

**EVALUATION OF THE TUVALU COUNTRY
STRATEGY 2002 – 2007**

FINAL REPORT

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EXECUTIVE SUMMARY

Background, methods and strategy overview

This evaluation of the NZAID-Tuvalu Country Strategy 2002-2007 (hereafter the Strategy) aims to assess the achievements as well as identify lessons and opportunities for the new country strategy. The audience for this evaluation is NZAID and MFAT, plus the key stakeholders in Tuvalu and New Zealand.

The evaluation consisted of 3 stages: (a) review of documents at NZAID and elsewhere, (b) interviews with key stakeholders (NZAID staff, advisers to NZAID, GOT staff, ADB staff), and (c) analysis of results and report writing.

The Strategy had 3 objectives:

- To promote self-reliant local development in the Outer Islands of Tuvalu
- To support human resources development within Tuvalu by various means
- To assist Tuvalu in generating revenue on a long-term basis to meet recurrent national costs,

and included the cross-cutting themes of gender equity, environment and human rights, applied through the objectives.

Evaluation findings

Objective 1 Extent of achievement of country strategy objectives

Alleviation of poverty and hardship remains the key problem of development in Tuvalu. Being small, fragmented, isolated with few economic choices, achieving development in Tuvalu is a great challenge. During the Strategy period NZAID made a significant and effective contribution to the development of Tuvalu.

Objective 1.1 Promoting self-reliant local development on the Outer Islands of Tuvalu. The focus was on alleviating poverty and hardship. NZAID promoted development of the Outer Islands through (a) financial and training support to FTF, and (b) ship to shore project. NZAID funding to FTF was NZD2.25m between 2002/2003 and 2007/2008. Distributions from the Fund, totalling AUD4.7m to 2007, have helped improve lives of the island communities through building housing and small infrastructure guided by the Kaupule.

NZAID's financial support to the FTF is regarded as very relevant and effective towards the development of the Outer Islands. One Tuvalu stakeholder stated that "the Falekaupule Trust Fund is probably more useful than the Tuvalu Trust Fund" because it "addresses the small needs of the island communities". However, there has been a slow start to the Outer Islands training programme. This was of concern to 3 Tuvalu stakeholders who indicated that NZAID had commissioned a consultant team's report on the training needs assessment in 2004. The current situation is that NZAID has an approval for NZD1.095m over 2008/09 to 2010/11 to assist with this training in association with MHARD and UNDP.

The ship to shore project is a 5-year support of NZD5.746m, beginning in 2007, to widen reef channels in the 8 Outer Islands to allow safer passages of people and goods between ship to shore and vice versa. The project has been delayed by about 5 years and this was heavily criticised by 3 Tuvalu stakeholders. One Tuvalu stakeholder even claimed that the “island communities have forgotten about it”.

When completed around 2012, the ship to shore project would assist poverty alleviation and hardship reduction in the Outer Islands. It is expected that the flow of benefits from the ship to shore project would be large and long-term, and could potentially stimulate the island economy and create a major development impact. Any maintenance requirement of the channels in the future would be critical, and therefore RCF could be required, and this needs consideration in the new country strategy.

Overall, based on the assumed intent of the objective of promoting self-reliant local development on the Outer Islands of Tuvalu, this objective is rated as *substantially achieved* for the financial support to the FTF, *partly achieved* for the ship to shore project, and *not achieved* for the Outer Islands training.

Objective 1.2 Supporting human resources development within Tuvalu.

HRD is a key development objective of GOT. During the Strategy NZAID’s assistance was broad based including ECE, secondary scholarship and vocational education and training programme (phased out by 2004), short-term training programme, tertiary scholarship programme, and support to TMTI and MTHS. Feedback from 3 stakeholders indicated that ECE was highly relevant in the context of the basic education needs of Tuvalu, and that the short-term training was extremely valuable in upgrading technical and vocational skills.

Between 2002/03 and 2006/07 NZAID spent NZD2.749m on NZDS and NZRDS. Completion rate of students has been high at over 90 per cent. The tertiary scholarship programmes are considered highly relevant. Anecdotal evidence suggests that they are also likely to be very effective. Efficiency or value for money could not be assessed because of lack of suitable data. The tertiary scholarship programme is a high per person per year intervention. Returns to investments in ECE, short-term training and tertiary scholarship programme are all expected to be high and likely to create long-term development impact. Many of the skills learnt are expected to be sustainable.

NZAID funding to TMTI finished in 2003/04. Academic standards of graduates have been falling recently. Implication for the continued flow of remittances at current level is serious as warned by the TTFAC in an October 2008 report. Declining remittances mean declining economic growth, increasing household hardship especially in the Outer Islands, and pressure on CIF of TTF. TMTS is a very high cost per person scheme and its escalating cost is a significant threat to the budget.

Overall, based on the assumed intent of the objective of supporting human resources development within Tuvalu, this objective is rated as *substantially achieved*.

Objective 1.3 Assisting Tuvalu in generating revenue on a long-term basis to meet recurrent national costs. Assistance has been through funding and supporting the TTF established in 1987. Between 2004/05 and 2007/08 NZAID contributed NZD3.125m to TTF and its Advisory Committee and Board. The aim of TTF is to finance budget deficits, support economic development and help achieve greater financial autonomy for Tuvalu. At 30 June 2007 the market value of TTF was AUD106.6m. The average real rate of return in 20 years to 2007 was 6.2 per cent per annum providing AUD65.7m in revenue to Tuvalu. The CIF acts as a buffer to smooth out investment value fluctuations. Funds for recurrent use are drawn from the CIF only. The ideal is to hold AUD16m in CIF and not draw-down more than AUD4m per year so that the buffer has 4 years of possible draw-downs. In the 20 years to 2007 the annual contribution from TTF to national budget was AUD3.3m in 2006 dollars, which represents an average of 21 per cent of the total GOT recurrent expenditure.

By any measure TTF is an extremely successful initiative. It meets the exact purpose for which it was designed – to generate revenue for the budget needs of the GOT. The Fund is considered to be highly relevant, efficient in the generation and use of incomes, effective in meeting the wider funding needs of the nation, is creating a desired long-term development impact and is highly sustainable. It is hailed as a model for adoption by other Pacific nations.

Overall, based on the assumed intent of the objective of assisting Tuvalu in generating revenue on a long-term basis to meet recurrent national costs, this objective is rated as *exceeded expectations*.

Objective 1.4 Gender equity, environment and human rights. NZAID addressed gender equity, environmental issues and human rights in all 3 Strategy objectives. There was a strong theme of gender improvement in the Outer Islands development strategy, with a major study commissioned by NZAID to assess the training needs of women and the community more broadly. When the ship to shore project is completed its impact will greatly benefit women, children and older people by improving their safety during ship to shore passages and vice versa. In granting of NZDS, NZRDS and other training awards there is a policy of gender balance. The remittances from seafarers greatly impact on household incomes with women and children the major beneficiaries. Likewise the incomes generated from TTF and FTF have an important flow-on effect in improving the welfare of women in Tuvalu. Overall, based on the assumed intent of gender equity theme in the 3 Strategy objectives, this theme is rated as *substantially achieved*.

NZAID has a strong policy of environmental protection and improvement. This was rigorously applied in the implementation of the Strategy. In the Outer Islands ship to shore project environmental impact assessment was done on all the 8 islands before widening the reef channels work could begin. It is

recognised that a trade-off had to be achieved between the negative impact of channel widening and the anticipated flow of development benefits from safer passages for people and goods. Sea level rise due to global warming looms as a major threat to people's lives in Tuvalu and this has to be addressed by NZAID and NZ Government. Overall, based on the assumed intent of environmental protection theme in the 3 Strategy objectives, this theme is rated as *substantially achieved*.

Tuvalu stakeholders considered human rights development as broadly linked to NZAID's support to the education sector. Good quality education was regarded as critical to understanding one's human rights and in empowering communities more generally to practise human rights. Education also created opportunities to understand the legal framework and legislation affecting human rights. Overall, based on the assumed intent of human rights theme in the 3 Strategy objectives, and acknowledging that change is a slow process, this theme is rated as *partly achieved*.

Objective 2 Extent of achievement of strategic/policy engagement between NZAID and GOT

NZAID and Tuvalu stakeholders generally agreed there was a good level of achievement in the strategic/policy engagement between the two partners. From Tuvalu, evidence was good outcomes from HLCs and RTMs and more regular meetings. All this was regarded as a positive development in engaging with senior NZAID staff in resolving issues and challenges arising in the programmes and in the Strategy more generally. However, 2 Tuvalu stakeholders considered the delay in the ship to shore project as not conducive to maintaining good strategic/policy engagement.

NZAID stakeholders indicated they had achieved good working relationships with the Secretaries of the various Ministries and that knowing the personalities helped achieve strategic/policy objectives of the Strategy. At the lower level NZAID stakeholders did admit they had encountered problems usually around communication and implementation of the Strategy. Evidence indicated that having a strong representation on the TTF enabled a strong strategic/policy engagement with the GOT. Overall, the NZAID stakeholders considered the engagement as "patchy".

The key constraint for more intensive strategic/policy engagement was the physical location of the Tuvalu NZAID Manager in Suva. With Tuvalu already constrained by being small, fragmented and isolated, this compounded the problems of communication, dialogue, working meetings, and visits to development sites especially to the Outer Islands whose development is a key objective in the country strategy.

Overall, it is considered that the extent of achievement of strategic/policy engagement between NZAID and GOT has been moderately high.

Objective 3 Extent of relevance of the country programme strategy in helping to meet Tuvalu's development needs to reduce poverty and hardship

There was a strong match between the relevance of the Strategy and Tuvalu's development needs and priorities. The focus of GOT was to reduce poverty and hardship highlighted in *Te Kakeega II: National Strategy for Sustainable Development 2005-2015, November 2005*. The Strategy's focus is on alleviation of poverty and hardship.

Aid modalities and delivery mechanisms chosen to implement the Strategy included an appropriate balance of programme aid, management services contract, TA, budget support, direct funding of local communities, and funding support to Trust Boards and Committees.

Overall, it is considered that the extent of relevance of the Strategy in helping to meet Tuvalu's development needs to reduce poverty and hardship, was very high.

Objective 4 Implications for future country strategy development

The evaluation raised several important implications for future country strategy development, including (a) duration of country strategy, (b) harmonisation and donor coordination, (c) SWAp, and (d) absorptive capacity.

There are points for and against of having a 10-year country strategy as opposed to say a 5-year strategy. Basically it comes down to flexibility, complexity, and the ability of the country strategy to act as a communication medium between all stakeholders so that everyone understands what the strategy is about. A number of views were expressed by various NZAID and Tuvalu stakeholders.

NZAID considers there are considerable advantages in managing development assistance to Tuvalu through harmonisation and greater donor coordination. Perceived advantages are lower resource needs from NZAID and GOT, greater devolution of decision making to GOT, greater ownership of development policies and priorities by GOT, greater alignment of donor support and less duplication of donor efforts.

During the Strategy, attempts were made at a SWAp to education, harmonisation and donor coordination. The first didn't eventuate, the second was moderately successful and the third is working successfully between NZAID, AusAID and the GOT.

Absorptive capacity is a central problem faced by many Pacific countries which have limited resources to manage the large per capita aid support provided by a large number of donors. In Tuvalu, with only 11,000 people spread over 9 islands, this is a critical issue. There is little choice except for NZAID to actively pursue alignment and coordination of aid interventions with other donors. More sectoral and geographic focus may assist. Reducing the level of NZAID aid is not an option as the shortfall would be quickly filled by other donors, not necessarily like minded, and this is not in the long-term interests of both nations.

Objective 5 Key lessons learnt

A number of lessons emerged from the evaluation that need consideration by NZAID in drawing up the next country strategy with Tuvalu and for use in other country programmes. The issues are highlighted followed by the lesson/s.

Clarity and completeness of the new country strategy – clear objectives, feeding into clear design of programmes and focus areas

The lesson is the country strategy must be comprehensive in its approach to aid intervention and must explain how the objectives of the strategy will be achieved.

A lesson learnt many times before by many donors is that “bad designs lead to bad projects”.

Country strategy is the central communicating medium between partners – understanding by Tuvalu stakeholders

The lesson is the country strategy must be detailed enough for both partners to understand the intentions and be able to act as the central communicating medium between them.

Relevance of country programme objectives in helping to meet Tuvalu’s development needs to reduce poverty and hardship

The lesson is there needs to be a very high-level match between the needs and priorities of the recipient partner with the country strategy intentions of the donor.

Appropriate choice of aid modalities and delivery mechanisms

The lesson is use every possible aid modality and delivery mechanism to achieve successful outcomes. NZAID must be in a position to change modalities and mechanisms during the life of the country strategy if circumstances warrant, rather than be locked in it for the life of the strategy.

Creating, maintaining and sustaining an on-going strategic/policy engagement

The lesson is there needs to be greater effort made in having more regular HLCs, RTMs and donor meetings to maintain and sustain on-going strategic/policy engagement between NZAID and GOT.

Focusing on influencing the quality of programmes – efficiency, effectiveness, outcome/impact, sustainability

The lesson is the country strategy needs to address the quality of the programme during its life, and in particular address efficiency, effectiveness, outcome/impact and sustainability.

Recurrent cost financing and maintenance of assets

The lesson is NZAID needs to have a strategy in place for future asset maintenance and RCF support of large infrastructure projects it funds if the likely long-term development impact is not to be severely restricted. This must be regarded as part of the total design and funding considerations for any new project.

Managing the strategy to achieve successful outcomes – M&E, mid-term reviews, evaluation

The lesson is good country strategy management and implementation needs quality monitoring during its life using M&E and mid-term reviews to make well considered changes. At the end an evaluation is required to learn lessons to be incorporated into future country strategies, and for use by NZAID country programmes.

Objective 6 Recommendations

Recommendation 1. NZAID should improve its focus on the quality of programme outcomes by conducting regular M&E, mid-term reviews and evaluations during the life of a new country strategy with Tuvalu.

Recommendation 2. NZAID should develop a clear and coherent policy and a strategy on how it will assist the people of Tuvalu facing the threat of a rising sea level.

Recommendation 3. NZAID should measure the efficiency of its scholarship programme to Tuvalu.

Recommendation 4. NZAID should monitor the development of TMTI and the academic standards of graduates being produced.

Recommendation 5. NZAID should increase the number and regularity of visits to Tuvalu by DPM and/or DPO, Team Leader Central Pacific Group and the Suva-based NZAID Manager to monitor and assess progress in the achievement of country strategy objectives.

Recommendation 6. NZAID should continue to focus on improving gender equity and improvement to women's welfare, environmental protection, and on assisting human rights development in Tuvalu.

Recommendation 7. NZAID should recognise the importance of asset maintenance and the need to finance recurrent costs to maintain critical infrastructure provided through its aid programme to the extent of making this issue an important part of any future country strategy.

Recommendation 8. NZAID should take care to ensure that aid funds are used to their best advantage and that cost overruns in inefficient programmes do not deny potential additional support to well-managed high-return units.

Recommendation 9. NZAID should consider the questions in Section 3.4.1 in its consideration and development of a new country strategy between NZAID and the GOT.

The final section of the report provides some specific suggestions for implementing each of these recommendations.

CONTENTS

Executive Summary	2
1. Background, rationale, objectives	11
1.1 Background to the Evaluation	11
1.2 Main Users of the Evaluation Report	11
1.3 Evaluation Objectives	11
1.4 Evaluation Approach and Methods	11
1.5 Data Limitations and Quality of Information	13
1.6 Timetable	14
2. Country Strategy Description	14
2.1 The Country Context	14
2.2 Tuvalu Development Needs and Priorities	15
2.2.1 Implications for the Evaluation	16
2.3 The 2002 – 2007 Country Strategy Framework and Objectives	16
2.3.1 Aid Allocation and Expenditure	17
3. Findings	17
3.1 Objective 1 Extent of achievement of the country strategy objectives	17
3.1.1 Promoting self-reliant local government in the Outer Islands	17
3.1.2 Supporting human resources development	20
3.1.3 Assisting Tuvalu in generating revenue on a long-term basis	24
3.1.4 Gender equity, environment and human rights	26
3.2 Objective 2 Extent of achievement of strategic/policy engagement	28
3.2.1 Successes and achievements	29
3.2.2 Weaknesses and constraints	30
3.3 Objective 3 Extent of relevance of the country programme strategy	31
3.4 Objective 4 Implications for future country strategy development	32
3.4.1 Duration of country strategy	32
3.4.2 Harmonisation and donor coordination	34
3.4.3 Sector wide approach	35
3.4.4 Absorptive capacity	35
3.5 Objective 5 Key Lessons Learnt	36
3.5.1 Clarity of the new country strategy	37
3.5.2 Country strategy is the central communicating medium	36
3.5.3 Relevance of country programme objectives	37
3.5.4 Appropriate choice of aid modalities and delivery mechanisms	38
3.5.5 Creating, maintaining and sustaining strategic/policy engagement	38
3.5.6 Focusing on influencing the quality of programmes	38
3.5.7 Recurrent cost financing and maintenance of assets	39
3.5.8 Managing the strategy to achieve successful outcomes	39
3.6 Objective 6 Recommendations	40
4. Acknowledgments	44
Appendix 1 Terms of Reference	45
Appendix 2 Evaluation Plan	52
Appendix 3 List of People and Organisations Consulted	62
Appendix 4 List of Reports and Documents Reviewed	63
Appendix 5 Glossary of Key Terms Used in the Evaluation	66
Appendix 6 Definition of the Performance Assessment Ratings	68

Glossary of Acronyms

ADB	Asian Development Bank
AMS	Activity Management System (database in NZAID)
AUD	Australian Dollar
AusAID	Australian Agency for International Development
BNPL	Basic Needs Poverty Line
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CIF	Consolidated Investment Fund
CTC	Community Training Centre
DAC	Development Assistance Committee (of OECD)
DPM	Development Programme Manager
DPO	Development Programme Officer
ECE	Early Childhood Education
EEZ	Exclusive Economic Zone
EU	European Union
FIT	Fiji Institute of Technology
FSM	Fiji School of Medicine
FTF	Falekaupule Trust Fund
GDP	Gross Domestic Product
GOT	Government of Tuvalu
HLC	High Level Consultation
HRD	Human Resources Development
M&E	Monitoring and Evaluation
MES	Ministry of Education and Sport
MHARD	Ministry of Home Affairs and Rural Development
MTHS	Medical Treatment and Healthcare Scheme
NGO	Non-Government Organisation
NZAID	New Zealand Agency for International Development
NZ	New Zealand
NZD	New Zealand Dollar
NZDS	New Zealand Development Scholarship
NZODA	New Zealand Official Development Assistance
NZRDS	New Zealand Regional Development Scholarship
OECD	Organisation for Economic Cooperation and Development
RCF	Recurrent Cost Financing
RTM	Round Table Meeting
SAEG	Strategy, Advisory and Evaluation Group (of NZAID)
SIMS	Scholarship Information Management System (of NZAID)
SWAp	Sector Wide Approach
TA	Technical Assistance
TANGO	Tuvalu Association of Non-Government Organisations
TMTI	Tuvalu Maritime Training Institute
TMTS	Tuvalu Medical Treatment Scheme
TNCW	Tuvalu National Council of Women
TOR	Terms of Reference
TTF	Tuvalu Trust Fund
TTFAC	Tuvalu Trust Fund Advisory Committee
UNDP	United Nations Development Programme
USP	University of the South Pacific

1. BACKGROUND, RATIONALE, OBJECTIVES

1.1 Background to the Evaluation

NZAID's country strategy for development cooperation with Tuvalu started in 2002 and ended in 2007. This evaluation was timed to meet the information needs of a new 10-year country strategy with Tuvalu currently being developed by NZAID. The Terms of Reference (TOR) for the evaluation are in Appendix 1.

1.2 Main Users of the Evaluation Report

The main users of this evaluation will be NZAID, MFAT, relevant committee/board advisers to NZAID, Government of Tuvalu (GOT) and other stakeholders.

1.3 Evaluation Objectives

There are 6 high-level objectives/questions to be answered by this evaluation. They are:

- (i) Extent of achievement of the country strategy objectives
- (ii) Extent of achievement of strategic/policy engagement between NZAID and GOT
- (iii) Extent of relevance of the country programme strategy in helping to meet Tuvalu's development needs to reduce poverty/hardship
- (iv) Implications for future country strategy development
- (v) Key lessons learnt
- (vi) Recommendations

Based on the above high-level objectives/questions the following specific questions were developed for application to the country strategy objectives as key inputs into the broader evaluation of the country strategy:

- (i) Assess the progress/achievements of the objectives of the country strategy with a view to informing:
 - a. which focus areas were successful and why
 - b. which focus areas were not so successful and why
- (ii) Assess the implementation of the country strategy such as:
 - a. NZAID's desk and in-country working relationship with the GOT
 - b. views on the country strategy from NZAID and GOT perspectives
 - c. improvement to gender equity and women's welfare, environment, and human rights

1.4 Evaluation Approach and Methods

After initial discussions with NZAID staff in Wellington on 29/1/09 (whilst on a private visit to NZ) and based on the TOR, an evaluation plan was prepared setting out the broad parameters of the evaluation approach and methods.

After comments and discussions with NZAID this evaluation plan was revised and is shown as Appendix 2.

The evaluation consisted of 3 stages: (a) review of documents at NZAID and elsewhere, (b) interviews with key stakeholders (comprising 12 NZAID staff, 2 advisers to NZAID, 5 GOT staff, 2 ADB staff), and (c) analysis of results and report writing. No field evaluation was undertaken as intended in the TOR.

The information needs, the information source and the questions used to interview NZAID staff and Tuvalu stakeholders are shown in Appendix 2. The list of people and organisations consulted for the evaluation are in Appendix 3.

The list of reports and documents reviewed for the evaluation are in Appendix 4. When reviewing the documents and assessing the information provided by the interviewees, consideration was given to the following overarching questions regarding the quality of the information:

- (i) How robust is this information? Where is it coming from? Who is it coming from?
- (ii) Is the evidence given for any success or weakness considered robust? Is it verifiable using triangulation and other techniques?
- (iii) How objective is this information for evaluation purposes?
- (iv) What is the type of report (e.g. evaluation report, completion report, mid-term review report, annual report, etc.) being considered? Has it undergone any sort of quality check or scrutiny by a peer reviewer or assessment within NZAID?
- (v) At what level is the information being pitched, and what is the value of this information in making judgements about the success or otherwise of the country strategy?

With the above questions in mind and applied intuitively during the evaluation process, the following evaluative measures of the success or otherwise of the country strategy were considered:

- (i) What was NZAID's working relationship with the GOT and how was it applied in enabling **good aid outcomes**?
- (ii) How **relevant** were the objectives of the country strategy in the context of the political, social, cultural, and economic environment at the time of the country strategy implementation?
- (iii) Were the objectives **effective** in achieving good outcomes?
- (iv) How **efficient** were the interventions in terms of value for the aid dollar?
- (v) What **outcome/impact** did the country strategy have on
 - a. gender equity and improvement to women's welfare
 - b. environmental protection/improvement
 - c. human rights development
- (vi) Are the successful outcomes likely to be **sustainable**?

The above high-lighted terms and others used in this evaluation are defined in Appendix 5. Included with the definitions are specific questions as interpreted and applied in this evaluation. In the Findings section of this report these

specific questions are linked to the objectives of the evaluation so as to ensure coherence between these objectives, high-level questions and interview questions.

To enable a clear and objective assessment of the success or otherwise of the country strategy objectives, a country strategy performance assessment framework was developed based on DAC/OECD evaluation guidelines to assess relevance, efficiency, effectiveness, outcome/impact and sustainability. This framework uses a five point rating scale – exceeded expectations, substantially achieved, partly achieved, not achieved, too early to assess or insufficient data to assess. The definition and the criteria used to distinguish between the ratings are shown in Appendix 6.

Such an evaluative framework was considered necessary, given the large range in the type and quality of data and information. The performance assessment framework enables the evaluator to make an objective, fair and comprehensive judgement as to the degree of success or otherwise of the country strategy objectives based on the different types and quality of information. The information gained from this assessment is then used to feed into the 6 high-level objectives/questions to be answered by this evaluation.

The reports and documents reviewed for this evaluation were provided by NZAID staff during the period of desk study in Wellington (9-20 February). Throughout this and at other times the NZAID staff were extremely helpful and motivated, and gave full support and total commitment to the evaluation.

1.5 Data Limitations and Quality of Information

The evaluation had to contend with shortage of some good quality data and information that would normally be available for an evaluation of a 5-year country strategy. There is a paucity of quality focused reviews and evaluations that would have undergone some sort of peer scrutiny/assessment.

Robustness of evidence to make judgement about various evaluation Findings is presented at the beginning of the relevant sub-Sections. In addition the following observations about the source and quality of information should be noted:

- (i) No documentary information or any other direct evidence was found to estimate the efficiency of the tertiary scholarship programme, short-term training programme, and early childhood education (Section 3.1.2)
- (ii) High reliance on stakeholder interviews with some documentary information to assess the extent of the strategic/policy engagement (Section 3.2)
- (iii) Although great care was exercised in recording the responses of Tuvalu stakeholder interviewees via phone, there was:
 - a. a tendency for some respondents to make generalisations despite trying to keep the respondents to the specific questions as outlined in Appendix 2

- b. less than ideal interaction between the interviewer and the interviewee than could have been expected from say a face-to-face discussion
 - c. some difficulty in collecting numeric data as the interviewee was generally not well placed to supply this quickly over the phone
 - d. some difficulty in obtaining interviews with targeted stakeholders who were often at the Permanent Secretary level with very busy schedules requiring considerable planning and rescheduling of phone calls
- (iv) There was no fieldwork undertaken as intended in the TOR. This was considered less than ideal. Without fieldwork it is always difficult to conduct an evaluation and obtain an accurate, fair and balanced perspective of what worked, what didn't and why.

Nevertheless the evaluation has relied on whatever data and information could be accessed at NZAID and from other sources, derived from GOT's documents, and obtained from the stakeholders.

1.6 Timetable

The timetable as proposed in the evaluation plan (Appendix 2) has been followed, other than the final report revision was extended by a week to allow additional time for further interviews.

2. COUNTRY STRATEGY DESCRIPTION

2.1 The Country Context

Tuvalu is a small isolated country of about 11,000 people in the central Pacific. It comprises 9 coral atolls with a total land area of 26 sq km dispersed around an exclusive economic zone (EEZ) of 900,000 sq km. The maximum elevation of land on any of the islands is generally less than 5m above sea level. The islands are vulnerable to natural forces such as tsunamis, storm surges and rising sea level due to global warming.

Apart from the abundant fisheries resource in the EEZ, Tuvalu possesses few land-based resources with access to fresh water a severe constraint. Export is insignificant to the economy; copra making a very small contribution to the gross domestic product (GDP). The country remains dependent on aid, fisheries licences, leasing of telephone lines and its internet root domain (.tv) name, and remittances. The Tuvalu Trust Fund (TTF) is a critical source of recurrent income for the Government.

Against this backdrop the peoples of Tuvalu are resilient but poor. A recent analysis of basic needs poverty line (BNPL) indicates (Tuvalu Trust Fund Advisory Committee (TTFAC), 2008 Annual Report) that most households in Tuvalu remain below the line and are in hardship. The BNPL estimates the per capita incomes or expenditure needed for basic needs standard of living. TTFAC estimates that for the outer islands the minimum standard of living

would have cost AUD8.99 per capita per week in 1994, rising to AUD27.51 in 2004/05. For Funafuti the comparable figures are AUD16.03 in 1994, rising to AUD36.75 in 2004/05. The challenge therefore facing the GOT and NZAID is how to alleviate this level of poverty and hardship through development assistance.

2.2 Tuvalu Development Needs and Priorities

In the 2002-2007 country strategy the GOT policies and priorities had 4 key elements:

- Improving the governance of life in Tuvalu
- Providing a climate for better economic performance
- Improving the provision of essential social services; and
- Distributing resources equitably among all Tuvaluans

The policy focus was to be in the following 5 main areas of investment that were designed to yield the greatest increases in living standards, while keeping costs to a minimum:

- Human resources development
- Public sector reforms
- Private sector development
- Outer islands development
- Infrastructure development

During the life of the 2002-2007 country strategy the GOT produced *Te Kakeega II: National Strategy for Sustainable Development 2005-2015, November 2005*. This document is based on wide community consultations over the 9 islands in an effort to produce a national development strategy that reflects community aspirations. It sets out the vision for Tuvalu and challenges and constraints. Eight strategic areas were identified:

- Good governance
- Macroeconomic growth and stability
- Social development: health, welfare, youth, gender, housing and poverty alleviation
- Outer island and Falekaupule development
- Employment and private sector development
- Human resource development
- Natural resources: agriculture, fisheries, tourism and environmental management
- Infrastructure and support services

Following *Te Kakeega II* the GOT produced *Te Kakeega II: National Strategy for Sustainable Development 2005-2015 - Kakeega Matrix Returns, June 2008*. This document contains all the known aid projects, programmes, development initiatives and ideas adopted by donors, including NZAID, during the two successive Tuvalu governments, 2004-06 and 2006-present (i.e. to June 2008).

Kakeega Matrix Returns essentially shows that aid donors and other aid agencies are active in nearly every aspect of Tuvalu's economy, society, national and island governments, and also are involved in many wider issues bearing on national and local governance.

2.2.1 Implications for the Evaluation

Apart from the likely impact of all this aid on Tuvalu, the nature, type and extent of aid being provided also has important implications for NZAID and for the development of the next country strategy:

- The ability of Tuvalu to continue to absorb aid and to do so efficiently, effectively and in a sustainable way
- Aid coordination and harmonisation between donors
- Strategic/policy dialogue between NZAID and GOT
- Resources needed by NZAID Wellington/Suva to continue to manage programmes at a high-level of expected successful outcomes, and
- Duration of the next country strategy between NZAID and GOT

These and other issues are addressed further in the Findings.

2.3 The 2002-2007 Country Strategy Framework and Objectives

Against the above backdrop of the GOT's policies and priorities for development the 2002-2007 country strategy sets out NZAID's goal and development cooperation objectives with Tuvalu. This strategy emerged from the NZ-Tuvalu development cooperation programme strategy review of November 2001.

The overall goal of the NZAID – Tuvalu development cooperation program was to contribute to the efforts of the Tuvalu Government and for people to achieve equitable and sustainable development. There were 3 programme objectives each with their priority focus areas:

Objective 1 To promote self-reliant local development in the Outer Islands of Tuvalu

- Financial and training support to Falekaupule Trust Fund
- Ship to shore project (continuation of the reef channels project)

Objective 2 To support human resources development within Tuvalu by:

- (a) Working with the Tuvalu Government and other donors to develop a sector-wide approach, led by the Government, in the formal education sector
 - (b) Supporting specific strategic education and training initiatives at national and local levels
 - (c) Strengthening Tuvalu's capacity to meet selected strategic human resource needs in the healthcare area
- Participation in the development of sector-wide approach in formal education area
 - Strategic interventions within formal education sector
 - Development and implementation of a national preschool project

- Secondary scholarship programme
- Strategic interventions within the post-secondary education sector
 - Vocational education and training
 - Short-term training programme
 - Tertiary scholarship programme
 - Tuvalu Maritime Training Institute
- Medical treatment and healthcare programme

Objective 3 To assist Tuvalu in generating revenue on a long-term basis to meet recurrent national costs

- Tuvalu Trust Fund

The following themes and cross-cutting issues were to be reflected in the priority focus areas:

- Application of international human rights standards and obligations, including gender equality and participation of women
- Positive impact on Outer Island development
- Promotion of good governance
- Sustainability, including environmental
- Enhancement of local capacity
- New Zealand comparative advantage, especially where NZ services and consultants are directly involved

2.3.1 Aid Allocation and Expenditure

NZAID's estimated total allocation to Tuvalu in 2008/09 is NZD7,955,000. This includes: (a) a bilateral programme allocation, rolled over funds from 2007/08, fiscal performance benchmarks' incentive contribution, and contingencies totalling NZD3,355,000, and (b) NZAID regional Official Development Assistance (ODA) to Tuvalu and other Pacific nations of NZD4,600,000, bringing the overall total funds available for development to NZD7,955,000 if all benchmarks and conditions are met. Unused annual bilateral programme funds are allocated to the Tuvalu Trust Fund (TTF) towards the end of the fiscal year. In 2007/08 NZAID made an additional allocation of NZD1m to TTF to mark its 20th anniversary. In December 2008 NZAID made a one-off budget support of AUD3.7m (NZD4.4m) to GOT. This was to assist GOT's financial security due to the deteriorating global financial crisis.

3. FINDINGS

The Findings commonly uses the terms – relevance, efficiency, effectiveness, output/impact, development impact and sustainability. These terms have strict meanings in evaluation and they are fully defined in Appendix 5. In particular it is important to note the way in which specific questions are interpreted and applied in this evaluation.

3.1 Objective 1 - Extent of achievement of the country strategy objectives

3.1.1 Promoting self-reliant local development in the Outer Islands of Tuvalu.

Robustness of Evidence. Section 3.1.1 has relied on evidence derived largely from NZAID documentary sources and some stakeholder interviews. This was considered an appropriate balance for this Section as the evidence sought is “promoting self-reliance” which could come from both documentary sources and through stakeholder interviews. The documentary sources included NZAID’s AMS programme activity data, and NZAID commissioned consultants’ reports such as training needs assessment and field appraisal reports, review reports and project design documents. The NZAID documents and data are expected to be of very high accuracy and quality. The consultants’ reports are generally expected to be accurate and of high quality as they are done by competitively selected individuals and teams whose work is reviewed by NZAID, including scrutiny by the SAEG.

The accuracy and the quality of interview information from NZAID stakeholders is considered of a high standard; that from Tuvalu stakeholders is considered of a reasonable standard largely because of difficulties in conducting phone interviews as mentioned in Section 1.5.

The Development Focus. Developing the 8 Outer Islands of Tuvalu, where nearly 50 per cent of the population lives, is one of the key goals of the GOT as stated in *Te Kakeega II: National Strategy for Sustainable Development 2005-2015, November 2005*. The development focus is on raising the living standards of the people, providing training and assisting skills development, and building supporting infrastructure that would help reduce poverty and hardship and promote economic growth. During the period of the country strategy until now NZAID has assisted the development of the Outer Islands through (a) financial and training support to Falekaupule Trust Fund (FTF), and (b) ship to shore project which is the continuation of the former reef channels project.

Falekaupule Trust Fund. The FTF was established in 1999 to generate development finance for the island communities and is managed by them. NZAID’s support for the FTF matches Tuvalu’s own development plans for the Outer Islands. At 30 June 2007 FTF market value was AUD25.3m. Contribution by NZAID to FTF was NZD350K in 2002/03, NZD350K in 2003/04, NZD350K in 2004/05, NZD350K in 2005/06, NZD350K in 2006/07 and NZD500K in 2007/08.

After 8 years of operation to 2007, FTF made three distributions totalling AUD4.7m. Distributions are used in improving housing and for maintenance and building small village-level infrastructure. Other uses planned are for improving the overall governance in the Outer Islands through training in project and financial management, including participatory appraisal, design, monitoring, evaluation and assessment of impact. The Kaupule (island chiefs and main decision makers) will have a key role in this training. A wider objective for the FTF distributions is to improve the island community’s understanding of the Falekaupule Act.

Overall the FTF is regarded as very relevant and effective. One Tuvalu stakeholder stated that “the Falekaupule Trust Fund is probably more useful than the Tuvalu Trust Fund” because it “goes down to where the communities are” and it “addresses the small needs of the island communities” and it “impacts down to the core of the communities”.

Three Tuvalu stakeholders mentioned the slow start to the Outer Island training programme mentioning that NZAID had commissioned the training needs assessment and project feasibility mission in 2004. The current situation is that NZAID has an approval for NZD1,095,000 over 3 years, 2008/09 to 2010/11, to assist the training. The implementing agency will be the Ministry of Home Affairs and Rural Development (MHARD), with additional funding support from the United Nations Development Programme (UNDP).

Despite the delay in this training intervention (discussed at the HLC in Funafuti on 11 October 2006), NZAID’s country strategy objective to support FTF is considered sound and highly relevant to the needs of the island communities. The longer-term potential for village-level development impact on the Outer Islands of Tuvalu through future FTF distributions, is considered significant.

Ship to Shore Project. The reef channels project (now known as ship to shore project), supported by NZAID since 1987, would improve the safety of the passengers and goods being transferred between the ship to shore and vice versa. NZAID’s evaluation committee considered a review of the project in November 2004 and subsequently a design study recommended a 5-year support programme of NZD5.746m beginning in the last quarter of 2007.

The ship to shore project has been delayed by about 5 years and this was heavily criticised by 3 Tuvalu stakeholders. One Tuvalu stakeholder even claimed that the “island communities have forgotten about it” and that “many people have died” waiting for the project to start. The stakeholder further asked “why is it taking so long to implement such a project?” The delay is being addressed by NZAID and a considered explanation to the Tuvalu stakeholders is advised.

For the Outer Islands better channels and better navigational aids would also assist safer passages for ships and for machinery transfer for other projects such as electrification and telecommunications on the islands. As such the project, when completed around 2012, is considered highly relevant for the needs of the Outer Islands.

When the ship to shore project is completed the anticipated flow of benefits is expected to be large and long-term, and could also potentially stimulate the island economy and help create a major development impact. The project planning has anticipated the need for recurrent cost financing (RCF) for maintenance of the navigational aids and this is specifically mentioned in the project design documents. Although the design documents consider it unlikely, it is possible that the completed reef channels, at some time in the

future, may also require RCF for maintenance (see Recommendations). If that need arises the GOT would have to provide the RCF, as without channels maintenance, the ship to shore project would not be able to power the Outer Islands development to the extent anticipated. Therefore consideration must be given to the sustainability of the project outcomes through channels maintenance. One Tuvalu stakeholder commented that “it’s not easy to sustain anything in Tuvalu” and went on to say “after implementation it is difficult to maintain...it is a major problem” and that there is a “need to change culture” (i.e. of not maintaining).

Environmental impact assessment (EIA) for channel construction had some Falekaupule inputs and monitoring of impact was done by locals with Kaupule having a central role. This was a good training initiative helping to enhance the knowledge base of the local community in environmental matters. Blasting of short areas of the reef was required which had negative environmental impact on the immediate surrounds. Against this had to be balanced the need for essential infrastructure necessary for development to help lift the Outer Island community from poverty and hardship. Two Tuvalu stakeholders confirmed that “benefits outweighed the environmental issues” and that they “need basic infrastructure”.

NZAID’s support for the ship to shore project is considered highly relevant. However, the delay in implementation is of major concern to the Outer Island community. There may also be issues about RCF impacting on sustainability and this needs monitoring and further consideration by NZAID.

Overall, based on the assumed intent of the objective of promoting self-reliant local development in the Outer Islands of Tuvalu, this objective is rated as **substantially achieved** for the financial support to the FTF, **partly achieved** for the ship to shore project, and **not achieved** for the Outer Islands training.

3.1.2 Supporting human resources development (for details of focus areas see Section 2.3).

Robustness of Evidence. Section 3.1.2 has relied on evidence derived largely from documentary sources and some stakeholder interviews. For this Section this was considered an appropriate balance because: (a) there are a large number of focus areas covered under this Section, (b) it is a large component of the bilateral aid funding, and (c) it was necessary to get considerable documentary evidence since the Government endorsed written material of both partners (complemented by the evidence from the stakeholder interviews) was vital in making a fair and balanced judgement on the success or otherwise of the HRD intervention.

The documentary sources included NZAID’s AMS programme activity data, NZAID’s SIMS data, GOT development plans, policies, strategies and reports, and a NZAID commissioned consultant’s report on education sector options. The NZAID and GOT documents and data are expected to be of very high accuracy and quality. Consultants’ reports are generally expected to be accurate and of high quality as they are done by competitively selected

individuals and teams whose work is reviewed by NZAID, including scrutiny by the SAEG.

The accuracy and the quality of interview information from NZAID stakeholders is considered of a high standard; that from Tuvalu stakeholders is considered of a reasonable standard largely because of difficulties in conducting phone interviews as mentioned in Section 1.5.

The Development Focus. HRD is a key development objective of the GOT and is stated in a number of key policy and planning documents including the *Education and Training Sector Master Plan, 2004*; *Te Kakeega II: National Strategy for Sustainable Development 2005-2015, November 2005*; *Tuvalu Education Sector Implementation Plan 2006-2010*; and *Te Kakeega II Matrix Returns, June 2008*. In the country strategy included under this objective were: (a) participation in the development of a sector-wide approach in formal education area, (b) development and implementation of a pre-school project, (c) secondary scholarship programme, (d) vocational education and training, (e) short-term training programme, (f) tertiary scholarship programme, (g) Tuvalu Maritime Training Institute support, and (h) medical treatment and healthcare programme.

Three Tuvalu stakeholders considered HRD support by NZAID (and other donors) as critical to the long-term development of Tuvalu. Two mentioned the recent declining academic standards in primary and junior secondary schools as a great concern to the GOT.

Sector Wide Approach (SWAp). SWAp to improving education has been successfully applied in several countries but in the case of Tuvalu this was not achievable as stated in a 2006 NZAID commissioned consultant's report on Tuvalu education sector options. The reasons given were the many competing interests in the education sector, the small size of the programme, and the severe resource constraint faced by the Tuvalu Ministry of Education to implement such an approach requiring coordination of donor inputs in the education sector. Three Tuvalu stakeholders concurred with this view. Since 2006 NZAID and other donors have continued to raise the issue of a SWAp in the education sector, including as recently as the RTM of June 2008.

Early Childhood Education (ECE). ECE is considered a high priority by both partners and anecdotal evidence suggests that high payoffs can be expected. NZAID spent NZD123K between 2004/05 and 2006/07 on ECE (from a total allocation of NZD550K), focusing on curriculum development linked to primary school syllabus, pre-service and in-service training of staff, and supply of equipment. In July 2007 the GOT Cabinet proposed an early childhood care and education policy. It stated that research has shown that "for every USD1 invested in early childhood programmes, countries enjoy cost savings of USD7 because thriving children use fewer remedial services and contribute more to their countries". Currently there are 19 pre-schools in Tuvalu of which 9 are in Funafuti. Class sizes range from 6 in the smallest school to 5 pre-schools having over 50 students.

Feedback from Tuvalu stakeholders about the success of the NZAID intervention in ECE was very positive with one stating that “preschool contribution was very good” and they “want more”. In terms of funding, another stated that there is a “need for reallocation from tertiary to early childhood education” and there “needs to be a balance”. However, delays have held up implementation of a wider NZAID engagement in ECE. Most information suggests that ECE intervention is relevant, efficient, effective and likely to have a high development impact.

Secondary Scholarship Programme. This was discontinued around 2004 after 2 years of funding secondary school students (up to 6th form level) to study in NZ. It was high cost per student intervention assisting only around 5 students per year for an annual expenditure of NZD100K. It wasn’t an efficient use of the education sector funds. The **vocational education and training programme** assisted a small number of Tuvaluans but was also phased out of the NZAID programme to be supported by Asian Development Bank (ADB) instead. One NZAID stakeholder commented that the vocational education and training intervention was “thought to be a good idea” when the country strategy was prepared “but the GOT did not think it was that important” in the overall education sector at that time. During the interview one Tuvalu stakeholder said “we want more technical and vocational education support”.

Short-term Training Programme. This assists students improve their skills through provision of work-related short-term training courses or attachments in NZ and in some cases in Fiji. Between 2002/03 and 2006/07 NZD758,780 was spent on this programme. The programme provides vital training for the long-term development needs of Tuvalu and has been acclaimed by most stakeholders in Tuvalu and NZAID as highly successful, efficient and effective. Improved skill flows are likely to create an important development impact. Sustainability of the additional skills learnt and their flow-on effect on the economy is considered to be high.

Tertiary Scholarship Programme. This consists of NZ Development Scholarships (NZDS) and NZ Regional Development Scholarships (NZRDS). NZDS are available for pre-service and in-service public, private and civil society applicants (up to 3 per year) for fulltime study in NZ Universities. NZRDS are available for pre-service and in-service applicants (up to 5 per year) for fulltime study at the University of the South Pacific (USP), Fiji School of Medicine (FSM), and Fiji Institute of Technology (FIT). Gender balance in the awards is maintained. Between 2002/03 and 2006/07 NZAID spent NZD980,304 on NZDS, and NZD1,769,137 on NZRDS. Between 2002/03 and 2007/08 10 Tuvaluans completed their degrees/certificates (3 NZDS, 7 NZRDS). Another 10 are currently enrolled. The completion rate has been high with 1 termination between 2002/03 and 2007/08 (NZAID SIMS data). However one Tuvalu stakeholder maintained that the pass rate was lower at around 67 per cent which almost matches the success rate of all foreign students in NZ Universities at 65 per cent.

The NZDS and NZRDS are essential but relatively high cost interventions in the education needs of Tuvalu costing around NZD25-30K per student per

year for NZRDS and around NZD35-45K per student per year for NZDS; with accompanied dependents the cost is much greater. Efficiency or value for money is difficult to answer given the available data. No studies have been done on the returns to the investments in NZDS and NZRDS in Tuvalu. Hence it is difficult to ascertain efficiency (see Recommendations).

A study commissioned by NZAID in Tonga suggests that NZDS and NZRDS are efficient and worthwhile investments. A tracer study for Fiji and Tuvalu 2005-2007 alumni by AusAID, on similar scholarships as NZDS and NZRDS, found that the scholarships contributed to Tuvalu's development and that the outcomes are likely to be sustained. The study further concluded that "education provides foundation for economic growth and self-reliance with additional benefits in health, governance, gender equality, stability and security, and in fostering effective states".

Anecdotal evidence from around the world indicates that tertiary qualifications, like all formal qualifications in the education sector, have high returns with benefit/cost ratios frequently above 5-10 and even beyond (benefit/cost ratio is derived by dividing the present worth of benefits by the present worth of costs – it is a measure of the economic benefit of an investment over its lifetime). There is no reason to doubt that similar returns are being obtained in Tuvalu. Therefore it is considered that the tertiary scholarship programme is efficient, effective, highly relevant and likely to continue to deliver economic and social benefits to the country over the long-term. The knowledge and skills gained during the course of the studies are considered sustainable and would create substantial development impact in Tuvalu (and elsewhere if scholarship recipients emigrate).

Tuvalu Maritime Training Institute (TMTI). TMTI was established in 1979. It is located on Amatuku, a small islet 8km north of Funafuti. The Institute provides training in the maritime industry to men and women for seafaring employment on international merchant ships. Remittances by seafarers, estimated at NZD2-3m per year, are a significant source of revenue for Tuvalu and have an important impact on the national economy, from Funafuti to the outer-most islands. One source estimates that the annual fees of at least 60 per cent of the students at Tuvalu secondary schools are paid from monies earned by seafarers. Another source mentions that "the welfare of around half of Tuvalu's population, especially those living on the outer islands, is critically dependent on the remittances of Tuvaluan seafarers".

NZAID funded training needs of staff at TMTI up to 2003/04 after which most of the technical assistance (TA) has been provided by the NZ Maritime School with additional support from ADB. During the time of NZAID support the TMTI produced 60 graduates and provided upgrading to another 150 experienced seamen each year.

Currently ADB is a main donor to the TMTI with a focus on institutional strengthening to assist in upgrading the quality of the graduates. Two-year tranches of loans of around USD3-3.5m are provided to Tuvalu on a long-term basis, and USD300K TA grant on an annual basis. A significant proportion of

this fund is used to support the TMTI. Overall, the ADB support to the TMTI has not been working efficiently and the effectiveness of the support is also questionable. The working relationship between ADB and the Tuvalu Ministry of Education (which manages the TMTI) has not been satisfactory as indicated by 2 ADB stakeholders. One ADB stakeholder indicated that there was “considerable difficulty in working” and that there appears to be “a lack of will in getting things done”.

The importance of TMTI to Tuvalu is also recognised by NZAID and the GOT. One NZAID stakeholder’s and one NZAID adviser’s view is that the TMTI standards are declining fast. This was affirmed by two Tuvalu stakeholders. One Tuvalu stakeholder considered that meeting the International Maritime Organisation’s standards is now becoming very difficult and that the TMTI “is struggling”. NZAID may need to reconsider its support for improving training standards at TMTI in association with the continued technical support being provided by the NZ Maritime School. Declining standards of graduates from TMTI is a clear and direct threat to the national economy through a potential decline in remittances, and is a potential social problem for Tuvalu.

Medical Treatment and Healthcare Scheme (MTHS). MTHS assists selected Tuvaluan patients, who would otherwise die, for medical treatment in NZ or Fiji. This is a high per patient cost scheme and targets people who are expected to recover and live a healthy life for at least 5 years post-treatment. Between 2002/03 and 2006/07 NZAID spent NZD565,577, from a total approval of NZD750,000, on MTHS. The underspend of NZD184,423 is considered important when compared to GOT’s own similar medical treatment scheme (TMTS) on which it overspends very significantly (see Section 3.1.3). With one partner underspending and the other partner overspending very significantly, on very similar medical schemes, there is a need for greater coordination between NZAID and GOT.

The MTHS has been a major component of NZODA to the health sector in the Pacific region for over 25 years. Therefore the value and effectiveness of the scheme for Tuvalu has to be considered in the wider context of supporting the healthcare needs of the Pacific communities. It is difficult to estimate efficiency. At the personal level, not dying and having at least 5 years of healthy life is justifiable. If the recovered patient continues to generate income, contributes financially, socially and culturally to the economy more widely then one may reflect that the MTHS is worthwhile. It certainly reflects NZAID’s poverty and hardship reduction goals.

Overall, based on the assumed intent of the objective of supporting human resources development within Tuvalu, this objective is rated as **substantially achieved**. There are issues around the progress of SWAp in education and its consequent impact on donor harmonisation/coordination, and the deterioration in the training standards of TMTI (since most of the NZAID funding finished) that need addressing in the future.

3.1.3 Assisting Tuvalu in generating revenue on a long-term basis to meet recurrent national costs.

Robustness of Evidence. Section 3.1.3 has relied on evidence drawn almost entirely from documentary sources from the Tuvalu Trust Fund (TTF) reports, Tuvalu Trust Fund Advisory Committee (TTFAC) reports, NZAID reports, and NZAID's AMS programme activity data. Additional information was from interviews of NZAID stakeholders and a NZAID representative on the TTFAC. The documentary evidence is considered very accurate and of very high quality as there are a number of checks and balances to the information contained in the reports through the Committee and Board scrutinising the TTF and Consolidated Investment Fund (CIF) information and investment data.

The accuracy and the quality of interview information from NZAID stakeholders and the NZAID representative on the TTFAC is considered of a high standard; that from Tuvalu stakeholders is considered of a reasonable standard as mentioned in Section 1.5.

Tuvalu Trust Fund. Assisting Tuvalu in generating revenue on a long-term basis is through funding and supporting the TTF to generate revenue to meet the recurrent national costs. The TTF was established in 1987 with initial funding from Tuvalu, NZ, Australia, and UK. Other contributors since then have been Japan and South Korea. The aim of TTF is to finance budget deficits, support economic development and help achieve greater financial autonomy for Tuvalu.

At 30 June 2007 the market value of TTF was AUD106.6m. The average real rate of return in 20 years to 2007 was 6.2 per cent per annum providing AUD65.7m in revenue to Tuvalu. Of this AUD24.1m was used to fund budget deficits, AUD29.2m was reinvested in the Fund, and AUD12.4m was transferred to CIF. The CIF acts as a buffer to smooth out investment value fluctuations. Funds for recurrent use are drawn from the CIF only. The ideal is to hold AUD16m in CIF and not draw down more than AUD4m per year so that the buffer has 4 years of possible draw-downs. In the 20 years to 2007 the annual contribution from the Fund to the budget was AUD3.3m in 2006 dollars, which represents an average of 21 per cent of the total GOT recurrent expenditure.

NZAID's more recent contribution to the TTF was NZD800K in 2004/05, NZD385K in 2005/06, NZD280K in 2006/07, and NZD1m in 2007/08. During the same period contributions of NZD256K, NZD140K, NZD144K, and NZD120K were also made to support members of the Advisory Committee (TTFAC) and Board which have NZ representations.

The current global financial crisis has affected TTF and at 30 September 2008 the market value of the Fund had dropped to AUD94.5m. This is considered not too bad given that the crisis has destroyed wealth by a much greater margin in many other funds globally. What is of concern is the maintained value of the CIF which had deteriorated to AUD12.3m. NZAID provided additional funds of NZD4.4m to CIF in December 2008 to bring the maintained value to AUD16m.

There were conditions attached, one of which was for GOT to implement a more efficient and cost-effective management of the TMTS, which is a significant drain on the national budget. From a budgeted expenditure of AUD0.5m in 2008 it had already reached AUD1.06m by end-August, and if the Ministry of Health cannot control the referral process, the cost of the Scheme is projected to rise to AUD2.0m, a 4-fold increase from the budgeted expenditure, thereby potentially undermining critical development efforts elsewhere.

By any measure the TTF is an extremely successful initiative. It meets the exact purpose for which it was designed – to generate revenue for the budget needs of the GOT. The Fund is considered to be highly relevant, efficient in the generation and use of incomes, effective in meeting the wider funding needs of the nation, is creating a desired long-term development impact and is highly sustainable. It is hailed as a model for adoption by other Pacific nations.

Overall, based on the assumed intent of the objective to assist Tuvalu in generating revenue on a long-term basis to meet recurrent national costs, this objective is rated as ***exceeded expectations***.

3.1.4 Gender equity, environment and human rights.

Robustness of Evidence. For the gender equity part of Section 3.1.4, and in the absence of direct documentary and/or stakeholder evidence, the evidence was largely derived from secondary sources. For the documentary sources the evidence relied on NZAID and GOT documents, development plans and reports, NZAID's AMS programme activity data, NZAID's SIMS data, TTF reports, and a NZAID commissioned appraisal report by a consultant team. The NZAID documentary sources are very accurate and of very high quality. The GOT's reports are also considered to be of high quality. The TTF reports are very accurate and of very high quality. The consultant team's report underwent a review within NZAID and scrutiny by the SAEG and the findings are regarded as accurate and of high quality. The accuracy and quality of any stakeholder views from NZAID is considered high and that of Tuvalu stakeholders reasonable as explained in Section 1.5.

For the environment part of Section 3.1.4, evidence was drawn from project design documents produced by a consultant team and individual consultant's reports. The accuracy and the quality of the consultants' reports are considered to be high as a result of NZAID's review and scrutiny processes. Information on the sea level rise is ascribed to world-renowned climate scientists.

For the human rights part of Section 3.1.4, evidence was largely sourced from Tuvalu stakeholder interviews and the information is regarded as of reasonable accuracy and quality.

Gender Equity. Although Tuvalu is not a signatory to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), one Tuvalu stakeholder stated that “Tuvalu is moving towards gender equity, even in the budget”, that “women are responding” and that “there is a lot of interest”. The interviewee added that “although they have their cultural ways gender is being addressed”. Another Tuvalu stakeholder indicated that although there are “barriers to balance because of culture, in regards to scholarships they are based on merits”.

NZAID has addressed gender equity and improvement to women’s welfare in all its programmes and in the implementation of the country strategy. There was a strong theme of gender improvement in the Outer Islands development strategy with a major study commissioned by NZAID (2004) to assess the training needs of women in consultation with the Tuvalu National Council of Women (TNCW) and Tuvalu Association of Non-Government Organisations (TANGO). The 2004 study indicated that the training of women in the Outer Islands would: (a) improve their welfare, (b) empower them to face new challenges posed by development, (c) help them in decision-making, and (d) assist them in learning about health and nutrition, as well as in social and cultural skills, through the establishment of Community Training Centres (CTC) in each island. However, to date little progress has been made in the formal training of women in the Outer Islands.

When completed it is expected that the ship to shore project would greatly benefit women, children and older people by improving their safety during ship to shore passages and vice versa. In granting of NZDS and NZRDS there is a policy of gender balance. In other interventions such as ECE, short-term training, and the earlier secondary scholarship and vocational education and training, the policy of gender balance was applied. The remittances from seafarers greatly impacts on household requirements with women and children the major beneficiaries. Likewise the incomes generated from TTF and FTF has important flow-on effect on improving the welfare of women in Tuvalu, especially in the Outer Islands. The MTHS has major benefits for women. In future NZAID should continue to support gender equity and improvement to women’s welfare (see Recommendations). Overall, based on the assumed intent of gender equity theme in the 3 country strategy objectives, this theme is rated as ***substantially achieved***.

Environment. NZAID has a strong policy of environmental protection and improvement in its development assistance programme. This policy has been rigorously applied in the planning of the ship to shore project. Environmental impact assessment was done on all the 8 islands before the works in widening the reef channels could begin. It is recognised that a trade-off had to be achieved between the negative impact of blasting the reefs for channel widening and the anticipated flow of development benefits from safer passages for people and goods. During the works the Falekaupule and Kaupule, together with local villagers, assisted in monitoring of environmental impacts and thereby gained valuable knowledge for application in other development activities on the islands in the future. NZAID has a requirement

that the TOR of all planned programme activities, and review and evaluation documents address environmental issues.

Sea level rise due to global warming is looming as a major threat to people's lives in Tuvalu. Recent world-renowned authoritative sources indicate that the sea level would rise by around 1.5m by the end of this century. As the sea level rises Tuvalu would become more and more inhospitable and the people would need to emigrate. Three Tuvalu stakeholders indicated the sea level rise is of great concern to the nation. One stakeholder with over 50 years living experience in Tuvalu said "if the sea level rises by 3 feet (0.914m) all the food crops will die" and that his observation is "sea water intrusion into the water lenses is already making the water more and more brackish". This stakeholder further added that he hoped that "NZ and Australia will have open arms".

The sea level rise has to be addressed by NZAID and NZ Government because of the: (a) longstanding development assistance support to Tuvalu, (b) stated vision of NZAID being "towards a safe and just world", and (c) international commitment as a concerned Pacific neighbour (see Recommendations). Overall, based on the assumed intent of environment protection theme in the 3 country strategy objectives, this theme is considered as ***substantially achieved***.

Human Rights. Two Tuvalu stakeholders indicated that NZAID has influenced human rights development in Tuvalu through its education support at all levels from ECE to tertiary level. They considered good quality education is critical to understanding one's human rights and in empowering communities more generally to practise human rights. A third Tuvalu stakeholder said that NZAID's assistance in "legal framework and legislation" has been "very strong" and mentioned that "acts of Parliament are met". The stakeholder further added that "learning about human rights", in particular the international conventions on human rights, is a "slow process and will take time". Overall, based on the assumed intent of human rights theme in the 3 Strategy objectives, and acknowledging that change is a slow process, this theme is rated as ***partly achieved***.

3.2 Objective 2 - Extent of achievement of strategic/policy engagement between NZAID and GOT

Robustness of Evidence. Section 3.2 has relied very heavily on evidence from stakeholder interviews with some evidence from documentary sources. The heavy reliance on interviews is because the evaluation objective seeks the views of key actors on the extent of the strategic/policy engagement between NZAID and the GOT. There is little direct documentary evidence of the extent of the strategic/policy engagement between the two partners as no study has been done on this. The documentary information consisted of NZAID provided documents such as the Declaration (see below) between GOT, NZAID, ADB and AusAID. An additional source was the annual "stocktake" reports produced by the Central Pacific Group, NZAID which had some reference to the strategic/policy engagement. The NZAID documents

are of high accuracy and quality as there are inbuilt checks and balances within the teams producing the reports.

The following are views of a number of NZAID and Tuvalu interviewees. Techniques such as the triangulation method and past knowledge and experience in conducting similar types of evaluation interviews were employed to get a sense of balance in the feedback obtained. There were a number of information cross-checks made, for example, when interviewees referred to outcomes of particular HLCs or RTMs. All the interviews of NZAID stakeholders was done at NZAID, Wellington. Interviews of Tuvalu stakeholders were done by phone. The accuracy and the quality of interview information from NZAID stakeholders is considered of a high standard; that from Tuvalu stakeholders reasonable as explained in Section 1.5.

3.2.1 Successes and achievements

The general perception of 4 Tuvalu stakeholders was that they had a good strategic/policy engagement with NZAID during the life of the country strategy. They provided evidence of having had good outcomes from HLCs and round table meetings (RTMs). They gave examples of the education RTM with other donors in Funafuti in July 2005, which was jointly sponsored by Tuvalu and NZAID; and the NZAID/GOT HLC in Funafuti on 11 October 2006. Additional evidence was that HLCs and RTMs were now held more regularly than in the past.

All this was regarded by the Tuvalu stakeholders as a positive development in engaging with senior NZAID staff in resolving issues and challenges arising in the country programmes and in the country strategy more generally. The Tuvalu stakeholders also indicated that the general thrust of the country strategy remained intact during its 5-year life despite one change of Government in Tuvalu during that time. The new Government continued with the mandate agreed earlier in almost all sectors and focus areas. The general consensus of the Tuvalu stakeholders was that the strategic/policy engagement and their day-to-day working relationship with NZAID had definitely improved since the In-country Coordinator was appointed.

There was general agreement between 3 NZAID stakeholders that the strategic/policy engagement with Tuvalu during the life of the country strategy was good despite many challenges and some day-to-day issues arising out of programme implementation. One mentioned that there was a “good political and bilateral relationship with Tuvalu” and that this was helped by “a stable government”. Another recent evidence (January 2009) of good strategic/policy engagement between NZAID and GOT was the Declaration by the Government of Tuvalu and Development Partners on Improving Aid Coordination and Effectiveness which has been signed by the two Governments, and by ADB and AusAID.

The NZAID stakeholders indicated that they had achieved good working relationships with the Secretaries of the various Ministries and that knowing the personalities helped achieve strategic/policy objectives of the country

strategy. This view was affirmed in interviews of 4 Tuvalu stakeholders. At the lower level NZAID stakeholders did admit that they had encountered problems usually around communication and implementation of the country strategy. One NZAID stakeholder indicated that having strong representation on the TTF was enabling a strong strategic/policy engagement with the GOT. Overall, the NZAID stakeholders considered the engagement as “patchy”.

Three Tuvalu stakeholders indicated that more regular HLCs, RTMs, and donors meetings would improve the nature and extent of strategic/policy engagement between the two countries. They mentioned difficulties in doing business despite having email, phones and faxes. There was no substitute to having face-to-face discussions on matters of policy and strategy. A fourth Tuvalu stakeholder mentioned that the delay in the ship to shore project could perhaps have been avoided if there had been more regular high-level interaction.

NZAID has one DPM managing both Fiji and Tuvalu. Given the size, importance and complexity of both programmes the DPM Fiji/Tuvalu and support staff have done an excellent job in maintaining, supporting and sustaining the strategic/policy engagement to the high level achieved as indicated by several NZAID and Tuvalu stakeholders. This is a great credit and considered particularly praiseworthy as the DPM Fiji/Tuvalu has a high workload managing two programmes.

3.2.2 Weaknesses and constraints

A number of weaknesses and constraints appear in documents reviewed for the evaluation, and also mentioned by both Tuvalu and NZAID stakeholders. A key constraint for more intensive strategic/policy engagement was the physical location of the NZAID Manager in Suva. With Tuvalu already constrained by being small, fragmented and isolated, this compounded the problems of communication, dialogue, working meetings, and visits to development sites especially to the Outer Islands whose development is a key objective in the country strategy. An added problem was the relatively frequent failure of the communication systems such as emails, faxes and phones which disrupted exchanges and dialogue.

Three Tuvalu stakeholders stated that the strategic/policy engagement during the life of the country strategy could have been improved by their own better day-to-day working arrangements and more proactive engagement with NZAID Wellington. They admit to slow responses to NZAID queries which sometimes led to delays in implementation of country programmes. They added that their resources are often stretched because of the large number of donors with whom they are engaged.

A fourth Tuvalu stakeholder considered that the delay in the ship to shore project was not conducive to good strategic/policy relations. This stakeholder suggested that “NZAID needs to be more reactive to low-lying countries” in their development needs and that “NZAID needs to be more active in supporting Tuvalu”.

A fifth Tuvalu stakeholder had strong views about NZAID's programme implementation ability. Whilst recognising that the strategic/policy engagement was good "no problem in the relationship", the "implementation was disheartening" again mentioning the delay in the ship to shore project as an example. Asked how the relationship could be strengthened the stakeholder said "NZAID needs to be more honest with Tuvalu" and that "somehow things don't move after the talks" and "the way things are done is a problem". The main issue for this stakeholder was delays in programme implementation.

A constraint to having good strategic/policy engagement raised by one NZAID stakeholder was the frequent requests for aid support by-passing the accepted protocol of having requests screened and channeled through the Ministry of Finance and Planning. This caused problems for NZAID in not knowing the status of the request or the extent of support for the request by the GOT. Such requests impacted on maintaining smooth and clear strategic/policy engagement between the partners.

Strategic/policy engagement between NZAID and GOT could be improved by more regular visits of DPM/DPO, Team Leader Central Pacific Group and the Suva-based NZAID Manager to Tuvalu (see Recommendations). This would become particularly important as the development assistance to Tuvalu scales up.

Overall, it is considered that the extent of achievement of strategic/policy engagement between NZAID and GOT has been moderately high.

3.3 Objective 3 - Extent of relevance of the country programme strategy in helping to meet Tuvalu's development needs to reduce poverty/hardship

Robustness of Evidence. Section 3.3 has relied on evidence derived very largely from documentary sources and very largely from stakeholder interviews. The heavy reliance on documentary and stakeholder sources is because the evaluation objective seeks documentary evidence of relevance as well as views of key actors in NZAID and the GOT. The documentary sources included the country strategy (an agreed document between the two partners), a number of supporting NZAID documents and reports, and the various GOT development plans, policies, strategies and reports. All these documents and reports have very high value in providing evidence of relevance as they are officially Government endorsed statements.

The Tuvalu and NZAID stakeholder interviews sought views about the extent of relevance from a large number of senior officials in both countries. Seeking views of the senior officials from Tuvalu and NZAID was important as they have been directly involved in overseeing the implementation of the country strategy and therefore they were considered as being able to provide first hand knowledge. The accuracy and the quality of interview information from NZAID stakeholders is considered of a high standard; that from Tuvalu

stakeholders is considered of a reasonable standard as explained in Section 1.5.

Extent of Relevance. There is a strong match between the relevance of the country programme strategy and Tuvalu's development needs and priorities as discussed in Section 3.1. This was affirmed by 5 Tuvalu and 3 NZAID stakeholders. The central focus of the GOT has been to reduce poverty and hardship through the following 8 key measures as highlighted in *Te Kakeega II: National Strategy for Sustainable Development 2005-2015, November 2005*:

- Good governance
- Macroeconomic growth and stability
- Social development: health, welfare, youth, gender, housing and poverty alleviation
- Outer island and Falekaupule development
- Employment and private sector development
- Human resource development
- Infrastructure and support services
- Natural resources: agriculture, fisheries, tourism and environmental management

The 2002-2007 country strategy objectives were designed to positively impact on all of the above measures. Section 3.1 showed the moderately high extent of achievement of these country strategy objectives and their likely outcome and development impact on Tuvalu to help reduce poverty and hardship.

The aid modalities and the delivery mechanisms chosen to implement the country strategy included an appropriate balance of programme aid, management services contract, TA, budget support, direct funding of TANGO and local community initiatives, and funding support to Trust Boards and Committees.

Overall, it is considered that the extent of relevance of the country programme strategy in helping to meet Tuvalu's development needs to reduce poverty and hardship was very high.

3.4 Objective 4 - Implications for future country strategy development

This evaluation has several important implications for future country strategy development. These are discussed below. The Findings reported in Section 3.4 are drawn by this evaluator from information gathered from documentary sources, interview sources and from own knowledge and experience. Previous statements and caveats about the robustness of evidence from documentary and interview sources apply.

3.4.1 Duration of country strategy. There are a number of points for and against having a 10-year country strategy as opposed to say a 5-year strategy. Basically it comes down to flexibility, complexity, and the ability of the country strategy document to act as a communication medium between all stakeholders so that everyone understands what the strategy is about. A

number of views were expressed by various NZAID and Tuvalu stakeholders which are summarised.

A well scoped 10-year country strategy focused at broad sectoral and policy level would enable NZAID and GOT to concentrate on the key areas for development such as education, HRD, health, Outer Island development, infrastructure development, and income generation through continuing support to TTF and FTF. Improvement and support to these areas are long-term goals. Although there will be development impact created by the aid interventions during those 10 years and change will occur more generally, the low base from which progress will occur means the goals are unlikely to be completed in the 10 years of the strategy. In this scenario the detailed programmes and focus areas can be mapped out in annual reviews and perhaps assisted through regular HLCs and RTMs. There has to be considerable flexibility in programme details and consequent flexibility in annual allocations.

One Tuvalu stakeholder was of the strong view that NZAID should not undertake a 10-year strategy because it would be too long and “would not fit in with the Tuvalu development plans”. This stakeholder also mentioned that the changes of Government in Tuvalu may affect the implementation of a longer country strategy. A third point was that the new country strategy must be closely aligned with their development plans; the current one being *Te Kakeega II* which goes to 2015.

NZAID is considering developing a new 10-year country strategy with Tuvalu. Based on the above discussion the questions that need to be addressed are (see Recommendations):

- (i) Is such level of flexibility possible in the Government budget approval processes of NZAID and GOT?
- (ii) What is the expectation that the less detailed country strategy will be easily communicable and well understood by both sides and to the level necessary to enable clear programme implementation?
- (iii) How would changes be accommodated due to unintended/unforeseen events (e.g. impact of current global financial crisis on budgets)?
- (iv) How would the country strategy match with any new shorter duration GOT development strategy? (note that *Te Kakeega II: National Strategy for Sustainable Development 2005-2015, November 2005*, is nearing 4 years since inception and a new development plan is almost a certainty before 2015)
- (v) How would the country strategy accommodate changes in Governments in both countries, noting that NZ has a maximum 3 year term and Tuvalu a maximum 4 year term? In the case of NZ could the development assistance budget be affected by the change of Government, and if so, what would be the status of a longer country strategy?
- (vi) How would training and educational needs be projected 10 years when country economic circumstances can quickly change requiring change in direction and funding allocation?

- (vii) In the 10-year country strategy as compared to say a 5-year strategy, are the objectives more likely to be successfully achieved? Would they be more effective? Would they be more efficiently achieved? Are successful outcomes more likely to be sustainable? Would the likely development impact be much greater?
- (viii) Would the strategic/policy engagement between the two countries have a greater chance of success?
- (ix) Would the relevance of the country strategy to meet the needs and priorities of the GOT wane over the longer-term thereby blocking the ability of the two partners from developing a new strategy in the 10-year period? Therefore would two 5-year strategies have been a better option? - as an evaluation at the end of the first 5 years could have provided important lessons and directions for the next 5 years
- (x) If the intent is to change the country strategy during its life if circumstances prevail why then have a 10-year country strategy?
- (xi) Given the greater anticipated changes in staff involved in providing strategic direction and management in both NZAID and GOT in the 10 years, how will this impact on successful continuation and implementation of the country strategy? Institutional memory in development is always problematical.

These and other questions should be considered in the development of the new country strategy between NZAID and GOT.

3.4.2 Harmonisation and donor coordination. NZAID considers that there are considerable advantages to be gained in managing development assistance to Tuvalu through harmonisation and greater donor coordination. Harmonisation has been on NZAID's agenda since a regional workshop on harmonisation was held in Fiji in October 2003. Perceived advantages are lower resourcing needs from NZAID and GOT, greater devolution of decision making to GOT, greater ownership of development policies and priorities by GOT, and greater alignment of donor support and less duplication of donor efforts.

In February 2006 NZAID commissioned an options paper on donor coordination in the Tuvalu education sector following the RTM of 2005 which agreed that "a harmonised approach would be more effective in creating sustainable change". The options paper recognised that "a simple harmonised approach that is consistent with the 2003 Rome declaration and the 2005 Paris declaration" was required. The paper concluded that while there was "general agreement among donors and the GOT that Tuvalu was not yet ready for a sector wide approach that involves direct budget support, a simpler form of harmonisation is sought by all".

During the country strategy period there was only a moderate progress in harmonisation despite a strong intent by NZAID and GOT. Donor coordination has had a higher success through means such as the recent high-level Development Partners Declaration (based on Paris principles) between NZAID, AusAID and GOT, recent annual RTMs based on reviews of *Te Kakeega II*, and pre-2006 RTMs arranged by either GOT or UNDP. In tertiary

scholarship selection there has been a strong coordination between NZAID and AusAID. This includes setting joint selection criteria and establishing joint selection panels to select students for NZ, Australian and regional Universities.

All donors in the education sector (NZAID, AusAID, Japan, Taiwan, ADB, EU and Canada) recognise the enormity of the donor coordination task faced by the Tuvalu Department of Education, having only 7 professional staff and 2 support staff as at 2006. A critical mass of high-level skills is required to successfully manage donor coordination by a recipient partner.

ADB indicated that they have a good coordination arrangement with NZAID and AusAID, being like-minded donors, in the HRD sector of Tuvalu. Evidence given was the regular meetings between the three and other donors who have their regional offices and aid staff located in Suva. ADB indicated its coordination with the Ministry of Education in Tuvalu was difficult because of the “lack of capacity” and “too much reliance on particular persons” to sustain continuity.

3.4.3 Sector wide approach. Since 2006 NZAID and other donors have continued to raise the issue of SWAp in the education sector in several programmes, including Tuvalu. Possible models for donor coordination are multi-partner agreements and trusts, with some donors delegating authority for development to a lead donor. Such models require a sound management structure, a good M&E plan, regular meetings between partners to resolve issues, and a good reporting mechanism for them to work successfully. However to date a SWAp to education support has not materialised in Tuvalu.

3.4.4 Absorptive capacity. This is a central problem faced by many Pacific countries which have limited resources to manage the large per capita aid support provided by a large number of donors. In Tuvalu, with only 11,000 people spread over 9 islands, aid management is a critical issue.

Two NZAID stakeholders, recognising the development constraint posed by absorptive capacity, suggested that very little could be done in the current context of Tuvalu except for donors to actively pursue alignment and coordination of their aid interventions. More sectoral and geographic focus was also mentioned as worth considering. Here funding small, discrete activities managed by the local community could be worth trying. A third area suggested was undertaking more joint missions by donors so as to reduce duplication of interventions and thereby increasing the absorptive capacity of Tuvalu.

Reducing the level of NZAID aid to Tuvalu is not considered to be an option. This is because there are a large number of donors to Tuvalu who would continue to provide current levels of aid, and indeed any reduction of aid from NZAID would be quickly filled in by other donors, not necessarily like minded. Reducing NZAID aid would not be in the long-term geo-political interests of NZ nor in the long-term strategic interests of Tuvalu, especially in the face of rising sea level.

One Tuvalu stakeholder also considered aid reduction not an option. This stakeholder mentioned that if aid was well targeted at the grassroots level and/or for small infrastructure projects and implemented quickly, then the absorption problem would not arise. The problem, according to the stakeholder, was not absorption but quick implementation and disbursement of funds from NZAID. A second suggestion was that any additional funding of FTF and TTF would not be a problem for aid absorption as the monies are invested overseas and that very little extra effort is required by investment managers to manage a larger portfolio. A third follow-on suggestion from this stakeholder was for NZAID to put most of its annual bilateral funds into FTF and TTF and let the GOT manage and use the investment returns for its own development priorities and thereby negating any issues of aid absorption.

The last point is worth further consideration by NZAID (and other donors) if Tuvalu's capacity to absorb bilateral aid is perceived to be a problem. The current NZ representation on the TTF, through Committee and Board membership, would ensure the necessary checks and balances in fund management and investment distribution. Such an approach is considered creating less "aid dependency" than for the large number of donors to Tuvalu continuing to increase their bilateral aid support over time. From Tuvalu's perspective, at some point the burden of managing all these bilateral aid funds would become counterproductive to planned and sustainable development.

Greater NZ professional support through TA to key Departments, which are short staffed, is one way of increasing capacity to absorb aid (but has the potential problem of reducing ownership and decision-making by relevant Secretaries and other senior staff), but at the lower levels there will continue to be a human skills problem in implementation.

Two ADB stakeholders also mentioned Tuvalu's low absorptive capacity to utilise loans and grant TA. In addition ADB mentioned "a lack of budget control" by the GOT which led to "frequent cost overruns" and which "caused tensions with donors".

3.5 Objective 5 - Key lessons learnt

A number of lessons have emerged from the evaluation that need consideration by NZAID in drawing up the next country strategy with Tuvalu and for use in other country programmes. These are discussed below. Additional implications for the new country strategy with Tuvalu have been discussed in Section 3.4.

3.5.1 Clarity and completeness of the new country strategy – clear objectives, feeding into clear design of programmes and focus areas.

There are a number of shortfalls in the way the 2002-2007 country strategy was drawn up. Although there is a poverty analysis at the beginning it lacks economic and social analysis of Tuvalu to provide a more substantial context for NZAID interventions. In addition there could have been a greater depth of

analysis and explanation about why the key sectors and focus areas were being targeted for development such as education, Outer Islands and TTF.

A third weakness is there is no indication of the likely cost of the 5-year programme. Although it is appreciated that NZAID may not be able to project the likely annual allocation, some indication of the size of the programme is essential in a country strategy. Without it no one will have any idea of the likely costs and thus by proxy no idea about the importance of the overall programme. Apart from stakeholders in Tuvalu other donors need to know this and it will certainly assist in issues such as harmonisation and coordination. In other areas such as cross-cutting themes, and risk assessment and management, these are relatively well covered.

The lesson is the country strategy must be comprehensive in its approach to aid intervention and must explain how the objectives of the strategy will be achieved.

A fourth weakness is that unclear and incomprehensive contextual analysis will generally lead to an unclear design of programmes and focus areas, making implementation difficult and M&E problematical.

A lesson learnt many times before by many donors is that “bad designs lead to bad projects”.

3.5.2 Country strategy is the central communicating medium between partners – understanding by Tuvalu stakeholders. A country strategy is as much a donor’s intent of what it wants to do together with its partner as it is a central communicating medium between them and all stakeholders. The inability of the 2002-2007 country strategy to satisfy the latter need was obvious from discussions with 3 Tuvalu stakeholders. One senior official from an important Ministry even claimed not seeing the country strategy at all.

Generally the interviews with 3 Tuvalu stakeholders indicated little understanding of what was in the country strategy and almost no knowledge of the objectives or NZAID’s intentions. In reverse all Tuvalu stakeholders had very good knowledge of the Tuvalu’s development plans and priorities, especially as articulated in *Te Kakeega II: National Strategy for Sustainable Development 2005-2015, November 2005*.

The lesson is the country strategy needs to be detailed enough for both partners to understand the intentions and be able to act as the central communicating medium between them.

3.5.3 Relevance of country programme objectives in helping to meet Tuvalu’s development needs to reduce poverty and hardship. This is a much more positive lesson from the evaluation. There was a very good match between the needs and priorities of Tuvalu and NZAID’s development assistance response. It is considered that the match would have been even greater if the country strategy also included a sound economic and social analysis to back-up the reasons for the proposed interventions. For example

little information was available on the community aspirations of the people of the Outer Islands, despite having the objective of promoting self-reliant local development on the Outer Island as the number one objective of the country strategy. It is acknowledged that such an analysis was subsequently commissioned in 2004 which analysed the needs assessment and provided the platform for targeting training of particular community groups.

The lesson is there needs to be a very high-level of match between the needs and priorities of the recipient partner with the country strategy intentions of the donor.

3.5.4 Appropriate choice of aid modalities and delivery mechanisms. The appropriate choice of aid modalities and delivery mechanisms is important in targeting particular beneficiary groups and achieving successful outcomes in any development assistance. The country strategy had an appropriate balance including programme aid, management services contract, TA, budget support, direct funding of local community initiatives, and funding support to Trust Boards and Committees. Considering the size of the programme this was unique and commendable.

The lesson is use every possible aid modality and delivery mechanism to achieve successful outcomes. NZAID must be in a position to change modalities and mechanisms during the life of the country strategy if circumstances warrant, rather than be locked in it for the life of the strategy. The current global financial crisis may well create situations to change aid modalities and mechanisms.

3.5.5 Creating, maintaining and sustaining an on-going strategic/policy engagement. The evaluation found that there needs to be more regular HLCs, RTMs and donor meetings to maintain and sustain on-going strategic/policy engagement. Difficulties arise and are compounded if regular face-to-face engagement is not maintained. The end result is reduced or delayed development benefits which are not in the interest of both partners or the target beneficiaries.

The lesson is there needs to be greater effort made in having more regular HLCs, RTMs and donor meetings to maintain and sustain on-going strategic/policy engagement between NZAID and GOT.

A second consideration that NZAID needs to address is the developmental benefits and costs of the physical location of the NZAID Manager in Suva rather than in Funafuti. Both GOT and NZAID stakeholders considered this a problem. If there is a substantial increase in programme allocation for Tuvalu, as is possible in the new country strategy, than this becomes a significant issue.

3.5.6 Focusing on influencing the quality of programmes – efficiency, effectiveness, outcome/impact, sustainability. The 2002-2007 country strategy did not focus on influencing the quality of the programmes and gave little or no indication of how efficiency, effectiveness, outcome/impact and

sustainability would be addressed and assessed. Senior NZAID management and senior GOT officials need to know whether they are getting value for money spent, whether an intervention or support was effective, the extent of likely development benefits, and which areas of intervention or support are likely to be sustainable (see Recommendations). It is no longer possible to ignore such important measures of performance quality from programmes especially as there is likely to be greater scrutiny of development budgets by NZ Government and other donor Governments in the future.

The lesson is the country strategy needs to address the quality of the programme during its life, and in particular address efficiency, effectiveness, outcome/impact and sustainability.

There is a unique opportunity to do this in the new country strategy with Tuvalu.

3.5.7 Recurrent cost financing and maintenance of assets. Asset maintenance is of critical importance in aid interventions in the Pacific where small island Governments have difficulty in providing RCF. Broadly defined there are 3 sets of assets: physical infrastructure, plant and equipment, and human and intellectual capital. Each has operations and maintenance considerations: reef channels have to be maintained, outboard motors need fuel, and school teachers must keep their skills up-to-date. Maintenance must be ongoing and preventative for all sets of assets; without it the development impact of aid interventions is severely restricted.

The ship to shore project design documents have recognised the importance of asset maintenance in delivering long-term development benefits to the island communities. Historically, asset maintenance of infrastructure projects has been weak in Tuvalu. One Tuvalu stakeholder stated that they have initiated an asset register but it was unclear how RCF would be provided to maintain the assets. It is possible that the ship to shore reef channels and other infrastructure may require RCF for maintenance at some time in the future (see Recommendations). It is difficult to estimate, given the data, when any maintenance would be required but at some point it may become necessary. It is unlikely that GOT would be able to provide the funds and it is very likely that donors would be requested to assist.

The lesson is NZAID needs to have a strategy in place for future asset maintenance and RCF support of large infrastructure projects it funds if the likely long-term development impact is not to be severely restricted. This must be regarded as part of the total design and funding considerations for any new project.

3.5.8 Managing the strategy to achieve successful outcomes – M&E, mid-term reviews, evaluation. The 2002-2007 country strategy had a strong monitoring, review and evaluation plan. The plan was “a mid-term ‘stock-take’ at a mutually-agreed time of progress in implementing this programme. This process will involve independent review/evaluation expertise and propose changes in programme direction and content based on experience to date”. In

addition there was to be a full strategic review of the programme after 5 years, which presumably is this evaluation. Finally it was planned to assess “progress in implementing the programme, and making adjustments as necessary, will be a standard item of agenda of High-Level Talks between the New Zealand and Tuvalu Governments”.

The mid-term stock-take did not happen. HLCs did consider progress but there is no evidence that these progress reports were based on any reviews within NZAID or that the assessment had undergone any peer scrutiny. There appear to have been no inputs from SAEG in determining the quality of outcomes to date to assist HLC consideration. It is difficult to make considered changes to a programme without consideration of the quality being achieved.

The lesson is good country strategy management and implementation needs quality monitoring during its life using M&E and mid-term reviews to make well considered changes. At the end an evaluation is required to learn lessons to be incorporated into future country strategies, and for use by NZAID country programmes.

3.6 Objective 6 - Recommendations

The 2002-2007 country strategy between NZAID and the GOT has come to an end and based on this evaluation a number of recommendations are made that will enhance the value of new country strategies and assist in improving their performance. These recommendations are discussed below.

Recommendation 1. NZAID should improve its focus on the quality of programme outcomes by conducting regular M&E, mid-term reviews and evaluations during the life of a new country strategy with Tuvalu.

The expected bilateral and regional expenditure of around NZD6-8m per year, including contribution to TTF, justifies a strong quality focused programme. Some key aid donors accept the figure of 2-5 per cent of country aid allocation being spent on M&E, mid-term reviews and evaluation. For Tuvalu using the minimum annual aid allocation of NZD6m this would amount to NZD120K-300K per year. This amount spent annually on M&E, mid-term reviews and evaluations is likely to have a major impact on improving programme quality as well as enhancing the quality-focused skills of development programme managers, country aid managers and in-country coordinators. Likewise skills of the Tuvalu stakeholders will also improve through assisting with such quality-focused activities. Overall it is considered that improving the quality-focused management of the programmes and enhancing the quality-focused skills of the managers will have high long-term payoffs for NZAID and Tuvalu.

Recommendation 2. NZAID should develop a clear and coherent policy and a strategy on how it will assist the people of Tuvalu facing the threat of a rising sea level.

This recommendation needs to be part of a wider environment policy as applied in development assistance. The threat of rising sea level should not be considered just simply as part of the cross-cutting environment issue normally included towards the end of a TOR – it is more than that. A sharp focus on how NZAID intends to deal with the looming danger facing Tuvalu needs to be addressed. In addition NZ's position will need to include consideration of other NZ policies such as immigration.

There may be a number of immediate environmental mitigation measures that could be considered for programming in the new 10-year country strategy. Note that by the end of the 10 years i.e. by 2019 the sea level is projected to rise by around 15-20cm which is significant in the context of Tuvalu. Mitigation measures could include awareness training of local communities in rising sea level impacts, including threat to the fresh water lenses, and small village activities focused on reducing coastal erosion in the immediate surrounds of villages to reduce threat to subsistence food supply. A second group of measures would be a continued strong support, and perhaps increased funding, of the TTF and FTF as they continue to generate incomes from off-shore investments for local development. A third group of measures would be continued strong broad-based education and training support, from early childhood to tertiary level, as building strong human capital will, in the long-term, assist most Tuvaluans to face the threat of rising sea level in a more considered way, including emigration to developed countries.

Recommendation 3. NZAID should measure the efficiency of its scholarship programme to Tuvalu.

Although the NZDS and NZRDS AMS programme activity authority has a clause regarding evaluation, no evaluation of the efficiency or value for money analysis has ever been undertaken for scholarships awarded to Tuvaluans. This needs addressing and has the concurrence of the scholarships manager. NZAID may want to develop a set method for assessing returns to investment in NZDS and NZRDS. This method could then be applied to all other countries that have NZDS and NZRDS schemes. Measuring returns on investment in education and training is important as NZDS and NZRDS take a large share of the annual bilateral allocation, sometimes as high as 34 per cent for some Pacific countries. These are very high per person per year cost schemes. Senior NZAID management needs to know how efficient these scholarships are i.e. they need to know they are getting value for money.

Recommendation 4. NZAID should monitor the development of TMTI and the academic standards of graduates being produced.

Evidence from 3 stakeholders from 3 separate organisations indicates that the academic standard of TMTI graduates has declined rapidly in recent years. The standard of graduating seafarers is directly linked to their ability to gain employment on foreign vessels. Without large numbers of seafaring employment the economy of Tuvalu would be severely threatened with major impacts at the household and village level. International seafaring is a relatively competitive industry and seafarers from around the world compete

for positions on merchant ships. If the academic standards of TMTI graduates are considered below the standard of seafarers trained elsewhere, for example in Philippines, than the Tuvalu seafarers would have less likelihood of gaining employment. Therefore it is imperative that TMTI improves its seafarer training standards.

Recommendation 5. NZAID should increase the number and regularity of visits to Tuvalu by DPM and/or DPO, Team Leader Central Pacific Group and the Suva-based NZAID Manager to monitor and assess progress in the achievement of country strategy objectives.

It is considered that such an assessment of progress should not be delegated to the NZAID In-country Coordinator nor is it that person's role. Monitoring and assessment requires considerable thought and planning. The Suva-based NZAID Manager could assist in such monitoring and assessment because of the proximity to Tuvalu. The feedback to the Team Leader, Central Pacific Group and other senior NZAID staff must be considered to the extent necessary to reinforce direction or change direction if needed. It is expected that SAEG staff could help with planning such M&E visits and indeed participating in some. Note that such visits need not be more than for 6-8 days if they are well planned and executed. Despite access to email, phones and faxes there is no substitute to field visits to see what is working, what is not working and why. M&E cannot be done successfully from the desk.

Recommendation 6. NZAID should continue to focus on improving gender equity and improvement to women's welfare, environmental protection, and on assisting human rights development in Tuvalu.

Improving gender equity and improving women's welfare needs to have a much higher prominence in the country strategy objectives. It needs to be thought of in terms of assisting a very large percentage of the total population who are the least well off and whose development has to begin from a very low base. Empowering women to play a much greater role in their own development is considered a necessity if the country is to develop more generally. Training from the household-village level to tertiary level all have important and long-term development impacts. To date NZAID has had significant achievements in improving gender equity and women's welfare in Tuvalu through a number of focus areas. Greater mainstreaming of gender issues in the new country strategy is considered necessary to make a greater impact.

NZAID has a strong policy of environmental protection and improvement in its development assistance programme. It has been rigorously applied in the planning of the ship to shore project. In addition, there is a standard requirement that the TOR of all planned programme activities, and review and evaluation documents address environmental issues. These principles should continue in future country strategies.

Although a slow process, assisting human rights development also needs continued support through well-targeted focus areas in the new country strategy. One way of increasing awareness is to include human rights training as part of the wider community training planned in the Outer Islands, as well as including the key principles of human rights in other relevant short-term training conducted in Tuvalu. Improving human rights has to be considered as part of creating a long-term development impact in Tuvalu.

Recommendation 7. NZAID should recognise the importance of asset maintenance and the need to finance recurrent costs to maintain critical infrastructure provided through its aid programme to the extent of making this issue an important part of any future country strategy.

If assets are not maintained the flow of development benefits slows or even stops. In the long-term it is cheaper to maintain assets and obtain the flow of benefits as they occur than to replace or rebuild the asset later in time. Using the concept of discounted cash flow, the net present value of the benefits occurring earlier is much greater than later. In Tuvalu asset maintenance is directly related to sustainability and development impact. In the new country strategy consideration must be given to how the reef channels in the Outer Islands would be maintained, if required, at some future time and who would maintain them. Given Tuvalu's budget pressures and the general attitude of non-maintenance of assets, is this something that would bear on NZAID programming in the future?

Recommendation 8. NZAID should take care to ensure that aid funds are used to their best advantage and that cost overruns in inefficient programmes do not deny potential additional support to well-managed high-return units.

NZAID support to the TTF has high long-term investment return which is used for high priority development in Tuvalu. The cost overrun of TMTS reduces funds available to the GOT for other development. Such leakage of scarce aid dollars towards inefficient units penalises efficient units. This is opposite of what should happen in an investment. The question is why the TTF, which has a long history of strong management and an excellent record of achievement, should be penalised for additional contribution at the expense of an inefficient scheme? This is not good use of aid funds.

Recommendation 9. NZAID should consider the questions in Section 3.4.1 in its consideration and development of a new country strategy between NZAID and the GOT.

The duration of the next country strategy, whether 10-year or 5-year, raises a number of issues of flexibility, complexity, and the ability of the country strategy document to act as a communication medium between all stakeholders. It is important that everyone understands what the strategy is about and what outcomes are expected. Considerable analysis needs to be made of the key focus areas targeted for development. Lastly the country strategy must be an agreed document between NZAID and the GOT.

4. Acknowledgments

Satish Chandra acknowledges the considerable support of NZAID in the production of this report, and especially the help and patience of the current DPM Fiji/Tuvalu Richard Dirks, in dealing with my questions and requests for more information. Thanks also to Karen Soanes DPO Fiji/Tuvalu who also provided information, Bronwen Turner DPA who went through a large number of NZAID files and documents and assisted with the Tuvalu stakeholder interviews, Steve Dowall Team Leader Central Pacific Group who provided strategic ideas for the report, John Egan in-coming Team Leader Central Pacific Group who provided additional information, Dr Andrew Kibblewhite for his incisive comments on the evaluation plan, Jane Leitch Manager Scholarships for providing scholarships data, Don Will former DPM Tuvalu for his historical knowledge of the Tuvalu programme, Pasemeta Talaapa In-country Coordinator in assisting with phone interviews, and Dr Peter Adams Executive Director NZAID who found time to meet with me twice and provided helpful insights on the NZAID Tuvalu and Kiribati programmes. I also thank the Tuvalu Programme Advisers and Consultants who provided information on specific areas, and all NZAID, Tuvalu and ADB stakeholders for their contribution in the evaluation.



Terms of Reference

Joint evaluation of the Kiribati and Tuvalu Country Strategies

1. Background and context

Country strategies, established in consultation with partner governments, provide a platform for the identification of shared development priorities and work programmes, including processes for monitoring progress against priorities. The current NZAID/Tuvalu and NZAID/Kiribati five-year Country Strategies ended in 2007 and an evaluation is required.

The evaluations are required to assess progress against agreed priorities in the previous strategies, identify barriers to progress and lessons for improvement as a starting point for consideration during the development of new strategies. It has been decided that a joint evaluation of both the Tuvalu and Kiribati country Strategies will take place.

The context - social, financial, environmental and political – in which the Government of Tuvalu (GoT)/Government of Kiribati (GoK) and donors operate is challenging, and the evaluation process (and new strategy development) must recognise the complex nature of the situation and the interdependencies that exist. The Evaluator must be aware of both the strategic and operational context, including consideration of the following:

- the development strategies that the Governments of both Tuvalu and Kiribati have in place, and how the NZAID strategies align with, support and build on these;
- recognition of policy dialogue as an important modality of aid assistance;
- appropriate mechanisms for planning, developing, monitoring, reviewing and evaluating the programmes;
- impact of international financial crisis, including rising food and fuel prices and the wider resourcing issues faced by Tuvalu and Kiribati;
- NZAID policy frameworks, including poverty/hardship reduction, the integration of mainstreamed and cross-cutting issues such as gender, conflict prevention, HIV/AIDs, environment, human rights and emergency management and disaster relief; and
- climate/environmental issues.

Key stakeholders include the GoT/GoK, NZAID, other donors, and civil society (on behalf of the people of Kiribati and Tuvalu). An overarching Steering Group will be established to govern and guide the process for both the Kiribati and Tuvalu evaluations/strategy development. Two separate teams will be established to prepare separate evaluation reports for Kiribati and Tuvalu, however, both evaluations will be

done in parallel to maximise cross fertilisation of learning and allow a single exercise for the Steering Group.

The Evaluator will work across both teams to provide a review document for each country programme that will assist in the development of the new country strategies.

The new country strategies will be ten-year strategies, with a focus on some key priorities over the first five year period and scheduled mid-term reviews.

<p>Objectives of the Tuvalu Country Strategy 2002 - 2007</p> <p>Objective 1</p> <p>To promote self-reliant local development on the Outer Islands of Tuvalu</p> <p>Objective 2</p> <p>To support Human Resource Development within Tuvalu by:</p> <ul style="list-style-type: none">(i) working with the Tuvalu Government and other donors to develop a sector-wide approach, led by the Government, in the formal education sector(ii) supporting specific strategic education and training initiatives at national and local levels(iii) strengthening Tuvalu's capacity to meet selected strategic human resource needs in the healthcare area <p>Objective 3</p> <p>To assist Tuvalu in generating revenue on a long-term basis to meet recurrent national costs</p>

<p>Goal and Objectives of the Kiribati Country Strategy 2002 - 2007</p> <p>Goal</p> <p>To contribute to the efforts of the Kiribati Government and people to alleviate poverty of opportunity and vulnerability to poverty through equitable and sustainable development.</p> <p>Objective 1</p> <p>To provide increased access to higher quality basic education</p> <p>Objective 2</p> <p>To improve access to tertiary education</p> <p>Objective 3</p> <p>To build an effective and efficient public sector that is responsive to the needs of the people of Kiribati</p>
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2. Purpose

The current NZAID/Tuvalu and NZAID/Kiribati five-year Country Strategies ended in 2007 and the purpose of this assignment is to undertake an evaluation of the outcomes to date of the strategies (recent and current aid inputs to the two

countries), and to identify the strengths and weaknesses of NZAID's engagement/country strategies.

The results from the evaluations will be reported to relevant NZ stakeholders (Ministers, other government agencies), the GoT/GoK, other donors, and civil society in both countries. The review will also form part of NZAID's reporting to the wider aid and development community.

The key outputs will be an evaluation plan and two reports for the evaluations, one each for Tuvalu and Kiribati, which will inform the development of new ten year strategies for both countries and will be critical for enhancing further engagement between NZAID and the GoT/GoK and delivering against development priorities in both countries.

3. Scope

This is a high level evaluation that will focus on a number of major activities, as identified by NZAID and the GoT/GoK, in each of the country programmes. The priority for the evaluations is the identification of key success factors, and key barriers, in the delivery of development assistance within the previous five year strategies.

Consideration should also be given to the level of strategic/policy engagement between NZAID and the GoT/GoK during the previous strategy period, how this was managed, how it impacted on the achievement of the priorities within the strategies, and how this engagement could be improved.

The evaluation will not:

- aim to develop a new set of country priorities; or
- undertake a detailed review of every individual activity.

As a significant amount of information regarding the strategies, the country programmes, and the progress of key activities within the programmes is held in Wellington. This information will be supplemented by interviews with key stakeholders. It is not proposed at this stage that the evaluation will require field visits.

The evaluations will consider the OECD/DAC Evaluation Criteria of effectiveness, relevance, sustainability and efficiency. As it is likely to be too early to identify impacts, the evaluations will also consider initial outcomes stemming from the strategy when investigating effectiveness. Value-for-money will also be considered.

4. Objective

The evaluations will identify progress towards achieving the previous country strategies at both the strategic and operational/activity level, including identifying successes, limitations and lessons learnt.

The following key questions should be considered but are not intended to be mandatory:

- To what extent were priority outcomes achieved and why?

- What were the barriers to achieving the priority outcomes (includes key lessons that should inform the new country strategy)?
- How relevant are the existing NZAID/Tuvalu and NZAID/Kiribati Programme Strategy in helping to meet the countries' development needs and eliminate poverty/hardship?
- How should the current and expected future context for Tuvalu and Kiribati, including the current policies and stated directions of the GoT and GoK, affect future strategy development?
- What mechanisms are required to provide for the consultation and dialogue needed to effectively manage the NZAID/GoK/GoT's bilateral aid relationship for effective programme management?
- Where opportunities for more harmonised approaches exist between NZAID and other donors (including consideration of alignment with NZAID funded regional activities)?
- Has the implementation of the strategies included consideration of cross-cutting issues, in particular human rights, gender and the environment (sustainability should also be considered)?

5. Management and Methodology

The Kiribati and Tuvalu Country programme strategies will be jointly evaluated/renewed using a team approach. An overarching Steering Group will be established to govern and guide the evaluations/strategy development processes. The Steering Group will consist of NZAID Team Leaders (Central Pacific and Polynesia), SAEG Advisor (Kiribati & Tuvalu), and NZAID Pacific Director.

Two separate teams are being established for the Kiribati and Tuvalu evaluation/strategy development processes, but the work will be done in parallel to maximise cross fertilisation of learning and allow a single exercise for the Steering Group.

Evaluation Process and management

The evaluations will be undertaken by the appointed Evaluator, with support from the Evaluation/Strategy teams where required.

The Evaluation/Strategy teams will be responsible for initial briefings, providing background information/reports, and identifying key stakeholders for the Evaluator to interview (including setting up interviews where required).

The process will be managed by the appointed Development Programme Manager (DPM). The DPM will report to the Steering Group and will be responsible for overseeing the evaluations and the delivery of the evaluations reports specification and on time to the Steering Group.

The outputs from the evaluation will be supplied to the DPM. The DPM will then provide these to the Steering Group for approval.

The Evaluation/Strategy Teams will include:

Tuvalu

Wellington DPM (Richard Dirks)
NZAID Manager - Suva (Tom Wilson)

Kiribati

Wellington DPM (Sonya Cameron)
DPC (Bereti Awira) will be included in the

Team DPO (Karen Soanes)
 NZAID In-Country Coordinator (Pase Talaapa) will be included in the consultation as part of the strategy review
 SAEG Advisor (Tony Banks)
 Evaluator (ACS)

consultation as part of the strategy review
 SAEG Advisor (Tony Banks)
 Evaluator (ACS)

The evaluations will be undertaken in accordance with NZAID’s evaluation principles (see NZAID’s Evaluation Policy, p. 4). These are:

- Partnership-evaluations are undertaken through working with our development partners and other stakeholders to design and implement the evaluation
- Independence-evaluations must be carried out in a way that avoids any adverse effects of political or organisational influence on the findings
- Participation-stakeholders are involved at all stages of the evaluation
- Transparency-evaluation processes are open and understood by all parties
- Capacity building-organisational capacity to undertake evaluation is enhanced through stakeholder involvement in the evaluation process.

6. Reporting Requirements

The initial output will be an Evaluation Plan that will outline the Evaluator’s proposed approach to undertaking the evaluation. This will be prepared by the Evaluator and presented/provided to DPMs for approval before the evaluation is conducted. The plan will clearly sets out how the evaluative activity will be carried out in line with the approach and principles specified in the terms of reference, and describes in detail the methodology that will be used.

The major outputs will be the two Evaluation Reports. These shall be submitted in electronic form to the Wellington DPM/DPO, with two hard copies to the DPO/DPM.

The Evaluation Reports will comply with the NZAID Evaluation Policy, OECD/DAC Evaluation Quality Standards, and NZAID Guideline on the Structure of Review and Evaluation Report as noted in appendix 1.

Milestone	Date	Consultant
Briefing meetings with Evaluation/Strategy Teams	January	Attend – Wellington
Evaluation Plan	January	Delivery to standard and on-time
Two Evaluation Reports.	January	Delivery to standard and on-time
Briefing meetings with Steering Group and Evaluation/Strategy Teams	February	Wellington
Total Consulting Days		Estimated at 20 days in total

Appendix 1: NZAID Evaluation Report Requirements

As a minimum, each evaluation report should include:

1. Title Page

- Title of report (including project/programme evaluated, country, region etc)
- Author(s) name(s) and affiliation(s) including designation
- Date (month and year) & location (e.g. Wellington)

2. Executive Summary

The Executive Summary should include:

- A brief background of why the review or evaluation was carried out
- A succinct description of the methodology used, who was involved, how? This section ought to describe how project/programme stakeholders participated in the evaluation
- Key findings. Where appropriate this should include intended and unintended changes/impacts as well as a description of how primary stakeholders – both men and women - perceive the changes brought about by the intervention(s).
- A section on value for money. How much has the intervention(s) cost – what have been the comparative results?
- Recommendations & suggested follow up action

3. Main body of the report

- The main text of the report will vary according to the specific study. However, it is important that this section contains:
- A description of the background of the review or evaluation and the main users of the findings/report
- Methodology used (including who participated, how and at what stage)?
- The timing of the review or evaluation
- Findings and conclusions:
 - What changes have been brought about by the intervention – positive and negative, intended and unintended, qualitative and quantitative?
 - What have been the differential effects of the intervention on men and women?
 - What has been the cost of the intervention(s) compared to the programme results? Has NZAID obtained value for money?
 - Other cross-cutting issues (e.g. human rights, etc)
 - Implications of the findings on future activities.

4. Appendices:

These should include:

- Glossary of acronyms used
- Terms of Reference for the review/evaluation
- Evaluation methodology and implementation plan
- List of data sources
- Diagrams, drawings, photographs generated through the participatory processes, etc (if appropriate).
- A Confidential Annex, if necessary

NOTE: NZAID intends to place a summary of each review or evaluation on its website and will release the full report on request. To facilitate this, information that could prevent the release of the report under the Official Information or Privacy Acts, or would breach evaluation ethical standards should be placed in a Confidential Annex.

Appendix 2 Evaluation Plan

Kiribati Country Strategy 2002-Present Tuvalu Country Strategy 2002-2007

Summary

This evaluation plan is a revision of an earlier version submitted to Sonya Cameron, Richard Dirks, Andrew Kibblewhite, and Steve Dowall. The original plan was submitted on 7 February 2009, the revised one on 18 February 2009.

The evaluation plan summarises: (a) expected outputs, (b) objectives of the evaluation and the high-level questions to be answered, (c) information needs, sources and quality scrutiny, (d) the approach and method to gathering evaluation information, (e) approach and method to assessing the performance of the country strategies, (f) approach and method to analysing/assessing NZAID management of the country strategies, (g) approach and method to analysing/assessing Kiribati and Tuvalu management of country strategies, (h) the proposed country strategy performance assessment framework, (i) the types of lessons that are likely to emerge for use in future country strategies, (j) the report outline, and (k) the proposed timeline.

1. Output from this evaluation plan

Two evaluation reports:

- (i) Evaluation of Kiribati Country Strategy 2002-Present
- (ii) Evaluation of Tuvalu Country Strategy 2002-2007

2. Objectives of the evaluation

Annex 1 summarises the high-level objectives/questions, the information needs, the information source, and accompanying notes. The overall objective is to assess the achievement of the country strategy. To do this there are 6 high-level objectives/questions to be answered by this evaluation. They are:

- (vii) Extent of achievement of country strategy objectives
- (viii) Extent of achievement of strategic/policy engagement between NZAID and GOK/GOT
- (ix) Extent of relevance of the country programme strategy in helping to meet Kiribati's/Tuvalu's development needs to reduce poverty/hardship
- (x) Implications for future country strategy development
- (xi) Key lessons learnt
- (xii) Recommendations for improving country strategy performance

Based on the above high level objectives/questions the following specific questions were developed for application to the country strategy objectives as key inputs into the broader evaluation of the country strategy:

- (ii) Assess the progress/achievements of the objectives of the country strategy with a view to informing:
 - a. which focus areas were successful and why
 - b. which focus areas were not so successful and why
- (ii) Assess the implementation of the country strategy such as:
 - a. NZAID's desk and field working relationship with the GOK/GOT
 - d. views on the country strategy from NZAID, GOK/GOT perspectives
 - e. improvement to gender equity and women's welfare, human rights, environment, etc.

3. Information needs, sources and quality scrutiny

Annex 1 presents details on the 6 high-level objectives/questions to be answered, their information needs, and the sources of information.

When reviewing the documents and assessing the information provided by the interviewees, consideration will be given to the following overarching questions regarding the quality of the information:

- (i) How robust is this information? Where is it coming from? Who is it coming from?
- (ii) Is the evidence given for any success or weakness considered robust? Is it verifiable using triangulation and other techniques?
- (iii) How objective is this information for evaluation purposes?
- (iv) What is the type of report (e.g. evaluation report, completion report, mid-term review report, annual report, etc.) being considered? Has it undergone any sort of quality check or scrutiny by a peer reviewer or assessment within NZAID?
- (v) At what level is the information being pitched at, and what is the value of this information to make judgements about the success or otherwise of the country strategy?

It is expected that the data available for the evaluation will be limited and of variable robustness. Particular limitations are expected to be related to evaluable information and sources such as evaluation and review reports of key focus areas, and in information related to aspects of the strategic/policy engagement of NZAID with the GOK/GOT.

4. Approach and method to gathering evaluation information

- (i) Undertake 2 weeks of desk work (see section 11) at NZAID Wellington studying reports, files, etc.
- (ii) Interview and derive evaluation information from selected NZAID staff who have managed or had been involved in the country strategies during its life, including programme staff, advisers and reviewers
- (iii) Conduct phone interviews of selected key stakeholders in Kiribati and Tuvalu

5. Approach and method to assessing the performance of the country strategies

To measure the overall performance of the country strategies there is a need to assess as objectively as possible the various sources of information both quantitative and qualitative. This will need to be done within a framework that can be independently tested and verified.

The credibility and robustness of the information provided by the key stakeholders have a direct bearing on the outcome of the evaluation, and will have to be judged using various evaluation techniques such as triangulation, peer experience, etc. It is expected that the respondents will have a range of views (and biases) as to the successes and weaknesses of the country strategies, and these will need careful screening and testing.

The success of the evaluation is dependent on peer groups identifying with the approach and method employed in the evaluation, and in accepting the findings as justifiable. Hence the approach, method, analysis and drafting of the reports have to be robust and meet quality scrutiny.

The broader evaluative questions that will be tested are:

- (vi) Success of NZAID's strategic/policy engagement with the Governments of Kiribati and Tuvalu in enabling **good aid outcomes**
- (vii) How **relevant** were the objectives of the country strategies? (in the context of the political, social, cultural, economic environment, etc. at the time of the country strategy implementation)
- (viii) Were the objectives **effective** (in achieving good outcomes)? do a country strategy performance assessment rating (see section 8).
- (ix) How **efficient** were the interventions? (value for aid dollar; any comparative information?)
- (x) What **outcome/impact** did the country strategies have on
 - a. gender equity and improvement to women's welfare
 - b. human rights development
 - c. environmental protection/improvement
 - d. other cross-cutting issues, etc
- (vi) Are the successful outcomes likely to be **sustainable**?

The above and other key terms that will be used in this evaluation will be defined fully in the evaluation reports. Included with the definitions will be specific questions under each key term as interpreted and applied in this evaluation. In the Findings section of the evaluation reports these specific questions will be linked to the objectives of the evaluation so to ensure coherence between these objectives, high-level questions and interview questions.

6. Approach and method to analysing/assessing NZAID management of the country strategies

Get feedback from selected NZAID staff. Key questions to be asked are (but the interviewees will be encouraged to share their views more generally as well):

- (i) What was your role in the country strategy of Kiribati (Tuvalu) and the current strategy after the change of focus after the 2006 high level consultations (for Kiribati)?
- (ii) What do you think were the successes and why?
- (iii) What do you think were the weaknesses and why?
- (iv) How well do you think the country strategies were managed from NZAID's perspectives?
- (v) How successful was/is the strategic/policy engagement between NZAID and the Government of Kiribati (Tuvalu) and up to present (for Kiribati)? How could improvements be made?
- (vi) What unforeseen factors impinged on the engagement? Did they improve or reduce the likelihood of successful outcomes?
- (vii) Are there any country strategy management shortfalls in Kiribati (Tuvalu) that could be improved? What and how?
- (viii) How could NZAID's approach to the design and implementation future country strategies be improved?
- (ix) How could harmonisation of interventions in Kiribati (Tuvalu) with other key donors be improved?
- (x) What are the merits/demerits of attempting to align country strategy with NZAID funded regional activities?

7. Approach and method to analysing/assessing Kiribati and Tuvalu management of country strategies

Get feedback from selected key stakeholders via phone calls (always difficult to get robust quality information this way). We need to be very clear on what we are seeking and to be very sensitive as to how we seek this information. The suggested approach is:

“Thank you for accepting this phone call. I appreciate your time in giving us feedback on this very important evaluation task. I wish to ask you some very specific questions. Your answers and impressions about the success or otherwise of the Kiribati country strategy 2002-Present (2002-2007 for Tuvalu) would be very helpful. The information is for the exclusive use of NZAID but will become a public document. The information will be used to help formulate better country strategies in future. Please ask me to repeat my question if you do not understand. I shall elaborate on what I am seeking. Thank you for your assistance”.

Key questions to be asked are (but the interviewees will be encouraged to share their views more generally as well):

- (i) What is your overall impression about the success or otherwise of the country strategy (Tuvalu); of the new strategy to present that emerged from the 2006 HLCs (for Kiribati)?
- (ii) In your view was the country strategy for Kiribati (Tuvalu) and the priorities that emerged from the 2006 HLCs (for Kiribati) relevant to the needs or priorities of the country? If not why not?
- (iii) In your view what were the main successes or achievements?
- (iv) What were the main weaknesses or failures?
- (v) If we focus on the objectives of the Kiribati (Tuvalu) country strategies (say what they are) which activities or focus areas do you think had successful outcomes? Why?
- (vi) Which activities or focus areas had weaknesses? Why?
- (vii) Has NZAID's work contributed to improving human rights in Kiribati (Tuvalu)? If so what is the evidence?
- (viii) Has NZAID's work contributed to improvement in gender equity and the welfare of women? If so how have they improved and what is the evidence?
- (ix) Has NZAID's work had any positive impact on the environment. If so what are they?
- (x) Are any of the activities or focus areas likely to be sustainable in the future? What is the evidence for this?
- (xi) Do you have any suggestions as to how the strategic/policy engagement between Kiribati (Tuvalu) and NZAID could be improved in the future?
- (xii) How could we improve the matching of Kiribati's (Tuvalu's) development priorities with NZAID country strategy objectives?
- (xiii) Are there any country strategy management shortfalls at NZAID that could be improved? What and how?
- (xiv) Are there any country strategy management shortfalls in Kiribati (Tuvalu) that could be improved? What and how?

8. Proposed country strategy performance assessment framework

This framework has been adapted from DAC/OECD evaluation guidelines for use in the assessment of relevance, efficiency, effectiveness, outcome/impact and sustainability. It is appropriate for the evaluation of Kiribati and Tuvalu country strategies.

Note that it is important to have such an evaluative framework for analysis to enable the evaluator to make an objective, fair and comprehensive judgement as to the degree of success or weakness in the outcomes of the country strategy objectives.

In the evaluation reports the intention is to write the findings in a forward looking, positive and constructive way so that all stakeholders find the information useful for their needs. Experience has shown that focussing too much on the negatives or what didn't happen is not a useful or productive way of presenting evaluation findings targeting improvement in development aid.

Below are examples of how the assessment rating will be done for Kiribati (Tuvalu) in the evaluation of their country strategy objectives. Each strategy objective will be assessed using a 5 point rating scale. These ratings are: exceeded expectations, substantially achieved, partly achieved, not achieved, too early to assess. Where there is not enough data to make an assessment this will be stated. In the evaluation report the criteria used for distinguishing between the above rating categories will be presented. In the evaluation report some key focus areas will also be reported on and the evidence gained will be used to feed into the broader assessment of the country strategy objective.

This approach and method is an objective way of making an assessment on data that is likely be mostly qualitative with a variable degree of robustness and with perhaps few good quantitative indicators. Note that the performance assessment is trying to summarise in a simple, logical way what worked, what didn't and why, and in being able to communicate these findings to all stakeholders.

Table 1 Kiribati Country Strategy Performance Assessment

Strategy Objective	Focus Area	Assessment
1. Better educational outcomes	(i) Strengthening of the Kiribati Teachers' College (ii) Education sector support	Rating for Objective 1
2. Human resource development	(i) Scholarships (bilateral and regional) (ii) Short-term training awards (iii) In-country training (iv) Marine Training Centre – Institutional strengthening and building	Rating for Objective 2
3. Improved public sector performance	(i) Solicitor General Office (ii) Air services (iii) Improved public sector support generally	Rating for Objective 3
4. Urban renewal	(i) Sustainable towns	Rating for Objective 4

	programme	
5. Other support	(i) Kiribati Association of NGOs (ii) Small projects fund (iii) Medical treatment scheme (iv) Gender and development (v) Support for seaweed industry (vi) Support for Tax Department	
6. Strategy/Other Donors	(i) Official development assistance talks (ii) Joint strategy review (iii) Donor harmonisation (esp. AusAID)	

Table 2 Tuvalu Country Strategy Performance Assessment

Strategy Objective	Focus Area	Assessment
1. To promote self-reliant local development on the outer islands of Tuvalu	(i) Financial and training support to Falekaupule Trust Fund (ii) Continuation of reef channels project etc.	Rating for Objective 1
2. To support human resources development within Tuvalu by: (i) working with Tuvalu Government and other etc. (ii) supporting specific strategic education and training initiatives etc. (iii) strengthening Tuvalu's capacity to	(i) Participation in the development of sector-wide approach in formal education sector (ii) Strategic interventions within formal education sector via: a. development and implementation of a National Preschool	Rating for Objective 2

meet selected strategic human resource needs in the healthcare etc.	<p>Project</p> <p>b. secondary scholarship programme</p> <p>(iii) Strategic interventions within the post-secondary education sector via:</p> <p>a. vocational education and training</p> <p>b. short-term training programme</p> <p>c. tertiary scholarship programme</p> <p>d. Tuvalu Maritime Training Institute</p> <p>(iv) Medical treatment and healthcare programme</p>	
3. To assist Tuvalu in generating revenue on a long-term basis to meet recurrent national costs	(i) Tuvalu Trust Fund	Rating for Objective 3
4. Other Objectives	<p>(i) Small grants fund</p> <p>(ii) Links to international human rights standards</p>	

9. How the strengths, weaknesses and lessons learnt could be used in the new country strategies and for other use within NZAID

The overarching goals in the country strategies is that attaining successful and sustainable outcomes are likely to lead to positive long-term development impact on peoples' lives in Kiribati and Tuvalu. Experience in the evaluation of similar country strategies suggest that a number of useful/practical lessons will emerge. The lessons will be written around several themes such as:

- (i) Clarity of new country strategies (**understanding, communicating and maintaining an on-going engagement; policy dialogue**)
- (ii) Appropriate designs and implementation that match NZAID objectives with recipients' priority needs (**relevance to political, social and economic needs; overarching issues such gender equity, human rights, environment, other cross-cutting issues, etc.**)

- (iii) Choosing interventions that are likely to give “more bang for the bucks” (**efficiency, value for scarce aid dollar, etc.**)
- (iv) Choosing interventions that are likely to be sustainable and are likely to lead to a long-term development impact; not doing everything that maybe possible (**sustainability; recurrent cost financing and the maintenance of assets-physical, human, etc.**)
- (v) Managing the strategy to achieve good successful outcomes – M&E, mid-term reviews, annual reviews, etc. (**effectiveness, quality of implementation, etc.**)

10. Report outline

The evaluation reports will follow the report outline presented as Appendix 1 in the TOR *NZAID Evaluation Report Requirements*. The outline is considered adequate for the Kiribati and Tuvalu evaluation reports.

11. Proposed timeline

6-7 Feb	Prepare evaluation plan; email to Sonya Cameron and Richard Dirks
8 Feb	Travel Canberra-Sydney-Wellington
9 Feb	Discuss evaluation plan with SC, RD, AK, SD
9-15 Feb	Work on Kiribati evaluation with SC and other staff. Later in the week interview NZAID staff and Kiribati key stakeholders
16-20 Feb	Work on Tuvalu evaluation with RD and other staff. Later in the week interview NZAID staff and Tuvalu key stakeholders
21 Feb	Travel Wellington-Sydney-Canberra
22 Feb-8 Mar	Draft both evaluation reports
8 Mar	Email final draft evaluation reports to SC, RD for comments
15 Mar	Comments received on the final draft evaluation reports
15-22 Mar	Revise final draft evaluation reports into final reports
22 Mar	Send final evaluation reports to SC, RD

Annex 1 NZAID – Kiribati and Tuvalu Country Strategy Evaluation

Objective/Question	Information Needs	Information Source	Notes
Objectives: 1. Achievement of country strategy objectives - key programme areas, including cross-cutting issues, etc 2. Achievement of strategic/policy engagement between NZAID and GOK/GOT 3. Relevance of country programme strategy in helping to meet Kiribati's/Tuvalu's development needs and to reduce poverty/hardship 4. Implications for future country strategy development, including harmonisation with other donors 5. Key lessons learnt 6. Recommendations for improving country strategy performance	1. Quality focussed information bearing on relevance, effectiveness, efficiency, outcome/impact, sustainability, investment returns 2. NZAID's and Kiribati's and Tuvalu's strategy/plans/goals for development 3. Match between Kiribati/Tuvalu development needs and NZAID country strategy 4. Disaggregated information about NZAID's programme/focus area/activities, their objectives, size, trends in funding, changes since implementation – why, what, where, how? etc 5. NZAID's strategic engagement and work arrangements with Kiribati/Tuvalu during the life of country strategies 6. Views of senior policy makers in NZAID and Kiribati/Tuvalu on the success of current country strategies and implications for future country strategies 7. Performance measures and guidelines useful for assessing Kiribati and Tuvalu country strategy	1. NZAID general programme reports, progress information, country visit reports, file data, AMS activity data, scholarship SIMS data, training completion surveys, etc 2. Evaluation reports, M&E reports, mid-term reviews, activity completion reports, annual review reports, implementation contractor performance, etc 3. Reports, views and advice of SAEG advisers bearing on the country strategies 4. Kiribati/Tuvalu Government reports, development plans, NDS, review reports, annual reports, etc 5. HLC information feedback, bilateral agreements, cables, etc 6. Interview responses from NZAID, MFAT, Kiribati, Tuvalu stakeholders (see questions in the text) 7. DAC/OECD evaluation guidelines, other guidelines	1. NZAID to provide or assist in accessing most of the NZAID and Kiribati, Tuvalu country information 2. NZAID to assist with conducting NZAID staff interviews, and planning interviews with key stakeholders in Kiribati, Tuvalu

Appendix 3 People and Organisations Consulted for the Evaluation of the Tuvalu Country Strategy

NZAID

Dr Peter Adams	Executive Director, NZAID
Mr Richard Dirks	Development Programme Manager, Fiji/Tuvalu
Mr Steve Dowall	Team Leader, Central Pacific Group
Mr John Egan	In-coming Team Leader, Central Pacific Group
Ms Karen Soanes	Development Programme Officer, Fiji/Tuvalu
Dr Andrew Kibblewhite	Strategy, Advisory and Evaluation Group
Mr Don Will	Previous Development Programme Manager, Tuvalu; now Roving Programme Manager
Ms Jane Leitch	Manager, NZAID Scholarships
Mr Kirk Yates	Previous NZAID Manager, Fiji/Tuvalu
Ms Bronwen Turner	Development Programme Administrator
Ms Angela Wilton	Development Programme Officer, Tonga
Ms Pasemeta Talaapa	In-Country Coordinator, Tuvalu

TUVALU GOVERNMENT

Mr Seve Lausaveve	Permanent Secretary, Ministry of Home Affairs and Rural Development
Mr Aunese Simati	Permanent Secretary, Ministry of Finance and Planning
Mr Amosa Auina	Director of Budget
Ms Simalua Enele	Senior Aid Advisor
Mr Steve Poland	AusAID TA to Budget

TUVALU PROGRAMME ADVISERS AND CONSULTANTS

Mr David Abbott	NZ Adviser on Tuvalu Trust Fund Advisory Committee (based in Suva)
Ms Colleen Butcher-Gollach	Tuvalu Ship to Shore Transport Project Technical Adviser (based in Western Australia)

ADB

Mr Keith Leonard	Regional Director, ADB, Suva, Fiji
Ms Emma Ferguson	Tuvalu Country Desk Officer, ADB, Suva, Fiji

Note: Between 16-20/2/09 and between 17-27/3/09 8 attempts were made to consult with an **AusAID** officer based in Suva, who was considered by NZAID as a stakeholder. Phone messages were left each time with people reached or left on the phone message bank to return calls. All these attempts to contact the officer proved unsuccessful.

Appendix 4 Reports and Documents Reviewed for the Evaluation of the Tuvalu Country Strategy

AC Consulting Group Ltd *Tuvalu Ship to Shore Transport Study Independent Peer Review* Prepared for NZAID 18 January 2008

ADB (2006) *Tuvalu: Education Sector Reform and Development Project: Inception Report*

AusAID *Evaluation of the Tuvalu Trust Fund: Final Report to AusAID*, 21 December 2005

Bryant, C. and N. Wrighton (2008) *Fiji and Tuvalu Tracer Study, 2008, Final Report* 12 November 2008, AusAID

Bryant, C. (2008) *Evaluation of NZAID Scholarships and Training Programme in Tonga, Final Report Objective 1* 30 September 2008, AusAID

Bryant, C. (2008) *Evaluation of NZAID Scholarships and Training Programme in Tonga, Final Report Objective 2* 30 September 2008, AusAID

Cardno ACIL Australia Pty Ltd *Tuvalu Ship to Shore Transport Pre-Design Teams's Exit Report*, March 2006

Chandra, S., J. Kerr-Stevens and C. Mellor (1999) *Asset Maintenance: The Impact of the Underfinancing of Recurrent Costs*, Quality Assurance Series, No. 13, AusAID, Commonwealth of Australia, 70p.

Fairbairn-Dunlop, P., M. Grinsted and I. Aventeale (2004) *NZAID Support for Training Needs of the Kaupule, Falekaupule and Community in Tuvalu: Training Needs Assessment and Project Feasibility Mission, Final Report*

Government of Tuvalu *National Strategy for Sustainable Development, 2005-2015, Kakeega Matrix Returns, 3rd Kakeega II Donor Round Table Meeting*, 27 June 2008, Suva, Fiji

Government of Tuvalu *National Strategy for Sustainable Development, 2005-2015, Te Kakeega II*, November 2005

Government of Tuvalu (2006) *Tuvalu Education's 3rd Donors Round Table Meeting*, 25 July 2006, Fiji

Government of Tuvalu *Tuvalu Department of Education Strategic Plan 2006-2010*

Government of Tuvalu, Ministry of Education and Sport *Implementation Plan: Tuvalu Education*, April 2005

Government of Tuvalu, Tuvalu Trust Fund Board *Tuvalu Trust Fund 20th Anniversary Profile, 1987-2007*, Vaiaku, Funafuti

Government of Tuvalu *Tuvalu Maritime Training Institute: Training Plan*, 2004

NZAID *Terms of Reference: Joint Evaluation of the Kiribati and Tuvalu Country Strategies, 2002-2007*, January 2009
NZAID *New Zealand – Tuvalu Development Cooperation Programme: Framework for 2002-2007*

NZAID *Terms of Reference: Situation Analysis and Development of new Country Strategies – Kiribati and Tuvalu*, September 2008

NZAID *NZAID Guideline on the Structure of Review and Evaluation Reports*, 2008

NZAID *Screening Guide for Mainstreamed and Other Cross-Cutting Issues in NZAID Programmes and Activities*, 2006

NZAID *Pacific Group Core Bilateral Programme - Annual Plan 2008/09* 1 June 2008

NZAID *Tuvalu: NZAID Scholarships information for intakes commencing 2009*

NZAID *NZAID/Tuvalu aid programme expenditure updates and outturns, 2007/08-2010/11*

NZAID *Declaration by the Government of Tuvalu and Development Partners on Improving Aid Coordination and Effectiveness*, Tuvalu Development Partner Declaration, Round Table Meeting, June 2008

NZAID *Tuvalu Ship to Shore Transport Project*, 18 September, 2007

NZAID *HLC on Development Assistance Minutes Government of Tuvalu – Government of New Zealand*, Funafuti, 11 October 2006

NZAID *Final Costing of the Tuvalu Education Implementation Plan*, January 2006. Also TOR and comments.

NZAID *Tuvalu Education Options Paper: Donor Coordination*, Final Report 31 March, 2006. Also TOR and comments.

NZAID *Review of Tuvalu Reef Channels Project*, 27 October 2004

NZAID *Tuvalu Ship to Shore Transport Project: Visit to Funafuti*, 10-13 June, 2008

NZAID *AMS Programme Activity Information*, various activities, various years

NZAID *Various cables and notes*, various years, on Tuvalu development assistance

NZAID *NZ-Tuvalu Development Cooperation Programme Strategy Review*
November 2001

NZAID *An Investment Program For the Tuvalu Maritime School*, 2004

NZAID *Transfer of Funds for TMTI Training*, 2004

NZAID *An Agreement Concerning an International Trust Fund for Tuvalu* (nd)

Ramsay, D.L. and U. L. Kaly (2004) *Tuvalu Reef Channels Review Report*,
Prepared for NZAID June 2004

Ramsay, D. L. and U. L. Kaly (2003) *Reef Channels of Tuvalu*, Paper
Prepared for NZAID

Tuvalu Trust Fund *Minutes of Board Meetings*, Various Meetings, Various
Years

Tuvalu Trust Fund Advisory Committee Secretariat *2008 Annual Report of the
Tuvalu Trust Fund Advisory Committee*, 9-31 October 2008

Appendix 5 Glossary of Key Terms Used in the Evaluation of the Tuvalu Country Strategy

The definitions have been adapted for use from the Development Assistance Committee (DAC of OECD) definitions of criteria for evaluating development assistance, and from other sources. The questions that follow each definition are designed to elicit specific information in the evaluation of the Tuvalu country strategy.

Relevance The extent to which the focus area is consistent with the priorities and policies of the target group, GOT and NZAID. In evaluating relevance of a strategy objective, it is useful to consider the following questions:

1. To what extent are the objectives of the focus area still relevant or continue to be relevant in the future?
2. Are the outputs of the focus area consistent with the overall goal and the attainment of the country strategy objectives?
3. Are the focus areas and outputs consistent with the intended impacts and effects?

Effectiveness A measure of the extent to which an aid intervention attains its objectives. Effectiveness also measures the extent to which the focus area achieves its purpose, or whether this can be expected to happen on the basis of the outputs. In evaluating effectiveness it is useful to consider the following questions:

1. To what extent were the objectives achieved? Or are likely to be achieved in the life of the country strategy?
2. What are the major factors influencing the achievement or non-achievement of the objectives?

Efficiency Efficiency measures outputs, both qualitative and quantitative, in relation to inputs. Sometimes efficiency is thought of as the amount of output per unit of input. Efficiency measurement generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been used. In evaluating the efficiency of an aid intervention, it is useful to consider the following questions:

1. Were the activities undertaken cost-efficient?
2. Were outcomes achieved in a timely manner and at least cost?
3. Was the focus area implemented in the most efficient way compared to alternative ways?

Impact Impact measures the extent to which the focus area changed the lives of the target beneficiaries. **Development impact** is the positive long-term changes to people's lives brought about by the aid intervention. Sometimes there can be unintended and negative impact which should also be assessed. In evaluating the impact of a focus area, it is useful to consider the following questions:

1. What happened as a result of the aid intervention?

2. What real difference did the intervention make to the target beneficiaries?
3. How many people were affected?

Sustainability Sustainability is a measure of the extent to which the developmental benefits will continue after the completion of the aid intervention. Sustainable activities continue to generate long-term development benefits for the target beneficiaries many years into the future. Sometimes sustainability is measured for particular sectors targeted such as environmental sustainability or financial sustainability. In evaluating the sustainability of an aid intervention it is useful to consider the following questions:

1. To what extent did the improvements or benefits continue after NZAID funding finished?
2. What were the main factors which influenced the achievement or non-achievement of the sustainability of the aid intervention?

Gender equity Differences in economic and social indicators such as income, wealth, education, nutrition, and access to services and resources between women and men. These differences are sometimes referred to as gender gaps.

Outcome The likely or achieved short-term and medium-term effect of an intervention's outputs.

Output The product, capital goods, services or skills upgrade that result from the development intervention. Output may also include changes resulting from the aid intervention which is relevant to the achievement of outcome.

Performance The degree to which a development intervention or a development partner operates according to specific criteria/standards/guidelines or achieves results in accordance with stated strategy objectives or plans.

Performance measurement A system for assessing performance of development interventions against stated objectives.

Lessons learnt Generalisations based on evaluation findings that abstract from the specific circumstances to broader situations. Frequently lessons highlight strengths or weaknesses in the preparation, design, implementation and management that affect the performance, outcome and impact of a country programme or focus area. Lessons can be both positive and negative – i.e. what to continue to do, and what not to do.

Triangulation The use of three or more theories, sources or types of information, or types of analyses, to verify and substantiate an assessment. By combining multiple data sources, methods, analyses or theories, evaluators seek to overcome the bias that comes from single informants, single methods, single observer, or single theory studies.

Appendix 6 Definition of the Performance Assessment Ratings and the Criteria Used to Distinguish Between Them

This rating scale was used to assess the performance of the country strategy objectives.

Exceeded expectations. Progress and achievements surpassed those anticipated during the life of the country strategy period, even if the implementation of the objective was at an early stage.

Substantially achieved. Progress towards the objective was generally sound during the life of the country strategy period. While most aid interventions encounter some challenges and obstacles, this rating was applied when the achievements were generally in line with expectations.

Partly achieved. Progress and/or achievements during the life of the country strategy period fell a long way short of expectations, in many cases due to delays, and sometimes because of other obstacles and problems that prevented the desired outcomes. Some objectives rated as partly achieved are effectively responding to those problems, and are likely to meet their intended outcomes in the long run.

Not achieved. Progress towards the objectives was minimal, compared with expected progress during the life of the country strategy period.

Too early to assess/unable to be assessed. Progress towards expected outcomes of the objectives was unable to be assessed as these outcomes were expected to happen in the long run and well after the life of the country strategy period; or there was insufficient information or data to make a conclusive judgement.