projects to contribute to WhoG thinking on development.

In summary, there is variation in the annual and completion reporting in the GAF, particularly in relation to information about potential risk and evidence to demonstrate progress towards development outcomes. There is little reporting on the value for money of the projects and in-country partners have little involvement in the reporting. Revisions to

NZAID's reporting templates have been identified based on this analysis. It is, however, recommended an evaluation specification plan is developed to frame the evaluation of projects and the GAF and that the draft evaluation frameworks are consulted on across key partners in New Zealand and the wider Pacific. The annual and completion reports will require further work once the evaluation specification plan has been agreed. This development is outside of the review scope.

### 5.2.6 Awareness of GAF

Across in-country partners and Aid Co-ordination Division participants, there is limited awareness of the GAF. Currently, MFAT plays a key role in informing NZ government agencies about the GAF. This reflects that MFAT both in New Zealand and in-country (and not NZAID) is the organisation NZ government agencies turn to for advice when they receive a request for assistance from either in-country or regional partners (or when they have a 'good idea' about working with in-country or regional partners).

Aid Co-ordination Division participants commented that they want more information about the fund to, as appropriate, inform their in-country and regional agencies. In informing Aid Co-ordination Divisions about the GAF, clarity is needed to foster a clear understanding of the GAF's purpose and scope and the roles and responsibilities of the agencies involved, particularly the focus on partnership, partner ownership and sustainability. Information dissemination mechanisms could involve:

- Supplying information to Aid Co-ordination Divisions and regional organisations with requests for dissemination to wider in-country government agencies and other relevant stakeholders, as they deem appropriate
- Ensuring awareness of the GAF by MFAT and NZAID at Post so if opportunities for partnership are noted in-country appropriate connections with NZ government agencies can occur
- Enhancing the website presence. Currently, online information on the GAF is not easy to locate.

All NZ government agency participants stated they are keen to share learnings and also to celebrate partnerships that have achieved desired in-country outcomes. One way to share learnings is via developing selected case studies or more prominence of GAF projects in NZAID's and MFAT's wider communications to NZ government agencies and offshore stakeholders.

Several suggestions were received from in-country partners and NZAID staff that the name – the GAF – needs revision to reflect the purpose of the fund and its underlying partnership focus. Currently, the name only reflects NZ government agencies' involvement and not their in-country and regional partner agencies. In Samoa, 'GAF' is a derogatory word, which further highlights the need for change. One suggested name is the New Zealand Partnerships Fund.

The review recommends information about the GAF is available, as appropriate, for NZ government agencies and in-country and regional partners. The review suggests that the need to revise the GAF name is considered, to emphasise the partnership component of fund.

## 6. GAF's Implementation Lessons

### 6.1 Introduction

The review was asked to summarise lessons learned from implementation of GAF projects from the perspective of NZ government agencies, counterpart organisations and beneficiaries/local communities. In this context, the review was to consider how NZAID can better assist government agencies with implementation of projects in-country.

The GAF is a contestable fund for developing government agency partnerships and the projects are strongly supported by the NZ government agencies and their in-country partners. The challenges and lessons therefore lie predominantly with the implementation of GAF-funded projects not adhering to development principles and practices. In-country partners, given their in-depth experience of aid programmes, expect GAF projects to be delivered in a manner that is consistent with the Paris Principles.

The implementation lessons detailed below are not evident in all GAF projects as some are exemplars of good development practice. However, many GAF projects have some good and not-so-good implementation elements. Undertaking ODA activities and working in partnership is both challenging and rewarding for all stakeholders. To enable the GAF to deliver on its mandate, lessons should be shared, even though at times they throw light on less desirable processes. Anonymous examples are given below to illustrate these challenges<sup>24</sup>. Their purpose is not to assign fault (as issues arising are multi-faceted), but to offer the opportunity to all stakeholders to reflect on themes arising and their implications in the context of their current or future GAF projects.

### 6.2 In-country partner lessons

Detailed below are thematic lessons shared by in-country partners:

- The benefits (and if absent risks) of developing quality, sustainable partnerships based on trust and equality was demonstrated by:
  - One project in which partner agencies were actively involved in the GAF project design and implementation which ensured the long-term sustainability of the project. As a result of an effective ongoing partnership, the in-country agencies have developed a three-year strategic plan to ensure project sustainability by seeking changes to legislation that will generate in-country funding for the project.
  - One project clearly demonstrated the effect of poor process on project outcomes. In this project, a policy document was developed and from an NZ agency perspective the project goal was achieved. However, for in-country partners the inappropriate and indirect communication and heavy-handed development processes resulted in the project being seen as a complete failure. The documents developed may be technically very sound but they are neither recognised nor used.

<sup>24</sup> Not all GAF lessons are listed. Effort has been made to avoid duplication with the earlier sections of the review report.

- The risks to GAF projects if strong horizontal and vertical ownership of projects does not exist:
  - One project was identified by Ministers in discussions with NZ government agencies with little reference to the in-country agency. Consequently, senior staff at the in-country implementing agency did not support the need for the project. Further, the Aid Co-ordination Division was not aware of the project and could not assess the need in the context of other aid programmes and in-country priorities.
  - In another project, wider in-country agencies integral to the ongoing sustainability of the project were not consulted. On reflection, it was found the original problem definition was not widely accepted resulting in capability building being less effective than originally intended.
- Good communication is a key component of successful partnerships. Evident across GAF projects are inconsistent, inappropriate and at times mixed messages to in-country partners:
  - New Zealand project staff promised further GAF funding before evaluating the project's effects, considering the agreed exit strategy of the project, or entering into discussions about how the in-country partner's need has evolved and what funding is required for.
  - The lack of ongoing dialogue with the NZ government agency on completion of a GAF project. The in-country partner was disappointed the NZ government agency did not continue to be interested in progress after they had successfully exited the project. The latter is inconsistent with the GAF's intention of developing long-term strategic partnerships between NZ government agencies and their counterparts in-country.
  - A lack of communication with NZ government agency due to use of a sub-contractor. This resulted in miscommunications back to New Zealand about the in-country agency's needs and also diminished their direct involvement in operationalising the project.
- Staff turnover both in-country and in NZ government agencies can have negative consequences for successful GAF projects. Focus needs to be placed therefore on developing organisational relationships.
  - One partner agency was extremely distressed by a NZ government agency's non-response to emails requesting a progress update on the development of an MOU which is delaying the next stage of an otherwise very successful project. This situation arose due to a change in personnel in New Zealand, and is unacceptable. The in-country agency lacks tools to address this disconnect without potentially damaging a relationship that is facilitating significant benefits to the local community.
- In-country capability building is a key component of many GAF projects. NZ government agencies sending the 'right' people is critical to facilitate capability building within a project. Ideally, NZ staff need to be technically proficient in their area of expertise and aware of the limitations of the local environment and able to tailor advice and mentoring accordingly, and need to operate within a participatory model.
- Need for technical assistance input to include management in order for in-country partner managers to understand the need to budget for continuing with the technical/operational changes after the completion of the GAF funding, especially when, for instance, this requires purchase of goods and materials for such things as water testing. Further, in-country managers need to understand the implications of the work

and new skills gained by the technicians in their agency in relation to strategic planning, operational budgets and staff performance development/management. As noted by an NZAID participant, this is key to ensure the sustainability of the benefits from GAF-funded projects, and the link with development outcomes (as opposed to merely outputs).

### 6.3 Beneficiaries/community lessons

Beneficiaries or the affected communities and their representing agencies are involved to varying extents in GAF projects. Some NGOs and private sector agencies are an integral partner in a project, but others who should be involved have only very limited or inconsistent involvement. Working with multiple partner agencies such as NGOs and the private sector in-country is challenging, due to their differing and at times conflicting agendas. However, successful project outcomes for affected communities may not be achieved without this involvement.

- In one GAF-funded project, the partner agency had insufficient capacity or inclination to co-ordinate with other parts of government or the wider community whose involvement would have improved the project's effect. This risk does not appear to have been addressed by the regional agency, and as a result project benefits for the community appear to be slow to emerge.

Key lessons in implementing GAF-funded projects involving wider partners (i.e. NGOs and the private sector) include:

- Having proactive discussions with in-country partners during the project design about the inclusion of wider partners and ensuring this is noted in the workplan
- Ensuring appropriate involvement reflective of their capacity and capability
- Negotiating any in-country tensions and potential gate-keeping issues raised or created by umbrella NGOs and private sector organisations
- Recognising that NGOs and private sector agencies may also require capability building through the project
- Ensuring ongoing communications with wider partners as the project progresses
- Involving in project monitoring and identifying project amendments to achieve desired outcomes.

### 6.4 NZ government agencies' lessons

NZ government agencies face similar challenges as their in-country partners, specifically:

- A lack of desire in-country to engage in a partnership relationship (i.e. the in-country partner wanting the NZ government agency simply to 'do to')
- Difficulties in communicating with in-country partners including miscommunications about the project need, and lack of responsiveness to requests or queries
- Lack of project ownership in their organisation resulting in limited resources in terms of staff time being allocated or prioritised to the project

- Changes in staff in-country resulting in delays or setbacks for the project.

An overarching lesson learnt by NZ government agencies undertaking GAF projects was not to make assumptions. On this basis, NZ government agencies need to:

- Clarify the problem definition underpinning the project.
  - Scoping done by one agency determined the project success was unlikely to occur due to the downstream issues and conditions in-country. Following scoping, this project did not proceed. In-country partners were disappointed not to receive the requested equipment and training. However, the decision was supported by other central in-country agencies and was consistent with NZODA principles.
- Realise the time taken and the amount of communication required to complete a GAF project will be much more than expected. The latter reflects the investment needed in establishing partnership-based relationships and creating a shared understanding across all the stakeholders of their roles, responsibilities and preferred ways of working in the projects
- Appreciate the need to develop flexible workplans. In practice, the workplan will evolve as NZ government agencies understand more about the environment, the agency and other influencing variables.
  - One agency found that when they arrived in the partner country, the problem they thought the project was to address was not the key issue and they had with their partner agency to re-think the work being undertaken.
- Understand that work processes that are effective in New Zealand may not be transferable to the Pacific. Projects and processes need to be developed in partnership and customised to the country's unique social, economic and cultural environment.
- Consider whether they are working with the 'right' in-country agency on the project.
  - In one project it was evident there was significant debate and tensions in-country about which agency should be leading a GAF project. This decision had been made following a scoping visit by a regional agency. The identified agency was perceived by other agencies as lacking the capacity and capability to manage and sustain the project in the long term. Their selection resulted in other agencies quietly withdrawing from the project.

## 6.5 Lessons from projects implemented by regional agencies

Assessment of GAF projects in New Zealand and in-country identified that discrete bilateral projects involving 'government agency to government agency' interaction appeared to be more effective than projects that were implemented via a regional agency. A number of challenges were identified with such projects (and also programmes delivered by regional agencies outside of the GAF), specifically:

- Limited development of long-term strategic partnership between NZ government agencies and their in-country counterparts. NZ government agency relationships tended to be with the regional agency and do not therefore meet the intention of the GAF.

- Lack of in-country awareness of the GAF project by the High Commission, the Aid Co-ordination Division and even within participating agencies. It was apparent that the stronger the system of government in a partner country, the more likely both the co-ordination and implementing agencies are aware of the projects.
- A lack of consideration of the unique local environment when implementing a project.
- Inappropriate documentation or the use of regional documents or another country's document being used without amendment in another Pacific country. For one project this resulted in significant tension between senior management and those involved in implementing the project. The Chief Executive Officer had directed the project could not proceed until full and relevant project document was received. Meanwhile technical staff were coming under pressure from the regional agency and had commenced implementation.
- A lack of communication and planning in-country relating to visits, and the input required from the in-country agency. In effect the development principles of in-country engagement were not applied as rigorously to these projects, e.g. NZ government agency arriving unannounced in-country, ignoring in-country feedback that timeframes proposed were not convenient, and going on unaccompanied fieldtrips to remote rural communities.
- Funding trails for GAF projects being difficult to track when facilitated through a regional agency. NZAID at Post noted the challenges of working out the amount of funding in-country due to unknown spends on regionally managed projects, or how regional funds were being divided across countries involved. The latter is further complicated by the GAF contributing to projects that have multiple funding streams.
- GAF budgets for these projects are not transparent, and it is difficult to align line items with planned activities. Central agencies in partner countries are not able to accurately determine the portion of the funds coming to their country. Implementing agencies involved in these projects are suspicious that some countries get more funding than others and the rationale for funding allocation across Pacific countries is not transparent.

## 6.6 NZAID's implementation role

NZAID can assist to some extent to overcome these implementation challenges via:

- Educating NZ government agencies, via a yearly workshop, of good development practice in implementing ODA projects and demonstrating what working in partnership means in an ODA context
- Briefing and debriefing NZ government agencies at Post as they come into and leave a country
- Facilitating in-country the wider connections with the GAF-funded project, i.e. promoting the consideration of the role of NGOs and the private sector
- Promoting and celebrating GAF successes achieved via use of good development practice
- Negotiating any irresolvable tensions or issues between NZ government agencies and their in-country partners. It is expected that the partners will seek to mediate any issues arising, and that assistance from NZAID at Post or in Wellington will be used only as a last resort.

## 7. Conclusions<sup>25</sup>

### 7.1 GAF's relevance

The GAF's mandate is relevant. The GAF has a unique and niche role in NZODA in offering NZ government agencies access to development resources to respond to requests from their in-country and regional counterparts to meet their emerging short-term priorities or needs that sit outside of agreed programmes. For NZ government agencies, the GAF is their only funding source to respond to unplanned development assistance in the Pacific. In-country partners also acknowledge the GAF's relevance and flexibility in responding to emerging short-term capability-building needs outside of existing agreements. For NZAID, the GAF allows the bilateral and regional programmes to focus on the longer-term systemic priorities agreed between NZAID and partner governments.

Inherent in the GAF is a tension between NZAID's development drivers and the NZ government agencies' wider policy mandates and international objectives. To manage this tension going forward, there is a need for increased understanding of the drivers of the differing agencies. In this context, some NZ government agencies require ongoing education about development principles and protocols, and NZAID's appreciation and consideration of NZ government agencies' wider policy drivers and mandates in relation to their GAF applications also needs to be enhanced.

### 7.2 GAF's effectiveness

The GAF's systems have been set up to 1) facilitate NZ government agencies to work with in-country and regional partner agencies, 2) contribute to a WhoG approach to development, 3) quality control that NZ government agencies' projects are DAC-able and align with development principles and practices, and 4) have more NZInc expenditure that counts as ODA. Inherent in the GAF's systems and processes are the concepts of simplicity (i.e. fewer bureaucratic hurdles than the bilateral and regional programmes) and flexibility to respond to in-country needs and changing environments in which the GAF projects are being implemented.

The GAF's challenges, as particularly evident for in-country partners and NZAID, lie with project implementation not consistently aligning with good development practice. The GAF's development effectiveness can be enhanced via greater in-country ownership of GAF projects and a more consistent partnership approach being used by NZ government agencies in the implementation and monitoring of GAF projects. Underpinning partnership is a need for communication processes that foster vertical and horizontal awareness and understanding of the GAF-funded project in-country and in New Zealand.

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<sup>25</sup> The conclusions for the review of the GAF are framed around DAC's criteria for evaluating development assistance.



### 7.3 GAF's efficiency

GAF systems in relation to the application, assessment and feedback processes are, in the main, appropriate and efficient. Within the GAF's processes, the IDWG is an important mechanism in seeking to contribute towards a WhoG approach to development. There is room to enhance the robustness of this dialogue on proposals received, particularly in making more visible in the review of applications the wider policy drivers of NZ government agencies in seeking to undertake a particular development activity.

Revisions recommended to the GAF's systems and processes reflect a tightening to enhance in-country ownership, stronger partnership-based relationships and activities, and a strengthening of the GAF's contribution to WhoG in development assistance. Of particular importance is ensuring the roles and responsibilities of NZAID programme managers in Wellington and at Post in the GAF are explicit, given their expertise in ensuring GAF projects have development merit and do no harm to existing government-to-government agreements.

The GAF's structure needs to evolve to be accessible to the diversity of NZ government agencies seeking ODA resources, from those new to development to those with considerable experience seeking to develop more long-term partnerships in the Pacific and wider. The GAF's areas for revision include the eligibility criteria, funding of scoping studies and access to phase funding.

### 7.4 GAF's impact

This review did not assess the impact of the GAF-funded projects. However, it is evident that some projects appear to be achieving the development objectives detailed in the GAF application, while others appear to be less successful and have created damage to their relations in-country in implementing the project. Currently, the GAF does not have an agreed evaluation specification plan at either a project or fund level to examine the effects and contribution of the GAF, both at a community and WhoG level.

Progress and completion reporting on GAF projects is mixed ranging from a limited overview of the project activities to a more detailed and substantiated account of partnerships developed, project successes and a frank discussion of lessons learnt. Current reporting tends to lack detailed evidence with which to support the claims being made. To date, in-country partners have had a limited role reviewing reports being submitted to the GAF; therefore partners do not have an opportunity to confirm or challenge information being presented. Further, the lack of detailed budgets for GAF projects means it is difficult to determine whether a completed project offered value for money.

### 7.5 GAF's sustainability

Assessing the sustainability of the GAF projects was outside the scope of this review. However, there are indications that the sustainability of funded projects is mixed. The review highlighted that projects which appeared to be heading towards a more long-term sustainability were instigated in-country, involved one in-country agency, were relatively simple in their focus and had adopted a partnership approach throughout the project cycle, were responsive to the environmental changes, and had ongoing contact with the NZ government agency after project completion in an advisory / peer review capacity.

## 8. Recommendations

### 8.1 Focus and scope of GAF

- Retain the focus on development impact as it ensures the GAF's alignment with international and national strategic directions for ODA
- Acknowledge, however, the GAF's niche role in NZODA by:
  - Enhancing NZAID's appreciation and consideration of NZ government agencies' policy drivers in seeking to undertake development activities
  - Shifting the focus from seeking to align the GAF with existing bilateral and regional agreements to one of ensuring GAF projects do no harm to these programmes
- Reinforce principles of in-country and regional partner ownership and partnership within the GAF through:
  - Continuing to seek a letter of support from Aid Co-ordination Divisions and adding a letter of support from the partner agency's Chief Executive Officer
  - Embedding evidence of in-country partner involvement in project identification, proposal and workplan development and its associated budget, project implementation, monitoring and evaluation and reporting
  - Promoting to NZ government agencies that partnership relationships extend beyond project completion
- Continue NZAID's annual GAF workshop to educate NZ government agencies about development principles and practice to improve implementation of GAF projects by:
  - Encouraging attendance by all NZ government agencies currently undertaking a GAF project or likely to apply to the GAF in the future
  - Grounding the workshop on NZ government agencies' needs through use of their draft GAF applications and the sharing of the lessons and successes in current and completed GAF projects
- Strengthen the GAF's WhoG and policy coherence contribution through:
  - Having greater dialogue and discussion at the IDWG about the differing policy drivers nationally, regionally and internationally in relation to GAF applications
  - Disseminating successes and lessons from completed GAF projects
  - Continuing the involvement of NZAID staff in Wellington and at Post in the assessment of GAF applications and clarifying this role
- Maintain the GAF's links to other funds by:
  - Continuing communications between MFAT and NZAID in relation to the GAF and the PSF and ensuring NZ government agencies are clear about the differentiation between the funds
  - Undertaking high-level inter-donor dialogues with AusAID to ensure coherence in the application of what is DAC-able in relation to security-related projects.

## 8.2 GAF guidelines

- Allow Crown Research Institutes direct access to the GAF. No change in the eligibility status of universities or local government
- Continue to permit the use of sub-contractors operating commercially to deliver components of GAF-funded projects provided the NZ government agency manages the partner relationship, in-country partners are involved in the selection process and sub-contractors contribute to capacity building
- Allow NZ government agencies to apply for phase funding, to enable the project to continue, enter a new phase or continue building capability in-country. Subject to:
  - Ensuring the request derived from the in-country or regional partner
  - Receiving a review of the current GAF project focusing on its implementation and achievements, the relationship between the agencies, the project's ongoing need in-country and consideration of its long-term sustainability. The review should be signed off by the partner agency
- Continue with a maximum three-year timeframe for GAF projects
- Request a more detailed breakdown of project costs in GAF applications, together with rationale for any line items outside the guidelines, and the reasons for changes in funding amounts between the GAF application and the MOU
- Consider on a case-by-case basis requests for NZAID to provide project start-up funding.

## 8.3 GAF's systems and processes

- Tighten GAF systems and processes to foster in-country ownerships, partnerships and sustainability by:
  - Application process having a more partnership approach to development, demonstrating greater consideration of sustainability and removing duplication
  - Assessment criteria incorporating the assessment of risk to NZAID programming, placing more focus on NZ government agencies' policy objectives and drivers and ensuring the criteria are clear and meaningful to those with little development experience
  - NZ government agencies informing their in-country partners about the outcome of the GAF application. Partners to receive a copy of NZAID's assessment feedback sheet together with any conditions of approval
  - Role and extent of involvement of NZAID staff both in Wellington and at Post being clarified
  - Changes implemented being consistent with the mantra of keeping the GAF flexible and simple
- Develop a two-tiered evaluation specification plan for GAF projects and the fund, and revise progress and completion reports to strengthen reporting on partnership, risk, sustainability, capability building, development outcomes (as appropriate) and value for money.

## 8.4 Other recommendations

- Review GAF projects co-ordinated via regional organisations to assess their effectiveness
- Have available, as appropriate, for NZ government agencies and in-country and regional partners information about the GAF
- Consider the need to revise the GAF name to emphasise the partnership component of fund.

## Appendices

### 1. Analysis of proposals received and approved

**Table 1: Projects commissioned by location**

Project location	Number of projects
Pacific regional	22
One Pacific country	23
Non-Pacific countries	9
Multiple Pacific countries	8
Other	11
Not applicable	3
<b>Total projects</b>	<b>76</b>

**Table 2: GAF projects receiving additional funding**

Government agency	Project name	Rounds
Crown Law	Samoa Prosecution Support Programme	3 and 6
NZ Customs	Permanent Location of the Oceania Customs Organisation Secretariat	1 and 5
Ministry of Economic Development	Capacity Building Seminar on Ease of Doing Business	5 and 6
MFAT	Pacific Partnerships Facility	1 and 6
New Zealand Police	Community Policing: Conflict Resolution in Papua and West Papua Provinces, Indonesia	5 and 6
NZ Fire Service	Capacity Development Cook Islands Fire Service	4 and 6
Ministry of Health	Mental Health Initiatives in the Pacific WHO Pacific Islands Mental Health Network Extension of the Pacific Islands Mental Health Network	1,4, and 6
Ministry of Health	Proposal for Assistance to PICs to assist in improving Drinking Water Drinking-water quality management capacity building in Pacific Island Countries Phase 2 Electronic Water Quality Data Storage and Interpretation Tool for Developing Countries (WQMD) (Possibly Phase 3)	1,3 and 5

**Table 3: Proposal received, approved and declined by government agency/department**

Agency Name	Proposals	Approved	Approved then on hold	Approved then cancelled	Declined
MFAT	15	11			4
Ministry of Health	14	11			3
MoRST	12	8			4
Human Rights Commission	6	5		1	
Ministry of Agriculture and Forestry	6	3			3
Ministry of Economic Development	6	6			
NZ Customs	5	5			
Department of Conservation	5	3		1	1
NZ Police	5	4		1	
Ministry for the Environment	4	2			2
Department of Labour	3	1			2
New Zealand Fire Service	2	2			
Crown Law	2	2			
Ministry of Education	2	2			
Ministry of Justice	2		1		1
Ministry of Pacific Island Affairs	2		1		1
Archives NZ	1	1			
Asian Development Bank	1	1			
Ministry of Fisheries	1	1			
Ministry of Youth Development	1				1
NZ Food Safety Authority	1				1
NZ Securities Commission	1	1			
Reserve Bank	1	1			
SPARC	1	1			
State Services Commission	1				1
<b>Total</b>	<b>100</b>	<b>71</b>	<b>2</b>	<b>3</b>	<b>24</b>

**Table 4: Projects received by GAF round**

Rounds	Proposals received	Approved	Cancelled	On hold	Declined
Round 1	35	22	2	-	11
Round 2	11	9	-	2	2
Round 3	19	14	1	-	4
Round 4	9	8	-	-	1
Round 5	11	9	-	-	2
Round 6	15	11	-	-	4
<b>Total</b>	<b>100</b>	<b>73</b>	<b>3</b>	<b>2</b>	<b>24</b>

**Table 5: Projects completed by GAF Round**

Rounds	Approved Projects	Completed Projects	Ongoing Projects
1: Apr 05	22	9	13
2: Nov 05	9	4	5
3: Apr 06	14	6	8
4: Nov 06	8	3	5
5: Apr 07	9	2	7
6: Nov 07	11	0	11
<b>Total</b>	<b>73</b>	<b>24</b>	<b>49</b>

**Table 6: Approximate contracted duration of GAF projects<sup>26</sup>**

Rounds	Less than 1 year	More than 1 and less than 2 years	More than 2 and less than 3 years	3 years	More than 3 and less than 4 years	Not available	Total
Round 1	-	4	4	3	11	2	24
Round 2	-	2	3	-	1	2	8
Round 3	3	3	3	2	1	2	14
Round 4	2	2	1	1	1	1	8
Round 5	-	3	2	-	1	1	7
Round 6	5	1	-	-	-	-	6
<b>Total</b>	<b>10</b>	<b>15</b>	<b>13</b>	<b>6</b>	<b>15</b>	<b>8</b>	<b>67</b>

<sup>26</sup> GAF data available during the review on contract duration was incomplete. This accounts for the variation in number of GAF proposals approved across rounds in Table 3.

**Table 7: Funding allocated in MOU**

Round	\$ allocated in MOU	% MOU funds allocated by round	\$ payments made on actuals (i.e. work completed)	% payment of actual funds by round	\$ payments allocated for completed projects by round	Number projects funded	Number completed projects
1	12,269,513.00	55	9,525,529.00	66	2,328,338	24	10
2	2,347,128.00	10	1,412,119.00	10	931,425	9	4
3	2,526,833.00	11	1,120,281.00	8	368,532	15	7
4	1,410,961.00	6	789,349.00	5	241,578	8	3
5	1,606,913.00	7	319,664.00	2	127,153	9	2
6	2,243,226.00	10	1,348,168.00	9	0	11	0
<b>Total</b>	<b>22,404,574.00</b>	<b>100</b>	<b>14,515,110.00</b>	<b>100</b>	<b>3,997,026</b>	<b>76</b>	<b>26</b>

**Table 8: Approved projects sorted alphabetically by NZ government agency**

Agency Name	Approved Project Name	Round	Countries/ Regional organisations engaged
Archives NZ	Recordkeeping for Good Governance Toolkit: Phase 3 Appraisal and Disposal	6	Pacific Regional
Asian Development Bank	Technical Assistance for the Aviation Legislative and Regulatory Review	1	ADB
Crown Law	Samoa Prosecution Support Programme	3	Samoa
Crown Law	Samoa Prosecution Programme: Training and Evaluation	6	Samoa
NZ Customs	Permanent Location of the Oceania Customs Organisation Secretariat	1	Pacific Regional
NZ Customs	Technical Assistance to Fiji Revenue and Customs Authority	2	Fiji
NZ Customs	Customs Electronic Systems in the Pacific - Scoping Study & Development of Business Requirements	2	Pacific Regional (OCO member countries)
NZ Customs	Customs International Executive Management Development Programme	3	Pacific Regional (OCO member countries)
NZ Customs	Extension of Funding Support for the Oceania Customs Organisation (OCO) Secretariat	5	Pacific Regional
Department of Labour	Support for the Pacific Immigration Director's Conference (PIDC) Secretariat	1	Pacific Regional
Department of Conservation	Cetacean Research in Tuvalu	1	Tuvalu
Department of Conservation	Restoring Three of the Phoenix Islands, Kiribati	4	Kiribati



Agency Name	Approved Project Name	Round	Countries/ Regional organisations engaged
Department of Conservation	Whale-Watching Development in Pacific Island Countries	4	Samoa, Cook Islands, Niue, Solomon Islands, PNG
Ministry of Fisheries	Secondment of NZ Staff to the UN Food and Agriculture Organisation	1	N/A
Human Rights Commission	Promoting, Assisting and Informing Debate about forms of National HR institutions for PICs	1	PIFS, Pacific Regional
Human Rights Commission	Human Rights Support for the Cooks, Niue and Tokelau	1	Cook Islands, Niue, Tokelau
Human Rights Commission	Regional Partnership to provide Human Rights Technical Advice to Pacific States	3	PIFS, Asia Pacific Forum, Pacific Regional
Human Rights Commission	Developing Human Rights Competency and Expertise within Pacific Media News Organisations	3	Pacific Cooperation Foundation, Pacific Regional
Human Rights Commission	CHRP-NZHRC Human Rights Community Development Project	5	Philippines
Ministry of Agriculture and Forestry	Facilitating Market Access into New Zealand from the Pacific	3	Pacific Regional
Ministry of Agriculture and Forestry	Pacific Export Treatment Systems (PEST) Programme	5	Vanuatu, Samoa, Tonga
Ministry of Agriculture and Forestry	Facilitating Fresh Produce Imports to New Zealand from Tonga	3	Tonga
Ministry of Economic Development	APEC Regulators: Seminar and Workshop on the Electrical & Electronic Equipment Mutual Recognition Arrangement	3	APEC Developing Countries
Ministry of Economic Development	Pacific Island ICT Regional Development	3	PIFS, PITA, Pacific Regional
Ministry of Economic Development	Energy Policy Expertise for Sustainable Regional Development	4	SOPAC, Tuvalu
Ministry of Economic Development	Capacity Building Seminar on Ease of Doing Business: Tax Administration	5	APEC Developing Countries
Ministry of Economic Development	Capacity Building Seminar on Ease of Doing Business: Dealing with Licences	6	APEC Developing Countries
Ministry of Economic Development	Rules of Origin - Change of Tariff Classification Capacity Building		ASEAN Developing Countries
MFAT	Contribution to proposed Commonwealth Red Cross and Red Crescent International Humanitarian Law Conference in New Zealand in 2007	2	N/A

Agency Name	Approved Project Name	Round	Countries/ Regional organisations engaged
MFAT	APEC Seminar on Trade Preference Programs Benefiting Women Exporters	4	Developing APEC Economies
MFAT (ISED)	Assisting developing country participation in the fourth Asia-Pacific Regional Interfaith Dialogue (IFD), Cambodia, 1-3 April 2008	5	Fiji, Vietnam, Timor-Leste, Thailand
MFAT (PAC)	Capacity and Capability Building in relation to PACER	1	FORSEC, Forum Island Countries
MFAT (PAC)	Pacific Partnerships Facility	1	Pacific Regional
MFAT (PAC)	Support for the Introduction of Pacific Seasonal Work Scheme	3	Vanuatu, Kiribati, Tuvalu, Tonga, Samoa
MFAT (PAC)	Pacific Partnerships Facility	6	Pacific Regional
MFAT (SEA)	Promoting Inter-Religious Tolerance in Indonesia	4	Indonesia
MFAT (SPD)	Assisting Developing Country Participation in the Regional Interfaith Dialogue (IFD) Waitangi 29-31 May	3	
MFAT (UNHC)	Pacific Human Rights Capability Building Seminar: The Universal Periodic Review	6	Pacific Regional
MFAT Manila	Indigenous Land Rights Initiative: Durie Programme	3	Philippines
Ministry for the Environment	Towards a New Model for Recycling In the Pacific: The Removal of Legacy Scrap Metal on the Cook Islands	2	Cook Islands
Ministry for the Environment /Climate Change Office	Capacity Building on the Clean Development Mechanism in the Pacific	1	Pacific Regional
Ministry of Education	Samoa Treaty of Friendship - Development of Shared Teaching Resources	1	Samoa
Ministry of Education	Ministry of Education Support to Tokelau	2	Tokelau
Ministry of Health	Proposal for Assistance to PICs to assist in improving Drinking Water	1	
Ministry of Health	Strengthened National Influenza Preparedness	1	SPC, Pacific Regional
Ministry of Health	Mental Health Initiatives in the Pacific	1	Pacific Regional
Ministry of Health	Drinking-water quality management capacity building in Pacific Island Countries Phase 2	3	Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO
Ministry of Health	WHO Pacific Islands Mental Health Network	4	Pacific Regional
Ministry of Health	Building Partnerships for Mental Health in the Pacific	4	Pacific Regional
Ministry of Health	Enhancing Health Regulation in PNG (Stage 3)	5	PNG

Agency Name	Approved Project Name	Round	Countries/ Regional organisations engaged
Ministry of Health	Electronic Water Quality Data Storage and Interpretation Tool for Developing Countries (WQMD)	5	Cook Islands, Samoa, Palau, Tonga, Niue, SOPAC and WHO
Ministry of Health	International Health Regulations 2005 - Training and Capacity Building for the Cook Islands	6	Cook Islands
Ministry of Health	Extension of the Pacific Islands Mental Health Network (PIMHnet)	6	Pacific Regional, WHO
Ministry of Health/ Paediatric Oncology Steering Group	Paediatric Oncology in the Pacific	2	Tonga, Fiji, Vanuatu, Samoa, Cook Islands
MoRST	MORST-NZAID Joint Scoping Study: NZ Science and Development	2	Pacific Regional
MoRST (AgResearch)	Capacity Building for Improved Biocontrol of Food Crop Pests in the South Pacific	1	SPC
MoRST (Health Research Council)	Building an Infrastructure for Research in the Cook Islands and Pacific	1	Cook Islands
MoRST (Landcare)	Plant Reference Collections for Biodiversity and Biosecurity in the Pacific	1	Fiji
MoRST (Landcare)	SPACNET Phase 3	1	PNG, Fiji, Tonga, Samoa
MORST (Landcare)	Sustainable Land Uses in the SugarCane Belt, Fiji	1	Fiji
MoRST (NIWA)	Development of Waste Treatment Schemes for Fijian Villages	1	Fiji
MoRST (NIWA)	Building Capacity in Water Quality Measurement in the Cooks	1	Cook Islands
NZ Fire Service	Capacity Development Cook Islands Fire Service	6	Cook Islands
NZ Fire Service	Community Fire Risk Initiative, Cook Islands	4	Cook Islands
NZ Securities Commission	Technical Assistance to the Papua New Guinea Securities Commission	6	Papua New Guinea
NZ Police	Community Policing: Conflict Resolution in Papua and West Papua Provinces, Indonesia	5	Indonesia
NZ Police	Community Policing: Conflict Resolution in Papua and West Papua Provinces, Indonesia	6	Indonesia
NZ Police	Clandestine Laboratory Investigation Training for the Indonesian National Police	3	Indonesia
NZ Police	Specialist Training for Indonesian Female Drug Investigators	3	Indonesia
NZ Police	Samoa Assistance Operation: Criminal Investigation Support	3	Indonesia
Reserve Bank	Reducing Remittances and Strengthening Financial Capability	5	Pacific Regional
SPARC	Samoa Sports Support Project	1	Samoa

**Table 9: Declined proposals sorted alphabetically by NZ government agency**

Agency Name	Declined Project Name	Round	Countries/ Regional Organisations Engaged
Department of Labour	Pacific Labour Market Information Project	5	Pacific Regional
Department of Labour	Consolidating Pacific States' Participation in the Recognised Seasonal Labour Scheme	6	Samoa, Tonga, Tuvalu, Kiribati, and Vanuatu
Department of Conservation	Capacity Building Workshop for PICs re CITES	1	Pacific Regional
Ministry of Agriculture and Forestry	Offshore Fumigation Accreditation Scheme	4	Thailand, Indonesia, Malaysia, India, Philippines, China
Ministry of Agriculture and Forestry	Fiji/NZ Partnership Programme to Strengthen HR Development in Plant Protection and Pest Diagnostics	1	Fiji
Ministry of Agriculture and Forestry	Sea Container Pathway Management	3	Pacific Regional
MFAT	Technical Advice to the Parquet General Du Rwanda	3	Rwanda
MFAT (Legal)	Contribution to UN Fund (Fisheries) for Developing States	1	N/A
MFAT (SPD)	NZ Contribution to the ADB Fund for Regional Trade and Security Initiative	1	N/A
MFAT (SPD)	Regional Counter Terrorism Capability Building for SouthEast Asia	1	Selected South-East Asian Countries
Ministry for the Environment	Capacity Building for the Clean Development Mechanism - Fiji, Samoa	3	Fiji, Samoa
Ministry for the Environment	Stockholm Convention Business Plan to Develop Alternatives to DDT	6	N/A
Ministry of Health	Pacific Regional Alcohol Policy Project	1	Pacific Regional
Ministry of Health	Supporting Non-Communicable Disease (NCD) Prevention and Control in Niue, the Solomon Islands, Tokelau, Tuvalu, and Cook Islands	5	Niue, the Solomon Islands, Tokelau, Tuvalu, and Cook Islands
Ministry of Health	Health Impact Assessment (HIA) Capacity Building in Samoa	6	Samoa
Ministry of Justice	Donation to the Asia/Pacific Group on Money Laundering	1	N/A
Ministry of Pacific Island Affairs (MPIA)	Pacific Paediatric Oncology Project	6	Fiji, Tonga and Samoa
Ministry of Youth Development	A Youth Development and Participation Approach for Young People in the Pacific	3	Pacific Regional

Agency Name	Declined Project Name	Round	Countries/ Regional Organisations Engaged
MoRST	Developing Capability to Quantify and Mitigate Methane Emissions from Andean Livestock	1	Peru
MoRST	Optimising Post Harvest Systems in Sri Lanka	1	Sri Lanka
MoRST	Developing Sustainable Fodder Systems to Improve Milk Productions and Incomes in Nepal	1	Nepal
MoRST	Developing Capability in the Cooks for Sustainable Land Use Planning	1	Cook Islands
NZ Food Safety Authority (NZFSA)	Pacific Islands Codex Workshop on Food Safety and the International Food Trade and Pacific Islands Country Secondment to the NZFSA	2	Pacific Regional
State Services Commission	Funding for Potential Public Service Leaders from the Pacific to attend the Commonwealth Association for Public Administration and Management 2006 Biennial Conference, Sydney	2	Pacific Regional

## 2. Review of the New Zealand Government Agencies Fund (GAF) Terms of Reference

### **Background**

During the budget process in 2005, Ministers agreed to a budget increase for Vote Official Development Assistance (ODA) to commence from July 2005. Ministers agreed that the majority of funding would remain in Vote ODA, but directed that other government departments and agencies would have the opportunity to propose ODA initiatives that would be funded out of a proportion of the increase. Accordingly, 11 %<sup>27</sup> of the increase was ring-fenced; which resulted in \$6.9 million<sup>28</sup> available for other departments and agencies to bid against.

The proposed mechanism for managing the ring-fenced money was a contestable fund. The operating principle approved for the fund was that initiatives delivered by agencies other than NZAID should be countable as ODA by the OECD DAC and have broad developmental merit. In meeting this operating principle, it was expected that initiatives might also serve broader relationship objectives such as:

- supporting economic growth as an element in development and poverty elimination in the partner country in coordination with the larger on-going bilateral, regional and agency specific programmes managed by NZAID;
- deepening New Zealand's links with the country concerned; and
- enhancing constituencies and emerging leaders which are positively inclined to New Zealand values and governance.

The ODA Contestable Fund was established by NZAID in June 2005, allowing other departments to secure funding for ODA initiatives that were in line with Government priorities, but that lay outside NZAID's mandate and areas of focus. The structure put in place was that ODA Contestable fund activities would be primarily managed by the individual government departments, but NZAID would have overall responsibility for allocating the funds.

A process for operating the fund was outlined in schedule two of the Programme Allocations document of 12 May 2005<sup>29</sup>. The document noted that NZAID would invite departments that have traditionally provided ODA services offshore and other departments which might be interested to submit proposals to the Contestable Fund. It stated that NZAID would chair an inter-departmental working group (IDWG) to provide for collective evaluation of proposals. Key questions to be communicated to departments in the invitation to bid and to be considered in the IDWG evaluation process were noted as follows:

<sup>27</sup> at the time of the submission 11% of ODA eligible activities were managed by other departments

<sup>28</sup> 11% of the \$63 million increase resulted in \$6.9 million available to other government departments and agencies. This was subsequently adjusted to \$6.7million.

<sup>29</sup> Ministerial submission: 'NZAID: Allocations of New Programme Funding for 2005/06'

- do proposals align with partner government/agencies priority development needs and has there been agreement to them through the partner government/agency governance mechanisms for managing development assistance?
- do proposals take into account other national or externally supported initiatives in the same sector, to ensure duplication or overlap is minimised?
- do proposals offer benefits or outcomes commensurate with the funding requirement?
- do proposals incorporate sound development principles and practice: partnership, sustainability, an exit strategy, clear evaluation criteria and plans and budget provision for conducting evaluations, and success criteria?

Other factors that were to be considered are outlined in schedule two of the Programme Allocations document.

In mid 2007, the fund's name was changed to the New Zealand Government Agencies Fund to better reflect who can access the fund. Following the name change, the guidelines of the fund were refined to ensure higher quality proposals by providing applicants with more specific information on fund criteria, eligible activities and information about the purpose of the fund. Both changes were approved by the IDWG.

The revised guidelines state the purpose of the GAF to be 'reduced poverty and hardship in partner countries by supporting the development of national capacity for improved service delivery to their citizens'. The background section of the GAF states that the fund 'offers New Zealand government departments and agencies the opportunity to access ODA resources in order to undertake activities in their areas of expertise' that:

- Contribute to capacity development through transferring skills and expertise to developing country partners, in particular public sector counterparts
- Support the development of long-term strategic partnerships<sup>30</sup> between New Zealand government agencies and their counterparts in partner countries
- Provide technical assistance to developing country partners, in particular public sector counterparts to improve delivery of their core services

As the fund evolves, it is increasingly being recognised as an important mechanism for achieving New Zealand Whole of Government (WhoG) coherence around development policy and a way to incentivise a New Zealand WHOg approach to development activities. Strategic drivers for coherence include New Zealand's Pacific Strategy for Development, which has a strong focus on WhoG coherence for development outcomes and international development thinking, which is increasingly linking better coherence to aid effectiveness and development impact. Furthermore, as more government agencies become engaged in delivering ODA, and as NZ scales up its ODA, there is a concern about both intra-government and NZAID internal coherence and interface between various ODA programmes.

Since the establishment of the ODA Contestable Fund, five funding rounds have been administered, and the sixth is underway in April 2008. Since the fund's inception, seventeen projects worth \$2.67m have been completed, and there are currently forty-five projects worth \$16.6m in progress across a range of countries. Currently applications are sought twice a year by writing to a wide range of New Zealand government departments and agencies to invite proposals. The fund is managed by one staff member, a Development

<sup>30</sup> A strategic partnership is typically an enduring two-way relationship between organisations based on common interests and objectives and involves elements of capacity development, management/leadership development, business systems improvement, mentoring, and staff exchanges for improved service delivery.

Programme Officer with some administrative assistance from a Development Programme Administrator.

There are a large number of stakeholders involved in the GAF. These include Ministers, New Zealand Government agencies, departments, crown research institutes and consultants, civil society organisations, NZAID staff (in Wellington and at Post), Ministry of Foreign Affairs and Trade (MFAT) staff, counterpart organisations, developing country governments, community groups and beneficiaries. All have an interest in the outcome of the GAF review.

### ***Purpose of the review***

The original submission document noted that the fund would be reviewed during the 05/06 financial year and Ministers advised on lessons learned. This did not happen, and the fund has now been in operation for almost two and a half years. Given the number of projects that have been funded, and the financial resources expended, it is an appropriate time to undertake a review of the fund.

A review is necessary to examine whether the fund remains in line with its original mandate, and if the systems and processes developed to manage it are effective, relevant and appropriate. A review is also necessary to assess whether the fund is the most appropriate mechanism for New Zealand government agencies engaging in delivery of ODA and for meeting New Zealand Whole of Government (WhoG) objectives while contributing to development outcomes.

Depending on the outcome of the review, the review findings will be used to redevelop the guidelines, clarify policy issues, and improve institutional systems and processes used to manage the fund or to establish a new model for funding NZ government agency engagement<sup>31</sup> in official development assistance (ODA).

### ***The scope of the review***

The review will not consider the effectiveness of individual projects within the fund as it is too early to make these assessments. This review will be a formative review, focused on the fund's structure and functioning, and designed to test whether, at the policy level it is likely to meet its objectives.

The review will examine a selection of funding applications, proposal appraisals, annual and project completion reports since the fund was established to determine whether the fund is operating as intended. The review will also examine fund guidelines (including criteria), reporting templates and related policy documents. The review will involve field visits to selected Pacific Island countries (at least three Pacific Island countries, with preferably two Polynesian countries and one Melanesian country) to meet with counterpart organisations, representatives of partner governments including Aid Coordination Units, beneficiaries/local communities, and NZAID staff at Post who have been involved in the management of projects.

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<sup>31</sup> Note that the GAF may also fulfil WhoG objectives of partner governments in developing countries.



## Overall objectives of the review

**Focus and scope of the fund:** testing how appropriate are the focus and scope of the fund, bearing in mind aid effectiveness principles.

**Systems, processes, governance and guidelines:** assessing whether the institutional systems, processes established to manage the fund are effective, relevant and appropriate. Consider the complete GAF cycle including project identification, application, assessment and implementation and monitoring and evaluation.

**Documentation:** design of a new application form and any associated documents, and project reporting templates including annual report and project completion report.

The following key questions will guide the review:

### 1. Focus and scope of the fund:

- a) Is the fund well aligned with its original mandate and meeting its objectives as specified in both the original submission and the current guidelines?
- b) Is the original mandate still relevant? Is the fund appropriately aligned with the Government's Pacific Strategy?<sup>32</sup>
- c) Is the fund effectively meeting WhoG and policy coherence objectives as outlined in the 'Draft Policy Coherence for Development' paper<sup>33</sup>? If not, make recommendations for how this may be achieved.
- d) Is the fund the right mechanism for engaging New Zealand government agencies in ODA activities? If not, what would be a more appropriate mechanism; make recommendations for alternative mechanisms/models<sup>34</sup>.
- e) How could management of the fund and implementation of projects facilitate greater synergy with bilateral and regional programme activities? How could management of the fund and implementation of projects promote better alignment with and support for individual country programme strategies/national development plans and regional plans such as the Pacific Plan? Make recommendations for how this may be achieved.
- f) Explore the basis and depth of tension between the objectives of NZ government departments and NZAID's objectives and make recommendations for how these may be managed.
- g) Consider whether there is merit in extending eligibility to universities and local governments. Consider also whether the fund should continue to allow New Zealand government agencies to sub-contract to consultants and public or private sector organisations operating commercially.

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<sup>32</sup> Consistent with the Government's priority emphasis for ODA, the primary focus for proposed initiatives is the Pacific. Accordingly, the majority of GAF initiatives are implemented in the Pacific.

<sup>33</sup> 'A Strategy for Action to Improve Policy Coherence for Development: 2006/07 to 2009/10'

<sup>34</sup> Should NZAID be looking at a 'two-strand approach' e.g. one strand for longer-term 'strategic partnerships with NZ government agencies' and one strand for shorter-term more ad-hoc projects initiatives. If so, what form should these 'strategic partnerships' take? Are there other models for engagement? Consider the paper 'The Blurring of the Domestic/International Boundary in Public Management: Capacity-Building Activities by NZ Government Agencies in the South Pacific'

- h) Consider how the fund can better complement other funds including the Pacific Security Fund managed by the Ministry of Foreign Affairs and Trade or any new mechanism for funding Pacific Security Sub-Sectoral Strategy work, and AusAID's Pacific Governance Support Programme and how any potential overlap might be managed.
- i) Consider appropriate funding timeframe for GAF projects, whether this should be extended.
- j) Consider whether the GAF should fund project development activities such as scoping studies.

## 2. Systems and processes:

- a) Make recommendations for improvements to the application and approval process. Consider to what extent NZAID should facilitate agencies in developing project applications to enhance project benefit and impacts, and what pre-application or pre-engagement guidance is appropriate and useful e.g. cross-cultural training or a workshop for potential applicants. Bear in mind any potential conflict between the philosophy of contestability and assisting government agencies with application preparation.
- b) Examine the current NZAID process for obtaining feedback on proposals (from staff in Wellington and at Post) and make recommendations on how this might be improved<sup>35</sup>. Make recommendations on how feedback should be sought from partner governments and Aid Coordination Units, including what documentation should be required to show evidence of partner country ownership/level of priority.
- c) Examine the role of NZAID staff at post in the GAF (through undertaking interviews) to determine what role Posts are currently playing and what role they could most effectively play in the development, appraisal and implementation and monitoring of GAF initiatives and what resourcing may be needed to accommodate this.
- d) Examine the role and membership of the Inter-Departmental Working Group and assess if and how the IDWG could be better utilised during the proposal selection and submission of report process (and whether the IDWG should have a broader role including in driving towards WHoG policy coherence).
- e) Summarise lessons learned from implementation of GAF projects from the perspective of NZ government agencies, counterpart organisations and beneficiaries/local communities. Consider how NZAID can better assist government agencies with implementation of projects in-country.
- f) Consider how the implementation of GAF projects could better meet principles of donor coordination and harmonisation.
- g) Consider the trend for government agencies to apply for additional phase funding and recommend an appropriate process for determining the merits of further funding and the process for undertaking reviews or

<sup>35</sup> Particular consideration should be given to the AusAID two-step approach as used in the Public Sector Linkages programme. Under this scheme, the selection panel makes recommendations based on two page concept submissions. Those that are recommended go on to submit more detailed designs which are then assessed by AusAID (i.e. without going back to the selection panel). Particular consideration should also be given to the time set aside for feedback in-country – from staff at Post, Aid Coordination Units etc.

evaluations<sup>36</sup> and consider what the reviews and evaluations should focus on.

- h) Are the monitoring and evaluation systems of the GAF adequate to identify contributions by GAF projects to development outcomes, value for money and timely management of risk? Make recommendations for improvement (see 3:d below) including how counterpart organisations can be involved in this process.
- i) Consider whether the eligible activity-specific costs stipulated in the guidelines are appropriate and make recommendations for any changes to eligible costs.
- j) Consider how the likelihood of project sustainability can be increased throughout all phases of the activity cycle, with a particular focus on the project identification and assessment phases.

### 3. Documentation:

- a) Examine the GAF guidelines (which include the application form) and in the light of the information gained through objectives 1 and 2, prepare a new application form/guidelines.
- b) Examine the GAF selection criteria and in the light of the information gained through objectives 1 and 2, prepare new selection criteria.
- c) Create a process map/flow chart to document the process for the identification and assessment of proposals that could be applied in a variety of contexts.
- d) Undertake an analysis of the quality of reporting to NZAID (i.e. annual and project completion reports) by NZ government agencies and the quality of NZAID reporting templates provided to government agencies. Prepare new templates based on the outcome of the analysis<sup>37</sup>.

### *Methodology*

- a) Analyse the views of New Zealand government agencies to understand what they see as the intended benefits to their organisations and to the counterpart organisations and communities they are working with by undertaking GAF projects.
- b) Analyse the views of NZAID staff to understand what they see as the intended benefits to counterpart organisations and communities through the funding of GAF projects.
- c) Provide a summary the types of activities funded (e.g. study tours, technical assistance, secondments etc) and the proportion of funding provided to these activities over each financial year since the fund began<sup>38</sup>
- d) Undertake an analysis of successful and unsuccessful GAF applications including assessment of the overall quality of applications to identify trends/lessons that might enhance project preparation and the application process.

<sup>36</sup> The guidelines stipulate that any projects seeking funding to build on/expand previous initiatives must have evidence of a review or evaluation before additional phase funding is considered and that NZAID will consider on a case by case basis whether review/evaluation reports are sufficient or if independent analysis is necessary.

<sup>37</sup> Consider the reporting in the light of NZAID's Activity Monitoring and Evaluation Guidelines

<sup>38</sup> This may help determine the appropriate focus of the GAF.

- e) Analyse the views of some previous GAF applicants to ascertain their views of the application and approval process and note any strengths or weaknesses they identify.
- f) Undertake interviews with NZAID staff at post to determine what role Posts could most effectively play in the development, appraisal and implementation and monitoring of GAF initiatives and what resourcing may be needed to accommodate this.
- g) Undertake a teleconference call with AusAID to discuss the Pacific Governance Support Programme.

### ***Methodology Process***

The review will be conducted by a Team Leader and a Consultant. Both the Team Leader and Consultant will be contracted by and report to the New Zealand Government Agencies Fund Manager and Team Leader in Wellington.

In-country visits will be undertaken in three Pacific Island countries (preferably two Polynesian and one Melanesian countries). The review team will be expected to consult with staff at post, Aid Coordination Divisions, partner government agencies and local stakeholders. The review team are required to advise the GAF Manager of plans to make in-country visits well in advance of the departure so that Posts can be advised and meetings arranged. The review team will be expected to attend briefing and de-briefing meetings with NZAID staff at Post and where possible, report back to stakeholders before leaving. The review team should attend a de-briefing meeting with the Aid Coordination unit in each country visited.

The component of the review that is New Zealand-based will be conducted in Wellington. Interviews will be held with members of the IDWG, previous GAF applicants, current implementers of GAF projects, the NZAID GAF Manager and Team Leader, representative(s) of the NZAID Strategy, Advisory and Evaluation Group (SAEG), Director of the Pacific Group NZAID, and Executive Director, NZAID. Some interviews could be held in groups.

The review team will be expected to attend a pre-review briefing at NZAID in Wellington, and provide regular updates by email and telephone on progress of the review to the GAF Manager and Team Leader. Following the initial briefing, the review team are required to submit a work plan for the review to be approved by the GAF Manager. The review team will be expected to attend a meeting to discuss the results of the draft review report, and to give a presentation to NZAID on completion of the final report.

The results of the review will be presented to NZAID, the IDWG, Minister of Foreign Affairs, and other key stakeholders.

The review will take place in August and September 2008, with a draft report to be submitted by 20 October 2008, and a final report to be submitted by 30 November 2008. The review team will be expected to present their findings to NZAID in early – mid December 2008. NZAID will cover the cost of the review.

## ***Skills and experience required***

Both team members will need the following skills, knowledge and experience:

- Expertise in project review including skills and experience in planning a review or evaluation.
- Good cross cultural communication and interpersonal skills.
- Experience of and skill in participatory approaches to review/evaluation, ideally in the Pacific.
- Analytical skills and experience and understanding of public sector institutions and development practice.
- Demonstrated skill in verbal and written communication– especially report writing

One team member should have a good understanding of the New Zealand public sector and the NZinc/WhoG approach. One team member should have experience of working in Pacific countries, and a good understanding of development principles.

The Consultant will be expected to take direction from the Team Leader.

## ***Outputs***

- A workplan for the review to be approved by the GAF Manager which includes delegation of roles and responsibilities between the review team leader and Consultant.
- Regular progress updates to the GAF Manager by email or telephone.
- A draft report submitted to NZAID. The review steering group and GAF Manager will provide feedback on the draft report which may need to be incorporated into the final report.
- A final report submitted to NZAID.
- A presentation to NZAID and the IDWG following acceptance of the final report.

The draft and final report should include the following:

- Executive summary
- Background
- Methodology
- Main Findings
- Conclusions
- Appendices (may include methodological details including design, limitations, data collection and analytical procedures, research instruments such as surveys, data such as interview notes).

The draft and final reports should also include annexes consisting of a new application form, reporting templates, process map and selection criteria as set out in objective 3: documentation.

The review team should refer to the NZAID *Guideline on the Structure of Evaluation Reports* for guidance on format.

Any essential material that would probably lead to the report being exempt from release under the Official Information Act should be placed in a confidential annex, so the main report would still be releasable.

### ***Quality or Performance Indicators***

The review team shall ensure that the assignment is carried out with all due diligence, efficiency and economy in accordance with the time specified in this contract, observing and implementing sound management practices, cultural appropriateness and complying with professional consulting standards recognised by relevant professional bodies and stakeholders.

The review team's findings, conclusions and recommendations must be based on sound qualitative and quantitative evidence and presented in a balanced and transparent way (noting sources and, where possible, triangulation). The report will meet the DAC Evaluation Quality Standards<sup>39</sup>.

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<sup>39</sup> Available on the evaluation guidelines pages of NZAID's website.

### 3. Review Plan dated 7 October 2008

#### ***Background to the review***

During the budget process in 2005, Ministers agreed to a budget increase for Vote Official Development Assistance (ODA) to commence from July 2005. Ministers agreed that the majority of funding would remain in Vote ODA, but directed that other government departments and agencies would have the opportunity to propose ODA initiatives that would be funded out of a proportion of the increase. At the time of the submission, 11% of ODA eligible activities were managed by other departments. Accordingly 11 % of the \$63 million increase was ring-fenced, which resulted in \$6.9 million being available for other departments and agencies to bid against. This was subsequently adjusted to \$6.7million.

The proposed mechanism for managing the ring-fenced money was a Contestable Fund. The operating principles approved for the fund was that initiatives delivered by other government agencies should be:

- Countable as ODA by the OECD Development Assistance Committee (DAC).
- Have broad developmental merit.

In June 2005, the ODA Contestable Fund was established by NZAID, allowing other departments to secure funding for ODA initiatives in line with Government priorities, but outside of NZAID's mandate and areas of focus. The structure put in place was that ODA Contestable Fund activities would be primarily managed by the individual government departments, and NZAID would have overall responsibility for allocating the funds.

NZAID invited departments who traditionally provided ODA services offshore and other potentially interested departments to submit proposals to the Contestable Fund. NZAID chaired the inter-departmental working group (IDWG) who collectively evaluated proposals.

In mid 2007, with approval of the IDWG, the Fund's name was changed to the *New Zealand Government Agencies Fund (GAF)*. At the same time, GAF guidelines were refined to enhance proposal quality by providing applicants with more specific information on the fund's purpose, assessment criteria and eligible activities.

The revised guidelines define GAF's purpose as *'reduced poverty and hardship in partner countries by supporting the development of national capacity for improved service delivery to their citizens'*. Further, the guidelines state the fund *'offers New Zealand government departments and agencies the opportunity to access ODA resources in order to undertake activities in their areas of expertise'* that:

- Contribute to capacity development through transferring skills and expertise to developing country partners, in particular public sector counterparts
- Support the development of long-term strategic partnerships between New Zealand government agencies and their counterparts in partner countries
- Provide technical assistance to developing country partners, in particular public sector counterparts to improve delivery of their core services.

Since the establishment of the ODA Contestable Fund, five funding rounds have been administered, and the sixth is underway in April 2008. To date, 17 projects worth \$2.67m have been completed, and 45 projects worth \$16.6m are currently in progress across a range of countries.

GAF applications are sought twice yearly. A wide range of New Zealand government departments and agencies are invited to submit proposals. The fund is managed by one NZAID staff member, a Development Programme Officer with some administrative assistance from a Development Programme Administrator.

A large number of stakeholders are involved in the GAF including Ministers, New Zealand Government agencies, departments, crown research institutes and consultants, civil society organisations, NZAID staff (in Wellington and at Post), Ministry of Foreign Affairs and Trade (MFAT) staff, counterpart organisations, developing country governments, community groups and beneficiaries.

## ***Review Purpose and Objectives***

### ***Purpose***

The purpose of the review is threefold, specifically to examine whether:

1. GAF remains in line with its original mandate and objectives.
2. Systems and processes to manage the fund are effective, relevant and appropriate.
3. GAF is the most appropriate mechanism for New Zealand government agencies engaging in delivery of ODA and for meeting New Zealand Whole of Government (WhoG) objectives, while contributing to development outcomes.

This formative review will not consider the effectiveness of individual projects within the fund.

### ***Review objectives***

The review objectives are as follows:

- **Focus and scope of the fund:** testing how appropriate are the focus and scope of the fund, bearing in mind aid effectiveness principles.
- **Systems, processes, governance and guidelines:** assessing whether the institutional systems and processes established to manage the fund are effective, relevant and appropriate with regard to the complete GAF cycle (ie project identification, application, assessment and implementation and monitoring and evaluation).
- **Documentation:** designing a new application form and associated documents, and project reporting templates including annual report and project completion report.



## **Detailed review questions**

The following key questions will guide the review:

### **Objective 1: Focus and scope of the fund:**

- a) Is the fund well aligned with its original mandate and meeting its objectives as specified in both the original submission and the current guidelines?
- b) Is the original mandate still relevant? Is the fund appropriately aligned with the Government's Pacific Strategy?
- c) Is the fund effectively meeting WhoG and policy coherence objectives as outlined in the 'Draft Policy Coherence for Development' paper? If not, make recommendations for how this may be achieved.
- d) Is the fund the right mechanism for engaging New Zealand government agencies in ODA activities? If not, what would be a more appropriate mechanism; make recommendations for alternative mechanisms/models.
- e) How could management of the fund and implementation of projects facilitate greater synergy with bilateral and regional programme activities? How could management of the fund and implementation of projects promote better alignment with and support for individual country programme strategies/national development plans and regional plans such as the Pacific Plan? Make recommendations for how this may be achieved.
- f) Explore the basis and depth of tension between the objectives of NZ government departments and NZAID's objectives and make recommendations for how these may be managed.
- g) Consider whether there is merit in extending eligibility to universities and local governments. Consider also whether the fund should continue to allow New Zealand government agencies to sub-contract to consultants and public or private sector organisations operating commercially.
- h) Consider how the fund can better complement other funds including the Pacific Security Fund (PSF) managed by the MFAT or any new mechanism for funding Pacific Security Sub-Sectoral Strategy work, and AusAID's Pacific Governance Support Programme (PGSP) and how any potential overlap might be managed.
- i) Consider appropriate funding timeframe for GAF projects, whether this should be extended.
- j) Consider whether the GAF should fund project development activities such as scoping studies.

### **Objective 2: Systems and processes:**

- a) Make recommendations for improvements to the application and approval process. Consider to what extent NZAID should facilitate agencies in developing project applications to enhance project benefit and impacts, and what pre-application or pre-engagement guidance is appropriate and useful e.g. cross-cultural training or a workshop for potential applicants. Bear in mind any potential conflict between the philosophy of contestability and assisting government agencies with application preparation.
- b) Examine the current NZAID process for obtaining feedback on proposals (from staff in Wellington and at Post) and make recommendations on how this might be improved.

Make recommendations on how feedback should be sought from partner governments and Aid Coordination Units, including what documentation should be required to show evidence of partner country ownership/level of priority.

- c) Examine the role of NZAID staff at post in the GAF (through undertaking interviews) to determine what role Posts are currently playing and what role they could most effectively play in the development, appraisal and implementation and monitoring of GAF initiatives and what resourcing may be needed to accommodate this.
- d) Examine the role and membership of the Inter-Departmental Working Group and assess if and how the IDWG could be better utilised during the proposal selection and submission of report process (and whether the IDWG should have a broader role including in driving towards WHOG policy coherence).
- e) Summarise lessons learned from implementation of GAF projects from the perspective of NZ government agencies, counterpart organisations and beneficiaries/local communities. Consider how NZAID can better assist government agencies with implementation of projects in-country.
- f) Consider how the implementation of GAF projects could better meet principles of donor coordination and harmonisation.
- g) Consider the trend for government agencies to apply for additional phase funding and recommend an appropriate process for determining the merits of further funding and the process for undertaking reviews or evaluations and consider what the reviews and evaluations should focus on.
- h) Are the monitoring and evaluation systems of the GAF adequate to identify contributions by GAF projects to development outcomes, value for money and timely management of risk? Make recommendations for improvement (see 3d below) including how counterpart organisations can be involved in this process.
- i) Consider whether the eligible activity-specific costs stipulated in the guidelines are appropriate and make recommendations for any changes to eligible costs.
- j) Consider how the likelihood of project sustainability can be increased throughout all phases of the activity cycle, with a particular focus on the project identification and assessment phases.

### **Objective 3: Documentation**

- a) Examine the GAF guidelines (which include the application form) and in the light of the information gained through objectives 1 and 2, prepare a new application form/guidelines.
- b) Examine the GAF selection criteria and in the light of the information gained through objectives 1 and 2, prepare new selection criteria.
- c) Create a process map/flow chart to document the process for the identification and assessment of proposals that could be applied in a variety of contexts.
- d) Undertake an analysis of the quality of reporting to NZAID (i.e. annual and project completion reports) by NZ government agencies and the quality of NZAID reporting templates provided to government agencies. Prepare new templates based on the outcome of the analysis with regard to NZAID's Activity Monitoring and Evaluation Guidelines.

## ***Review data sources***

Tables below summarise the data sources for the review and indicates the objectives and questions they will inform. The following section details the information collection methods.

Table A: Objective 1 - Focus and scope of fund – alignment of review questions by data sources											
Review questions	Document analysis  Ref docs P11- 12	New Zealand Interviews						In-country interviews			
		NZAID senior managers	NZAID GAF assessors / programme managers	IDWG	AusAid (PGSP), MFAT (PSF)	Government agencies (accepted / declined)	Ineligible agencies	NZAID Post	Aid Coordination Divisions	Partner government agencies	Local stakeholders
GAF's alignment with original mandate	1, 29-30	✓	✓	✓	✓	✓		✓		✓	✓
Relevance of mandate and alignment with NZ's Pacific Strategy	2-9, 29-30	✓	✓	✓	✓	✓	✓	✓	✓		
Effectively meeting WhoG and policy coherence objectives	2, 9 – 12, 21	✓	✓	✓	✓	✓		✓			
Right mechanism for engaging NZ govt agencies in ODA activities	2, 21-22, 29-30	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Facilitate greater synergy with bilateral and regional programme activities	2,4,7-8, 21, 25-28	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Explore tension between the objectives of NZ govt agencies and NZAID's objectives	2,6,22	✓	✓	✓	✓	✓	✓	✓			
Extend eligibility to universities and local governments	2,6,22	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Better complement other funds including PSF, AusAID's PGSP	2,23-28	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Funding timeframe for GAF projects	2,4,22,25-30	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fund project development activities eg scoping studies	2,22,29-30	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

<b>Table B: Objective 2 - Systems and processes – alignment of review questions by data sources</b>											
Review questions	Document analysis	New Zealand Interviews						In-country interviews			
		NZAID senior managers	NZAID GAF assessors/programme mgrs	IDWG	AusAid (PGSP), MFAT (PSF)	Government agencies (accepted / declined)	Ineligible agencies	NZAID Post	Aid Coordination Divisions	Partner government agencies	Local stakeholders
Improve application and approval process	2,3,6,13,14,16,17,19		✓	✓		✓		✓	✓	✓	
Improve feedback on proposals (Wellington and at Post)	2,14		✓	✓		✓		✓	✓	✓	
Current and future role of NZAID staff at Post		✓	✓	✓	✓	✓		✓	✓	✓	
Current and future role and membership of IDWG	2,14	✓	✓	✓	✓	✓		✓			
Lessons from implementing GAF projects	2,29-30		✓	✓		✓		✓	✓	✓	✓
How to better meet principles of donor coordination and harmonisation	2,14, 20, 25-30	✓	✓	✓	✓	✓		✓	✓	✓	✓
Trend and process for applying for additional phase funding	2,25-30		✓	✓	✓	✓		✓	✓	✓	✓
Monitoring and evaluation to identify contributions to development outcomes, value for money and risk management	2,13-15,29-30	✓	✓	✓	✓	✓		✓	✓	✓	✓
Appropriateness of eligible activity-specific costs				✓		✓					
Increasing project sustainability throughout all phases of activity cycle		✓	✓	✓	✓	✓		✓	✓	✓	✓

### Objective 3: GAF documentation revision data sources

Review objective 3 focuses on the documentation relating to the GAF's management, application process and monitoring, specifically revisions to the guidelines, application forms, selection criteria, process map and reporting templates. Information collected across objectives 1 and 2 will, as relevant, inform these revisions.

#### **Review Methodology**

As indicated in the previous section, a range of data sources is being drawn on to address the review's objectives and associated questions. This approach will enable the triangulation of review findings across GAF's key stakeholders and the GAF funding, implementation and project completion cycle. The NZAID Guidelines about what can be counted as Overseas Development Assistance and the DAC criteria for evaluation of development assistance: relevance, efficiency, effectiveness, impact, and sustainability will be used to assess the GAF focus and scope; systems, processes, governance and guidelines; and documentation.

#### **Documentation analysis**

Documentation analysis will inform the review in four areas:

- *Analysis of GAF data* including, but not limited, to:
  - The number of proposals received and proportion of acceptances and declines by government agencies in total and by funding round.
  - The types of activities funded in total and by funding round.
  - The geographical spread of GAF funding classified as bilateral, multi-country and Pacific Regional.
  - The proportion of fund allocated by activities across financial years and by geographical location.
- *Analysis of wider supporting documentation* to inform specific review questions including (but not limited to):
  1. NZAID (2008) Review of the New Zealand Government Agencies Fund (GAF).
  2. NZAID (2005) Allocations of New Programme Funding for 2005/06.
  3. NZAID (date unknown) New Zealand Government Agencies Fund Guidelines.
  4. OECD (DCD-DAC) (2005) The Paris Declaration: Indicators of Progress
  5. DAC Network (2006) DAC Evaluation Quality Standards (for test phase application).
  6. NZAID (date unknown) Guidelines Around Whether Expenditure Can be Counted as Overseas Development Assistance.
  7. Pacific Islands Forum Secretariat (2005) The Pacific Plan for Strengthening Regional Cooperation and Integration.
  8. Pacific Islands Forum Secretariat (2008) Thirty-Ninth Pacific Islands Forum, Alofi, Niue, Forum Communiqué.

9. New Zealand Government (2007) Pacific Strategy 2007 -2015. Te Ara Tupu – the pathway of growth. Tackling Poverty in our Region (published booklet, NZAID)
  10. NZAID (2007) New Zealand and Developing Countries. Inter-Agency Policy Coherence to Improve Development.
  11. NZAID (2008) Whole of Government Coherence for Development. Operationalising ODA Coherence Paper for Discussion.
  12. NZAID (2008) A Strategy for Action to Improve Policy Coherence for Development 2006/07 to 2009/10.
  13. NZAID (2007) Revision to NZ Government Agencies Fund Guideline.
  14. NZAID (2008) NZAID Funding - Government Agencies Funding process.
  15. NZAID (2008) NZAID Guideline on the Structure of Review and Evaluation Reports.
  16. NZAID (date unknown) Key Terms and Concepts of Development and Activity Design. Informal note for applicants to the New Zealand Government Agencies Fund.
  17. NZAID (date unknown) Guidance for Lead Assessors – New Zealand Government Agency Fund Proposals.
  18. New Zealand Government Agencies Fund (date unknown) Advice to Departments on Accounting for Initiatives under New Zealand Government Agencies Fund.
  19. NZAID (date unknown) Screening Guide for Mainstreamed and Other Cross-Cutting Issues in NZAID Programmes and Activities.
  20. NZAID (2008) Memorandum of Understanding, New Zealand Government Agencies Fund.
  21. NZAID (2008) Pacific Group, Regional Growth and Governance Programme, New Zealand Government Agencies Fund (GAF) Annual Plan 2008/09
  22. Murray Petrie (2008) The Blurring of the Domestic/International Boundary in Public Management: Capacity-Building Activities by NZ Government Agencies in the South Pacific. Victoria University.
  23. Treasury (date unknown) New Funding Mechanism for Security in the Pacific.
  24. Ministry of Foreign Affairs and Trade (date unknown) Pacific Security Fund (PSF) - Management process and requirements.
  25. AUSAID Chris Wheeler (date unknown) Pacific Governance Support Program independent Completion Report.
  26. AUSAID (2007) Pacific Governance Support Program (PGSP) Draft Review Report.
  27. AUSAID (2008) Guidelines for Public Sector Linkages Program.
  28. AUSAID (2008) Pacific Governance Support Program Redesign, Draft Terms of Reference.
- *Quality review of 12 GAF applications* (8 successful and 4 unsuccessful) across the funding rounds (ie two applications per round). The focus of this review will be to consider enhancements to guidelines and application process to enhance the quality of proposals received.
    - Ministry of Health. Round 1. Pacific Regional Alcohol Policy Project. Sustainable Land Use Planning. Declined.
    - Ministry of Education. Round 1. Treaty of Friendship: Development of Shared Teaching Resources. Approved conditionally.

- MORST. Round 1. Developing capability in the Cooks for sustainable land use planning. Declined.
- Ministry of Health. Round 2. Paediatric Oncology Partnership in the Pacific. Approved.
- MAF. Round 3. Sea Container Pathway Management. Declined.
- Department of Labour. Round 6. Consolidating Pacific States' Participation in the Recognised Seasonal Labour Scheme. Declined.
- Crown Law. Round 6. Samoan Prosecution Programme: Training and Evaluation. Approved.
- Proposals of the nine GAF projects below were also analysed.
- *Review of at least 9 GAF projects* from their initial application, approval, implementation and if occurred completion (ie the complete GAF cycle). Three projects will be selected for each Pacific Country being visited for the review (ie Rarotonga, Samoa and Vanuatu). Projects will be selected to ensure a mix of bilateral, multi-country and Pacific Regional projects and New Zealand government agencies. The selection and assessment of these projects will enable the identification of appropriate in-country stakeholders to talk as well as the tailoring of questions about the project's selection, value to the country and its implementation, particularly the lessons learnt.

#### **Vanuatu GAF Projects:**

- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.
- MAF. *Pacific Export Treatment Systems (PEST) Programme*. Vanuatu, Samoa, Tonga. Round 5.
- MFAT: PAC: *Support for the Introduction of Pacific Seasonal Work Scheme*. Vanuatu, Kiribati, Tuvalu, Tonga, Samoa. Round 3.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3

#### **Cook Islands GAF Projects:**

- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.
- Health Research Council/MORST. *Building an infrastructure for research in the Cook Islands*. Round 1.
- Human Rights Commission. *Human Rights Support for the Cooks, Niue and Tokelau*. Round 1.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3
- NZ Fire Service: *Community Fire Risk Initiative*, Cook Islands. Round 4.

#### **Samoa GAF Projects:**

- Crown Law. *Samoa Prosecution Support Programme*. Round 1.



- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.
- MFAT: PAC: *Support for the Introduction of Pacific Seasonal Work Scheme*. Vanuatu, Kiribati, Tuvalu, Tonga, Samoa. Round 3.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3
- SPARC. *Samoa Sports Support Project*. Samoa. Round 1.

## Stakeholder Analysis

Stakeholder	Interest (stake)	Type of stakeholder
NZAID Staff in New Zealand	Contracted the review. ODA expertise. Manage and oversee GAF. Knowledge of GAF systems and process. View of rationale, current progress and future direction. Views on WhOG/ODA, harmonisation. Views bilateral/regional. View regarding expansion of scope and eligibility. View of lessons learnt.	Primary
IDWG members	Experience at the governance level. View of rationale, current progress, future direction and future governance. Views on WhOG, harmonisation. View regarding expansion of scope and eligibility	Primary
Eligible Government Agencies	Experience at the application and implementation levels. View of rationale. View on whether GAF fulfilled its purpose, view on future process. View regarding expansion of scope and eligibility. View of lessons learnt. Some understanding of ODA	Secondary
Ineligible Agencies	View of rationale. View regarding expansion of scope and eligibility	Tertiary
NZAID staff (post)	View of rationale. View on future process and timing and level of engagement. Views bilateral/regional. Views on monitoring and review of projects.	Primary
Other funds (AusAID/PGSP, MFAT/PSF)	Views on ODA, harmonisation. Views bilateral/regional. View regarding expansion of scope and eligibility. View of lessons learnt.	Tertiary
Partner Countries: Aid Coordination	Experience of processes of this and other funds. View of rationale. View on future process, level and timing of engagement. Linkage with National development Plans. Resource implications. Views bilateral/regional. Views on donor harmonisation, knowledge of capability of implementing and costs for their agencies on localising projects. View of lessons learnt.	Primary
Partner countries: Partner Agencies	Experience of processes of this and other funds. View of rationale. View on future process, level and timing of engagement. Linkage with National development Plans. Resource implications. View of lessons learnt.	Primary

## ***Interviews with key stakeholders***

Feedback from stakeholders about the focus, scope of GAF and its systems and processes is a core component of this review. In line with the development principles, the interviews will be conducted with key stakeholders both in New Zealand and in three Pacific Countries where GAF projects have and are being implemented. NZAID requested the review include Rarotonga, Samoa and Vanuatu – thus covering both Polynesian and Melanesian countries. We will contact stakeholders in New Zealand by email and then followup with a phone call; and we will seek support from within NZAID to contact NZAID and MFAT staff. We intend to seek names and contact information from New Zealand Agencies involved in project implementation. We will pass this information to NZAID and request it to forward this to staff at Posts and ask them to set up In Country interviews for us.

We will collate the interview information into themes. We will triangulate and critically assess the robustness of different sources of information in relation to the five DAC criteria for evaluation.

The sample frame below has been structured to gain both strategic governance perspectives of the GAF as well as implementation insights.

## ***New Zealand interviews***

### **NZAID staff in New Zealand**

10 interviews or group discussions will be conducted with NZAID staff in Wellington including:

- *Interviews with senior management* who were initially responsible for GAF's establishment and its ongoing management to obtain a strategic overview of the Fund, its evolution, alignment with other contestable development funds and suggested future directions.
- *Group discussion with NZAID staff* who are involved in the assessment of applications to identify lessons learnt and enhancement to management processes.
- *Group discussion with NZAID programme managers and staff* responsible for the three Pacific Countries included in the review and the Pacific Regional Programme to gain their perspective of how the GAF projects align with NZAID programme for the country.

### **IDWG members**

10 interviews or paired interviews will be conducted with IDWG members to gain a strategic perspective on the GAF and its management from a government agency perspective.

The following members were selected to include agencies who have submitted no applications to those with multiple applications across the six rounds. Suggested IDWG members for inclusion are:

- Customs

- Department of Conservation
- Human Rights Commission
- Ministry for the Environment
- Ministry of Fisheries
- Ministry of Health
- MFAT
- Ministry of Defence
- New Zealand Police
- Treasury.

Note: If not available during the review period, agencies will be replaced by Statistics New Zealand, Ministry of Economic Development, or Ministry of Agriculture and Forestry (MAF).

### **Eligible Government agencies**

25 interviews or group discussions with eligible Government agencies who have submitted an application to the GAF. These interviews will place focus on the application and implementation process of GAF.

Government agencies will be selected to include a mix of the following variables:

- Accepted and declined applications
- Single versus multiple applications
- Mix of application by activity type and geographical focus (ie bilateral, multi-country, Pacific regional)
- Completed, ongoing, extended or likely to seek further funding.

A list of 18 agencies has been selected. Note: 25 agencies were not selected as it is likely that for agencies such as the Ministry of Health, MFAT and MORST who have had more than eight projects funded, we may need to conduct multiple interviews, if it is not feasible to get everyone together for a group discussion.

The following government agencies selected to be included in the review are:

- Crown Law
- Customs
- Department of Conservation
- Department of Labour
- Human Rights Commission
- MAF
- MED
- MFAT
- Ministry of Education
- Ministry for the Environment

- Ministry of Health
- Ministry of Justice
- MORST
- Ministry of Pacific Island Affairs
- Ministry of Youth Development
- New Zealand Fire Service
- Police
- SPARC.

Note: This list of Government agencies may change following NZAID's review of the nine selected GAF projects to inform the review in the each of the Pacific Countries being visited. Interviews will be sought with these agencies to gain an understanding of the application and implementation process and lessons from their perspective about these projects before conducting in-country visits. Amendments may also occur due to people not being available during the review period.

### **Ineligible agencies**

Five interviews will be conducted with ineligible agencies including tertiary institutions, local government and Crown Research Institutes. These interviews will focus on exploring the current eligibility criteria.

The following agencies will be invited to participate in the review:

- Massey University
- Local Government New Zealand
- Manukau City Council
- National Institute of Water & Atmospheric Research (NIWA)
- Landcare.

### **Other key informants**

To gain insight and comparison with other contestable fund, interviews will be conducted with AusAID about the PGSP and with MFAT about the PSF.

### ***In-country interviews***

Six to nine in-country interviews will be conducted with NZAID staff at Post, Aid Coordination Divisions, partner government agencies and implementing agencies, and NGOs, where appropriate. If it is not possible to have face-to-face interviews we will attempt to carry out the interview by phone or by email. In-country discussions with government and implementing agencies will focus on systems, processes and governance of specific projects detailed below as well as role of the GAF with partner countries development strategies and priorities.

The following project have been selected as they represent a mix of Pacific Regional, clusters of Pacific Countries and country specific (ie bilateral) projects and completed and current projects. The names of the contact people in implementing agencies will be sought from the relevant New Zealand Government agency and we will forward this to via NZAID to Posts.

### ***In-country interviews***

Six to nine in-country interviews will be conducted with NZAID staff at Post, Aid Coordination Divisions, partner government agencies and implementing agencies, and NGOs, where appropriate. In-country discussions with government and implementing agencies will focus on systems, processes and governance of specific projects detailed below as well as role of the GAF with partner countries development strategies and priorities.

The following project have been selected as they represent a mix of Pacific Regional, clusters of Pacific Countries and country specific (ie bilateral) projects and completed and current projects. The names of the contact people in implementing agencies will be sought from the relevant New Zealand Government agency.

#### **Vanuatu GAF Projects:**

- Ministry of Health, Drinking-water quality management capacity building in Pacific Island Countries Phase 2, Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO.
- Customs: Customs International Executive Development Programme, Pacific Regional (OCO member countries).
- MFAT (PAC: Support for the Introduction of Pacific Seasonal Work Scheme, Vanuatu, Kiribati, Tuvalu, Tonga, Samoa. Yes
- MAF: Pacific Export Treatment Systems (PEST) Programme: Vanuatu, Samoa, Tonga.

In-country meetings to include:

- NZAID Post: NZAID Managers, Development Programme Coordinators and Immigration staff
- Aid Coordination section of the Government of Vanuatu
- Central Government Agency: Public Service Commission
- Ministry of Works, Ministry of Health, Water Authority
- Ministry of Revenue (Customs)
- Ministry of Commerce Industry and Labour, Church Groups, NGOs and Immigration staff at NZHC
- Ministry of Agriculture and Fisheries, Port Authorities.

#### **Cook Islands GAF Projects:**

- Office of Prime Minister. Building an infrastructure for research in the Cook Island Health Research Council; MORST

- Ministry of Health, Drinking-water quality management capacity building in Pacific Island Countries Phase 2, Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO.
- Customs: Customs International Executive Development Programme, Pacific Regional (OCO member countries).
- Human Rights Commission: Human Rights Support for the Cooks, Niue and Tokelau.
- NZ Fire Service: Community Fire Risk Initiative, Cook Islands.

In-country meetings to include:

- NZAID Post: NZAID Managers and the Development Programme Coordinator
- Aid Coordination section of the Government of Cook Islands
- Central Government Agency: Public Service Commission
- Ministry of Works, Ministry of Health, Water Authority
- Ministry of Revenue (Customs)
- Ministry of Justice
- Airport Authority Cook Is, Volunteer Fire Brigade at Puaikura village, Vaka Council.

#### **Samoa GAF Projects:**

- Ministry of Health, Drinking-water quality management capacity building in Pacific Island Countries Phase 2, Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO.
- Office of the Attorney General: Samoa Prosecution Support Programme
- Customs: Customs International Executive Development Programme, Pacific Regional (OCO member countries).
- MFAT PAC: Support for the Introduction of Pacific Seasonal Work Scheme, Vanuatu, Kiribati, Tuvalu, Tonga, Samoa.
- SPARC, Samoa Sports Support Project, Samoa.

In-country meetings to include:

- NZAID Post: NZAID Managers, Development Programme Coordinators and Immigration staff
- Aid Coordination section of the Government of Samoa
- Central Government Agency: Public Service Commission
- Ministry of Works, Ministry of Health, Water Authority
- Ministry of Education; Sports and Culture, SASNOC
- Office of the Attorney General.
- Ministry of Revenue (Customs)
- Ministry of Commerce Industry and Labour, Church Groups, NGOs and Immigration staff at NZHC

## ***Recruitment and interview process***

### ***New Zealand interviews***

Due to promotion by NZAID, many New Zealand stakeholders are aware of the review and have indicated a willingness to participate. The following process will be used to recruit participants (note tools mentioned are in the Review Tools section):

- An email will be sent to participants offering further explanation of the review, inviting them to participate in the review, and informing them of the interview times available.
- Follow-up phone calls will then be made to seek agreement to participate, confirm interview time and the person who will be conducting the interview.
- Those agreeing to participate will receive an email confirmation of the date, time and location of interview along with the interview guide..
- It is expected the interview will last around one hour and be held at a convenient location. Note: New Zealand interviews outside of Wellington will be conducted by phone.
- Interviews with participants' permission will be digitally recorded and securely stored at Litmus and Projects and People.
- The first five interviews will be jointly conducted by Liz and Dianne to pilot the discussion guides and ensure consistency of approach.
- Emails/ letters of thanks will be sent on completion of the interview.
- If needed, some follow-up calls may be undertaken to address any unanswered questions or inconsistencies.

### ***In-country interviews***

The review team will seek support from NZAID staff at Posts to identify relevant participants at the organisations identified above. The review team will receive pre and post-interview briefings with NZAID staff at Post.

Given their networks and existing relationships, NZAID staff at Posts will arrange 60 minute interview with key stakeholders using processes and protocols appropriate for the country and the stakeholders being approached. To assist this process, the review team has developed an information sheet, consent form, interview confirmation letter and discussion guides. It is expected that NZAID staff at Post will use these tools as appropriate to the stakeholders invited to participate and to secure participation in the review.

Interviews will be digitally recorded with participants' permission and securely stored.

On completion of interviews in country, the review team will send emails/letters of thanks.

All tools are noted above are in the Review Tools in-country section.

## Review Timing

Week commencing	Task
15-Sep	Review of NZAID documentation and databases Briefing meeting with NZAID Design NZAID discussion guide
22-Sep	Development of draft Evaluation Plan Interviews with key NZAID staff about the development and evolution of GAF
29-Sep	Recruitment of government agencies
6-Oct	Document preparation for government agency interviews Finalisation of Evaluation Plan based on NZAID feedback
13-Oct	Interviews with government agencies, NZAID etc (n=46) Liz and Dianne to jointly attend first five pilot interviews Revision of research tools based on pilot interviews Remaining 41 interviews split between Dianne and Liz
20-Oct	Completion of government agency interviews Analysis and high level debrief to NZAID Project management for travel to the Pacific
27-Oct	Offshore interviews in Vanuatu
3-Nov	Offshore interviews in Rarotonga
10-Nov	Offshore interviews in Samoa
17-Nov	Analysis and synthesis of data streams
24-Nov	Analysis and synthesis of data streams
1-Dec	Draft report and development of new application form, guidelines, reporting templates, process maps
8-Dec	Finalise report based on collated and written feedback from NZAID
15-Dec	IDWG preparation and presentation (date to be confirmed)

## Ethics and Risk Mitigation

### Ethical standards

Liz Smith of Litmus and Dianne Hendey of People and Projects are members of the Australasian Evaluation Society. As such, we operate under their code of ethics.

The Review Team are experienced evaluators, incorporate participative approaches and apply the guidelines recommended by the Development Assistance Committee of the OECD (DAC/OECD) to ensure 'good practice and aim to improve the quality of development intervention evaluations'.<sup>40</sup>

<sup>40</sup> DAC Evaluation Quality Standards, DCD/DAC/EV (2006)2, 07 March 2006 English Version



We will place great emphasis on maintaining client and participant confidentiality. We will actively seek to maintain client confidentiality and ensure client information received is used solely for the purposes for which it is provided.

### ***Risks and mitigation strategies***

We have identified a number of risks for the review, which are detailed in the table below together with suggested mitigation strategies.

<b>Potential risks</b>	<b>Mitigation strategies</b>
Limitations of literature/ documents/ records as an information stream: <ul style="list-style-type: none"> <li>▪ Difficulties retrieving/ accessing relevant documents</li> <li>▪ Reporting/ author bias in documents reviewed</li> <li>▪ Biased selection of documents to be reviewed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Where applicable, we and NZAID will use internal expertise and project team/ organisational networks to identify documents of relevance to the project</li> <li>▪ Validity of documents will be carefully scrutinised to determine their origin and accuracy, and avoid incorrect or biased data. To this end, documents will be corroborated by evidence from other sources</li> </ul>
Lack of willingness to participate amongst key stakeholders	<ul style="list-style-type: none"> <li>▪ We use an informed consent process to ensure participants have a clear understanding of the review and their right to withdraw. In addition, we will use:                             <ul style="list-style-type: none"> <li>– Careful recruitment processes to establish trust and build rapport</li> <li>– Clear communication about potential usefulness of the review</li> <li>– Reassurances on confidentiality</li> <li>– Reminder emails</li> <li>– We will work with Post in-country to identify key participants and seek their involvement</li> </ul> </li> </ul>
Participants not available during review period	<ul style="list-style-type: none"> <li>▪ If not available, we will seek to make appropriate replacements in discussion with NZAID and Post</li> <li>▪ Where appropriate, we will work with in-country connectors to encourage participation</li> </ul>
Potential limitations of review approach: <ul style="list-style-type: none"> <li>▪ Lack of rigour and validity, development of premature conclusions</li> <li>▪ Inconsistent application of data collection and/ or analysis approaches by different members of project team</li> </ul>	<ul style="list-style-type: none"> <li>▪ We will agree with NZAID the protocols before entering the field (as detailed in this document)</li> <li>▪ Piloting of interview schedules to ensure they will deliver the information sought</li> <li>▪ Clear and frequent communication between Liz and Dianne and regular debriefs with NZAID</li> </ul>
Limitations of interviews and groups as an information stream: <ul style="list-style-type: none"> <li>▪ Bias due to poor questions</li> <li>▪ Response bias</li> </ul>	<ul style="list-style-type: none"> <li>▪ We use appropriate open-ended questioning, prompts to aid recall and probing to clarify uncertainties and inconsistencies</li> <li>▪ We will ensure interview and group notes faithfully portray participant feedback</li> </ul>

Potential risks	Mitigation strategies
<ul style="list-style-type: none"> <li>▪ Incomplete recollection</li> <li>▪ Reflexivity (participant reflects what interviewer wants to hear)</li> </ul>	<ul style="list-style-type: none"> <li>▪ We will transcribe around 40 interviews</li> </ul>
<ul style="list-style-type: none"> <li>▪ Potential to breach participants' privacy and confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>▪ Use of informed consent procedures</li> <li>▪ Participants are aware of any instances where guarantees of confidentiality cannot be made</li> </ul>
Breaching cultural protocols	<ul style="list-style-type: none"> <li>▪ Receive pre-brief meeting from NZAID Post before commencing interviews</li> <li>▪ Drawing on Dianne's extensive in-country experience to ensure appropriateness of process</li> </ul>
Damage to existing relationships through review process	<ul style="list-style-type: none"> <li>▪ Use of a senior and experienced review team with expertise in conducting interviews with senior government officials and in-country interviews and who have the maturity to deal with any sensitive issues arising</li> <li>▪ Reporting to Ginny Chapman of any sensitive issues arising; providing this action does not breach participant confidentiality</li> <li>▪ Debriefing with NZAID Post on completion of interviews to highlight any relationship issue arising or other relevant matters</li> </ul>
Delays in field or travel impact adversely on delivery of draft report	<ul style="list-style-type: none"> <li>▪ Use of project management skills to ensure project stays to timeframe</li> <li>▪ Reporting to Ginny Chapman any slippages in timeframe, reasons for occurring and if possible strategies to mitigate their effect</li> </ul>
NZAID is unable to offer timely response and contribution to the review	<ul style="list-style-type: none"> <li>▪ NZAID to provide written feedback on the draft report within 10 working days of receipt of the draft report</li> </ul>

## **Review Tools – NZ Stakeholders**

### **Information sheet New Zealand**

NZAID is undertaking a formative review of the Government Agencies Fund (GAF). The review will focus on the fund's structure and functioning, and test whether, at the policy level, it is likely to meet its objectives. The review objectives are:

1. **Focus and scope of the fund:** testing how appropriate are the focus and scope of the fund, bearing in mind aid effectiveness principles.
2. **Systems, processes, governance and guidelines:** assessing whether the institutional systems and processes established to manage the fund are effective, relevant and appropriate.
3. **Documentation:** design of a new application form and any associated documents, and project reporting templates including annual report and project completion report.

The review will:

- Examine a selection of funding applications, proposal appraisals, annual and project completion reports since the fund was established to determine whether the fund is operating as intended.
- Examine fund guidelines (including criteria), reporting templates and related policy documents.
- Involve interviews with a range of government agencies who have been approved and declined funding through the GAF and those ineligible to apply.
- Involve field visits to selected Pacific Island countries to meet with counterpart organisations, representatives of partner governments including Aid Coordination Units, beneficiaries/local communities, and NZAID staff at Post who have been involved in the management of projects.

We are seeking your participation in this review. This will involve a one hour discussion with either Liz Smith of Litmus or Dianne Hendey of People and Project. The interviews will be held at a convenient time and location.

We will use an interview agenda to guide the discussion. An overview of questions will be sent to you before the interview.

With your permission the interview will be taped for analysis purposes. Tapes, notes, and summaries will be stored securely at Litmus and People and Projects. Information will be used to address review objectives. You can withdraw from the review at any time. Your details will remain confidential. No information in the review report will be attributed to you. A copy of the final review report will be made available on NZAID's website next year.

If you have any questions about the Review, please contact:

- Virginia Chapman, Manager, New Zealand Government Agencies Fund, NZAID, [ginny.chapman@nzaid.govt.nz](mailto:ginny.chapman@nzaid.govt.nz) +64 4 439 8832,
- Liz Smith, Partner, Litmus [liz@litmus.co.nz](mailto:liz@litmus.co.nz), +64 4 4733885
- Dianne Hendey, Director, People and Projects, [hendey@peopleandprojects.co.nz](mailto:hendey@peopleandprojects.co.nz) +64 4 383 9947.

### ***Introduction email – New Zealand Stakeholders***

Tēnā koe <name>

As you may be aware, NZAID is undertaking a review of the Government Agencies Fund. The purpose of the review is threefold, specifically to examine whether:

1. GAF remains in line with its original mandate and objectives.
2. Systems and processes to manage the fund are effective, relevant and appropriate.
3. GAF is the most appropriate mechanism for New Zealand government agencies engaging in delivery of ODA and for meeting New Zealand Whole of Government (WhoG) objectives, while contributing to development outcomes.

This formative review will not consider the effectiveness of individual projects within the fund.

Litmus and People and Projects, independent consultants, have been commissioned to conduct this review. As a key stakeholder, we wish to invite you to participate in the review of the GAF. This will involve a 60 minute face-to-face or phone interview with Liz Smith, Litmus or Dianne Hendey, People and Projects. We attached an information sheet and consent form offering more details about the review.

We will be undertaking interviews with key stakeholders between the 13 and 24 October. Please confirm by return email whether you wish to participate and your availability. Dianne Hendey or I will call to follow up this email and agree a time to talk.

If you have any queries about review, please call either:

- Dianne Hendey, Director, People and Projects, hendey@peopleandprojects.co.nz +64 4 383 9947
- Virginia Chapman, Manager, New Zealand Government Agencies Fund, NZAID, ginny.chapman@nzaid.govt.nz +64 4 439 8832,

Your views are important in informing the review. We hope you will be willing to take part.

Nāku noa, nā

### ***Recruitment script***

Hello, can I please speak to ----- . My name is Fleur Chauvel from Litmus, an independent consultancy. I am calling following up an email you recently received requesting your participation in the review of the Government Agencies Fund.

Are you willing to participate in the review of the GAF?

Are there other people in your organisation who would like to contribute to the review? We are happy to run a group discussion, if they are free to participate.

If needed:

- The interview will last around 60 minutes.
- Interviews are being conducted between 13 and 24 October

If agree:

- Agree date and time of interview against scheduled interview times for Liz and Dianne
- Confirm location if face-to-face interview or contact number if phone interview
- Confirm who will be conducting the interview – Liz or Dianne
- Inform we will send email confirmation together with the interview questions
- Confirm they have contact details in case need to reschedule the interview.

If they do not agree, ask reasons for not wishing to participate.

Close with thanks.

## **Confirmation email**

Thank you agreeing to participate in the review of the Government Agencies Fund.

As agreed the details of your interview are *(Insert location, date, time, special requirements)*.

For your information, we attach an information sheet about the review, the question areas and the consent form.

Please contact me, if for any reasons, you need to reschedule this interview time.

Dianne/Liz looks forward to meeting and talking to you about the GAF.

Nāku noa, nā

Fleur Chauvel  
Associate Director  
Litmus

## **Email of thanks**

### **RE: Review of the Government Agencies Fund (GAF)**

Many thanks for contributing to the review of the GAF. The information you shared with us is very useful in addressing the review objectives.

As mentioned during the interview, the final review report will be made available on the NZAID website next year.

If you have any further questions about the review, please contact.

- Virginia Chapman, Manager, New Zealand Government Agencies Fund, NZAID, [ginny.chapman@nzaid.govt.nz](mailto:ginny.chapman@nzaid.govt.nz) +64 4 439 8832,
- Liz Smith, Partner, Litmus [liz@limus.co.nz](mailto:liz@limus.co.nz), +64 4 4733885
- Dianne Hendey, Director, People and Projects, [hendey@peopleandprojects.co.nz](mailto:hendey@peopleandprojects.co.nz) +64 4 383 9947.

Thank you again for your time and contribution.

Nāku noa, nā

Liz Smith  
Partner  
Litmus

Dianne Hendey  
Director  
People and Projects

**Consent form**

I (insert name) .....

of (insert address) .....agree to participate in this project, as outlined in the information provided to me by Litmus and People and Projects. I understand that:

- My participation in the project is voluntary and I can withdraw at any time.
- Whether or not I participate will not affect any current or future relationships with NZAID or other government agencies.
- The process followed by Litmus and People and Projects will seek to keep my information confidential. No information in the review report will be attributed to me.
- I am aware my name, title and organisation will be listed in the appendix of the review report as having participated in the review.
- I can request any information collected from me to be withdrawn at any time up until the reporting stage.
- If I withdraw, I can request that any information collected from me to be returned or destroyed.
- The interview with my permission will be taped, and may be transcribed.
- I have the right to request a copy of the audio or transcript of my discussion.
- Digital recordings, notes, and summaries will be stored securely at Litmus and People and Projects and will not identify me.

I have read the information sheet and this consent form, and been given the opportunity to ask questions. I give my consent to participate in this review.

Participant’s signature: \_\_\_\_\_

Date: \_\_\_\_\_

I would like to receive a copy of my interview.

Yes  No

I agree to be listed in the appendix of the review report.

Yes  No

## Discussion Guides

These discussion guides are indicative of the relevant subject matter to be covered. They are designed to allow freedom to discuss any additional relevant topics which may arise.

To focus the interview, participants will be asked to select the question areas of greatest relevance to their role and involvement in GAF.

### NZAID Senior Management Team

#### 1. Historical and contextual information about the GAF

- For what reasons did GAF come about?
  - Desired outcomes for NZAID; WhoG; government agencies; partner agencies
  - Initial design / set up of GAF
  - Purpose and terms of reference for the IDWG
  - Processes for and promotion of GAF
- How did GAF evolve over the last three years?
  - How has original mandate evolved?
  - Drivers of change, especially since 2007.

#### 2. GAF's mandate

- What was GAF's original mandate?
- To what extent is GAF, in 2008, aligned with its original mandate and objectives?
- How, if at all, does the original mandate for GAF need to evolve?
  - To what extent is the fund aligned with the Government's Pacific Strategy?

#### 3. WhoG and policy coherence

- How, if at all, is GAF meeting WhoG and policy coherence objectives?
- To what extent is there tension between the objectives of NZ government departments and NZAID's objectives?
- How does the role of IDWG need to evolve to meet WhoG and policy coherence objectives?
- How can project sustainability be increased particularly during project identification and assessment phases?

#### 4. GAF the right ODA mechanism for government agencies

- What are the different mechanisms / models for engaging government agencies in ODA activities?
- What is the best mechanism / model for engaging New Zealand government agencies in ODA activities?
  - Is GAF the best mechanism for engaging New Zealand government agencies in ODA activities? What are its strengths? Risks?

- What is GAF's role in the management of the funding and implementation of projects to facilitate greater synergy with bilateral and regional programme activities?
  - How could GAF better align and support individual country programme strategies / national development plans and regional plans such as the Pacific Plan?
- How does / could GAF complement:
  - The Pacific Security Fund managed by MFAT?
  - Any new mechanism for funding Pacific Security Sub-Sectoral Strategy work?
  - AusAID's Pacific Governance Support Programme?
  - Management of potential overlaps

## 5. Parameters of GAF

- *Eligibility criteria:* Who should have access to GAF?
  - Extend eligibility to universities and local governments?
  - Allow New Zealand government agencies to sub-contract to consultants and public or private sector organisations operating commercially?
- *Assessment criteria:* What are the appropriate assessment criteria for GAF proposals?
- *Timeframe:* What is the appropriate funding timeframe for GAF projects?
- *What are the implications* for GAF if eligibility and scope are widened?
- *Scope of GAF:* What should GAF fund?
  - Project development activities eg scoping studies?
- *Role of NZAID Post:* What is the preferred role of NZAID at Post?
- *Role of partners:* What is the preferred role of partner governments and Aid Coordination Units?

## NZAID assessors and programme managers

### 1. GAF's mandate

- What was GAF's original mandate?
- To what extent is GAF, in 2008, aligned with its original mandate and objectives?
- How, if at all, does the original mandate for GAF need to evolve?
  - To what extent is the fund aligned with the Government's Pacific Strategy?

### 2. WhoG and policy coherence

- How, if at all, is GAF meeting WhoG and policy coherence objectives?
- How can project sustainability be increased particularly during project identification and assessment phases?
- To what extent is it necessary for the NZAID and AusAID funds to harmonise with regard to rationale and processes? How to prevent overlap?

### 3. GAF the right ODA mechanism for government agencies



- What are the different mechanisms / models for engaging government agencies in ODA activities? Explore options strengths and weaknesses:
  - Option 1: The GAF
  - Option 2: Two strands the GAF plus MOUs with selected government agencies for more strategic focused long term development projects
  - Option 3: Funding goes directly to New Zealand government agencies
  - Other options
- What is the best mechanism / model for engaging New Zealand government agencies in ODA activities?
- What is GAF's role in the management of the funding and implementation of projects to facilitate greater synergy with bilateral and regional programme activities?
  - How could GAF better align and support individual country programme strategies / national development plans and regional plans such as the Pacific Plan?
- How does / could GAF complement:
  - The Pacific Security Fund managed by MFAT?
  - Any new mechanism for funding Pacific Security Sub-Sectoral Strategy work?
  - AusAID's Pacific Governance Support Programme?
  - Management of potential overlaps

#### 4. Parameters of GAF

- *Eligibility criteria:* Who should have access to GAF?
  - Extend eligibility to universities and local governments?
  - Allow New Zealand government agencies to sub-contract to consultants and public or private sector organisations operating commercially?
- *Scope of GAF:* What should GAF fund?
  - Project development activities eg scoping studies?
- *Timeframe:* What is the appropriate funding timeframe for GAF projects?
- *What are the implications for GAF if eligibility and scope are widened?*
- *Assessment criteria:* What are the appropriate assessment criteria for GAF proposals?
- *Role of NZAID:* What is the preferred role of NZAID (in Wellington and at Posts)
  - Project identification,
  - Project appraisal
  - Assessment
  - Selection
  - Implementation
  - Monitor, review, evaluation?
  - GAF projects discussed at High Level Bilateral Talks and and Regional agreements
  - Resource implications?

- *Role of partners:* What is the preferred role of partner governments and Aid Coordination Units?
  - Advertise the fund
  - Identify potential projects that link with National Development Plans
  - Assess capability of the in country implementing partner (resource implications and potential for sustainability)
  - Project selection
  - Monitor, review and evaluation
  - Other ideas
  
- *Seeking additional funding:* What are the implications for GAF if government agencies apply for additional phase funding?
  - What is the appropriate process for determining the merits of further funding?
  - What is the appropriate focus of reviews or evaluations if further funding requested?

## 5. GAF systems and processes

- In what ways could GAF's application and approval process be improved?
  - To what extent should NZAID facilitate agencies in developing project applications to enhance project benefit and impacts?
  - What type and level of pre-application or pre-engagement guidance for government agencies would be appropriate and useful?
  - What changes are needed to the guidelines and application form?
- In what ways could the NZAID process of obtaining feedback on proposals from staff in Wellington and at Post be improved?
  - How should feedback be sought from partner governments and Aid Coordination Units?
  - What documentation should be required to show evidence of partner country ownership/level of priority?
- What improvements are needed to the monitoring and evaluation of the GAF projects?
  - What is the role of NZAID? Government Agencies? Counterpart organisations?

## 6. Project implementation lessons

- What are the lessons learned from implementation of GAF projects?
  - What worked? What didn't work?
  - How could or should NZAID better assist government agencies with implementation of projects in-country?
  - How could the implementation of GAF projects better meet principles of donor coordination and harmonisation?

<b>IDWG</b>
-------------

**1. Historical and contextual information about the GAF**

- For what reasons did GAF come about? Desired outcomes for NZAID; WhoG; government agencies; partner agencies
- How has GAF evolved over the last three years?

**2. GAF's mandate**

- What was GAF's original mandate?
- To what extent is GAF, in 2008, aligned with its original mandate and objectives?
- How, if at all, does the original mandate for GAF need to evolve in the future?
  - To what extent is the fund aligned with the Government's Pacific Strategy?

**3. WhoG and policy coherence**

- How, if at all, is GAF meeting WhoG and policy coherence objectives?
- To what extent is there tension between the objectives of NZ government departments and NZAID's objectives?

**4. IDWG role**

- What is the purpose and terms of reference for the IDWG?
  - What is working? Not working?
  - What are/should be the criteria for membership?
  - How has the role evolved over the last three years?
  - What is the role of the IDWG going forward?
- How does the role of IDWG need to evolve to meet WhoG and policy coherence objectives?

**5. GAF the right ODA mechanism for government agencies**

- What are the different mechanisms / models for engaging government agencies in ODA activities? Explore options strengths and weaknesses:
  - Option 1: the GAF
  - Option 2: Two strands the GAF plus MOUs with selected government agencies for more strategic focused long term development projects
  - Option 3: funding goes directly to New Zealand government agencies
  - Other options
- What is the best mechanism / model for engaging New Zealand government agencies in ODA activities?
- How does / could GAF complement:
  - The Pacific Security Fund managed by MFAT?
  - Any new mechanism for funding Pacific Security Sub-Sectoral Strategy work?
  - AusAID's Pacific Governance Support Programme?
  - Management of potential overlaps

## 6. Parameters of GAF

- *Eligibility criteria:* Who should have access to GAF?
  - Extend eligibility to universities and local governments?
  - Allow New Zealand government agencies to sub-contract to consultants and public or private sector organisations operating commercially?
- *Scope of GAF:* What should GAF fund?
  - Project development activities eg scoping studies?
- *Timeframe:* What is the appropriate funding timeframe for GAF projects?
- *Assessment criteria:* What are the appropriate assessment criteria for GAF proposals?
- *Role of NZAID Post:* What is the preferred role of NZAID at Post for appraising, implementing and monitoring GAF projects?
- *Role of partners:* What is the preferred role of partner governments and Aid Coordination Units?
- *Seeking additional funding:* What are the implications for GAF if government agencies apply for additional phase funding?
  - What is the appropriate process for determining the merits of further funding?
  - What is the role of evaluations if further funding requested?

## 7. GAF systems and processes

- In what ways could GAF's application and approval process be improved?
  - To what extent should NZAID facilitate agencies in developing project applications to enhance project benefit and impacts?
  - What type and level of pre-application or pre-engagement guidance for government agencies would be appropriate and useful?
  - What changes are needed to the guidelines and application form?
  - What changes are needed to the IDWG appraisal process?
- How can project sustainability be increased particularly during project identification and assessment phases?

## 7. Project implementation lessons (if appropriate)

- What are the lessons learned from implementation of GAF projects?
  - What worked? What didn't work?
  - How could or should NZAID better assist government agencies with implementation of projects in-country?
  - How could the implementation of GAF projects could better meet principles of donor coordination and harmonisation?

### Government agencies

#### 1. GAF and your agency

- What are the objectives of this agency
- Why does this agency engage in Official Development Assistance activities.

- Who benefits
- Why does this agency seek funding from GAF
- How will the work be funded after the projects have finished?

## 2. GAF's purpose

- What is GAF's original purpose?
- What is working? Not working?

## 3. GAF the right ODA mechanism for government agencies

- What are the different mechanisms / models for engaging government agencies in ODA activities? Explore options strengths and weaknesses:
  - Option 1: the GAF
  - Option 2: Two strands the GAF plus MOUs with selected government agencies for more strategic focused long term development projects
  - Option 3: funding goes directly to New Zealand government agencies
  - Other options
- What is the best mechanism / model for engaging New Zealand government agencies in ODA activities?
- What is GAF's role in the management of the funding and implementation of projects to facilitate greater synergy with bilateral and regional programme activities?
- How does / could GAF complement:
  - The Pacific Security Fund managed by MFAT?
  - Any new mechanism for funding Pacific Security Sub-Sectoral Strategy work?
  - Management of potential overlaps

## 4. Parameters of GAF

- *Eligibility criteria:* Who should have access to GAF?
  - Extend eligibility to universities and local governments?
  - Allow New Zealand government agencies to sub-contract to consultants and public or private sector organisations operating commercially?
- *Scope of GAF:* What should GAF fund?
  - Project development activities eg scoping studies?
- *Timeframe:* What is the appropriate funding timeframe for GAF projects?
- *What are the implications for GAF if eligibility and scope are widened?*
- *Assessment criteria:* What are the appropriate assessment criteria for GAF proposals?
- *Role of NZAID Post:* Preferred role of NZAID at Post
  - Identify potential projects
  - Monitor
- *Role of partners:* What is the preferred role of partner governments and Aid Coordination Units?

- Advertise the fund
- Identify potential projects
- Assess capability of implementing agent (resource implications and potential for sustainability)
- Project selection
- Monitor, review and evaluation
- *Seeking additional funding:* What are the implications for GAF if government agencies apply for additional phase funding?
  - What is the appropriate process for determining the merits of further funding?
  - What is the role of evaluations if further funding requested?

## 5. GAF systems and processes

- In what ways could GAF's application and approval process be improved?
  - To what extent should NZAID facilitate agencies in developing project applications to enhance project benefit and impacts?
  - What type and level of pre-application or pre-engagement guidance would be appropriate and useful?
  - What changes are needed to the guidelines and application form?
- In what ways could the NZAID process of obtaining feedback on proposals from staff in Wellington and at Post be improved?
  - How should feedback be sought from partner governments and Aid Coordination Units?
  - What documentation should be required to show evidence of partner country ownership/level of priority?
- What is the current role of monitoring and evaluation of the GAF projects?
  - What is the role of NZAID? Government Agencies? Counterpart organisations?
  - What is the future role of monitoring and evaluation?

## 6. Project implementation lessons

- What are the lessons learned from implementation of GAF projects?
  - What worked? What didn't work?
  - How could NZAID better assist government agencies with implementation of projects in-country?
  - How could the implementation of GAF projects could better meet principles of donor coordination and harmonisation?

### Ineligible agencies

#### 1. GAF and your agency

- What are the objectives of this agency
- Why does this agency want to engage in Official Development Assistance activities?
- Who benefits
- Why does this agency seek funding from GAF

- How will this work be funded after the projects have finished?

## 2. Awareness and understanding of GAF

- What do you know about the GAF?
- What is GAF's purpose?
- What are your perceptions of GAF?
  - What is working? Not working?

## 3. Eligibility criteria

- What is the eligibility for GAF?
- What are the advantages and disadvantages of the current criteria?
  - Benefits to partner country, NZ Inc, your organisation
  - Risks of current eligibility criteria to partner country, NZ Inc, your organisation
- What changes are needed to the eligibility criteria?
  - Benefits to partner country, NZ Inc, your organisation
  - Risks of changed eligibility criteria to partner country, NZ Inc, your organisation
  - How do the suggested changes align with the Government's Strategy for the Pacific?
  - How do the suggested changes align with the development principles of Ownership, Alignment and Harmonisation?

## 4. Other feedback

### *AusAid PGSP and MFAT PSF*

#### 1. Mandate of fund

- What is the mandate of the fund? How does the PGSP ensure projects it funds can be counted as ODA (as defined by the DAC Guidelines)?
- What alternative mechanisms were considered in establishing the fund as method for Government agencies to engage in ODA activities?
- How does the fund align and support individual country programme strategies / national development plans and regional plans such as the Pacific Plan?
- How does the fund meet principles of donor coordination and harmonisation?
- To what extent is it necessary for the NZAID and AusAID funds to harmonise with regard to rationale and processes? What mechanism to achieve this?
- What expectations does AusAID have about how the work undertaken by the projects will be funded after the projects have finished?

#### 2. Strengths and improvements

- What are the strengths of the fund?

- What are its weaknesses?
- What improvements are being considered to the fund?

### 3. Fund parameters

- How much is the fund? How much is it likely to be in the future?
- Who is eligible to tender for funds? Ineligible?
- What are the assessment criteria?
- What is the timeframe of projects?
- Are scoping studies included?
- What is the assessment process? Who is involved?
- What is the preferred role of partner governments and Aid Coordination Units?

### 4. Alignment with GAF's mandate

- To what extent do the mandates of GAF and AusAID's Pacific Governance Support
  - Program overlap?
  - Potential gaps?
  - Future alignment?

### 5. Project implementation lessons

- What are the lessons learned from the implementing funded projects?
  - What worked? What didn't work?
  - Experience in relation to the use of consultants?
  - Ways to better assist government agencies with implementation of projects in-country?

## ***Review Tools – In-Country***

### ***Information sheet - Pacific Countries***

NZAID is undertaking a formative review of the Government Agencies Fund (GAF). The review will focus on the fund's structure and functioning, and test whether, at the policy level, it is likely to meet its objectives. The review objectives are:

1. **Focus and scope of the fund:** testing how appropriate are the focus and scope of the fund, bearing in mind aid effectiveness principles.
2. **Systems, processes, governance and guidelines:** assessing whether the systems and processes established to manage the fund are effective, relevant and appropriate.
3. **Documentation:** design of a new application form and any associated documents, and project reporting templates including annual report and project completion report.

The review will:

- Examine some tenders, tender appraisals and reports to determine whether the fund is operating as intended.
- Examine fund guidelines, reporting templates and related policy documents.



- Interview some New Zealand government agencies who have been approved and declined funding through the GAF
- Visit Vanuatu, Cook Islands and Rarotonga to meet with counterpart organisations, representatives of partner governments including Aid Coordination Units, beneficiaries/local communities, and NZAID staff at Post who have been involved in the management of projects.

In-country discussion will focus on the implementation of the following project. Note the review will not be assessing whether desired outcomes from the project are emerging. It is too early to conduct an outcomes evaluation.

**POST: Please insert relevant project here from supplied list.**

We are seeking your participation in this review. This will involve a one hour with Liz Smith of Litmus and Dianne Hendey of People and Projects. The interviews will be held at a time and place that suits you. We will send you an interview guide before the interview.

With your permission the interview will be taped for analysis purposes. All information will be stored securely at Litmus and People and Projects. Your comments will remain confidential. A copy of the final review report will be made available on NZAID's website next year.

If you have any questions about the Review, please contact:

- **Please insert relevant contact person at Post**
- Virginia Chapman, Manager, New Zealand Government Agencies Fund, NZAID, [ginny.chapman@nzaid.govt.nz](mailto:ginny.chapman@nzaid.govt.nz) +64 4 439 8832,
- Liz Smith, Partner, Litmus [liz@limus.co.nz](mailto:liz@limus.co.nz), +64 4 4733885
- Dianne Hendey, Director, People and Projects, [hendey@peopleandprojects.co.nz](mailto:hendey@peopleandprojects.co.nz) +64 4 383 9947.

### ***List of GAF Projects being discussed in-country***

#### **Vanuatu GAF Projects:**

- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.
- MAF. *Pacific Export Treatment Systems (PEST) Programme*. Vanuatu, Samoa, Tonga. Round 5.
- MFAT: PAC: *Support for the Introduction of Pacific Seasonal Work Scheme*. Vanuatu, Kiribati, Tuvalu, Tonga, Samoa. Round 3.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3

#### **Cook Islands GAF Projects:**

- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.

- Health Research Council/MORST. *Building an infrastructure for research in the Cook Islands*. Round 1.
- Human Rights Commission. *Human Rights Support for the Cooks, Niue and Tokelau*. Round 1.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3
- NZ Fire Service: Community Fire Risk Initiative, Cook Islands. Round 4.

#### **Samoa GAF Projects:**

- Crown Law. *Samoa Prosecution Support Programme*. Round 1.
- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.
- MFAT: PAC: *Support for the Introduction of Pacific Seasonal Work Scheme*. Vanuatu, Kiribati, Tuvalu, Tonga, Samoa. Round 3.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3
- SPARC. *Samoa Sports Support Project*. Samoa. Round 1.

#### **Recruitment script**

Hello, can I please speak to ----- . My name is XXX from NZHC. I am calling about the review of the New Zealand Government Agencies Fund.

I would like to make a time for XXX to meet with the review team.

Are there other people in your organisation who would like to contribute to the review? We are happy for them to take part in a group discussion.

- The interview will last around 60 minutes.
- Interviews will be held between (use as appropriate to review team visit):
  - In Vanuatu 29 -31 October
  - In Rarotonga 3-5 November
  - In Samoa 10-13 November

If agree:

- Write the person's name, date, time location of interview in the schedule of interviews
- Write down their contact details, including email
- Confirm the date and time and send the questions
- Confirm they have your (NZHC) contact details

If they do not agree, ask reasons for not wishing to participate.

Close with thanks.

### **Discussion guides – in-country**

These discussion guides are indicative of the relevant subject matter to be covered. They are designed to allow freedom to discuss any additional relevant topics which may arise.

To focus the interview, participants will be asked to select the question areas of greatest relevance to their role and involvement in GAF.

#### **NZAID Post**

##### **1. GAF's mandate**

- What was GAF's original mandate?
- How well does GAF meet its original mandate and objectives?
- How, if at all, does the original mandate for GAF need to evolve?
  - To what extent is the fund aligned with the Government's Pacific Strategy?
  - To what extent does the fund align with the Partner Government Strategy?

##### **2. WhoG and policy coherence**

- How, if at all, is GAF meeting WhoG and policy coherence objectives?
- How does the role of IDWG need to evolve to meet WhoG and policy coherence objectives?
- How can project sustainability be increased particularly during project identification and assessment phases?

##### **3. GAF the right ODA mechanism for government agencies**

- What are the different ways for engaging New Zealand government agencies in ODA activities? Explore options strengths and weaknesses:
  - Option 1: the GAF
  - Option 2: Two strands the GAF plus MOUs with selected government agencies for more strategic focused long term development projects
  - Option 3: funding goes directly to New Zealand government agencies
  - Other options
- What is the best way for engaging New Zealand government agencies in ODA activities?
  - Is GAF the best way for engaging New Zealand government agencies in ODA activities? What are its strengths? Risks?
- What is GAF's role in the management of the funding and implementation of projects to facilitate greater synergy with bilateral and regional programme activities?

- How could GAF better align and support individual country programme strategies / national development plans and regional plans such as the Pacific Plan?
- How to better meet principles of donor coordination and harmonisation
- How does / could NZGAF complement:
  - The Pacific Security Fund managed by MFAT?
  - Any new mechanism for funding Pacific Security Sub-Sectoral Strategy work?
  - AusAID's Pacific Governance Support Programme?
  - Management of potential overlaps

#### 4. Parameters of NZGAF

- *Eligibility criteria:* Who should have access to NZGAF?
  - Extend eligibility to New Zealand universities and local government?
  - Allow New Zealand government agencies to sub-contract to consultants and public or private sector organisations operating commercially?
- *Assessment criteria:* What are the appropriate assessment criteria for NZGAF proposals?
- *Timeframe:* What is the appropriate funding timeframe for NZGAF projects?
- *What are the implications* for the Post if eligibility and scope are widened?
- *Scope of NZGAF:* What should NZGAF fund?
  - Project development activities eg scoping studies?
- *Role of NZAID Post.*
  - What is the current role. At what point is the Post involved?
  - What is the preferred role of NZAID at Post?
    - Project identification,
    - Assessment
    - Selection
    - Implementation
    - Monitor, review, evaluation?
    - GAF included in the High Level Bilateral Talks
  - Resource implications
- *Role of partners:* What is the preferred role of partner governments and Aid Coordination Units?

#### 5. GAF systems and processes

- In what ways could NZGAF's application and approval process be improved?
- In what ways could the NZAID process of obtaining feedback on proposals from staff in Wellington and at Post be improved?
  - How should feedback be sought from partner governments and Aid Coordination Units?

- What documentation should be required to show evidence of partner country ownership/level of priority?
- What improvements are needed to the monitoring and evaluation of the NZGAF projects?
  - What is the role of NZAID? Government Agencies? Counterpart organisations?
  - Comment on the trend for applications for further phase funding. What level of evaluation is needed?

## 6. Project implementation lessons

- What are the lessons learned from implementation of NZGAF projects?
  - What worked? What didn't work?
  - How could or should NZAID better assist government agencies with implementation of projects in-country?

## AID Coordination

### 1. GAF's mandate

- To what extent does the fund align with your Government Strategy?
- What has been your involvement with GAF projects? What was the timing
- How will this work be funded after the projects have finished?

### 2. GAF the right ODA mechanism for New Zealand government agencies

- What are the choices for New Zealand government agencies to do ODA activities? Explore options strengths and weaknesses:
  - Option 1: the GAF
  - Option 2: Two strands the GAF plus MOUs with selected government agencies for more strategic focused long term development projects
  - Option 3: funding goes directly to New Zealand government agencies
  - Other options
- Is NZGAF the best way for New Zealand government agencies to do ODA activities? What are its strengths? Risks?
- How could NZGAF better support country programme strategies / national development plans and regional plans such as the Pacific Plan?
- How to better meet the principles of donor coordination and harmonisation

### 3. Parameters of NZGAF

- What New Zealand government agencies should be able to apply for NZGAF?
  - New Zealand universities and local government?
  - Should New Zealand government agencies be allowed to sub-contract the work to consultants?
- How long should NZGAF projects go on for?
- What are the *effects* for your organisation if eligibility and scope of NZGAF are widened?

- Should NZGAF fund scoping studies?
- What should NZAID at Post do?
- How should your government and Aid Coordination Units be involved?
  - Included as part of the High Level Bilateral Talks
  - Advertise the fund
  - Identify potential projects that link with National Development Plans
  - Assess capability of implementing agent in your country (resource implications and potential for sustainability)
  - Project selection
  - Monitor, review and evaluation
  - Other ideas

#### 4. NZGAF systems and processes

- In what ways could NZGAF's process be improved?
- In what ways could the NZAID process of obtaining feedback on proposals from Post be improved?
- How should feedback be sought from your government and Aid Coordination Unit?
- What documents should be required to show evidence that your country wants this project and what priority it gives the project?
- What improvements are needed to the monitoring and evaluation of the NZGAF projects? Who should be involved?

#### 5. Project implementation lessons

- What are the lessons learned from implementation of NZGAF projects?
  - What worked? What didn't work?
  - How could or should NZAID better assist government agencies with implementation of projects in-country?

### **Partner Organisations**

Focus on specific projects:

#### 1. GAF's mandate

- What has been your involvement with GAF projects?
- At what point was your organisation involved in the project design
- How will this work be funded after the project has finished
- To what extent did your project align with your Government Strategy?

#### 2. GAF the right ODA mechanism for New Zealand government agencies

- Is NZGAF the best way for New Zealand government agencies to work with your organisation? What are its strengths? Risks?
- How could NZGAF better link with individual country programme strategies / national development plans and regional plans such as the Pacific Plan?

- How could NZGAF better coordinate with other donors

### 3. Parameters of NZGAF

- What New Zealand government agencies should be able to apply for NZGAF?
  - New Zealand universities and local government?
  - Should New Zealand government agencies be allowed to sub-contract the work to consultants?
- How long for NZGAF projects?
- What are the *effects* for your organisation if eligibility and scope of NZGAF are widened?
- Should NZGAF fund scoping studies?
- What should NZAID at Post do?
- How should your government and Aid Coordination Units be involved?

### 4. NZGAF systems and processes

- In what ways could NZGAF's process be improved?
- In what ways could the NZAID process of obtaining feedback on proposals from Post be improved?
- How should feedback be sought from your government and Aid Coordination Unit?
- What documents should be required to show evidence that your country wants this project and what priority it gives the project?
- What improvements are needed to the monitoring and evaluation of the NZGAF projects? Who should be involved?

### 5. Project implementation lessons

- What are the lessons learned from implementation of NZGAF projects?
  - What worked? What didn't work?
  - How could or should NZAID better assist you to implement projects in-country?

## 4. Review documentation

- AusAID. (2007). *Pacific Governance Support Program (PGSP) Draft Review Report*. Australia: Author.
- AusAID. (2008a). *Guidelines for Public Sector Linkages Program*. Australia: Author.
- AusAID. (2008b). *Pacific Governance Support Program Redesign, Draft Terms of Reference*. Australia: Author.
- AusAID. (2008c). *Guidelines for Pacific Governance Support Program 2008-09*. Australia: Author.
- Chris Wheeler (n.d.). *Pacific Governance Support Program independent Completion Report*. AusAid.
- DAC Network. (2006). *DAC Evaluation Quality Standards (for test phase application)*.
- Ministry of Foreign Affairs and Trade. (n.d.) *Pacific Security Fund (PSF) - Management process and requirements*. Wellington, New Zealand: Author.
- Murray Petrie. (2008). *The Blurring of the Domestic/International Boundary in Public Management: Capacity-Building Activities by NZ Government Agencies in the South Pacific*. Victoria University.
- NZAID. (2005). *Allocations of New Programme Funding for 2005/06*. Wellington, New Zealand: Author.
- NZAID. (2007a). *New Zealand and Developing Countries. Inter-Agency Policy Coherence to Improve Development*. Wellington, New Zealand: Author.
- NZAID. (2007b). *Revision to NZ Government Agencies Fund Guidelines*. Wellington, New Zealand: Author.
- NZAID. (2007c). *NZAID Evaluation Policy Statement*. Wellington, New Zealand: Author.
- NZAID. (2008a). *A Strategy for Action to Improve Policy Coherence for Development 2006/07 to 2009/10*. Wellington, New Zealand: Author.
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- NZAID. (2008c). *NZAID Funding - Government Agencies Funding Process*. Wellington, New Zealand: Author.
- NZAID. (2008d). *NZAID Guideline on the Structure of Review and Evaluation Reports*. Wellington, New Zealand: Author.
- NZAID. (2008f). *Pacific Group, Regional Growth and Governance Programme, New Zealand Government Agencies Fund (GAF) Annual Plan 2008/09*. Wellington, New Zealand: Author.
- NZAID. (2008g). *Review of the New Zealand Government Agencies Fund (GAF)*. Wellington, New Zealand: Author.
- NZAID. (2008h). *Whole of Government Coherence for Development. Operationalising ODA Coherence Paper for Discussion*. Wellington, New Zealand: Author.
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NZAID. (n.d.e.). *Screening Guide for Mainstreamed and Other Cross-Cutting Issues in NZAID Programmes and Activities*. Wellington, New Zealand: Author.

New Zealand Government. (2007). *Pacific Strategy 2007 -2015. Te Ara Tupu – the pathway of growth. Tackling Poverty in our Region*. Wellington. New Zealand. NZAID.

New Zealand Government Agencies Fund. (n.d.). *Advice to Departments on Accounting for Initiatives under New Zealand Government Agencies Fund*.

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Smith, E and Hendey, D. (2007). *Review Plan for the Review of the New Zealand Government Agencies Fund (GAF)*. Litmus and People and Projects.

Treasury. (n.d.) *New Funding Mechanism for Security in the Pacific*. Wellington, New Zealand: Author.

## 5. Projects reviewed

### Vanuatu GAF Projects:

- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.
- MAF. *Pacific Export Treatment Systems (PEST) Programme*. Vanuatu, Samoa, Tonga. Round 5.
- MFAT: PAC: *Support for the Introduction of Pacific Seasonal Work Scheme*. Vanuatu, Kiribati, Tuvalu, Tonga, Samoa. Round 3.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3

### Cook Islands GAF Projects:

- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.
- Health Research Council/MORST. *Building an infrastructure for research in the Cook Islands*. Round 1.
- Human Rights Commission. *Human Rights Support for the Cooks, Niue and Tokelau*. Round 1.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3
- NZ Fire Service: *Community Fire Risk Initiative*, Cook Islands. Round 4.

### Samoa GAF Projects:

- Crown Law. *Samoa Prosecution Support Programme*. Round 1.
- Customs. *Customs International Executive Development Programme*. Pacific Regional, OCO member countries Round 3.
- MFAT: PAC: *Support for the Introduction of Pacific Seasonal Work Scheme*. Vanuatu, Kiribati, Tuvalu, Tonga, Samoa. Round 3.
- Ministry of Health. *Drinking-water quality management capacity building in Pacific Island Countries Phase 2*. Cook Islands, Samoa, Palau, Tonga, Vanuatu, SOPAC, WHO. Round 3
- SPARC. *Samoa Sports Support Project*. Samoa. Round 1.

### Other proposals reviewed

- Ministry of Health. Round 1. Pacific Regional Alcohol Policy Project. Sustainable Land Use Planning. Declined.
- Ministry of Education. Round 1. Treaty of Friendship: Development of Shared Teaching Resources. Approved conditionally.

- MORST. Round 1. Developing capability in the Cooks for sustainable land use planning. Declined.
- Ministry of Health. Round 2. Paediatric Oncology Partnership in the Pacific. Approved.
- MAF. Round 3. Sea Container Pathway Management. Declined.
- Department of Labour. Round 6. Consolidating Pacific States' Participation in the Recognised Seasonal Labour Scheme. Declined.
- Crown Law. Round 6. Samoan Prosecution Programme: Training and Evaluation. Approved.

## 6. Review participants

### *New Zealand stakeholders*

<b>Internal stakeholders</b>	<b>Name</b>	<b>Title</b>
NZAID	Peter Adams	CEO
NZAID	Craig Hawke	Director, Pacific Group
NZAID	Jackie Frizelle	Director, Strategy, Advisory And Evaluation Group
NZAID	Chris Whelan	Director, Global Group
NZAID	Ginny Chapman	Development Programme Officer
NZAID	Kadi Warner	
NZAID	Peter Zwart	
NZAID	Peter Ellis	Monitoring And Results Advisor
NZAID	Vicki Plater	Economic Advisor
NZAID	Cameron Cowan	
NZAID	Elena Procuta	
NZAID	Nicci Simmonds	
NZAID	Carolyn Nimmo	
NZAID	Megan McCoy	Development Programme Officer
NZAID	Marion Quinn	
NZAID	Michael Seawright	
NZAID	Stephenie Knight	Development Programme Manager

<b>Ineligible agencies</b>	<b>Name</b>	<b>Title</b>
GNS Science	Terry Webb	General Manager
GNS Science	Noel Trustrum	Business Development Manager
Landcare Research	Jane Lattimore,	International Business Group Manager
Landcare Research	Dr James Barringer	
Landcare Research	Dr Grant Hunter	
Local Government NZ	Victoria Ownes	
Manukau City Council	Phil Wilson	Chief Adviser
Manukau City Council	Lucy Laitineen	Adviser
Manukau City Council	David Flett	Business Development and Investment Manager
Massey University	Susan Adams	Executive Officer
Massey University	Dr Peter Lockhart	
Meteorological Service of NZ Ltd (MetService)	Penehuro Fatu Lefale	Manager, International Cooperation & Development Science
NIWA	Andrew Lorrey	
NIWA	Julie Hall	Assistant Regional Manager

Other funds	Name	Title
AusAID (PGSP)	Susan McKeag	
Ministry of Foreign Affairs and Trade (PSF)	Belinda Brown	

Government Agencies	Name	Title
Allen Clarke (SPARC)	Melony Clark	Contractor
Crown Law	John Pike	Crown Council
Department of Conservation	Keith Broome	Senior Technical Support Officer
Department of Conservation	Andrew Bignall	Manager Of International Relations
Department of Labour	Jane McLoughlin	
Department of Labour	Francesca Hilbron	
Human Rights Commission	Terry O'Neil	International Programmer
Human Rights Commission	Joy Liddicoat	Commissioner
Human Rights Commission	Pele Walker	Mediator
Human Rights Commission	Susan Freeman-Greene	Chief Mediator
Ministry of Agriculture and Forestry	Neil Fraser	
Ministry of Agriculture and Forestry	Simon OConnor	
Ministry of Defence	Bryan Couchman	Senior Analyst PMP
Ministry of Defence	Wayne Higgins	Director Of International Relations
Ministry of Defence	Brett Fotheringham	Department Director Commitments
Ministry of Education, International Division	Steve Benson	Senior Policy Analyst
Ministry of Education, Pasifika Education	Lesieli Tongatio	
Ministry of Education	Fatulatetele Tolo	
Ministry of Education	Mary Camp	
Ministry of Education	Keriana Tawhiwhirangi	Programme Director
MED	Nicola Bennett	
MED	Roger Wigglesworth	Director
Ministry for Environment	Catherine Moss	
Ministry for Environment	Paul Kennel	
Ministry for Environment	Jodi Frank	
Ministry for Environment	Brett Longley IDWG	Acting Manager
Ministry for Environment	Lesley Woudberg IDWG	
Ministry of Fisheries	Stan Crothers	Department Chief Executor
Ministry of Foreign Affairs and Trade	Stuart Horne	Policy Officer of Pacific Division

Government Agencies	Name	Title
Ministry of Foreign Affairs and Trade	Bryan Smyth	High Commissioner
Ministry of Health	Wendy Edgar	Programme Director
Ministry of Health	Dr Michael Taylor	
Ministry of Health	Jennifer Davidson	
Ministry of Health	Gilli Sinclair	Project Manager
Ministry of Justice	Lorraine Johns	Policy Advisor
MoRST	Helen Eglinton	Director, Vote Operation
MoRST	Dr Suzanne Bertrand	Director, International Linkages
MoRST	Geoff Palmer	Chief Financial Officer
Ministry of Social Development	Su'a Thomsen	
Ministry of Youth Development	Marten Hutt	Senior Policy Analyst
NZ Customs	Richard Bargh	Manager Of International Relations
NZ Customs	Katie Gordon	Policy Analyst
NZ Fire	David Guard	National Training Manager
NZ Police	Jon White	Assistant Commissioner
NZ Police	Jacquelyn Goodwin	
Statistics NZ	Daniel Jefferson	Statistical Analyst

### **Key stakeholders interviewed in Vanuatu**

Name	Organisation	Title
Jimmy Nipo	NZ High Commission	Development Programme Coordinator
John Claasen	NZ High Commission	NZAID Manager
Angela Hassan-Sharp	NZ High Commission	NZAID Manager
James Toa	NZ High Commission	Development Programme Coordinator
Jeff Langley	NZ High Commission	High Commissioner
Ben Wotu Leeshi	Ministry of Finance & Economic Management	Director of Customs and Inland Revenue
Rosette Kalmet	Geology, Mines & Water Resources	Hydrologist
Benuel Tarilongi	Livestock and Quarantine Department	Director
Cornelia Wylie	Rainbow Gardens	Manager
Joseph Jacobe	Jacobe Farm	
Sylvie Kalmet	Vanuatu Labour Department	
Thomas Felix	Public Service Commission	Acting Secretary
Dick Eade	Teouma Gardens	Manager
Johnson Naviti	Department of Strategic Policy, Planning & Aid Co-	Head of Aid Co-ordination & Negotiation Unit

	ordination	
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**Key stakeholders interviewed in Rarotonga**

Name	Organisation	Title
Tia Barrett	NZ High Commission	High Commissioner <sup>41</sup>
Sophie Vickers	MFAT	Second Secretary
Julie Affleck (email exchange)	NZAID	First Secretary, NZAID Manager
Tina Newport	NZAID	Development Programme Coordinator
Tom Lee	NZAID/NZHC	Manager
Garth Henderson	Aid Management Division	
Jim Armistead	Aid Management Division	
Michelle Teuira Vakatini	MFEM/Customs	
Ngapoko Ngatamaine	MFEM	Chief Customs Officer
Terry Hagan	Ministry of Justice	Secretary
Tamara File	TIS	
Jacqui Evans	Ministry of Health	
Tonumaivao Navy Epati	Office of the Public Service Commissioner	Public Service Commissioner
Russell Thomas	Office of the Public Service Commissioner	CEO
Nga Jessie	Airport Authority	Chief Fire Officer
Barry Hill	Volunteer Fire Service	
Ben Parakoti	Ministry of Works	CEO
Adrian Teotahi	Ministry of Works	
Elizabeth Wright-Koteka	Office of the Prime Minister	Director Central Policy and Planning

**Key stakeholders interviewed in Samoa**

Name	Organisation	Title
Christine Saaga	NZAID	Development Programme Co-ordinator
Helen Leslie	NZAID	Manager
Caroline Bilkey	MFAT	High Commissioner
Kassandra Beatham	MOH	Principal Water Quality Officer
Andrew Peteru	MOH	
Candice Apelu	MESC	Principal Sports Officer
Doreen Tuala	ACEO	Curriculum Materials & Assessment Division
Lufi Taulealo	ACEO	School Operations
Karaita Enari	MESC	Senior Sports Officer
Enoka Enoka	MESC	AP coordinator Education Sector Project II
Tautapilimau Levaofolo	MESC	CEO
Semi Epati	MESC	A/CEO Sports
Noumea Simi	Ministry of Finance	

<sup>41</sup> Mr Barrett was Acting High Commissioner at the time of the Review.

Name	Organisation	Title
	Aid Coordination Coordination	
Lita Lui-Damafana	Ministry of Finance Aid Coordination	Principal Officer
Mathew Tofilm	Ministry of Finance Aid Coordination	Senior Officer
Asinati Tuiletufuga	AusAID	PGSP
Heather Dixon	AusAID	Second Secretary
Ming C Leung Wai	Attorney General's Office	Attorney General
Dr Stanley Dean	National Health Service	
Fata Uili Kapeteni	MPMC	
Silafau Paul Meredith	Ministry for Revenue	Chief Executive Officer
Anthony Harris	New Zealand Immigration Service	
Viola Levy	PSC	Acting CEO
Lemalu Samau Tate Simi	PSSF (Private Sector Support Facility)	CEO
Nynette Sass	PSSF (Private Sector Support Facility)	Chair
Asuao Kirifi Pouono	Ministry of Agriculture and Fisheries	CEO
Afele Faiilagi	Ministry of Agriculture and Fisheries Crops	
Vaasilifiti Moelagi Jackson	The Samoan Umbrella for non- government organisations (SUNGO)	Chair of the Board
Roina Vavatau	SUNGO	CEO
Ray Voight	SUNGO	Board member
Dr Nuualofatuau Potoi	SUNGO	Secretary
Rev Rupena Leau	SUNGO	Piu Community
Ronicera Fuimaono	SUNGO	Co-ordinator of the NZAID Fund at SUNGO
Elizabeth K McMillan	Ministry of the Prime Minister & Cabinet	Transitional Manager, Contracted Support Team, Public Sector Improvement Facility
Cam Wendt	Ministry of the Prime Minister & Cabinet	Facility Manager



## 7. Assessment of GAF proposals against GAF's mandate

Table 10 assesses the 16 GAF proposals against:

- The 2007 guidelines which defines three key purposes for GAF
- The criteria used by NZAID and the IDWG for assessing GAF proposals.

**Table 10: Assessment of 16 GAF proposals against GAF's mandate**

Assessment criteria for proposals		Out of 16 proposals numbers as likely to achieve the criteria
2007 guidelines defined purpose of GAF	Capacity building	9
	Enhance long-term strategic partnerships	7
	Technical assistance to improve core services	11
Assessment framework for GAF	Partner owned	7
	Sustainable	4 <sup>42</sup>
	Cost benefit	7 <sup>43</sup>
	Development merit	12
	NZAID aligned	10
	NZInc contribution	11

## 8. DAC definition of ODA

The DAC defines ODA as those flows to developing countries (and multilateral institutions) which are provided by official agencies, including state or local governments, or by their executing agencies and which are administered with the promotion economic development and welfare of developing countries as the main objective (OECD, n.d.). The DAC specifically states that military aid, enforcement aspects of peacekeeping and research that is not directly and primarily relevant to the problems of developing countries cannot be reported as ODA.

<sup>42</sup> Caution is required with the interpretation of project sustainability as this was not the focus of the review due to these GAF projects only being implemented from a limited time.

<sup>43</sup> Caution is required with the interpretation of cost benefit as the review did not systematically assess projects' impact relative to costs.

## 9. Criteria used by DAC for evaluating development assistance

The criteria used by DAC (OECD, 2000) for evaluating development assistance is:

- Relevance defined as being suited to the priorities and policies of the target group, recipient and donor
- Effectiveness defined as extent to which aid activity attains its objectives
- Efficiency defined as cost-efficient activities, objectives being achieved on time and implementation being efficient compared to alternatives
- Impact being both the positive and negative changes produced by the development intervention
- Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn.

## 10. Assessment criteria analysis

**Table 11: Details the alignment between the NZAID assessment sheet, the guidelines assessment criteria.**

<b>NZAID assessment sheet</b>	<b>2007 GAF guidelines' assessment criteria</b>	<b>GAF application form (headings)</b>
Partner owned	Proposal developed in consultation with partner agency	Support for the proposal
	Clearly understandable of primary stakeholders involved, their interests and benefits to them resulting from the initiative	Alignment with partner government/agencies priority development needs
	Adequate participation by key stakeholders to ensure ownership	Key stakeholders involved
	Incorporate sound development principles and practice: partnership	Alignment with partner government/agencies priority development needs
Sustainable	Alignment with partner government/agencies priority development needs	Ways in which outcomes of activity will be sustainable
	Incorporate sound development principles and practice – sustainability, exit strategy	How the initiative will be implemented
Cost-benefit ratio	Offer benefits or outcomes commensurate with the level of funding	Budget summary Relevance
NZODA aligned	Takes into account other nationally or externally supported initiatives to ensure coherence and complementarity	Alignment with NZODA's priorities
	Could proposal be funded under an existing NZAID programme	Other related activities
	Fit with NZ's ODA footprint	

NZAID assessment sheet	2007 GAF guidelines' assessment criteria	GAF application form (headings)
	Lead to poverty reduction in-country	Cross-cutting issues, gender, environment, human rights,
Best mechanism	Clearly identify needs/ issues to be addresses	What is the purpose / goal of the proposal?
	Clear, achievable and relevant objectives	What are the objectives and anticipated outcomes?
	Incorporate sound development principles and practice	How the initiative will be implemented
	Incorporate sound development principles and practice – monitoring and evaluation	Monitoring and evaluation
Broader policy interests	Alignment with NZ policy interest in-country / region	Alignment with NZ's broader policy interests

## 11. Future roles of key stakeholders through the GAF activity cycle

Table 12: Future roles of key stakeholders through the GAF project cycle

	In-country partner	NZ government agency	Aid co-ordination division	NZAID Wellington	NZAID at Post	MFAT	IDWG
Idea generation	√		√		(√) <sup>44</sup>	√	
Concept development and testing	√	√	√	(√)	(√)		
Application development	√	√		(√)	(√)		
Application support	√	√	√				
Application assessment				√	√	√	√
Informed of assessment outcome	√	√	√	√	√	√	√
Implementation	√	√			√		
Undertakes monitoring	√	√					
Receives progress reporting	√	√		√	√		√
Aware of issues arising	√	√	√	√	√		√
Receives evaluation report	√	√	√	√	√	√	√
Exit strategy/ hand over	√	√					
Ongoing relationship	√	√					
Monitors MOU		√		√			
Monitors the Fund				√			√

44 Ticks in brackets indicate a role that emerges on an as needed basis.

## 12. Sustainability of GAF projects

**Table 13: An assessment of the sustainability of nine GAF projects**

Sustainability assessment	Nine GAF Projects	Seven bilateral GAF projects <sup>45</sup>	Two regional GAF projects
<b>1 Sustainable</b> <ul style="list-style-type: none"> <li>– Priority in-country</li> <li>– Embed in work plan and strategic direction</li> <li>– Changes made to fit project to in-country context or if none project withdrawn</li> <li>– In-country staff have capacity and capability to continue</li> </ul>	3.5 <sup>46</sup>	3.5	
<b>2 Some elements of sustainability</b> <ul style="list-style-type: none"> <li>– Support being sought by in-country partner for project to continue, but not guaranteed</li> <li>– Have knowledge but difficulties applying due to differing systems and processes</li> </ul>	2.5	1.5	1
<b>3 Not sustainable</b> <ul style="list-style-type: none"> <li>– Little/no buy-in to project</li> <li>– No funding to continue</li> <li>– Limited in-country staff capacity to continue</li> </ul>	2	1	1
<b>4. Scoping study, did not proceed</b>	1	1	

<sup>45</sup> Breakdown of nine GAF projects into those with a regional focus and those being undertaken at a bilateral level

<sup>46</sup> One GAF project had two elements. In-country participants and NZ government agencies perceived that one component of the GAF project was sustainable, while the other had only elements of sustainability. This contrasting perception is represented in table 11 by the allocation of half points (0.5).