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**New Zealand Ministry of Foreign Affairs and Trade**

**Final Report**

# **Evaluation of MFAT's Partnerships Fund**

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## Executive summary

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The Partnerships Fund for International Development (the Partnerships Fund) is a contestable fund administered by the New Zealand Ministry for Foreign Affairs and Trade (MFAT). The Fund helps New Zealand charitable and other not-for-profit, private, and state sector organisations deliver responses to development challenges in developing countries. A core feature of the Partnerships Fund is the partnering of a New Zealand organisation with a local organisation in the country in which the response is delivered.

The Partnerships Fund harnesses New Zealand expertise and knowledge to drive sustainable economic growth and poverty reduction in the developing countries supported by the New Zealand Aid Programme. It also encourages and supports new partnerships and innovative approaches to address development challenges in line with the Programme's strategic goals, with a focus on sustainable economic development in the Pacific.

The Partnerships Fund has supported 110 activities in developing countries since June 2012, with \$203 million being allocated to these activities. \$153 million of this has come from the Fund, with the remaining \$49 million from match funding commitments from partner organisations. At the time of this evaluation, only two activities had been completed.

MFAT commissioned Sapere Research Group to undertake an independent evaluation to examine what is being achieved by the Partnerships Fund, along with its alignment, coherence, and strategic direction. This evaluation has assessed achievements to date, and the overall coherence and impact of the Partnerships Fund since 2012. It aims to inform decisions regarding future improvements, and the strategic direction of MFAT's overall investment in the Partnerships Fund.

The evaluation was asked to answer three key evaluation questions:

1. To what extent is the Partnerships Fund fit-for-purpose, including supporting coherence and alignment with MFAT strategic priorities?
2. How effective, efficient and sustainable has the Partnerships Fund been in delivering development outcomes in the regions and sectors in which it works?
3. What are the priority areas for improvement to increase Partnerships Fund efficiency, effectiveness, sustainability, strategic alignment, and impact?

In considering how the Partnerships Fund can better deliver against MFAT's strategic objectives, the evaluation team's overall finding is that the Partnerships Fund aligns with and is coherent with MFAT's intended goals and outcomes. It is an appropriate modality with respect to these objectives, is of high quality, and appears to be delivering effective, efficient, and sustainable results on a small and localised scale (although a number of sustainability issues arise). The key findings from evaluation questions one and two are addressed below, along with priority areas for improvement to enhance the future performance of the Fund.

## **There is strong alignment and coherence with MFAT aid programmes**

The evaluation found that the Fund rates consistently highly against the coherence and alignment criteria addressed, and is of high quality. While there is some concern (largely from country evaluations) that the Fund activities are not coherent and tend to proliferate, our observation is that there is strong alignment with existing programmes and, for many, each activity is likely to be part of an ongoing programme of activity. Our specific findings are:

- (a) The geographic allocation of Fund support was in general aligned with foreign policy, security, and trade interests, although limited visibility around Fund activities lessened foreign policy dividends.
- (b) There is a remarkably high degree of alignment between Fund-supported investment priority areas within countries and non-Fund-supported priorities.
- (c) The Fund's modalities are appropriate for what the Fund attempts to achieve developmentally.
- (d) The design and delivery of the Fund are on balance consistent with development principles adopted internationally, including the Sustainable Development Goals.
- (e) There is evidence of coherence from an MFAT Total Country Aid Flow (TCAF) perspective, with Fund support generally complementing the allocation of non-Fund support across the investment priorities of the New Zealand aid programme.

It was also observed that a degree of Fund non-alignment is not necessarily a bad thing, as it can fill gaps in country programme TCAFs. Filling these gaps can be a response to immediate needs and opportunities, and doing so successfully can enhance New Zealand's visibility as a valued development partner.

### **More explicit recognition of the value of relationships could enhance clarity of purpose**

A finding of the evaluation is that there is an apparent ambiguity about the Fund's 'value-add' over the other MFAT aid programmes, and that this was due to insufficient clarity over its purposes. The evaluation team detected two purposes of the Fund that were not sufficiently recognised within MFAT. These are:

- promoting better practice between New Zealand partners and in-country partners; and
- promoting good relationships between MFAT and partner organisations.

The second purpose is consistent with a recognition that relationships matter not just for contributing to development but are worthy in their own right. This should be acknowledged in the refresh of the Fund, with MFAT making it clear that relationships and relationship management are core to the Partnerships Fund.

## **Consideration could be given to how the Fund could better harness the skills and capabilities of development partners**

While the evaluation team's view is that the Fund aligns and is coherent with other MFAT support, we note two issues worthy of further consideration. Firstly, by strongly encouraging activities to align with thematic, geographic, and investment priorities, there is the potential for partners to propose activities that do not utilise their best capabilities. Secondly, the lion's share of support provided by the Fund has gone to larger and more established NGOs. While this is not an issue in and of itself, it raises questions about whether the Fund is sufficiently harnessing the skills, knowledge, and potentially innovative approaches of all partners.

Any refresh of the Fund will need to consider how to better access the expertise of smaller NGOs, the private sector, and implementing partners. This would need to include a review of how match funding is applied. Most key informants agreed that match funding encourages accountability but that the current criteria risk excluding potentially useful partners.

Noting that we favour alignment with investment priorities, it is important that partner organisations be fully aware of the investment priorities specific to country programmes so they can respond accordingly. A finding of this evaluation is that these priorities are not made available to the public for all country programmes.

## **Overall, the Fund is delivering expected outputs and results**

The Fund is supporting development outcomes on a small scale across its activities. Although only two activities had been completed at the start of the evaluation, the evidence we gathered indicates the projects (by and large) are delivering outputs and expected short-to-medium-term outcomes across a range of sectors and countries. A large proportion of activities within the Fund are delivered by NGOs, and most are based around health, the environment, and social development, rather than commercial development.

The evaluation found that the Partnerships Fund modality recognises that an activity is implemented and delivered in a dynamic setting, and that political, environmental, and social priorities can change during a project. In addition, capacity issues with an in-country partner may not be apparent until the project is being implemented. This adaptive approach used by the Partnerships Fund team allows it to more effectively manage activities in often dynamic development contexts.

## **The Fund provides an efficient mechanism for engaging with partners, Post, and the community in-country**

The fundamental design aspects of the Fund (e.g. contestable approach, project-by-project contracts) seem fairly well accepted by the sector and stakeholders. The Fund provides an efficient mechanism for engaging with the local community and identifying need. Whether by design or not, the Fund provides MFAT with an efficient modality to fill gaps not met by the bilateral programme, particularly in the health and education sectors.

## **Capacity building is a key outcome of Fund activities, reflecting the move towards devolved decision-making**

One of the Fund's objectives is to help improve the prosperity, stability, and resilience of the Pacific Islands region and its people. One way partners help achieve this is through building in-country partner capacity with local NGOs and community groups. This is important as it builds the capacity of in-country partners to effectively manage and deliver activities, and increases the likelihood of longer-term sustainable economic development outcomes.

A key finding of the evaluation is that New Zealand partners see key outcomes from Fund activities as being to build capacity, provide resources for in-country partners that they may not otherwise be able to access, and allow in-country partners to lead their own development projects.

The activities we observed in Fiji, Tonga, and Cambodia appear to have a reasonably strong demand-led element and are relevant and targeted for their communities. Tools such as adaptive management and social enterprise are being used as part of the activity design and to deliver wellbeing outcomes, and these can be actively encouraged and supported by MFAT.

The future focus of the Fund can be to strengthen local NGOs further and allow in-country partners to lead their own development projects. Localisation could also improve efficiencies, such as eliminating parallel systems and improving delivery mechanisms, and achieve better value for money from the Fund.

## **Greater realism is required over expectations of sustainability**

It was also found that the scale and duration of Fund activities might mean it is not reasonable to expect longer-term sustainable economic development outcomes.

If the Fund activity is part of a programme of work the partner is undertaking within a particular community, it is likely that any sustainable outcomes will be dependent on the success of other projects. Other factors include in-country partner capability, the capacity and willingness of beneficiaries to act in a self-reliant manner, and the ongoing ability and willingness of implementing partners to ensure the continuation of intended activity outcomes after the cessation of Fund support.

## **Fund modalities and programme management**

### **One size may not fit all**

NGO, state, and private sectors are all different in operation and orientation, and they bring different benefits to the New Zealand Aid Programme. MFAT treats its relationship with NGOs differently to Crown Research Institutes (CRIs) and, quite possibly, to the private sector, seeing the NGO relationship as less transactional. State sector organisations do not need to go through the accreditation process or find match funding. Some of these organisations are also contracted directly through the bilateral and regional programmes.

Many NGO key informants saw the Fund as the only source of MFAT funding that they were eligible for, whereas the state sector organisations have access to other sources of MFAT funding. If building relationships with the NGO sector is a priority, MFAT may wish to reconsider how it can use the Fund for this purpose.

## **Engagement with MFAT is largely positive, but the Fund’s concept appraisal and contracts process phases can be resource-heavy and are lengthy for some partners**

Currently much of the Fund’s teamwork is upfront, working closely with partners during the concept design phase. MFAT officials noted that partner capability varies and this can affect partners’ perceptions that the contract process is resource-heavy. For example, if the NGO is new to working in international development or with MFAT, or has capacity issues within its agency, then the Fund team spent more time working with the NGO partner. More than half of the key informants we spoke with suggested that streamlining the process would reduce the compliance burden and allow their organisations to be more future-focused.

A common theme in the qualitative analysis was that engagement with MFAT was mainly a positive feature of the Fund process. Responses from a number of New Zealand-based interviewees and in-country partners were that overall their experiences with the Fund have been better than those with many comparable funding mechanisms in other countries. They have found the Fund less bureaucratic, the activity managers more flexible and easier to deal with, and the reporting requirements less burdensome. This experience, however, was not uniform, with some partners expressing a desire for deeper on-the-ground development experience from the activity managers and other MFAT officials they deal with.

In addition, some partners found the Fund’s concept appraisal and contracts processes resource-heavy and lengthy.

Key informants, MFAT country programme evaluations, and the internal quality review, have noted that there are a large number of Partnerships Fund activities. This raises the issue of management burden. Relationship management is time-intensive and whether the Fund supports too many activities is ultimately a matter of funding for administration.

The issue of ‘too many’ activities requires consideration not just by the Partnerships Fund, but also by the various parts of MFAT that contribute to country programmes in their totality.

Some informants speculated that a ‘fewer, longer, deeper’ approach could be adopted by the Fund, as a way of dealing with proliferation. Fewer and longer, with larger budgets spread across more years, might be appropriate, especially noting that there are often timeframe extensions, but providing additional funding is not commonplace.

Deeper activities could be problematic, however, and need to be considered with particular care. A ‘deeper’ orientation typically means the allocation of higher amounts of yearly funding to an activity. Such an orientation could well be beyond the implementation capacity of partners and test the aggregate aid absorptive capacities of partner countries. The evaluation recognises the reality that there are only a handful of completed activities supported by the Fund since its inception in 2012.

## **Joint management of Fund activities**

Activity management of Fund-supported activities is a complex task. This is largely due to the special need to manage relationships with partners (which is a core element of the Fund), while having to grapple from a distance with the complexities and nuances of the country programmes under which the activities are delivered. It is also due to confusion that has arisen from time to time among implementation organisations over lines of communication,

i.e. whether Post or the Fund team in Wellington should be approached over implementation or other issues.

Post staff do not have much presence in the implementation of Fund activities, and MFAT also has limited visibility. This means that New Zealand does not derive full acknowledgement as a supportive donor, which limits foreign policy dividends.

Subject to appropriate resourcing at Post, there would appear to be a case for a clear and widely communicated division of responsibility for activity management between Post and the Fund team in Wellington, with a model of joint activity management being adopted.

### **Fund results frameworks could be improved to capture more useful information**

Measuring performance is important to ensure activities are delivering their intended outcomes. Key informants found the current results frameworks made it difficult to report on the impact the Fund activity was having on its beneficiaries, and suggested more relevant measurables that better fit smaller projects.

### **Other partner funding mechanisms from which MFAT could learn**

The evaluation reviewed a wide variety of approaches and mechanisms used by other OECD nations to engage civil society, state sector organisations, and the private sector in development aid. It found that the Partnerships Fund is unique, as no other OECD donor appears to have one contestable fund as the primary mechanism for engagement across civil society, state agencies, and the private sector. The very different nature of other funds means that scope for learnings appears limited.

The evaluation also reviewed comparable public sector funding mechanisms in New Zealand outside the official development assistance programme. In particular, it looked at the science investment approach of the Ministry of Business, Innovation and Employment (MBIE). While again emphasising the differences in mode of operation between these mechanisms, there is one potential learning from this.

MBIE's Partnerships Scheme provides projects with the opportunity for a second term if performance criteria are met. However, in these cases, co-funding requirements are raised, with partners expected to contribute at least 70 percent of second-term funding. This recognises that extending a programme can offer worthwhile outcomes, but also that it is often easier at this point for partners to access alternative funding sources given proven results. Given partner organisation feedback about the desire for extensions in some cases, a similar model could be considered for future iterations of the MFAT Fund.

### **Learnings**

The activities we observed in Fiji, Tonga, and Cambodia appear to have a reasonably strong demand-led element and are relevant and targeted for their communities. A number of other lessons were observed from these case studies, including:

- External factors can impinge on projects, and capacity constraints can slow them down. Capacity issues with an in-country partner may not be apparent until the project is being implemented. The Fund's adaptive approach allows the activities to stay resilient in the face of these issues.

- Match funding encourages accountability and there is close monitoring of the activities by the NZ partners to the Fund. MFAT monitoring is comparatively light-handed, and rectification actions, if needed, can be agreed with the (typically NGO) partners.
- Localisation can improve efficiencies, such as eliminating parallel systems and improving delivery mechanisms, and can achieve better value for money from the Fund. This, however, is a complex, case-by-case debate and NZ NGO partners have provided an important buffer for MFAT through close monitoring and (at times) topping up funds where needed.

## Overall findings

In considering how the Partnerships Fund can better deliver MFAT's strategic objectives, the evaluation team was of the view that:

- There is strong alignment and coherence with MFAT aid programmes.
- Recognising that relationships and relationship management are core values of the Fund could enhance clarity of purpose.
- Overall, the Fund is delivering expected outputs and results.
- The Fund provides an efficient mechanism for engaging with partners, Post, and the community in-country.
- Capacity building is a key outcome of Fund activities, reflecting the move towards devolved decision-making.
- There is the possibility that attempts to utilise partner capabilities have skewed incentives.
- Consideration could be given to how the Fund could better harness the skills and capabilities of the range of development partners available.
- A degree of realism is required over expectations of sustainability.

## Recommendations

The evaluation provides 16 forward-looking recommendations for the Partnerships Fund. It assigns a priority rating to each, with A indicating the highest priority and C the lowest. The recommendations are as follows.

### Clarity of core purpose

**Recommendation One (Priority A):** MFAT needs to clearly articulate across the Ministry, and at Post, that relationships and relationship management are core to the Partnerships Fund, that relationships matter not just for contributing to development but are worthy in their own right.

### Better utilisation of partner capabilities

**Recommendation Two (Priority A):** MFAT considers conducting a review of core partner organisation sectoral capabilities, with a view to issuing a Partnerships Fund call for proposals under the core capabilities identified by this review.

**OR**

**Recommendation Three (Priority A):** MFAT considers a Partnerships Fund process that allows partners to propose activities that do not strictly align with its sectoral and investment priorities, but that do align with the broader priorities of the New Zealand Aid Programme, requiring partners to demonstrate this alignment at the concept note stage.

**Recommendation Four (Priority B):** Each year MFAT publishes on its website the current investment priorities for all of its country programmes.

**Recommendation Five (Priority B):** MFAT considers actively encouraging collaborative joint proposals between large and small NGOs, and between large NGOs and private sector firms.

**Recommendation Six (Priority B):** MFAT considers broadening match funding criteria and the types of in-kind contributions for smaller NGOs, reducing the amount of funding that NGO partners need to raise and allowing access to innovative financing mechanisms and other international funding sources.

**Recommendation Seven (Priority B):** MFAT considers giving implementing partners in developing countries direct access to the Partnerships Fund, regarding them as the lead partners, but in partnership with a New Zealand-based organisation.

**Recommendation Eight (Priority B):** MFAT considers giving added emphasis to implementing partner capacity building in developing countries, making it a core purpose of the Partnerships Fund.

**Recommendation Nine (Priority B):** MFAT provides greater clarity, across the Ministry and at Post, regarding the organisations that are the participants in the partnerships supported by the Partnerships Fund.

## Sustainability

**Recommendation Ten (Priority A):** The sustainability of Partnerships Fund-supported activities be reviewed by MFAT, and be considered as either:

- (i) the capacity and willingness of beneficiaries to act in a self-reliant manner, ensuring the continuation of intended activity outcomes, or
- (ii) the ongoing ability and willingness of implementing partners to ensure the continuation of intended activity outcomes after the cessation of Fund support,

and that these conceptualisations be incorporated into the design, monitoring and evaluation of activities.

## Modalities and management

**Recommendation Eleven (Priority B):** MFAT conducts an internal review to consider whether state sector organisations continue to participate in the Partnerships Fund or be directly contracted elsewhere in the New Zealand aid programme.

**Recommendation Twelve (Priority A):** MFAT conducts an internal review of the number of activities supported in its country programmes with the view to setting upper limits in each and providing a co-ordinating mechanism across modalities to ensure these limits are not exceeded and are appropriate to administrative resourcing.

**Recommendation Thirteen (Priority A):** MFAT considers the adoption of a ‘longer’ orientation of future Partnerships Fund activities beyond the current standard of three to five years.

**Recommendation Fourteen (Priority B):** MFAT considers the implementation of a joint Post-Partnerships Fund team model of managing Fund-supported activities.

**Recommendation Fifteen (Priority C):** As part of MFAT’s development of online reporting, it reviews the results frameworks to ensure the data gathered can report on the effects the activities are having on beneficiaries, and can be measured against the Sustainable Development Goals for that country.

**Recommendation Sixteen (Priority C):** MFAT considers co-funding Partnerships Fund-supported activities beyond their initial life, following the model of the MBIE Partnerships Scheme.

## Pressing challenges exist on the horizon

There are three challenges to which the Fund will be subject over the coming years:

1. Over the next few years, a large number of Fund activities will be completed and assessments finalised. This will impose a significant management burden on MFAT, and particularly the Partnerships Fund team. The additional burden will need to be the subject of forward planning, as to how it will be managed, and appropriately resourced.
2. Related to this is the issue of accountability. Not all development aid activities work. Many fail and others require additional resources. Will standard MFAT operating procedures be able to account for the inevitable failures that will become apparent over the coming years, in a way that accords with the relationship spirit of its operations? We do not have the answer to this question, but suggest it is one that will need to be addressed in the near future.
3. There has recently been an increased emphasis around the world on the Sustainable Development Goals (SDG), with many countries in the Pacific (such as Vanuatu and Fiji) building them into their national development plans. This will place significant demands on New Zealand as an aid donor. It will require revised evidence-gathering and tracking to benchmark against the appropriate goals, together with the development and application of a theory of change that relates aid-funded efforts to SDG outcomes. It will also involve significant dialogue with development partners over these matters. The Partnerships Fund will need to continue to evolve to reflect this.



# 1. Introduction

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The Partnerships Fund for International Development (the Partnerships Fund) is a contestable fund administered by the New Zealand Ministry for Foreign Affairs and Trade (MFAT) for New Zealand charitable and other not-for-profit, private, and state sector organisations to deliver responses to development challenges in developing countries. A core feature of the Partnerships Fund is the partnering of a New Zealand organisation with a local organisation in the country in which the response is delivered.

MFAT commissioned Sapere Research Group to undertake an independent evaluation to examine what is being achieved by the Partnerships Fund, along with its alignment, coherence, and strategic direction.

In this section, we provide an overview of the Partnerships Fund, looking at its rationale, evolution, and funding allocations since 2012. This is followed by details of the evaluation, including its purpose and key evaluation questions.

## 1.1 The Partnerships Fund: rationale and activity

### 1.1.1 Origin and rationale

The Partnerships Fund replaced the Sustainable Development Fund (a contestable fund for charitable and other not-for-profit organisations) and separate arrangements for private and state sector organisations.

As outlined in its current guidelines, the objective of the Fund is to harness New Zealand expertise and knowledge to drive sustainable economic growth and poverty reduction in the developing countries within the New Zealand Aid Programme. It also seeks to encourage and support new partnerships and innovative approaches to address development challenges in line with the New Zealand Aid Programme's strategic goals, with a particular focus on sustainable economic development in the Pacific region.<sup>1</sup>

The two foci of poverty reduction – through promoting sustainable development, and through sustainable economic development in the Pacific – have remained throughout the Fund's history. However, the goals and orientation have evolved over time. A major change occurred in 2015. This change involved:

1. an increased focus on sustainable economic development in the Pacific through alignment around broader country programme investment priorities; and

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<sup>1</sup> New Zealand Ministry of Foreign Affairs and Trade, *New Zealand Partnerships for International Development Fund Guidelines*, April 2017.

2. leveraging greater resources, expertise and innovative ideas for development than would otherwise be possible through match funding requirements from not-for-profit and private sector applicants.

The introduction of match funding was particularly significant.

Further changes were made to the Partnerships Fund in 2016. These changes were the establishment of three pilot ‘windows’, each of which was scheduled for completion in Round 11 in October 2017:

- The Pacific Private Sector Window (PPSW) is a contestable window within the Partnerships Fund available to New Zealand businesses working with an in-country partner. The PPSW aims to achieve development impact in Pacific Island countries by capitalising on New Zealand private sector investment of knowledge, capital, resources, and expertise.
- The Innovation Window provides financial assistance to eligible New Zealand organisations to research, test, and develop a new and innovative development idea.
- The Kiribati Window provides added incentives to eligible New Zealand organisations with an interest in partnership activities with a Kiribati focus. This reflects the significant development need in Kiribati, creating incentives to address the particular challenges of working in-country.

The Partnerships Fund is not the only fund in New Zealand or elsewhere that seeks to build partnerships with external organisations. An overview of other partnerships-type funds are provided in Appendix 1.

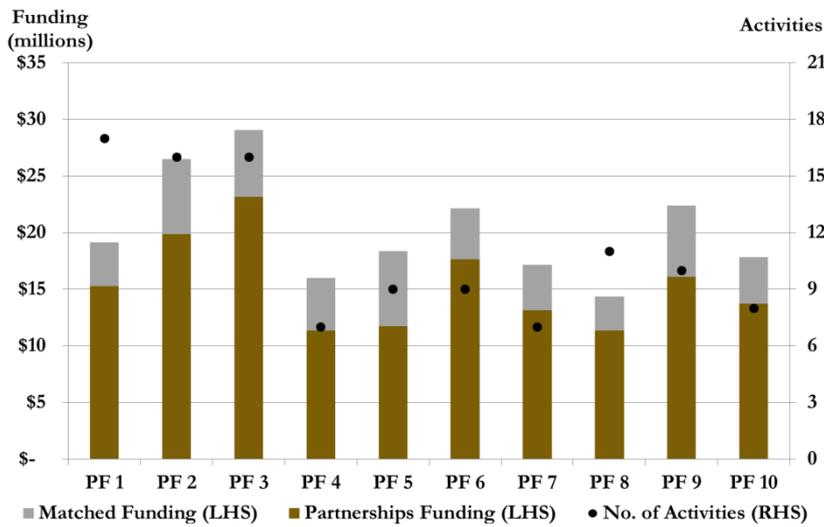
### **1.1.2 Allocation of Partnerships Fund support**

Between June 2012 and September 2017, there were ten funding rounds. A total of 110 activities were approved over this period, with a combined budget of \$203 million. \$153 million of this has come from the Fund itself, with the remaining \$49 million from match funding commitments from partner organisations. Funding per round has fluctuated, as shown in Figure 1, but has averaged around \$20 million per round.<sup>2</sup> The number of activities approved per round has similarly varied, averaging 16 over the first few rounds before falling back to 9 more recently. Average funding per activity has been \$1.4 million, but has ranged from as little as \$87,760 up to \$5 million.

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<sup>2</sup> In Figure 1, PF1 denotes Partnerships Funding Round one, PF2 denotes Funding Round two, and so on.

**Figure 1 Funding amounts and activities supported per round**



The main geographic focus of the Fund has been the Pacific, with 62 percent of funding allocated to activities in this region. Within the Pacific, Melanesian countries have figured prominently with Papua New Guinea the single largest beneficiary country (\$21 million of funding), followed by Vanuatu (\$19 million) and Fiji (\$18 million). 26 percent of funding has been allocated to Southeast Asia, with Timor-Leste (\$9 million) and Myanmar (\$7 million) the largest recipients. 12 percent of funding has gone to the ‘rest of world’ grouping. Six of the seven largest recipient countries are Small Island Developing States (SIDS).

NGOs have been the main recipients of funding and there has been very little private sector participation. 79 percent of funding has been allocated to NGOs, 17 percent to the state sector, and 4 percent to the private sector. 13 of the top 15 funding recipients have been NGOs, with World Vision, Save the Children, UNICEF, Oxfam, and Childfund the top five recipients. The Crown Research Institutes (CRIs) Landcare Research and NIWA are the only two non-NGO organisations in the top 15. The Fund has provided funding to 46 different New Zealand lead organisations in total.

Most Fund support has been allocated to agriculture, with this sector receiving 36 percent of total support since 2012. Health, WASH, education, and disaster risk reduction have been the next most commonly supported sectors, with approximately 10 percent of funding each.

The vast majority of activities approved to date are still in the implementation or design phases. As of September 2017, only six activities had been completed, while 86 were being implemented and 18 were still in design.

Further funding allocation details, including graphs illustrating the above-mentioned characteristics, are provided in Appendix 2.

## 1.2 Evaluation of the Partnerships Fund

### 1.2.1 Evaluation purpose

As outlined in the Terms of Reference, the purpose of this evaluation is to assess the overall coherence and impact of the Partnerships Fund since 2012. This involves consideration of the following:

- assessing the Fund's effectiveness and efficiency;
- demonstrating achievements to our New Zealand partners, partner communities, in-country partners and communities, governments and New Zealand taxpayers; and
- identifying lessons and making recommendations on issues to consider for the future design and delivery of the Fund.

The intent of the evaluation is to inform decisions to be made regarding future improvements, as well as the strategic direction of MFAT's overall investment in the Fund. The evaluation takes a medium- to long-term outlook (20 years) to support this forward-looking focus, thus also aligning with MFAT country strategy processes and MFAT's long-term foreign policy and aid development strategic objectives.

There have been a number of previous reviews of the Partnerships Fund. Details of these reviews, their findings, and their recommendations are provided in Appendix 3.

### 1.2.2 Evaluation objectives

There are four priority objectives for this evaluation, as follows:

1. Assess the extent to which the Partnerships Fund design is fit-for-purpose, including supporting coherence and alignment with MFAT strategic priorities.
2. Assess the effectiveness and efficiency of the Partnerships Fund in delivering development outcomes in the regions and sectors it works in.
3. Assess the overall, or likely, impact and sustainability of the Partnerships Fund activities in the regions and sectors in which it works.
4. Identify areas for improvement to increase Partnerships Fund efficiency, effectiveness, sustainability, and strategic alignment.

### 1.2.3 Key evaluation questions

To achieve these objectives, the evaluation focused on three key evaluation questions:

**Key Evaluation Question One:** To what extent is the Partnerships Fund fit-for-purpose, including supporting coherence and alignment with MFAT strategic priorities?

**Key Evaluation Question Two:** How effective, efficient, and sustainable has the Partnerships Fund been in delivering development outcomes in the regions and sectors in which it works?

**Key Evaluation Question Three:** What are the priority areas for improvement to increase Partnerships Fund efficiency, effectiveness, sustainability, strategic alignment, and impact?

Answers to each of these questions are informed by responses to various sub-questions, which are provided through this report as each is addressed.

## 1.2.4 Evaluation design

The evaluation covers the period from when the Partnerships Fund started (July 2012) through to September 2017. Appendix 4 provides details of the design and the evaluation.

### Limitations

Budget constraints and the timeframe for completion of the evaluation meant that we were unable to visit all countries where there are Partnerships Fund activities, and we were unable to undertake in-depth analysis for all sectors supported. We believe, however, that we were able to balance the need for breadth and depth with sufficient rigour and robustness of findings. We achieved this through using the above mentioned documentation, combined with a range of tools to engage with key informants (interviews, focus groups, and an e-survey), and through conducting a collection of case studies.

A sample of MFAT Activity Monitoring Assessments (AMAs) and Activity Completion Assessments (ACAs) is used in this evaluation, along with many other sources of information, in making judgements regarding effectiveness, efficiency, and sustainability. Yet as self-assessments, AMAs have the potential for selection bias. MFAT procedural guidelines do not require AMAs for Partnerships Fund activities to be undertaken each year if the budget is less than \$250,000. As such, there is a risk that the activities for which AMAs have been conducted might not be representative of all Fund activities.

There is also the issue of incentives. It can be the case that the strongest incentives to conduct AMAs apply to what are thought to be the most successful and least successful activities, as it is from these activities that valuable lessons can be learned. Similar reservations apply to the ACAs, which are very few relative to the total number of Fund activities approved to date. The evaluation team has no evidence of such a bias, but this is not to say that it might not be present in the sample of AMAs and ACAs. The impact of this bias, should it exist, on the evaluation findings is reduced through triangulation – i.e. the use of many sources of information, in particular the case studies.

## 2. Fitness-for-purpose, coherence and alignment

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### 2.1 Introduction

In this section, we present our findings regarding evaluation question one: *to what extent is the Partnerships Fund fit-for-purpose, including supporting coherence and alignment with MFAT strategic priorities?* The response to this question is informed by the following sub-questions:

- Is the Fund aligned with MFAT’s development, foreign policy, security and trade goals and outcomes?
- Are its modalities appropriate to meet the Partnerships Fund goals and outcomes?
- Is the Fund of high quality, being consistent with development principles as articulated by such initiatives as the Global Partnership for Effective Development Cooperation, the Paris, Accra and Busan Declarations on Aid Effectiveness, and the UN Sustainable Development Goals (SDGs)?
- Is it coherent from Total Country Aid Flow (TCAF), country strategy, and Joint Commitment for Development (JCfD) perspectives?

A broader and arguably more fundamental fitness-for-purpose question involves the value-add of a Fund that operates in parallel to MFAT programmes. This issue, which turns on how fitness-for-purpose is defined, is briefly dealt with in this section and is discussed in more detail in Section 4.

Responses to these questions are based primarily on a mix of empirical research, information gained from key informant interviews, and case studies of Fund activities. The first and last of the sub-questions are empirical in nature, and for this reason the responses to them primarily involve empirical analysis.

### 2.2 Alignment

#### 2.2.1 To what extent is the Fund aligned with MFAT’s intended development, foreign policy, security and trade goals, and outcomes?

Official policy statements and related documents make it clear that the Pacific region is the most important part of the world for New Zealand in foreign policy and security goals. In addition, among countries for which there is a development case for the provision of aid, those in Southeast Asia rate highly in terms of trade interests given the strong opportunities they afford for New Zealand trade and broader business interests.

It is noted in Section 1 and Appendix 2 that 62 percent and 26 percent of funding from the Partnerships Fund has been respectively allocated to the Pacific and Southeast Asia. It follows from the preceding comments that there is a high degree of alignment between the Fund and MFAT’s intended foreign policy, security and trade goals, and outcomes.

Alignment with intended development goals and outcomes warrants closer attention. Our focus here is on the 12 investment priorities to which the New Zealand Aid Programme has been subject since 2015.<sup>3</sup> Listed in Table 1, these priorities articulate specific development goals and intended outcomes of New Zealand aid in the countries to which it is provided. The investment priorities for each country are reconfirmed annually by MFAT and are often published on its website.

This is not to imply that all 12 investment priorities are pursued to the same extent within each country programme; they are not. The emphasis afforded to each differs across countries, depending on the development challenges and what New Zealand is best placed to achieve in each. Therefore, we see differing percentages of New Zealand aid allocated among the 12 investment priorities in different recipient countries.

**Table 1 New Zealand aid investment priority areas**

1. Renewable Energy
2. Agriculture
3. Information Communications
4. Fisheries
5. Tourism
6. Trade and Labour Mobility
7. Economic Governance
8. Law and Justice
9. Health
10. Education
11. Resilience
12. Humanitarian Response

We examined the extent to which the allocation of Partnerships Fund support among investment priorities aligns with that of all other MFAT development aid (non-Partnerships) support within country programmes.

### **A focus on seven countries to 2021**

We focus on the three countries in which case studies of Fund-supported activities were undertaken (Fiji, Tonga, and Cambodia), together with Papua New Guinea, Vanuatu,

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<sup>3</sup> New Zealand Ministry of Foreign Affairs and Trade, *New Zealand Aid Programme Investment Priorities 2015–19*, Wellington, 2015.

Solomon Islands, and Timor-Leste. The latter four were chosen as they, along with Fiji, comprise the five most heavily Fund-supported countries.<sup>4</sup>

The years under consideration are 2012 to 2021. Data for the years 2018 to 2021 are based on forward aid plans or commitments. Partnerships Fund data includes both MFAT and, appropriately, partner match funding. As noted above, the 12 investment priorities were established in 2015, yet in assessing alignment we apply them retrospectively to the years 2012 to 2014. This requires explanation. The 12 investment priorities did not by and large identify new areas of endeavour that New Zealand had not previously supported. The priorities are actually based on aid sectors that had been used in the reporting of New Zealand aid to the OECD-DAC and elsewhere for decades prior to 2015. Some directly correspond to sectors, being wholly constituent of a particular sector (such as Agriculture, Fisheries, and Tourism), while others combine a number of sectors (such as Resilience, which combines the sectors Disaster Risk Reduction and Environmental Protection). From 2015, one would expect a greater focus on the sectors that comprise the 12 investment priorities and less on others. For the earlier years, the relative emphasis given to the sectors that subsequently comprise these priorities reflects an actual or revealed strategy and it is entirely appropriate to look at the alignment of the Partnerships Fund with this strategy.<sup>5</sup>

There is no general intuition or guidance from research on alignment as to what the extent and nature of this alignment ought to be. It could be argued that alignment of the Fund with the broader MFAT development aid focus in each country requires the percentage of total Fund support and total non-Fund support to be roughly equal for each sector, given that the share of non-Fund aid received by each sector will reflect the priority assigned by MFAT. Yet it could also be argued that the Fund should primarily align only with the most heavily non-Fund-supported priorities. To seek to align with all priorities at the country programme level would, given the Fund's limited size, result in it being fragmented across these priorities, and thus losing internal coherence. Such alignment might also be inconsistent with what Fund partnerships can effectively deliver. It is the second of these arguments, or perspectives, that is adopted in our evaluation.

A number of alignment investigations were undertaken. The Partnerships Fund data used in each includes both MFAT and, appropriately, partner match funding.

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<sup>4</sup> We acknowledge an assumption on which this analysis crucially rests. This assumption is that the alignment of MFAT non-Partnerships Fund support is appropriate from the perspectives of the pressing development challenges in these countries, the development priorities of the governments, and of other important stakeholders within these countries. Also, that it is appropriate from the perspective of New Zealand's comparative advantages as an aid donor and broader foreign policy, security and related not-purely-developmental interests. Based on the findings of independent evaluations of MFAT country programmes (discussed in Appendix 3), there is on balance strong support for this assumption.

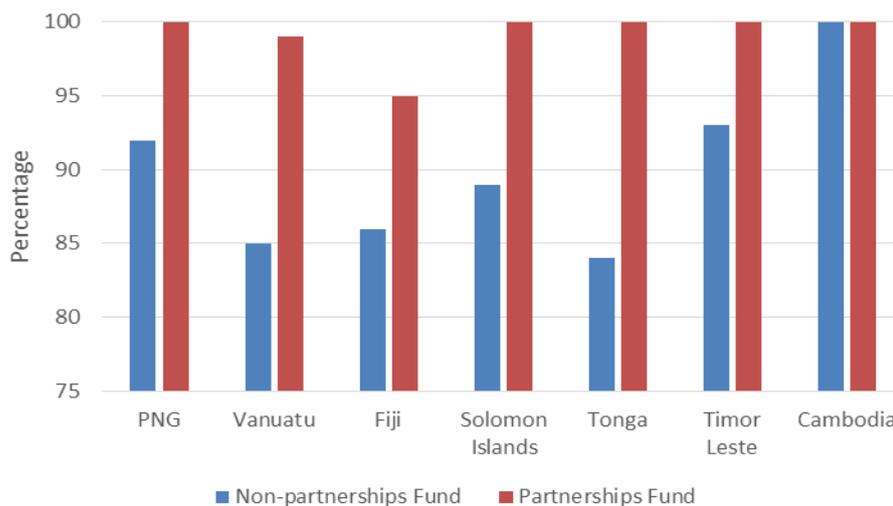
<sup>5</sup> We also note that our intent is not to evaluate the extent to which partners have deliberately sought to align with sectors and MFAT investment priorities. What is being evaluated is the outcome of joint decision-making processes involving the interaction of supply side (what partners propose to do) and demand side (what MFAT decides to support) decisions to which the Partnerships Fund is subject.

## Comparing Partnerships Fund support with development aid spend

The first investigation undertaken looks at the percentage shares of total non-Partnerships Fund sectoral development aid going to the five most heavily supported investment priorities in each country, and then compares this with the share of Partnerships Fund support.

Figure 2 shows comparisons obtained from MFAT TCAF and Partnerships Fund data for the years 2012 to 2021. The TCAF for each country is not a strategy as such (although it will reflect one) but a reporting mechanism that shows the aggregate of New Zealand official development assistance. As such it includes bilateral and non-bilateral support (such as that through regional programmes), including Partnerships Fund support. For each country referred to in Figure 2, the bar on the left shows the extent of non-Partnerships Fund TCAF support for the top five sectors and that on the right shows the extent of support from the Fund.

**Figure 2 Funding by five most heavily non-Partnerships-supported investment priorities, 2012 to 2021**



The message coming from Figure 2 is of extremely high levels of alignment between the Partnerships Fund and all other support at the country programme level. Essentially, the Fund has come in very closely behind the main or most heavily supported investment priorities of the remainder of the New Zealand Aid Programme in each of the seven countries under consideration. In PNG, Solomon Islands, Tonga, Timor-Leste, and Cambodia, 100 percent of support from the Partnerships Fund has been to the five most heavily supported investment priorities of the remainder of the Aid Programme in these countries. In Vanuatu, the corresponding number is 99 percent and in Fiji it is 95 percent.

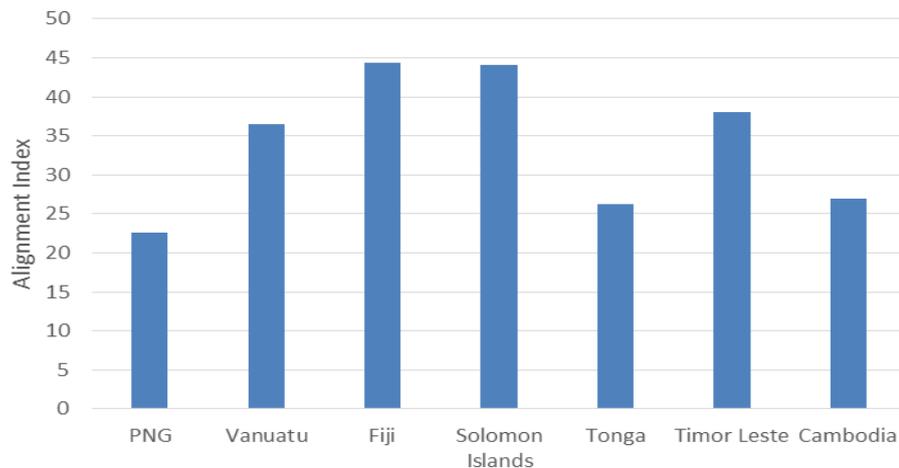
### An alignment index

A more comprehensive examination of alignment is provided in Figure 3. It shows the values of an alignment index developed for this evaluation. The index takes a maximum theoretical value of 100, which would be where the percentage of Fund support exactly equals the percentage of non-Fund support for each investment priority in the partner country in question. It takes a theoretical value of zero if the entirety of Fund support is

allocated to investment priority areas that receive no support from non-Fund programmes. The greater the value of the index, the greater is the degree of sectoral alignment. The usefulness of the index is that it identifies the degree of alignment across MFAT country programmes.

This more comprehensive look at sectoral alignment shows that it is highest in the cases of Fiji and Solomon Islands. It is lowest in PNG, although only marginally so compared to Tonga and Cambodia.

**Figure 3 Alignment across all investment priorities, 2012 to 2021**



The issue of sectoral alignment at the country programme level was addressed by this evaluation’s qualitative research, in particular by interviews of key MFAT informants in these countries. An experienced and senior MFAT official commented, “*a little bit of non-alignment is not necessarily a bad thing*”. What this official was referring to is that the sectoral focus of non-Fund support in partner countries is not without gaps, and the Fund has the potential to be used to fill these gaps. Another MFAT official noted that the Fund can usefully add ‘bulk’ to MFAT programmes, meaning that it provides a sectoral presence that these programmes would not otherwise have. We return to this issue in Section 4.

### **Limited foreign policy dividend**

Another issue discussed further in Section 4 is the relatively ‘light touch’ given to Fund activities in partner countries by Post. This light touch meant that Post staff did not have much presence in the implementation of Fund activities and that MFAT had limited visibility around them. While this is discussed in detail in Section 4, we raise it here in the context of alignment with foreign policy outcomes. It means that New Zealand does not derive full acknowledgement as a supportive donor, which limits foreign policy dividends from the Fund.

## 2.3 Modality appropriateness

### 2.3.1 Are Fund modalities appropriate to meet its intended goals and outcomes?

We interpret intended fund goals and outcomes as those for the Fund as a whole. This was identified above in Section 1. Paraphrasing from what was written above, the objective of the Fund is to support sustainable development in developing countries in order to reduce poverty and contribute to a more secure, equitable and prosperous world, with a particular focus on sustainable economic development in the Pacific region.

The overall Fund modality is to channel development assistance from organisations in New Zealand via partner country organisations to partner countries. As made clear above, there are three specific modalities based on the type of organisation in New Zealand: (i) NGOs, (ii) state sector organisations, and (iii) private sector organisations. These modalities are injected into the Aid Programme via a mechanism – the Fund itself – that operates not as part of but in parallel to the bilateral and regional programmes through which aid is predominantly channelled.

There is no *a priori* reason why these organisations working with partners in partner countries cannot contribute to sustainable development, including economic development and poverty reduction, be it in the Pacific or elsewhere. To the contrary, there is strong reason to expect *a priori* that they can, and all available evidence suggests that on balance they overwhelmingly have.

The short answer to this question, therefore, is an unambiguous yes.

However, unambiguity can be associated with or point us towards ambiguity. This evaluation sub-question points to a far more fundamental question about the Fund: is the existence of the Fund strictly necessary? In other words, might these goals and outcomes be achieved without it, say through direct contracting of partner organisations in New Zealand, with a requirement they work with partners in partner countries. This question relating to the value-add of the Partnerships Fund is discussed in Section 4.

## 2.4 Consistency with development principles

### 2.4.1 Is the Fund of high quality, being consistent with internationally accepted development principles?

The Global Partnership for Effective Development Co-operation embraces the following four principles:

1. ownership of development priorities by developing countries;
2. a focus on lasting results with respect to poverty eradication, inequality reduction, and capacity building;
3. inclusive development partnerships that recognise complementary roles of actors; and

4. transparency and accountability to the intended beneficiaries of development cooperation as well as to respective citizens, organisations, and others involved in its delivery.

The Paris Declaration on Aid Effectiveness, as subsequently endorsed by both the donor and developing country partner communities at Accra and Busan, endorses five development principles, as follows:

1. ownership, with developing countries setting their own priorities for aid and owning aid-financed activities;
2. alignment, with donor countries aligning behind the objectives of partner countries;
3. harmonisation of donor support for partner countries;
4. managing for results in the delivery of aid; and
5. mutual accountability between donor countries for achieving results from aid.

The UN SDGs set out a suite of 17 global goals, including the eradication of poverty and hunger, good health and wellbeing, affordable and clean energy, reducing inequality, and building partnerships to achieve the SDGs. On the last of these goals (partnerships), the focus is on policy and institutional coherence; technology; trade; data monitoring; multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources; and the promotion of effective public, public-private, and civil society partnerships that build on partnership experience and resourcing strategies.

We observe that the Global Partnership, the Paris Declaration, and the SDGs are about high-level development effectiveness, and institutional and policy settings between donor and partner governments. Put differently, they are more about interactions between donor and recipient countries, and not so much about a modality such as the Partnerships Fund. That said, the principles they each embrace apply to all aid modalities, and both the Global Partnership and the SDGs explicitly refer to partnerships, the complementary roles of different actors, and the promotion of effective public-private and civil society relationships. The SDGs are especially important, arguably more so than their predecessors (the Millennium Development Goals), as they apply to developed countries just as much as developing countries. Also, they are being enthusiastically embraced in the national development plans of various Pacific region countries.

### **Clear consistency**

The design of the Partnerships Fund is clearly fully consistent with many of these internationally agreed principles and inconsistent with none. The *delivery* of the Fund would also appear to be consistent with many of these principles, albeit noting the caveat just stated. Ownership, for example, is more appropriately asked not of partner governments but of the implementing agencies in-country. Similarly, mutual accountability is more a question of that between the New Zealand organisation and its partner-implementing agency in-country.

### **Opportunities for even more harmonisation**

A question regarding NGO harmonisation of Fund activities was raised during this evaluation's key informant engagement. The question was not so much of harmonisation

between NGOs in New Zealand or in partner countries. Rather it related to harmonisation between an NGO's various operations in multiple donor countries (in particular, those of NGOs operating in both New Zealand and Australia). If we look again at Section 1, organisations including World Vision, Oxfam, UNICEF, and Save the Children are among the principal recipient organisations of Fund support. These organisations have also been supported by the Australian aid programme for operations in the Pacific and Southeast Asia. The key informant's point was not so much that there had been a problem with disharmony, but there appeared to be lost opportunities for harmonisation and cooperation more generally.

## 2.5 Coherence

### 2.5.1 Is the Fund coherent from Total Country Aid Flow (TCAF), country strategy, and Joint Commitment for Development (JCfD) perspectives?

Looking at coherence in this context is an exercise of considering whether the Fund connects with the TCAF in a natural, logical, or reasonable manner. There are many ways this question can be addressed. It is reasonably clear that the thematic and geographic focus of Fund support has been a logical extension of overall TCAF support. From these perspectives, it is clearly coherent from TCAF and JCfD perspectives, to the extent to which TCAF support is a direct reflection of the various JCfDs.

Beyond this, the approach taken here is to consider the coherence of the Partnerships Fund at the level of individual country programmes. We again focus on the seven countries of PNG, Vanuatu, Fiji, Solomon Islands, Tonga, Timor-Leste, and Cambodia, using data for 2012 to 2021. Two comparisons are undertaken.

If the Fund is coherent, then we would expect the Fund to assign activities across countries in the same or similar proportions to these other MFAT programme parts.<sup>6</sup> We would expect that the number of activities it supports across partner countries reflects the allocation of activities across these countries by other parts of the New Zealand Aid Programme.

Figure 4 and Figure 5 address this issue. They look at the number of activities supported by the Fund and by all other parts of the MFAT TCAF to each of these countries. A high degree of coherence is observed. Considering first the information shown in Figure 4, the number of non-Fund-supported activities in Vanuatu is the largest of the seven countries. The second largest number of these activities is in Tonga, and the third largest is in Fiji. The number of Fund-supported activities does not change this allocation ranking. This applies to all countries except PNG. The number of Fund-supported activities in it is such that it

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<sup>6</sup> Another possibility is that the number of Fund activities is a response to what is seen as an allocation of non-Fund activities that lacks coherence, with the former adding coherence to the latter. The evaluation team could not find evidence of this, either from its quantitative or qualitative investigation.

jumps from the country with the smallest number of Fund and non-Fund activities to the second smallest of the countries shown, surpassing Cambodia in this regard.

**Figure 4 Activities funded, 2012 to 2021**

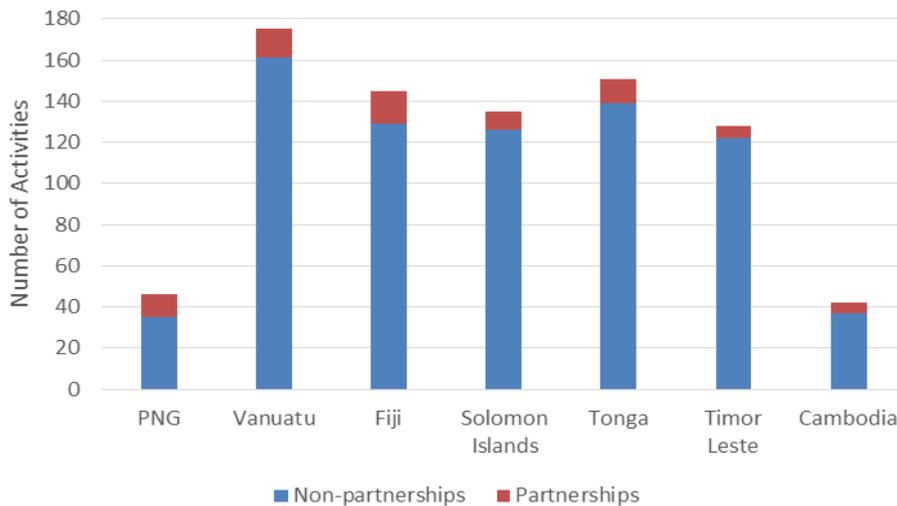
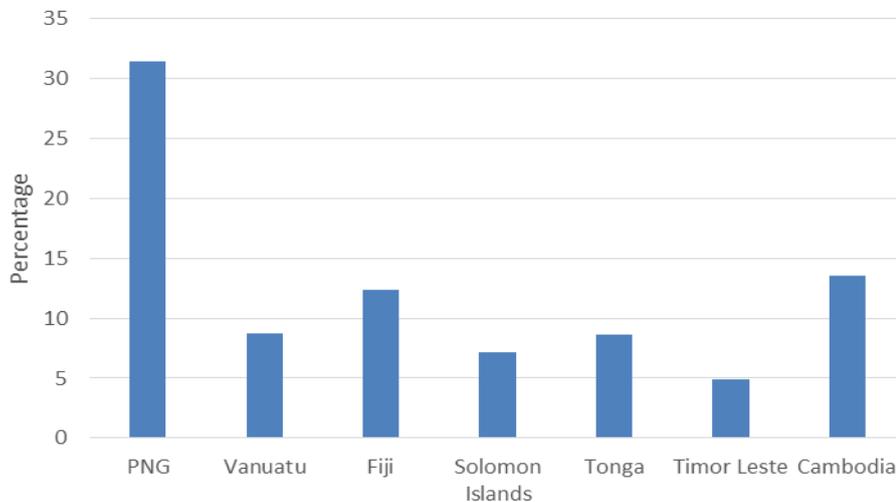


Figure 5 provides insight into the coherence evident from Figure 4. The number of Fund activities in each country is relatively low, being between 5 and 14 percent (in the cases of Timor-Leste and Cambodia, respectively). It is for this reason that the relative priority across countries of activity support remains unchanged. The clear exception, however, is PNG. Fund-supported activities constitute more than 30 percent of all other TCAF-supported activities, and this relatively high proportion has driven the only evidence of incoherence shown in Figure 4.

### **PNG is an outlier**

The reason why Fund-supported activities are such a high proportion of all other TCAF-supported activities in PNG will presumably be the result of demand and/or supply side factors: MFAT wants partners to deliver a relatively high number of activities in this country, or partners want to deliver such a number, or both. Qualitative investigation was unable to shed light on this.

**Figure 5 Activities supported by the Partnerships Fund as percentage of all other TCAF activities, 2012 to 2018**



### Proliferation

The data in Figure 5 also provide insight into an issue identified in many of the independent evaluations of MFAT country programmes in the Pacific: proliferation of New Zealand support.

There are a number of ways proliferation is viewed. In this evaluation, proliferation was viewed from the perspective of the administrative burden it places on donor agencies and partner governments.<sup>7</sup> Every aid activity imposes an administrative burden for these parties, and many of these evaluations considered this burden excessive given a relatively large number of activities supported by MFAT. The Partnerships Fund, by adding to the number of activities funded in each country, adds to proliferation and therefore to the burden. However, if the Fund does not fund activities, it does not exist, so it cannot avoid adding to proliferation. A related but separate question is whether the Fund supports too many activities, and this is considered in Section 4. The number of activities does not seem large, and likely is self-limited to some extent by the transaction costs for partner organisations. They will only bid for funds if it is worthwhile to them, particularly as match funds are required.

### Complementing strategic logic in allocations

Another perspective from which coherence can be judged is whether the Fund complements the strategic logic evident from the investment priority allocation of the TCAF to individual countries. This issue is addressed in Figures 15 to 21 in Appendix 5. In these figures, MFAT funding for each investment priority is shown. If the Fund did not complement or was

<sup>7</sup> Proliferation can also be viewed as the growth in the number of activities with low development productivity (low benefit-cost ratios). This evaluation finds no evidence of this type of proliferation for the Partnerships Fund.

counter to this strategic logic, it would serve to alter the relative emphasis (priority ordering) of each priority area.<sup>8</sup>

Overall, judged in this way, there appears to be a high degree of coherence.<sup>9</sup> In PNG, for instance, the Fund does not change the priority ordering of any of the investment areas and in the Solomon Islands it changes the ordering of only one (although it occurs at the lower end of funding, with Health jumping from the tenth to eighth most heavily supported priority).

There appears to be less coherence in Vanuatu and Fiji. Health with the addition of Fund support is elevated from the second to first most heavily supported priority area in Vanuatu, and from the fourth to second most supported area in Fiji. Overall, there are five priority areas whose ordering is altered in Fiji and four in Vanuatu.<sup>10</sup> This revealed preference for more activity in Health may be worth considering in the respective country strategies.

## 2.6 Conclusion

In this section, findings for key evaluation question one were presented. This question is: *to what extent is the Partnerships Fund fit-for-purpose, including supporting coherence and alignment with MFAT strategic priorities?*

The overall conclusion is that the Partnerships Fund is on balance fit-for-purpose. However, we note that a broader and arguably more fundamental fitness-for-purpose question involving the value-add of a Fund that operates in parallel to MFAT programmes was not directly evaluated in this section. It will be evaluated later in this report, in Section 4.

Specific conclusions, drawn in response to the evaluation sub-questions, are as follows:

- The geographic allocation of Fund support is generally aligned with foreign policy, security, and trade interests; although, limited visibility around Fund activities lessened foreign policy dividends.
- There is a remarkably high degree of alignment between Fund-supported investment priority areas within countries and those supported by non-Fund sources.
- The modality of the Fund, and its three sub-modalities, are appropriate to what the Fund attempts to achieve developmentally.
- The design and delivery of the Fund is on balance consistent with development principles adopted internationally.

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<sup>8</sup> It could of course be argued that the Partnerships Fund has served to make an illogical allocation among investment priorities logical or less illogical. We have no insights into this matter.

<sup>9</sup> We acknowledge that coherence examined this way is not unlike investment priority alignment. The key difference is that alignment looks at differences per se between funding shares among these priorities, whereas coherence looks at the augmentation of Fund support to them.

<sup>10</sup> For Fiji, one of the priority areas is Resilience. The Partnerships Fund support for Resilience in Fiji, which increased its ordering among priorities, was in response to the devastating impacts of Tropical Cyclone Winston. The Fund clearly should not be criticized for this, which is a case of what might be termed as justifiable incoherence.

- Evidence of coherence from a MFAT TCAF perspective is strong, with Fund support complementing the allocation of non-Fund support.

Overall, and again noting that a fundamental value-added question remains, the Partnerships Fund rates consistently highly against key evaluation question one.

## 3. Effectiveness, efficiency and sustainability

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### 3.1 Introduction

In this section, we present our findings regarding key evaluation question two: *how effective, efficient and sustainable has the Partnerships Fund been in delivering development outcomes in the regions and sectors in which it works?* This question focuses on identifying the achievements of the Partnerships Fund over the period 2012 to 2017, the likely sustainability of these achievements, and the factors that influence achievement and non-achievement. Our findings are informed by the following sub-questions:

- To what extent are Partnerships Fund activities delivering positive short- and medium-term development outcomes, as well as any longer-term sustainable economic development outcomes in partner countries?
- How effectively does MFAT manage the Partnerships Fund, including collaboration and relationships with partner organisations?
- To what extent does the Partnerships Fund provide value for money, providing an efficient mechanism for engaging with partners, Post, and the community in-country?
- To what extent do MFAT and its partners effectively manage monitoring and evaluation of, and learning from, activities?

The answers to such questions are rarely self-evident, and we use well-established methods to prepare our findings as follows:

- Review of existing relevant documentation, including previous reviews and evaluations presented in Appendix 3.
- Six case studies, presented in Appendix 6, looking at a selection of activities delivered in Fiji, Tonga, and Cambodia. In addition to supporting overall findings, they allow us to identify factors influencing achievement and non-achievement of Fund-supported activities.
- Analysis and independent scrutiny of a sample of 59 AMAs for Fund-supported activities, and two ACAs that were provided to the evaluation team. This analysis is presented in Appendix 7.
- Primary themes from key informant interviews, presented in Appendix 8.
- Results from an e-survey of Fund stakeholders, presented in Appendix 9.

## 3.2 Effectiveness of Fund activities

### 3.2.1 To what extent are Partnerships Fund activities delivering positive short- and medium-term development outcomes, as well as any longer-term sustainable economic development outcomes in partner countries?

From our assessment of the case studies, progress reporting, and stakeholder feedback, Fund activities are largely delivering expected short- and medium-term outputs and outcomes.

Given the Fund has only been in existence for five years, our review of MFAT reporting focused on progress reporting from AMAs rather than ACAs of completed activities. As discussed further in Appendix 7, this found Fund activities are generally delivering the outputs and results expected, within budget, and with a reasonable likelihood that results will continue after funding ceases.

The vast majority of AMAs (93 percent) reported delivery of outputs was either on track or better than expected relative to the original Activity Design Documents (ADDs). This contributed to a similar rate of success in the reported realisation of short- and medium-term outcomes (in instances where sufficient progress had been made to assess outcome delivery at the time). While some AMAs reported delays from in-country governments or project resourcing that had affected results delivery, particularly in the early years of projects, these issues were typically subsequently addressed and progress caught up.

Similar findings were established through the case studies (see Appendix 6). Of the activities looked at in detail in Fiji, Tonga and Cambodia, the vast majority had delivered planned outputs, could provide evidence that outputs were achieving expected outcomes, and were deemed to be having positive impacts on their communities. In two activities, in Fiji and Tonga, results had been behind schedule due to initial recruitment and project establishment delays. However, in the latter of these two cases we agree with partners that original targets were too ambitious (e.g. 100 percent uptake from households), and in both cases progress either had already caught up or was expected to do so over the remaining life of the activities.

#### **A likely small, localised impact from activities**

It is important to note that, while there is strong evidence that Fund activities are delivering positive results, the relatively small nature of activities meant that impacts are often at a small and localised level. While the focus of the state sector partner activities in the Tongan case studies have a more national reach, Fund activities generally tend to focus on a particular community or communities, with outcomes being targeted and localised. In saying this, in some cases, the Fund's community-level outcomes were components of wider regional outcomes targeted across activities and over time by partners. This was observed in the Cambodian case studies, and interviews with key informants reinforced this more generally, particularly for larger NGOs that tend to run programme-based approaches.

Table 2 below identifies two key messages from the Fijian case studies on effectiveness and capability.

**Table 2 Key findings on effectiveness from the Fijian case studies**

There are two dominant messages from the Fijian case studies:

1. Both the activities examined were **effective in that outputs and outcomes had been achieved**, sustainability concerns notwithstanding. The same conclusion regarding effectiveness also applies to the activity delivered by the Tutu Rural Training Centre, although it is too early to judge the likely sustainability of this activity's benefits.
2. **The capability of the implementation organisations was high.** This is also evidently the case with the Tutu Rural Training Centre. While the latter noted that it requires a partner with proposal-writing capability (including the ability to write 'development speak' that appropriately articulates links between activity outputs and outcomes to themes in international development thinking), it is reasonably clear the RPWLF and WWF Pacific Office could submit competitive funding proposals without a New Zealand-based partner.

In Cambodia, the strong effectiveness of all three activities was supported by the high capacity of in-country partners, well-established working relationships between New Zealand and in-country partners, and long-standing track records in the affected communities. Table 3 discusses the common success factors from the Cambodian case studies in more detail.

**Table 3 Factors contributing to effectiveness of Cambodian case studies**

The three Cambodian NGO-led activities share some common success factors that we believe strongly support the successful delivery of targeted outputs and outcomes:

- **Strong, committed, and relatively high-capacity local partners.** All three in-country partners have been operating in Cambodia since the early 1990s, receive funding from a range of countries, and two of the three had multiple projects underway across several provinces. Strength and capacity also extend to effective results measurement, enabled by the local teams of the local partners.
- **Strong track records of Cambodian partners in targeted communities.** Each activity typically included some villages that had been beneficiaries of previous projects, as well as a number of new communities. This means the in-country partners can leverage community governance arrangements and relationships established in previous activities, as well as having strong knowledge of local needs, constraints, and dynamics.
- **Established working relationships between New Zealand NGOs and local partners.** All three local partners had undertaken at least one previous Partnerships Fund or Sustainable Development Fund activity with the New Zealand NGO.
- **Effective co-ordination with local government** (at Provincial and/or District level). All three activities appear to have constructive working relationships with their provincial-level authorities. The local Department of Agriculture contributed to training in two of the three activities, and appeared knowledgeable about the activities during fieldwork. In the ADRA WASH activity, for example, the District Governor

chaired the project governance group and was strongly engaged.

- **Community-level activity structures established and seemingly working well.** Each activity had established community governance groups using local voting systems, which appeared to have good buy-in from communities. These included 'REFLECT Groups' in the ADRA activity, 'Village Agricultural Committees' in the HOPE activity, and formalised 'Agricultural Cooperatives' and 'Indigenous Peoples Community Committees' in the Caritas NZ activity.
- **Simplicity of partnership arrangements.** Each activity had fairly simple arrangements, with the local partner the only delivery organisation in two of the three activities.

## Country programme evaluations indicate Post presence is limited

We reviewed previously completed evaluations of country programmes that looked at the impact of the Fund in a wider country context and across the broader New Zealand Aid Programme. These evaluations noted the Fund's effectiveness can be limited by the following factors:

- The Fund tends to be quite strategically dissipated.
- There is a case for a more focused Partnerships Fund.
- There is a lack of New Zealand visibility in or around Fund activities..
- donor support for education is highly fragmented.

This suggests that if we look at Fund activities in isolation from other MFAT programmes, the evidence shows that these localised projects can deliver quite substantial, sustainable local effects. However, from a wider country perspective there appear to be missed opportunities for MFAT to better leverage relationships developed out of the Fund activities. There are also opportunities for the Fund and the bilateral programme to work more closely together to ensure a more complementary, focused, and strategic approach that better delivers effective results across the wider aid programme.

## Survey results support the view that Fund activities are delivering positive results

The results from the e-survey regarding the effectiveness of the Fund support the view that Fund activities are delivering positive results in partner countries overall. 72 percent of survey respondents agreed the Fund has led to positive development outcomes in the countries and sectors in which it operates.<sup>11</sup>

However, it also provides some insight into areas for improvement. Survey respondents felt that, where the Partnerships Fund had not led to positive development outcomes, it was often due to the narrow and short-term focus of the Fund, a lack of clarity over Fund objectives, and insufficient support from Post. They felt that improvement in these areas

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<sup>11</sup> See Appendix 9 for more results from the survey.

would enable the Fund to be more effective. These points are supported by stakeholder feedback.

### **Factors contributing to the effectiveness of Fund activities**

The case studies enabled the evaluation team to better identify common factors contributing to effective delivery. In Fiji, the effectiveness of the two activities was attributed to a significant degree to the high ‘capability to implement’ of local partners, while in Tonga the ability to respond to changes on the ground and regular communication between partners appeared to be contributing to the delivery of positive outcomes. As already mentioned, in Cambodia effectiveness was supported by high capacity of in-country partners and well-established working relationships between New Zealand and in-country partners.

The success factors observed in the case studies were largely reiterated in our interviews with stakeholders, where partner organisations emphasised the need for strong working relationships and communication, and the ability to adapt activities to on-the-ground developments. Factors contributing to positive outcomes commonly identified in interviews with New Zealand partners included:

- **Constructive working relationships** and effective co-ordination between partners. This is largely due to New Zealand partners having the partnership in place in-country before funds are committed. Relationships and trust are key to identifying pressing needs, confirming the capacity and capability gaps the in-country partner may have, and allowing for open communication between the partners.
- **Good systems** embedded at the start of the project to ensure in-country partners are able to monitor and report outputs. This helps both partners respond to any issues promptly.
- **Open communication with MFAT**, where the emphasis is on delivering positive outcomes rather than on meeting compliance and process outputs.
- Ability for MFAT and partners to **take an adaptive approach** to deliver positive outcomes. This approach recognises that an activity is implemented and delivered in a dynamic setting, and that political, environmental, and social priorities can change midway through a project. In addition, capacity issues with an in-country partner may not be apparent until the project is being implemented.

### **Capacity building is a key outcome of Fund activities, reflecting the move towards devolved decision-making**

One of the Fund’s objectives is to improve the prosperity, stability, and resilience of the Pacific Islands region and its people. One way partners are achieving this is through building in-country partner capacity with local NGOs and community groups. This is important as it builds the capacity of in-country partners to effectively manage and deliver activities and increases the likelihood of longer-term sustainable economic development (SED) outcomes in partner countries.

A key finding from our interviews is that New Zealand partners view capacity building of in-country partners as a key outcome from Fund activities, as well as providing in-country partners access to resources they may not otherwise have. The majority of respondents in the survey agreed that the positive aspects of the Partnerships Fund were that it:

- Helped build capacity with in-country partners (72 percent).
- Provided opportunities to work with different partners in-country (69 percent).
- Provided resources for activities they would not otherwise be able to do (69 percent).<sup>12</sup>
- Provided an opportunity to work in partnership with MFAT (69 percent).

This importance of capacity building was often raised in interviews with New Zealand partners, particularly in the context of the wider paradigm shift in development thinking towards devolving decision-making to local partners. While everyone spoken to was strongly supportive of this shift, it was commonly mentioned that it reinforced the need for New Zealand partners to consider capacity building of local partners as a core outcome of Fund partnerships. It was felt this would improve both the effectiveness and sustainability of development outcomes over time and better position local NGOs to secure more donor funding by working alongside New Zealand partners to learn good practices.

Also in this context, there were mixed views of the use of International NGO (INGO) offices in-country to deliver Fund activities. Key informants from in-country NGOs in Fiji and Cambodia commented that INGO use of offices in-country to deliver Fund activities can mean that New Zealand partners were only needed to manage the contract with MFAT. There was a concern that, even though it may be administratively easier for MFAT to work directly with an INGO in-country, it could lead to local NGOs being unable to operate, without direct access to donor funding. This could mean that MFAT's access to local knowledge and expertise is compromised. This view was not supported by some MFAT officials, who expressed concern that this could risk local NGOs becoming dependent on donor funding to operate.

### **Activities contribute to cross-cutting issues of gender, environmental, and humanitarian issues, although could do so more**

We also examined how the Fund is responding to MFAT's cross-cutting issues. This was raised by key informants in relation to the effectiveness of the Fund in meeting its SDG obligations, in addition to economic development, and how the Fund could be used further in this space. Overall, we found the Fund is contributing towards cross-cutting themes but it could be further used to help New Zealand meet its SDG obligations.

Almost all AMAs reported on the contribution the activity was making towards the New Zealand Aid Programme's cross-cutting themes of Gender, Human Rights, the Environment, and Climate Change. Gender appears to be the main cross-cutting theme actively targeted by Fund activities. Most activities included aims of encouraging female participation, supported either by specific targets or by a qualitative assessment of progress. Meanwhile, contributions towards human rights and the environment tended to be inherent in the design of the activity rather than involving specific reporting or targets.

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<sup>12</sup> Key informants commented that they had access to other donor funds that they would use if their projects did not fit the Fund criteria.

While 78 percent of survey respondents thought the Fund made good use of their skills and expertise, one of the issues raised in the key informant interviews was that the Fund could still make better use of the skillsets held by partners, particularly those who are subject matter experts in gender, climate change, and human rights. This supports a finding of the recent MFAT evaluation of the PNG country programme that suggested New Zealand could position itself as a leader in directly addressing gender-based violence.

The focus on SED has been a challenge for some NGOs, who consider that it has narrowed opportunities for them to submit activities that focus on cross-cutting issues. However, other NGOs spoke of seeing their activity in health, education, or WASH as enabling SED.

### **It is too early to assess the effectiveness of the pilot windows**

It is too early to assess the extent to which the pilot window activities have achieved effective outcomes. Key informants' comments suggest there is still some confusion over the rationale and purpose of these windows, and whether they are delivering a mechanism that encourages private sector engagement or innovative ideas.

As at September 2017:

- Five PPSW activities had been approved to proceed to further due diligence and business planning, one had withdrawn, one did not pass due diligence, and due diligence was still pending for the three remaining companies proposing to deliver these activities, with two having just completed the design stage.
- One Innovation Window activity had been approved and was in implementation.<sup>13</sup>
- Three Kiribati Window activities had been approved and all were in implementation.

The 2015 mid-term stocktake (see Appendix 3) noted that the Fund was working well for “*traditional development partners*”, with most funding supporting NGO-led activities. It also found that the Fund refocused New Zealand partners on the Pacific, followed by Southeast Asia, in line with MFAT’s geographic focus. However, it found there had been limited appeal for private sector organisations to participate in the Fund, especially as lead applicants. The small number of private sector applications, discussed in Section 1, reiterates that NGOs continue to be the main participants in the Fund.

## **3.3 Sustainability of Fund activities**

### **3.3.1 Is the Fund delivering longer-term sustainable economic development outcomes in partner countries?**

To assess sustainability, we rely heavily on the review of the AMAs and our own observations from the case studies. However, it is important to note that with so few Fund

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<sup>13</sup> At the IDSP’s November meeting one, further Innovation Activity was approved as is now in design.

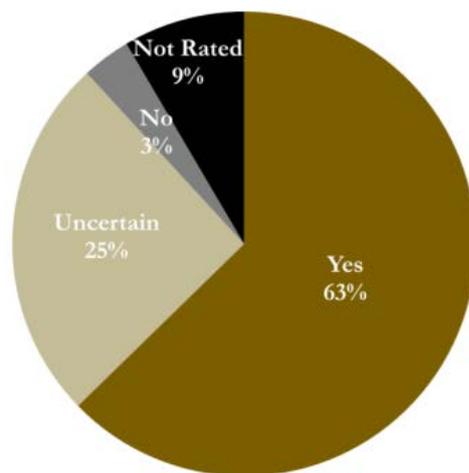
activities completed to date, the sustainability of activities is more difficult to assess than other criteria.

Almost all AMAs contained positive expectations around sustainability (see Figure 6). 63 percent of AMAs reported no concerns about sustainability due to the measures being implemented and the early behavioural changes or local ownership seen (i.e. rated “Yes” in Figure 6). A further 25 percent reported sustainability was likely, but that risks existed that should be monitored (i.e. rated “Uncertain”). The nature of the risks varied, but several related to an observed waning of local enthusiasm or engagement, neglect of already provided equipment, or a need to obtain stronger commitments from local authorities (e.g. in the form of a Memorandum of Understanding). Five AMAs (9 percent) reported it was too early to provide an assessment on the likelihood of sustainability.

All activities covered by the AMAs included design elements to ensure outcomes from the activity endure after funding finishes. These typically involved measures aimed at supporting local ownership (e.g. establishing local governance groups and/or encouraging strong involvement from local partners/authorities) and diffusing knowledge, skills, or awareness to beneficiaries through training and education. Where equipment was provided, several activities included some form of fee-paying or revenue structure to ensure self-financing of maintenance.

Only two AMAs reported significant concerns about the likelihood of benefits enduring after funding. In one case, it related to an unexpected policy change from the in-country government and in the other, it related to the capabilities of local trainers to sustain a youth training initiative. In the latter case, it led the local partner to secure a separate contract with another provider to consolidate progress and processes after Partnerships Fund funding finishes.

**Figure 6 AMA ratings for sustainability**



### Sustainability in the case studies

Long-term sustainability from the three Cambodian activities may depend on whether local partners remain engaged in the targeted communities. This is dependent on whether funding is obtained for future, linked projects (including from non-NZ funds). For example, ADRA

is extending support to the Bakan WASH communities via a separate Australian-funded nutrition project that also has some WASH components.

Two dominant messages from the Fijian case studies concern sustainability and visibility. The question arises of whether sustainability, viewed as the capacity and willingness of beneficiaries to act in a self-reliant manner, ensuring the continuation of intended activity outcomes, is a reasonable expectation of activities of the size of those supported by the Partnerships Fund. This question is of course not just about activities supported by the Fund, but activities that are small in a budgetary sense and delivered over three years.

The other message concerns New Zealand's visibility as an aid donor in Fiji. Limited Post engagement, and the light management touch (mentioned previously) shown by Post towards the Fund activities in Fiji, limits New Zealand visibility as an aid donor. New Zealand's broader foreign policy interests are promoted by it being associated with or having visibility around good activities delivered by locally respected and well-known organisations, such as the Tutu Rural Training Centre, WWF and RPWLF.

The Tongatapu Landcare activity, as with the Fijian activity, is dependent on the capacity and willingness of beneficiaries to act in a self-reliant manner. At the time of the case study visit, there was evidence of families maintaining their gardens and tree crops. The Tongan case studies assessed the likelihood of the education activity delivering longer-term sustainable outcomes as good. The activity is embedded in Tonga's cultural context and the Ministry of Education's system and curriculum, using the Ministry's own staff to implement the activity.

The need to see activities as one part of a continuing programme is recognised in the DAC Review (see Appendix 3). This noted that the Fund does not seem to be providing the right incentives to promote sustained engagement in the Pacific, nor to be attracting partners in a strategic and effective way. It adds that there is scope to improve overall engagement with civil society organisations to help achieve New Zealand's development goals. It questioned if the Partnerships Fund was working to attract partners in an efficient and effective way, noting sustainability concerns in the case of CRI engagement in Kiribati if follow-on projects were not approved.

### **Concerns about sustainability often derived from in-country policy changes or local capabilities**

Key informants (and also findings from the country programme evaluations) added that in-country policy changes and adverse events can affect the sustainability of an activity. This in turn reinforces the need for MFAT to maintain an adaptive approach to commissioning activities. Two examples are as follows:

- In MFAT project reporting, only two AMAs reported significant concerns about the likelihood of benefits enduring after funding. In one case, an unexpected policy change from the Solomon Islands government meant the full burden of funding after the activity finished would fall on communities, which were unlikely to be able to meet it. In the other case, the ability of local trainers to sustain a youth training initiative was questioned. However, this led the local partner to secure a separate three-year contract with another provider to consolidate progress after the Fund funding finishes.
- In Tonga, interviews also found that the three-year contract cycle for government CEOs could affect implementation and longer-term outcomes from Fund activities. This is because new CEOs tended to bring new priorities for their agency with them.

For example, although Quality Teaching and Learning for Basic Education in Tonga achieved early buy-in from the Ministry, a series of acting CEOs created uncertainty about the sustainability of the project and meant the New Zealand partner had to keep regular contact and communication with education officials to ensure momentum continued within the Ministry.

### **There are a range of factors contributing to sustainable outcomes**

Interviews with key informants identified a number of elements that can contribute to the likelihood of longer-term sustainable outcomes. These elements are very similar to those identified for effectiveness:

- The capacity of the in-country partner and its beneficiaries' willingness to be self-reliant and maintain the activity outcomes after funding ceases.
- The emphasis the New Zealand partner puts on encouraging shared decision-making, and embedding the Fund activity within the in-country context.
- Good activity design and planning increases the likelihood of benefits enduring.
- The ability to build in-country partner capacity.

One of the case studies in Tonga illustrated the importance of this shared decision-making and the capacity of an activity design to include adaptive management approaches that can respond to changing conditions (see Table 4 below).

**Table 4 Tongan case study of adapting an activity to the local context**

Adapting the Quality Teaching and Learning for Basic Education activity to the Tongan context and providing Ministry staff with the necessary tools increased the likelihood that the model will be part of the Professional Development programme.

The completed activity up-skilled 18 Tongan Ministry of Education field officers and five teacher educators from the Tongan Institute of Education. This improved their ability to deliver professional development and pass their knowledge on to teachers and other trainers.

Effectiveness of the activity relied on applying a good-practice model to the Tongan context and having it implemented by the Tongan field officers and Professional Development team. This also increased ownership of the activity by these stakeholders, who understood the value of the model.

An example of adaptive management is the approach taken by in-country partners for the Tongatapu Landcare activity. They were given the freedom to select (according to their criteria) the most vulnerable communities to be involved in the project, and the low socio-economic situation of the families was also factored in. They also added that giving villages an opportunity to select which households were to be involved increased the expectation to monitor and own the initiative. The results:

- Although the activity was completed in 2016, key informants commented that in-country partner staff still monitor and evaluate households continuing to participate in the initiative.

- It was observed there was a growing element of self-reliance due to the success of the activity, as the majority of participants increased their ability to maintain their home gardens.

## 3.4 Collaboration and relationships

### 3.4.1 How effectively does MFAT manage the Partnerships Fund, including collaboration and relationships with partner organisations?

The term ‘partnership’ has led to different expectations from partners. Some New Zealand partners envisaged a more ‘equal partner’ relationship with MFAT, instead of one that is transactional and contract-based. Other partners see the relationship as with the in-country partner, and MFAT as the client with whom they manage the contract.

The varied responses highlight the need for MFAT to work with its stakeholders to clarify what partnership is, including the role of local in-country partners.

Around half (53 percent and 47 percent, respectively) of survey respondents said that the narrowness of criteria for match funding limits opportunities, and that the Fund process encourages competition among partners rather than collaboration. Partner key informants, however, recognised the willingness of MFAT officials to work closely with partners during the concept application and design phases. MFAT management of the Fund is discussed further in the report.

#### **The Fund’s process is better than many comparable international funding mechanisms**

As mentioned in Appendix 1, responses from a number of New Zealand-based interviewees and in-country partners have been that the Fund is less bureaucratic, the activity managers more flexible and easier to deal with, and the reporting requirements less burdensome. Several of the Fund’s largest New Zealand partners cited engagement with MFAT as a positive feature of the Fund.

They noted in particular that engagement was usually helpful and constructive, that activity managers were viewed as being well intentioned and wanting to support the activity, and that their specialised knowledge (when it was received) was very useful.

A key contributing factor appears to be the willingness by MFAT to take an adaptive and pragmatic approach in the implementation phase. In addition, while some New Zealand NGOs perceive the concept design phase as resource-intensive, NGOs who have more experience working with other international donors find the Fund process much less burdensome.

However, this experience was not uniform, with some interviewees expressing a desire for deeper on-the-ground development experience from activity managers and other MFAT officials they dealt with. Even among those who reported positive MFAT engagement, two constraints were fairly consistent across New Zealand partners spoken to:

- The activity managers' workload is too heavy. As a result, even if they are capable and well-intentioned, they are stretched too thin.
- Turnover amongst MFAT activity managers is high, limiting continuity, institutional knowledge, and the experience of those responsible for activities. (It is worth noting this is not unique to the Fund team though, and is in part an effect of MFAT's management and staff rotation practice.)

### **The Fund's concept appraisal and contract phases can be resource-heavy and lengthy for some partners**

Currently much of the Fund's teamwork is upfront, working closely with partners during the concept design phase. MFAT officials noted that partner capability varies and this can affect partners' perceptions that the contract process is resource-heavy. For example, if the NGO is new to working in international development or with MFAT, or has capacity issues within its agency, then the Fund team spent more time working with the NGO partner.

More than half of the key informants we spoke with suggested that streamlining the process would reduce the compliance burden and allow their organisations to be more future-focused. For example, updating the accreditation process was seen as an opportunity to reduce the amount (and duplication) of information required. MFAT is currently undertaking a continuous improvement review and this may help to address some of the issues partners raised.

Partners' perceptions of the burden of the Fund process also appeared in the survey results. The most common survey response regarding constraints preventing the Fund from being as effective as it could be (78 percent) was the length of time the process takes from application to implementation. With regard to improvements to help partners deliver Partnerships Fund activities more effectively, almost two-thirds (63 percent) of survey respondents suggested modifying the contract process to allow for an extension of well-performing activities.

## **3.5 Efficiency of the Partnerships Fund**

### **3.5.1 To what extent does the Fund provide value for money and an efficient mechanism for engaging with partners, Post, and the community in-country?**

From our assessment, Fund activities to date have been delivered in-country efficiently with costs largely within budget relative to results. The following key points are taken from key informant interviews:

- The Fund provides an efficient mechanism for engaging with the local community and identifying need.
- The Fund provides MFAT with an efficient modality to fill gaps not met by the bilateral programme, particularly in the health and education sectors.
- New Zealand partners can respond quickly to urgent or pressing needs identified by established in-country partners and government agencies.

These views from key stakeholders are supported by MFAT's own project reporting. From the AMAs reviewed by the evaluation team, only three noted concerns about the activity not delivering value for money. In one case unexpected implementation costs led to an overspend in the first year; in the second, significant delays to approval from the local Ministry of Education meant fixed costs were accrued while almost no outputs were delivered; while in the third poor design of WASH infrastructure installed by the project incurred reinstatement costs and delays.

Where efficiency concerns were raised, however, these were typically addressed and spending returned to budget over the remaining years of the activity. In two of the three cases collaborative actions by the New Zealand partner and Post resulted in budget issues being addressed the following year, while in the third (the delayed education activity) no subsequent reporting was available to assess. In the two cases where subsequent reporting is available, the concerns around efficiency also resulted in the New Zealand NGO and/or Post being more involved with the activity and receiving regular updates.

### **Several design aspects of the Fund support value for money, including the contestable approach and match funding requirements**

The majority of partners and panel members we interviewed felt the fundamental design features of the Fund were delivering better value for money and had introduced much more rigour and accountability than the old days of 'Koha' (i.e. prior to the previous SDF). Particular features include:

- the contestable nature of the Fund, and
- the match funding requirements.

The latter can enhance value for money from Official Development Assistance (ODA) funds by both better aligning funder and partner incentives to support efficient delivery, as well as leveraging external resources to deliver development outcomes. There are compelling reasons to seek match funds if that is at all possible.

### **Requirements to partner with others have helped**

A number of partners also said that requirements for NGOs to establish partnerships with other types of organisation (e.g. CRIs and the private sector) and to use local NGOs had led to outcomes that are more efficient. Several NGOs said that the Fund's encouragement to collaborate with CRIs, the private sector, etc. had led them to think differently about the way they designed activities and to introduce more technical expertise, which in some cases led to the identification of more efficient ways of delivering desired outcomes. In addition, they felt that using local NGOs where possible provided an efficient mechanism for engaging with the local community and identifying need, so long as both partners had strong coordination.

### **However, concerns were raised about some implications of these features**

It is important to note that while these features were generally felt to support value for money overall, concerns were often raised about their implications for projects and partner organisations, as follows:

- In the case of match funding, informants from both small and large NGOs found the requirement for partner organisations to supply match funding restrained their capacity to undertake activities. Several noted that they had internal capacity to do more but often struggled to find match funding for projects. This was particularly felt by smaller organisations. It was also felt that while match funding encouraged accountability for MFAT funds received, it can mean NGOs focus on finding available match funding rather than focusing on innovative ways to deal with the pressing issues.
- Some NGOs raised concerns about the competitive nature of the Fund limiting collaboration within the sector. This arguably restrains the co-ordinated NZ Inc. approach to delivering aid. However, there was mixed feedback on this as several NGOs mentioned that there is quite good cooperation amongst NGOs, particularly the larger ones.

Overall, the majority of key informants (including MFAT officials) suggested that, while match funding requirements supported value for money, it was time to look at different ways for partners to match funds to alleviate some of the issues. Suggestions included the following:

- allowing access to other international funding sources (e.g. DFAT, ADB, World Bank, Green Climate Fund);
- broadening the criteria to include innovative financing such as crowdsourcing mechanisms;
- increasing the types of 'in-kind' contributions for smaller NGOs, e.g. voluntary assistance and non-monetary donations (e.g. donated equipment); and
- reducing the amount that NGO partners need to raise.

### **Concerns about the short-term nature of Fund activities**

Some New Zealand partners raised concerns about implications for their ability to implement wider programmes efficiently. A common theme was that longer projects or a core-funding approach would allow more efficiency and continuity across their activities by providing them with flexibility to manage resources across activities in an area over time and to deliver long-term programmes in communities more successfully. It would also reduce inefficiencies arising from the need to juggle funding from different sources.

This view was mainly biased towards larger, more established partners who tended to run these programme-based approaches. However, the point is worth making in the context of the issues discussed earlier about the relatively short-term and small nature of the Fund activities. In a fair number of cases, small projects are just component parts of larger programmes juggled by NGOs to deliver wider outcomes.

### **Management of the Fund is about upfront effort**

The approach taken overall provides MFAT with an efficient mechanism for engaging with partners and the community in-country. As previously discussed, most of the effort managing the Fund is upfront, with Fund officials working closely with partners during the concept design application stage. The 'light touch' by MFAT during the implementation phase is on the premise that the New Zealand partner takes on the responsibility for ensuring the implementing partner has monitoring and reporting systems in place.

The upfront effort by the Fund team reflects the importance of ensuring a good activity design and the assistance some partners need for this. It also reflects MFAT's system, which is set up largely for the bilateral programme, and currently the Fund team needs to modify these processes. With team effort focused at the concept design stage, there are fewer resources for the team to monitor and measure partner performance. Any rebalance or shift in focus may affect the skillset required by the activity managers, including skills to work and support different types of partner, such as social enterprises.

### **State sector partners**

State sectors partners are managed differently to other Fund partners. Currently, state sector partners do not need to go through the Fund accreditation process or need to find match funding. A case was raised by key informants for state sector partners, including CRIs, to be funded under a different mechanism, such as direct sourcing for the bilateral or regional programmes. Some of these state sector partners who have activities through the Fund are also contracted directly through the bilateral and regional programmes. This would be a better fit for state sector organisations due to their long-standing working relationships with in-country partners, who are often government agencies. There is further discussion on this point in Section 4.

### **The Partnerships Fund independent panel**

Nineteen percent of survey respondents agreed that the independent panel adds significant value to the Fund assessment process. While some key informants saw value in an independent panel, this was qualified by comments that an independent panel needs to have sufficient understanding of the pressing issues in international development, the full range of drivers of economic development, and greater cognisance of the totality of MFAT's country programmes (in particular, bilateral and regional support) to help them in their decision-making.

## **3.6 Monitoring, evaluating and learning from activities**

### **3.6.1 To what extent do MFAT and its partners effectively manage monitoring and evaluating of, and learning from, activities?**

Our findings regarding the effectiveness of activity monitoring and management rely heavily on our review of AMAs and ACAs, as these are the two standard formats for MFAT to record activity monitoring and lessons learned. However, MFAT also undertakes a range of other formal and informal monitoring, for which we supplement our findings from the activity reporting with insights from informant interviews.

Our results:

- The AMAs suggest there is generally good co-ordination of activities by New Zealand-based and/or in-country partners, with several activity managers noting the presence of good communication flows from partners to MFAT.

- There is a low rate of reporting of concerns through these assessments, although MFAT did receive concerns via email. Of the 59 AMAs, only four reported concerns about the co-ordination of the activity. In two of these the concerns were with the in-country partners, and once raised with the New Zealand NGO they were well responded to. In another, concerns had arisen due to the departures of some project staff, but these were expected to be remedied by the appointment of a new project manager.
- In the situations where there were concerns, it appears that Post was often integral for identifying the issues and agreeing plans to address them. In some countries, Post project-managed Fund activities along with bilateral activities.
- The AMAs suggest that partners are good at meeting reporting requirements. Only 7 out of 59 AMAs reported any issues receiving reporting from partner organisations. While two of these cited late submission of progress reports, the other five related to partial information being originally missed which was provided when subsequently requested.

In terms of MFAT's activity management, as noted previously New Zealand partners were often positive about the quality of activity management received. However, the heavy workload of activity managers and the high degree of turnover amongst MFAT managers was a consistent theme and undermined the ability of activity managers to manage activities more thoroughly.<sup>14</sup>

This concern appears to be supported by the AMAs. Firstly, 36 percent of AMAs reported a change in the activity manager in the preceding year, with several noting the manager had changed more than once in that year. While these AMAs typically noted a full handover had been done and the transition had gone smoothly, it supports comments from key informants that there is high turnover in these roles. We suspect this will be a fact of life in a typical New Zealand government department.

We also have some concerns about the completeness of AMA reporting. The number of AMAs completed appears to fall short, with the evaluation team not receiving AMAs for a number of activities that should qualify based on MFAT guidelines. Our estimates suggest that around a third of activities meeting the thresholds to qualify for annual AMAs did not have a single AMA provided to the evaluation team.<sup>15</sup>

We are aware that MFAT has plans to reduce the administrative burden through streamlining and electronic templates to allow good capture of data and easier reporting for partners.

One of the big challenges for partners is findings measures of impacts for the three to five year timeframe of the project. They see difficulties with the results measurement framework, which restricts the ability to tell stories and to illustrate the impact of the project qualitatively as well as quantitatively. They added that more flexibility in the reporting process to be able

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<sup>14</sup> MFAT officials also commented that staff turnover was an issue for New Zealand NGOs.

<sup>15</sup> This is based on the number of activities with annual expenditure over \$250,000, which were either in implementation or completed as at September 2017, and which had a start date before 2017. However, we note that it is hard to estimate this accurately given discretion provided to activity managers around the timing for report completion and for activities not meeting the expenditure threshold.

to tell the story, and to describe impact, would be helpful rather than just reporting against “*imperfect measures*”.

## 3.7 Conclusion

### 3.7.1 Overall, the Fund is delivering expected outputs and outcomes

The Fund is supporting development outcomes, even if only on a relatively small scale. The projects (by and large) are delivering outputs and expected short-to-medium-term outcomes across a range of sectors and countries, and provide more activities in more sectors and countries than would probably otherwise occur.

The activities we observed in Fiji, Tonga, and Cambodia appear in general to have a reasonably strong demand-led element and are relevant and targeted for their communities. Tools such as adaptive management and social enterprise are being used as part of the activity design, and to deliver wellbeing outcomes, and these can be actively encouraged and supported by MFAT.

#### Effectiveness, Sustainability and Efficiency

- The Fund modality recognises an activity is implemented and delivered in a dynamic setting, and that political, environmental, and social priorities can change during a project. In addition, capacity issues with an in-country partner may not be apparent until the project is being implemented. This adaptive approach is seen by the Fund team as a way to manage these types of event.
- The scale and duration of Fund activities may mean it is not reasonable to expect longer-term sustainable economic development outcomes. If the Fund activity is part of a programme of work the partner is undertaking within a particular community, it is likely that any sustainable outcomes will be dependent on the other projects that are being implemented within that community.

#### The Fund provides an efficient mechanism for engaging with partners, Post, and the community in-country

- The partnership model helps to build in-country capacity. The future focus of the Fund could be to strengthen local NGOs further and allow in-country partners to lead their own development projects. Localisation could also improve efficiencies, such as eliminating parallel systems and improving delivery mechanisms, and achieve better value for money from the Fund.
- The fundamental design aspects of the Fund (e.g. contestable approach, project-by-project contracts) seem fairly well accepted by the sector and stakeholders. The Fund provides an efficient mechanism for engaging with the local community and identifying need.
- Whether by design or not, the Fund provides MFAT with an efficient modality to fill gaps not met by the bilateral programme, particularly in the health and education sectors. Key informants added that more awareness of what is happening in other MFAT aid programmes could improve the efficiency of the Fund.

- Match funding encourages accountability but the current criteria risks excluding potentially useful partners.

### **MFAT could provide further support to ensure partners' results frameworks include broader relevant data and realistic outputs and outcomes**

- Revising the results measurement framework to allow more flexibility in the reporting would enable partners to include broader relevant data and realistic outputs and outcomes. Also, collecting more broad-ranging data would ensure aid funds are reaching the most vulnerable groups. This may require training for MFAT officials, and amendment to development strategies. Policy inputs from partners to review requirements to promote cross-cutting issues activities would reflect MFAT's commitment to the SDGs.

### **The Fund's concept appraisal and contracts process phases can be resource-heavy and lengthy for some partners, but likely better than most**

- A common theme in the qualitative analysis was engagement with MFAT was mainly a positive feature of the Fund process. This experience was not uniform, however, with some expressing a desire for deeper on-the-ground development experience from the activity managers and other MFAT officials they deal with, and a more streamlined concept design and contracts process.
- Responses from a number of New Zealand-based interviewees and in-country partners have been that the Fund process is better than many comparable funding mechanisms in other countries. Their experience has been that the Fund is less bureaucratic, the activity managers more flexible and easier to deal with, and the reporting requirements less burdensome.

## 4. Increasing efficiency, effectiveness, sustainability, strategic alignment and impact

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The focus in this section is key evaluation question three: *what are the priority areas for improvement to increase Partnerships Fund efficiency, effectiveness, sustainability, strategic alignment, and impact?*

The answer to this question will be informed by the following sub-questions:

- How can the Partnerships Fund better deliver MFAT strategic objectives, including Fund reach and priority areas?
- What improvements can be made to the Fund's modalities and programme management of the Fund (including relationships, leverage, governance, and accreditation process)?
- What other partner funding mechanisms exist from which MFAT could learn?

Our concern is with providing guidance and identifying a strategy that can reasonably be expected to maximise New Zealand aid's contribution through the Partnerships Fund. The overarching objective of the Fund is to support sustainable development in developing countries in order to reduce poverty and contribute to a more secure, equitable and prosperous world.

Our response to evaluation question three builds on findings presented in Sections 2 and 3, and further reflection thereon. Various recommendations are provided throughout this section. These recommendations point to issues that require further deliberation within MFAT regarding a possible redesign of the Partnerships Fund. Consistent with the Terms of Reference for this evaluation, they stop short, however, of providing an outline of a redesigned Fund.

The recommendations are given a priority rating. Those considered by the evaluation team to be of the highest priority are rated A, while those with the lowest priority are rated C.

The preceding sections have found that the Partnerships Fund aligns and is coherent with various MFAT intended goals and outcomes. It is an appropriate modality with respect to these goals and outcomes, is of high quality, and while it is too early to robustly assess the private sector, innovation and Kiribati windows, it is effective, efficient and sustainable (although a number of sustainability issues arise). This section, together with addressing an issue that was not resolved in the preceding section, concerning the overall value-add of the Fund, aims to provide MFAT with recommendations to further enhance the performance of the Partnerships Fund against these criteria.

## 4.1 MFAT strategic objectives

### 4.1.1 How can the Partnerships Fund better deliver against MFAT's strategic objectives, including Fund reach and priority areas?

#### Greater and shared clarity of purpose

This question raises a much larger question concerning the purpose of the Partnerships Fund insofar as MFAT is concerned. This question has been alluded to in the response to key evaluation question one, in Section 2 above, which addressed the fitness-for-purpose of the Fund and questioned its value-add. The point we are about to make is, in essence, that fitness-for-purpose cannot be assessed unless there is clarity of purpose. Such clarity is lacking for the Partnerships Fund, and this, we argue, reduces its ability to deliver strategically for MFAT. There was also an evident lack of clarity within MFAT and elsewhere about the nature of the partnership and its participants. We return to this issue later in this section.

The Fund has evolved since its introduction in 2012, as we noted in Section 1. This evolution is evident in the introduction of the various windows in 2016, and a sharper focus around the MFAT investment priority areas from 2015. Yet based on official articulations of the fundamental purposes of the Fund, it has not changed since 2012. These are captured in the most recent Fund Guidelines:

*“The Partnerships Fund aims to harness New Zealand expertise and knowledge to drive sustainable economic growth and poverty reduction in the developing countries with which the New Zealand Aid Programme works ... (and) seeks to encourage and support new partnerships and innovative approaches to address development challenges in line with the New Zealand Aid Programme’s strategic goals, with a particular focus on sustainable economic development in the Pacific region.”<sup>16</sup>*

A focus on the Pacific was given additional emphasis from 2015, in the form of leveraging greater resources through match funding. The identification of each of these purposes invokes a core question about the Fund, one that is common in evaluations such as this one. It concerns the counterfactual. The evidence presented above points to the Fund on balance fulfilling these purposes. It has harnessed New Zealand expertise and knowledge to drive sustainable economic growth and poverty reduction in MFAT country programmes; encouraged and supported new partnerships and innovative approaches in line with MFAT goals; and has done all of the above in the Pacific region (and elsewhere).

Against the preceding background, the counterfactual is as follows: could these purposes have been fulfilled in the absence of the Partnerships Fund? Could some other MFAT modality, such as the direct contracting of New Zealand partner organisations by regional and bilateral programmes, just as effectively, efficiently and sustainably achieve each of these

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<sup>16</sup> New Zealand Ministry of Foreign Affairs and Trade, *New Zealand Partnerships for International Development Fund Guidelines April 2017*, Wellington, 2017, p. 3.

purposes? If the answer to this question is ‘yes’, then the Partnerships Fund, as a newer and adjunct programme, has zero value-add irrespective of how fit it might be with respect to these purposes. Unless we can reject the proposition that other mechanisms could have achieved the Partnerships Fund’s purposes more effectively, efficiently and sustainably – which is not possible to do in an evaluation such as this – then we do not have robust evidence that the Fund is fit for these purposes. A number of key informants within MFAT speculated over the value-add of the Fund but, like the evaluation team, were not able to be definitive about it. This requires us to look beyond the officially stated purposes to judge fitness-for-purpose.

Discussions with MFAT key informants, and observation of the Partnerships Fund in operation, point to two additional purposes of the Fund. These are as follows:

1. promoting better practice among partner organisations (including through the requirement of working with a local, in-country, implementation partner); and
2. promoting good relationships between MFAT and partner organisations (NGOs in particular) in New Zealand.

There would appear to be no grounds to reject the proposition that the first of these could be achieved more effectively, efficiently, and sustainably as another MFAT modality for the same reasons stated above.

This leads us to turn to the second of these purposes. We are cognisant of two ways that relationships with partner organisations can be viewed. These ways were evident from discussions with MFAT key informants and observation of the Fund in operation, especially insofar as dealings with New Zealand NGOs were concerned. The first is instrumental: constructive relationships are required with partners for the Fund if it is to be effective, efficient, sustainable, and promote better practice. In this sense, the relationship is a means to these ends. The second is intrinsic: that MFAT having good relationships with New Zealand partners has value in its own right. This seemed to be particularly the case over dealings with NGOs and the private sector. Intrinsic worth need not be confined to good relationships: having the involvement of partners from the NGO, state and private sectors in the delivery of New Zealand ODA could be of intrinsic value.

The second of these perspectives is core to assessing the Partnerships Fund. If there is intrinsic value in having good relationships between MFAT and these partners, and in having them involved *per se* in the delivery of New Zealand’s official aid programme, and if this requires a specifically designed partnerships modality, then the counterfactual identified above need not apply and the operation of the Partnerships Fund in a manner that is on balance effective, efficient and sustainable *per se* adds to its worth. Essentially, what we are doing here is to invoke the ‘do no harm’ principle of aid delivery. This principle is that, provided an aid programme does not work against or do damage to its fundamental or overarching objective (taken in this case to be the promotion of sustainable development in developing countries to reduce poverty and contribute to a more secure, equitable and prosperous world), then it is fit-for-purpose. In what follows we focus on improving the fitness-for-purpose of the Partnerships Fund, but prior to that we provide a recommendation consistent with the above reasoning.

**Recommendation One: MFAT needs to clearly articulate across the Ministry, and at Post, that relationships and relationship management are core to the Partnerships**

**Fund, and that relationships matter not just for contributing to development but are worthy in their own right.**

**Priority: A.**

### **Better utilisation of partner capabilities: Avoiding distortionary incentives**

The Partnerships Fund provides incentives. If a partner organisation proposes an activity that aligns with the thematic priorities, specific geographic foci, and investment priority areas and is likely to be effective, efficient and sustainable, then it is likely to be funded. However, does this alignment ensure that the activity aligns with the greatest capability of the organisation? If not, then the issue of perverse incentives arises, where an organisation is proposing to deliver an activity that is sub-optimal to its capabilities because this activity has a greater chance of being funded by MFAT. Delivering another activity that aligns with its best capabilities will yield greater effectiveness, efficiency, and sustainability. A response might be that activities outside of the countries with which the Aid Programme works should not be funded, but what if the other activity was proposed for one of these countries? Not funding it, and instead funding one that aligns with thematic and investment priorities, is to fund an activity that is sub-optimal in terms of what could otherwise be delivered by the New Zealand partner, working with its implementing partner in-country. In addition, recognising that, as noted above, a degree of non-alignment is not necessarily a bad thing, a failure to consider such projects might be at the cost of lowering achievement against MFAT strategic objectives. In addition, as the DAC Peer Review noted, it is important that the right incentives are provided and promoted to sustain engagement by partner organisations (see Appendix 3).

There are two ways that these distortionary incentives, and sub-optimal activities, might be minimised or avoided altogether. The first is to adopt a laissez-faire approach to the call for proposals. Funding partners would in this situation be asked to submit a concept note that is consistent with their greatest capabilities, and that is likely to have the best development impacts, irrespective of alignment with thematic and investment priorities. The second is for MFAT to learn more about partner capabilities and to factor this knowledge into calls for proposals from them, tailoring proposals to these capabilities.

Precisely how MFAT might move forward on this matter requires further deliberation. Yet the fundamental point remains that limiting activity proposals to particular MFAT alignments can potentially result in activity proposals that do not align with the greatest capabilities of partner organisations. Paradoxically, alignment with MFAT investment priorities can promote misalignment with partner capabilities. Basically, this is about how to better leverage New Zealand expertise through more efficient incentives.

We identify two alternative recommendations for MFAT from the above discussion.

**Recommendation Two: MFAT considers conducting a review of core partner organisation sectoral capabilities, with a view to issuing a Partnerships Fund call for proposals under the core capabilities identified by this review.**

**OR**

**Recommendation Three: MFAT considers a Partnerships Fund process that allows partners to propose activities that do not strictly align with its sectoral and**

**investment priorities, but that do align with the broader priorities of the New Zealand Aid Programme, requiring partners to demonstrate this alignment at the concept note stage.**

**Priority: A.**

These recommendations clearly do not involve dropping the requirement that Partnerships Fund support be aligned to MFAT regional and investment priorities. Recognising that the Fund is supported by taxpayer funds, its operation must be consistent with broader development and foreign policy imperatives. But what they recognise is that alignment too rigorously enforced can act as a straitjacket that constrains not only creative, innovative and thoughtful proposals, and in turn New Zealand's contribution to sustained development that promotes poverty reduction in the Pacific and elsewhere, but also "quick win" opportunities in country programmes that can enhance New Zealand's profile in developing countries, the Pacific in particular. We make similar comments about coherence between Fund and non-Fund support, as was examined above in Section 2.

Noting that we favour alignment with investment priorities, it is important that partner organisations be fully aware of the investment priorities specific to country programmes so they can respond accordingly. A finding of this evaluation is that these priorities are not made available to the public for all country programmes. This leads us to the following recommendation.

**Recommendation Four: Each year MFAT publishes on its website the current investment priorities for all of its country programmes.**

**Priority: B.**

**Better utilisation of partner capabilities: smaller NGOs, the private sector, and implementing partners**

In Section 1 it was noted that the bulk of Partnerships Fund support has gone to NGOs. It was also observed that the larger and more established NGOs, including World Vision, Save the Children, UNICEF, and Oxfam, are over-represented in terms of support received from the Fund. Smaller NGOs and private sector firms are under-represented significantly.

While there is nothing inherently wrong with this, it does raise the question of whether the Fund is sufficiently harnessing the skills, knowledge, and potentially innovative approaches to development challenges in countries with which New Zealand aid works. These attributes will not presumably be the sole domain of larger and more established NGOs. MFAT is clearly conscious of this issue, at least insofar as the private sector is concerned, as is evident from the PPSW. Yet despite its existence, the private sector remains significantly under-represented in Fund support. Differences in the ways MFAT and private sector firms tend to operate (including different tolerances to risk), private sector firms not being sufficiently cognisant of development issues, and a lack of private sector awareness of the PPSW are possible reasons for this under-representation.

One possible response to this issue, of under-representation of smaller NGOs and private sector firms, is to promote less contestation and more collaboration. There are many ways this could be achieved, such as through the introduction of a Fund process or mechanism that actively targets joint submissions from large and small NGOs, and NGOs and the private sector. On this basis, we provide the following recommendation.

**Recommendation Five: MFAT considers actively encouraging collaborative joint proposals between large and small NGOs, and between large NGOs and private sector firms.**

**Priority: B.**

Related to the issue of the under-representation of smaller NGOs in the Fund is match funding. This was discussed in Section 3. Key informants suggested that, while match funding requirements supported value for money and accountability of funds, it was time to look at different ways for partners to match funds to encourage greater participation of smaller NGOs in the Partnerships Fund. In addition to considering collaborative joint proposals between large and small NGOs, we provide the following recommendation.

**Recommendation Six: MFAT considers broadening match funding criteria and the types of in-kind contributions for smaller NGOs, reducing the amount of funding that NGO partners need to raise and allowing access to innovative financing mechanisms and other international funding sources.**

**Priority: B.**

We acknowledge that these recommendations require thresholds to delineate between small and large NGOs. We further acknowledge that the Partnerships Fund has funded proposals from NGOs partnered with private sector firms, but the recommendation involves a further and more active step in that direction.

It is clear that many implementing partners (although clearly not all, as our case studies demonstrate) have capabilities that do not require a New Zealand partner or require such a partner for specific inputs into funding proposals. These capabilities could be better leveraged, and in so doing provide a greater demand side Fund orientation, that is more sensitive to development needs in partner countries, including those that might be consistent with MFAT's strategic priorities. Such leveraging is also consistent with aid's fundamental purpose of promoting sustainable development in developing countries.

A means of greater leveraging of these capabilities, while still building relationships with New Zealand-based partners, would be to have in-country implementing partners seen as the lead partner organisation. Essentially, this would involve NGOs and other suitable organisations in partner countries identifying an activity and then seeking out a New Zealand partner to take a proposal forward. The New Zealand partner would liaise with MFAT staff in Wellington, and the in-country partner liaise with MFAT Post staff. However, essentially it would potentially see greater in-country organisation participation in the Fund, greater alignment with particularly pressing development challenges in partner countries, and at the same time relationship building and maintenance with organisations based in New Zealand. We therefore provide the following recommendation.

**Recommendation Seven: MFAT considers giving implementing partners in developing countries direct access to the Partnerships Fund, regarding them as the lead partners, but in partnership with a New Zealand-based organisation.**

**Priority: B.**

It is recognised, however, that many organisations in developing countries lack the capacity to take advantage of this access. This leads to the following recommendation.

**Recommendation Eight: MFAT considers giving added emphasis to implementing partner capacity building in developing countries, making it a core purpose of the Partnerships Fund.**

**Priority: B.**

One way of achieving this would be a requirement that such building be incorporated into the ADDs of activities supported by the Partnerships Fund, where appropriate.

Both recommendations give greater profile to the implementing partner. As indicated above, in the course of this evaluation there was, within MFAT and elsewhere, evidence of a lack of clarity over the nature of the partnerships supported by the Partnerships Fund. There seemed to be three competing notions: (i) a bilateral partnership between MFAT and the New Zealand-based organisation; (ii) a bilateral partnership between the New Zealand-based organisation and the implementing partner; and, (iii) a trilateral partnership between all three organisations. We therefore provide the following recommendation.

**Recommendation Nine: MFAT provides greater clarity, across the Ministry and at Post, regarding the organisations that are the participants in the partnerships supported by the Partnerships Fund.**

**Priority: B.**

Our premise is that the most constructive partnership is the third one mentioned above, and this is consistent with Recommendation Six above, although it is up to MFAT to deliberate on this.

## **Sustainability, realism and perspective**

If there was one aspect of Partnerships Fund-supported activities that drew most concern in this evaluation, it was their sustainability. Analysis of the Fiji case studies in Appendix 6 speculated whether sustainability, viewed as the capacity and willingness of beneficiaries to act in a self-reliant manner, ensuring the continuation of intended activity outcomes, is a reasonable expectation of activities of the size of those supported by the Partnerships Fund. It was also pointed out that this question applies not just to activities supported by the Fund, but activities that are small in a budgetary sense and delivered over three years.

There is a range of generic factors, independent of activity size and duration, that impact on the sustainability of a project, many of which were discussed in Section 3. It is often the case that sustainability is not sufficiently factored into activity design, as has been evident in some ADDs of Partnerships Fund-supported activities.

However, there is clearly a need for realism and perspective when it comes to activities supported by the Fund, given their relatively small budgets and short timeframes. Noting that the implementing partners often have long relationships with and an ongoing presence in beneficiary groups, a better way of looking at sustainability of Fund-supported activities is the ongoing ability and willingness of these partners to ensure the continuation of intended activity outcomes after the cessation of Fund support. This leads us to the following recommendation.

**Recommendation Ten: The sustainability of Partnerships Fund-supported activities be reviewed by MFAT and considered as either:**

- (i) **the capacity and willingness of beneficiaries to act in a self-reliant manner, ensuring the continuation of intended activity outcomes; or**
  - (ii) **the ongoing ability and willingness of implementing partners to ensure the continuation of intended activity outcomes after the cessation of Fund support,**
- and that these conceptualisations be incorporated into activity design, monitoring and evaluation of activities.**

**Priority: A.**

We return to this issue later, when considering potential lessons from other partnerships-type funding schemes.

## **4.2 Fund modalities and programme management**

### **4.2.1 What improvements can be made to the Fund's modalities and management?**

MFAT management of the Partnerships Fund dominated discussions with key informants, especially those from NGOs and within MFAT. In what follows, we identify key management issues and consider responses to them.

#### **Does one fund fit all purposes?**

A number of key informants have speculated that the Partnerships Fund should only support NGO activities and private sector firms, with those delivered by state sector organisations being contracted directly by bilateral and regional programmes. What is abundantly clear is that these organisations are different in operation and orientation, and bring different benefits to the New Zealand Aid Programme. CRIs, for instance, have a long-standing, broader, and deeper relationship with government agencies in-country, and there is an opportunity for MFAT to leverage this. Also clear from key informants was the view that dealings between MFAT and other state sector organisations were much more like day-to-day government business, being something that is standard in the public sector. These differences need to be and are recognised by MFAT. It is also abundantly clear that MFAT treats its relationship with NGOs and the private sector differently to those with other state sector organisations, seeing it as less transactional. This is how it appeared to the observation of the evaluation team.

Whether state and private sector organisations continue to participate in the Fund is a matter of its intended purpose. This matter was discussed at length earlier, in the context of the value-add of the Fund. Does MFAT want a partnership with CRIs that is recognised as being special, that is of intrinsic value and worthy of relationship management, or is it happy with a relationship that is primarily transactional in orientation? If the latter, then there is a case for direct contracting. A benefit of this is that it might see greater Post strategic engagement and ownership and thus greater New Zealand visibility. These issues were identified in previous MFAT Country Programme Evaluations (discussed in Appendix 3) and in this evaluation's own investigation. We therefore provide the following recommendation.

**Recommendation Eleven: MFAT conducts an internal review to consider whether state sector organisations continue to participate in the Partnerships Fund or be directly contracted elsewhere in the New Zealand Aid Programme.**

**Priority: B.**

### **Does the Partnerships Fund support too many activities?**

The PDG Quality Review and a number of key informants of this evaluation have observed that the Partnerships Fund supports what appears to be a large number of activities. MFAT Country Programme Evaluations also comment on this issue, in the context of what is seen as the overall proliferation of New Zealand aid activities at the country programme level. The Fund was seen to have contributed to this proliferation through the number of activities it supports. Proliferation is a problem in aid delivery, reducing the effectiveness of aid by placing an excessive management burden on Posts.

A number of informants also raised the issue of the management burden carried by the Partnerships Fund team in Wellington. Team members manage more than 20 activities, which is high by normal MFAT standards. Relationship management with New Zealand partners is a time-intensive part of this process, and one that is not sufficiently recognised within MFAT. A number of key informants, who thought the burden was excessive, also questioned the length of time taken to process submissions for Fund support (both at concept note but in particular ADD approval stages). However, whether this is actually the case or reflects unrealistic expectations of processing times remains to be seen, noting that in recent years the average time to approve ADDs is 11 months and that delays can often be due to parties other than MFAT.

Whether or not the Fund supports too many activities is ultimately a matter of funding for administration. There would appear to be a strong case for reducing the number of activities funded if MFAT does not provide more administrative support, both for the Partnerships Fund in Wellington and at Posts that are already struggling with activity proliferation. There would also appear to be a case for greater cognisance of activity proliferation across country programmes in Fund support allocation decisions, so that it does not contribute to administrative burdens already in excess at Posts. Here we refer not just to the number of Fund activities supported by country programmes, but the total (bilateral, regional, and so on) supported by each.

Recognising that the issue of proliferation, of ‘too many’ activities, is not just a matter requiring consideration by the Partnerships Fund but by the various parts of MFAT that contribute to country programmes in their totality, we provide the following recommendation.

**Recommendation Twelve: MFAT conducts an internal review of the number of activities supported in its country programmes with the view to setting upper limits in each and providing a co-ordinating mechanism across modalities to ensure these limits are not exceeded and are appropriate to administrative resourcing.**

**Priority: A.**

Some informants speculated that a ‘fewer, longer, deeper’ approach could be adopted by the Fund, as a way of dealing with proliferation. Fewer and longer, with larger budgets spread across more years, might be appropriate, especially noting that no cost-extensions for Fund-

supported activities are commonplace. Deeper activities could be problematic, however, and need to be considered with particular care. A ‘deeper’ orientation typically means the allocation of higher amounts of yearly funding to an activity. Such an orientation could well be beyond the implementation capacity of partners and test the aggregate aid absorptive capacities of partner countries. However, recognising the reality that only a handful of activities supported by the Fund have been completed since its inception in 2012, and that no-cost extensions are commonplace, we provide the following recommendation.

**Recommendation Thirteen: MFAT considers the adoption of a ‘longer’ orientation of future Partnerships Fund activities beyond the current standard of three to five years.**

**Priority: B.**

A means of implementing this recommendation is discussed below.

### **Is joint management of Fund activities warranted?**

It is clear that the management of Fund-supported activities is a particularly complex task. Much of this complication is due to the special need to manage relationships with partners, which is core to the existence of the Fund, but also to having to grapple at a distance with complexities and nuances of the country programmes under which the activities are delivered. It is also due to confusion that has arisen from time to time among implementation organisations over lines of communication, i.e. whether Post or the Fund team in Wellington should be approached over implementation or other issues.

Subject to appropriate resourcing at Post, there would appear to be a case for a clear and widely communicated division of responsibility for activity management between Post and the Fund team in Wellington – i.e. that a model of joint activity management be adopted.

Under this model, Post would be responsible for activity management at the implementation stage and relationship management with implementation partners, and the Fund team would be primarily responsible for processing submissions to the Fund, and for relationship management with New Zealand-based partners. This would in all probability deal with the ‘light touch’ and related visibility issues noted in this evaluation report by promoting Post ownership of Fund activities. It could also address the issue raised in Section 2 regarding harmonisation with support provided to NGOs by donors other than New Zealand, particularly Australia. Post staff will have a much greater knowledge on the ground of what others donors are doing and can presumably better identify opportunities for harmonisation.

We emphasise that the arrangement being proposed here is in many respects already in place in MFAT’s Fiji country programme. Our recommendation is that consideration be given to implementing this mode in all country programmes in which Partnerships Fund activities are supported.

**Recommendation Fourteen: MFAT considers the implementation of a joint Post-Partnerships Fund team model of managing Fund-supported activities.**

**Priority: B.**

Under such a model Post would be primarily responsible for activity management at the implementation stage and for relationship management with implementation partners, and the Fund team would be primarily responsible for processing submissions to the Fund and for relationship management with New Zealand-based partners.

## Partnerships Fund Results Frameworks

As discussed in Section 3, one of the big challenges for partners is finding appropriate measures of impacts for the three to five year projects. More flexibility in the reporting process would help them to report impact rather than outputs. Also, collecting more broad-ranging data would ensure aid funds are reaching the most vulnerable groups. The Fund team plans to streamline the reporting process through use of electronic templates and this will allow good capture of data and easier reporting for partners.

**Recommendation Fifteen: As part of MFAT’s development of online reporting, it reviews the results frameworks to ensure the data gathered can report on the impacts activities are having on beneficiaries, and can be measured against the SDGs for that country.**

**Priority: C.**

This may require training for MFAT officials, and amendment to development strategies.

## 4.3 Other funding mechanisms

### 4.3.1 What other partner funding mechanisms exist from which MFAT could learn?

Appendix 1 provides summary information on a wide variety of approaches and mechanisms used by other OECD nations to engage civil society, state sector organisations, and the private sector in development aid.

The evaluation found that the Partnerships Fund is unique, as no other OECD donor appears to have one contestable fund as the primary mechanism for engagement across civil society, state agencies, and the private sector. The different nature of other funds means that scope for learning appears limited.

The evaluation also reviewed comparable public sector funding mechanisms in New Zealand outside the ODA programme. In particular, it looked at the funding approach of the Ministry of Business, Innovation and Employment (MBIE) regarding science investment. While again emphasising the differences in mode of operation between these mechanisms, there is one potential learning from this.

MBIE’s Partnerships Scheme provides projects with the opportunity for a second term if performance criteria are met. However, in these cases, co-funding requirements are raised, with partners expected to contribute at least 70 percent of second-term funding. This recognises that extending a programme can offer worthwhile outcomes, but also that it is often easier at this point for partners to access alternative funding sources given proven results. Given partner organisation feedback about the desire for extensions in some cases, a similar model could be considered for future iterations of the MFAT Fund. This leads us to our final recommendation.

**Recommendation Sixteen: MFAT considers co-funding Partnerships Fund-supported activities beyond their initial life, following the model of the MBIE Partnerships Scheme.**

**Priority: C.**

## 4.4 Conclusion

The focus in this section was key evaluation question three: *what are the priority areas for improvement to increase Partnerships Fund efficiency, effectiveness, sustainability, strategic alignment, and impact?*

A number of priority areas for improvement were identified. They are consistent with the principal conclusion of Section 3: that the Partnerships Fund usually works well, but can be made to work better.

Sixteen recommendations were provided for the better working of the Fund. The recommendations were designed to:

- provide greater clarity of purpose of the fund;
- better utilise partner capabilities (including those of smaller NGOs, private sector firms and implementing partners);
- provide capacity building for implementing partners;
- provide clarity on the partners involved in the Fund;
- generate more nuanced perspective on the sustainability of Fund-supported activities;
- stimulate thought on whether state sector organisations should continue to participate in the Fund or be directly contracted elsewhere in MFAT;
- encourage consideration within MFAT of whether the Fund supports too many activities, given the proliferation of activities supported in country programmes;
- encourage thinking within MFAT on better ways of managing the Fund, including joint management of activities and a different way of results reporting; and,
- stimulate thought on supporting Fund activities over a longer timeframe and how this might be best achieved.

## 5. Conclusions and future challenges

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In this final section, we summarise the conclusions to each of the key evaluation questions and look at possible future challenges for the MFAT Partnerships Fund.

### 5.1 Response to evaluation questions

#### 5.1.1 Key Evaluation Question One

Key evaluation question one was: *to what extent is the Partnerships Fund fit-for-purpose, including supporting coherence and alignment with MFAT strategic priorities?* The response to this question was informed by the following sub-questions:

- Is the Fund aligned with MFAT’s development, foreign policy, security and trade goals and outcomes?
- Are its modalities appropriate to meet the Partnerships Fund goals and outcomes?
- Is the Fund of high quality, being consistent with development principles as articulated by such initiatives as the Global Partnership for Effective Development Cooperation, the Paris, Accra and Busan Declarations on Aid Effectiveness, and the UN SDGs?
- Is it coherent from TCAF, country strategy, and JCfD perspectives?

In response to the first of these questions, regarding alignment, it was concluded that:

- The geographic allocation of Fund support was in general aligned with foreign policy, security, and trade interests, although limited visibility around Fund activities lessened foreign policy dividends from it.
- There is a high degree of alignment between MFAT TCAF geographic and thematic priorities and the Fund.
- There is a remarkably high degree of alignment between Fund-supported investment priority areas within countries and non-Fund support.

On Fund modalities, it was concluded that they are appropriate to what the Fund attempts to achieve developmentally.

It was concluded that the design and delivery of the Fund is on balance consistent with development principles adopted internationally, including the SDGs.

Strong evidence of coherence from a MFAT TCAF perspective was presented, with Fund support complementing the allocation of non-Fund support across the investment priorities of the New Zealand Aid Programme.

The overall response to key evaluation question one was that the Fund rates consistently highly against the coherence and alignment criteria addressed, and is of high quality.

## 5.1.2 Key Evaluation Question Two

Key evaluation question two was: *how effective, efficient and sustainable has the Partnerships Fund been in delivering development outcomes in the regions and sectors in which it works?*

The overall conclusion reached, in response to this question, was that the Partnerships Fund is supporting development outcomes, on balance delivering outputs and expected short-to-medium-term outcomes across a range of sectors and countries, and providing more activities in more sectors and countries than would otherwise be the case.

The evaluation found that the Partnerships Fund modality recognised that an activity is implemented and delivered in a dynamic setting, and that political, environmental, and social priorities can change during a project. In addition, capacity issues with an in-country partner may not be apparent until the project is being implemented. This adaptive approach used by the Partnerships Fund management team allows it to manage these types of event.

It was also found that the scale and duration of Fund activities may mean it is not reasonable to expect longer-term sustainable economic development outcomes. If the Fund activity is part of a programme of work the partner is undertaking within a particular community, it is likely that any sustainable outcomes will be dependent on the other projects that are being implemented within that community.

The evaluation found that the Partnerships Fund provides an efficient mechanism for engaging with partners, Post, and the community in-country. It helps to build in-country capacity and strengthen local NGOs further, and allows in-country partners to lead their own development projects.

The Fund's concept appraisal and contract phases are, however, resource-heavy and lengthy for some partners. And while a common theme in the qualitative analysis was that engagement with MFAT was mainly a positive feature of the Fund process, this experience was not uniform, with some expressing a desire for deeper on-the-ground development experience from the activity managers and other MFAT officials they deal with, and a more streamlined concept design and contracts process.

## 5.1.3 Key Evaluation Question Three

Key question three was forward-looking in orientation. It was: *what are the priority areas for improvement to increase Partnerships Fund efficiency, effectiveness, sustainability, strategic alignment, and impact?* The response is an attempt to provide guidance and identify a strategy that can reasonably be expected to maximise New Zealand's aid contribution through the Partnerships Fund.

In considering how the Partnerships Fund could better deliver against MFAT's strategic objectives, the evaluation team was of the view that:

- There was insufficient clarity around the purposes of the Fund.
- There was the possibility that attempts to utilise partner capabilities have skewed incentives.
- Improvements were required in accessing the expertise of smaller NGOs, the private sector and implementing partners.
- A degree of realism was required over expectations of sustainability.

Consistent with these observations, a number of recommendations were provided. These recommendations were prioritised, with A being the highest priority and C being the lowest. These recommendations and their priority ratings are as follows.

### **Clarity of core purpose**

**Recommendation One (Priority A):** MFAT needs to clearly articulate across the Ministry, and at Post, that relationships and relationship management are core to the Partnerships Fund, and that relationships matter not just for contributing to development but are worthy in their own right.

### **Better utilisation of partner capabilities**

**Recommendation Two (Priority A):** MFAT considers conducting a review of core partner organisation sectoral capabilities, with a view to issuing a Partnerships Fund call for proposals under the core capabilities identified by this review.

OR

**Recommendation Three (Priority A):** MFAT considers a Partnerships Fund process that allows partners to propose activities that do not strictly align with its sectoral and investment priorities, but that do align with the broader priorities of the New Zealand Aid Programme, requiring partners to demonstrate this alignment at the concept note stage.

**Recommendation Four (Priority B):** Each year MFAT publishes on its website the current investment priorities for all of its country programmes.

**Recommendation Five (Priority B):** MFAT considers actively encouraging collaborative joint proposals between large and small NGOs, and between large NGOs and private sector firms.

**Recommendation Six (Priority B):** MFAT considers broadening match funding criteria and the types of in-kind contributions for smaller NGOs, reducing the amount of funding that NGO partners need to raise and allowing access to innovative financing mechanisms and other international funding sources.

**Recommendation Seven (Priority B):** MFAT considers giving implementing partners in developing countries direct access to the Partnerships Fund, regarding them as the lead partners, but in partnership with a New Zealand-based organisation.

**Recommendation Eight (Priority B):** MFAT considers giving added emphasis to implementing partner capacity building in developing countries, making it a core purpose of the Partnerships Fund.

**Recommendation Nine (Priority B):** MFAT provides greater clarity, across the Ministry and at Post, regarding the organisations that are the participants in the partnerships supported by the Partnerships Fund.

### **Sustainability**

**Recommendation Ten (Priority A):** The sustainability of Partnerships Fund-supported activities be reviewed by MFAT, and be considered as either:

- (i) the capacity and willingness of beneficiaries to act in a self-reliant manner, ensuring the continuation of intended activity outcomes; or
- (ii) the ongoing ability and willingness of implementing partners to ensure the continuation of intended activity outcomes after the cessation of Fund support,

and that these conceptualisations be incorporated into activity design, monitoring and evaluation of activities.

## Modalities and management

**Recommendation Eleven (Priority B):** MFAT conducts an internal review to consider whether state sector organisations continue to participate in the Partnerships Fund or be directly contracted elsewhere in the New Zealand Aid Programme.

**Recommendation Twelve (Priority A):** MFAT conducts an internal review of the number of activities supported in its country programmes with the view to setting upper limits in each and providing a co-ordinating mechanism across modalities to ensure these limits are not exceeded and are appropriate to administrative resourcing.

**Recommendation Thirteen (Priority B):** MFAT considers the adoption of a ‘longer’ orientation of future Partnerships Fund activities beyond the current standard of three to five years.

**Recommendation Fourteen (Priority B):** MFAT considers the implementation of a joint Post-Partnerships Fund team model of managing Fund-supported activities.

**Recommendation Fifteen (Priority C):** As part of MFAT’s development of online reporting, it reviews the results frameworks to ensure the data gathered can report on the effects the activities are having on beneficiaries, and can be measured against the SDGs for that country.

**Recommendation Sixteen (Priority C):** MFAT considers co-funding Partnerships Fund-supported activities beyond their initial life, following the model of the MBIE Partnerships Scheme.

## 5.2 Future challenges

The Partnerships Fund has evolved since its inception in 2012, responding to changes in priorities and challenges as they have emerged. While international development is dynamic and uncertain, we point to three pressing challenges to which the Fund will be subject over the coming years.

As noted, the Partnerships Fund has funded 110 activities, with only a handful completed, and at the start of the evaluation, only two ACAs had been finalised. It follows that over the next two to three years a large number of activities will be completed and assessments finalised. It is impossible to be precise about how many will be completed during this period, owing to completion delays, but if it is two-thirds of those funded up to Round 6, the number approaches 50. This will impose a very significant management burden on MFAT and the Partnerships Fund team in particular. The heavy load of this team has already been noted, as has the burden across MFAT and at Post in particular of managing a rather large

number of activities. The additional burden will need to be the subject of forward planning, as to how it will be managed, and appropriately resourced.

Related to this is the issue of accountability. Not all development aid activities work. Many fail. Many require additional resources. Will standard MFAT operating procedures be able to account for the inevitable failures that will become apparent over the coming years, in a way that accords with the relationship spirit that characterises its operations? We do not have the answer to this question, but suggest it is one that will need to be addressed in the near future.

In addition to the challenges that will emanate from imminent activity completions is an increased emphasis on the SDGs. It was noted in Sections 2 and 3 that the design of the Partnerships Fund is consistent with the SDGs, which place a heavy emphasis on a range of partnerships. While the SDGs have been in existence since 2015, in the very recent past they have achieved considerable traction, with many countries in the Pacific (such as Vanuatu and Fiji) building them into their national development plans.

The SDGs are as ambitious as they are comprehensive. There are 17 SDGs that involve 169 targets. The SDGs will place significant demands on New Zealand as an aid donor and especially on the Partnerships Fund. They will require revised evidence-gathering and tracking to benchmark against the appropriate goals, together with the development and application of a theory of change that relates aid-funded efforts to SDG outcomes. The SDGs will also involve significant dialogue with development partners over these matters, and the Partnerships Fund will need to evolve further, as it has successfully done since its inception.

# Appendix 1 Other funds

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## Other global funding mechanisms

There is a wide variety of mechanisms used by other OECD-DAC donor nations to engage civil society, state sector organisations, and the private sector in ODA. No other OECD-DAC donor appears to have one contestable fund as the primary mechanism for engagement with civil society, state agencies, and the private sector. In this respect, the Partnerships Fund appears to be unique among these countries. In what immediately follows, we outline each of the other mechanisms according to the agency or donor operating them.

### The Australian Department of Foreign Affairs and Trade (DFAT)

- The main mechanism for DFAT to engage civil society is the long-running Australian NGO Cooperation Program (ANCP), which provides core funding to accredited NGOs. In 2017/18, this provided AU\$129.3 million to over 50 accredited NGOs, funding over 500 projects in over 50 countries in a range of sectors including education, health, water and sanitation, food security, civil society, and economic development. According to DFAT, *“the ANCP respects the organisational independence of Australian NGOs, providing flexible funding to implement their own development programs overseas. This includes discretion in programming in Overseas Development Assistance countries and sectors of their choice”*.<sup>17</sup>
- A 2015 evaluation of the ANCP was largely positive, with the overall conclusion that the *“ANCP is a successful and highly valued program with some strong features which could usefully inform a number of the Australian Government’s other development partnerships”*. The Evaluation also made the key point that the *“ANCP extends the reach of the Australian aid program; supporting activities, building relationships and developing capacity in sectors and geographic areas beyond the foot print of DFAT’s regional and bilateral aid programs”*.<sup>18</sup>
- In recent years, DFAT has placed increased emphasis on partnerships with the private sector, with a variety of mechanisms in place. Engaging the private sector is now one of the ten performance benchmarks for DFAT and, apparently, all new aid investments must consider ways to engage the private sector before they can be approved for implementation.<sup>19</sup>
- The Business Partnership Platform (BPP) is a recently introduced key mechanism for private sector engagement in DFAT activities. The BPP *“matches funding from business for projects that support commercial objectives whilst: (i) advancing Australia’s aid investment priorities; (ii) allowing DFAT to increase the number of its private sector partners; (iii) leveraging the experience and ability of business to address intractable development challenges.”*<sup>20</sup> Projects aim to generate

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<sup>17</sup> <https://dfat.gov.au/about-us/publications/aid/Documents/the-australian-ngo-cooperation-program-fact-sheet.pdf>

<sup>18</sup> Both quotes: <https://dfat.gov.au/aid/how-we-measure-performance/ode/Documents/ode-evaluation-australian-ngo-cooperation-program-final-report.pdf>

<sup>19</sup> <http://devpolicy.org/a-shared-value-the-role-of-the-private-sector-in-international-development-20150908/>

<sup>20</sup> <http://dfat.gov.au/aid/who-we-work-with/private-sector-partnerships/bpp/Pages/what-is-the-business-partnerships-platform.aspx>

social and commercial returns in developing countries. There have been two rounds to date, with recent partnerships in Bangladesh, Cambodia, Indonesia, Laos, Myanmar, Samoa, Sri Lanka, Pakistan, and Vanuatu in a range of sectors including agribusiness, information technology, financial services, off-grid energy, employment services, disability, and women's economic empowerment.

## Other Donors

- **UK Department for International Development (DFID):** DFID has a very broad range of funds for application, for a variety of types of organisation. Some are multi-country and some single-country.<sup>21</sup>
- **Irish Aid:** has a mixture of core and competitive funding for NGOs, with their website suggesting the private sector provides important partners.<sup>22</sup>
- **Danish International Development Agency (DANIDA):** DANIDA places considerable emphasis on NGO partnerships. There appears to be a variety of mechanisms, including Partnerships Funding, which is reviewed from time to time. The *'Policy for Danish Support to Civil Society'* recognises that Danish and in-country NGOs are increasingly working with the private sector.<sup>23</sup>
- **Swedish International Development Agency (SIDA):** the SIDA website notes they cooperate with a large number of organisations, associations, agencies, companies, and cooperatives. Nineteen Swedish organisations currently have framework agreements with SIDA, meaning they receive funding for carrying out part of the Swedish aid work in collaboration with civil society organisations in developing countries. In addition, SIDA has agreements with a number of Swedish government agencies, as their expertise and experience can be of good use in partner countries. They also work with the private sector, in accordance with a specific business plan. The website notes that private sector collaboration is through 'guarantee instruments' – these reduce the risk around lending for development interventions.<sup>24</sup>

Feedback from NZ-based interviewees and in-country partners has been that the Partnerships Fund process is better than many comparable funding mechanisms in other countries. Their experience has been that the Partnerships Fund is less bureaucratic, the activity managers more flexible and easier to deal with, and the reporting requirements less burdensome.

## Comparable NZ government funding mechanisms

Over the past decade, there has been a consistent shift across the NZ public sector towards consolidated, co-funded, and contestable funding models aimed at enhancing value for

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<sup>21</sup> <https://www.gov.uk/international-development-funding>

<sup>22</sup> <https://www.irishaid.ie/what-we-do/who-we-work-with/private-sector/>

<sup>23</sup>

[http://www.netpublikationer.dk/um/14\\_policy\\_danish\\_support\\_civil\\_society/Pdf/policy\\_danish\\_support\\_civil\\_society.pdf](http://www.netpublikationer.dk/um/14_policy_danish_support_civil_society/Pdf/policy_danish_support_civil_society.pdf)

<sup>24</sup> <http://www.sida.se/English/how-we-work/approaches-and-methods/> and <http://www.sida.se/English/partners/our-partners/Private-sector/Innovative-Finance/>

money, predictability, and the ability to leverage non-government resources. Overall, the Partnerships Fund is consistent with this direction, and its design and administration appear to be broadly aligned with comparators. We discuss below the Ministry of Business, Innovation and Employment's (MBIE) science investment funding mechanisms, and NZ Trade and Enterprise's (NZTE) International Growth Fund as two illustrative comparators.

## **MBIE science investment funding**

MBIE administers a number of contestable funding mechanisms to support research, science, or technology-related activities with potential transformative impacts for New Zealand.

MBIE's science investments have undergone a strategic refresh in recent years consistent with the direction of other government funding mechanisms, including the Partnerships Fund. One outcome of this was the introduction of a ten-year *National Statement of Science Investment* (NSSI), introduced in 2015. Similar to the NZ Aid Programme's *Investment Priorities* document, the NSSI provides medium-term investment priorities by sector, as well as strategic results, that shape the priorities of each individual funding mechanism's own three-year Investment Plan. The NSSI also provides a cohesive picture of the science funding system as a whole, outlining how both MBIE and sector-led sources fit together, which provides a helpful wider lens that could be interesting to consider for the development and aid sector. This strategic refresh has aimed to provide greater coherence across the system and improve visibility and predictability for the sector.

Supporting this refresh, there has been a number of changes to individual funds. The most significant has been the creation of the Endeavour Fund in 2016, now the single largest fund, awarding up to \$58 million per year to high-risk research spanning social, environmental, and economic objectives. This came about through a merger of six separate sector-based funds, and was aimed at providing greater predictability through removing variability across individual funds and ensuring funding goes to the highest value projects via a single contestable process. While this has largely been seen as a positive move, it has already begun to present challenges from a central perspective for delivering an investment portfolio that is aligned with government priorities given its more open and bottom-up process.

Another fund, and arguably closest comparator in design to the Partnerships Fund, is MBIE's Partnerships Scheme – a \$3.7 million per year collaborative co-investment scheme for longer-term research. Similar to Partnerships Fund, it has a two-stage application process involving an initial concept followed by development of a full proposal, and is for co-funded projects of two to seven years' duration. Unlike the Partnerships Fund, the process is run only once a year. Also unlike the Partnerships Fund, specific provision for a second term is provided if performance criteria are met. However, for second terms the co-funding requirements tighten from 60 percent provided by the partner to 70 percent, because by that point in the research activity it should be easier for the partner organisation to provide alternative funding. Given feedback from some Partnerships Fund stakeholders, that one benefit of the Partnerships Fund is it provides the ability to pilot projects that can be used to demonstrate success for projects with other donors, there may be some merit into looking at whether a similar approach could be trialled in the Partnerships Fund.

We also note that one focus of the recent strategic refresh in science investment has been to improve cross-agency alignment on research and innovation priorities. Although the NSSI's priorities will differ from those of the Aid Programme due to its solely domestic focus, it

could be beneficial, given the Partnerships Fund's intent to utilise and advance NZ's expertise, to consider how the two mechanisms can complement each other, particularly around opportunities for academic and research organisations. Similarly, given MBIE's strong linkages with the research community, there may be potential to tap into these networks to raise the profile of the Partnerships Fund within the sector.

## **NZTE International Growth Fund**

NZTE has primary responsibility for supporting New Zealand's international business development. In doing so, it assists New Zealand businesses looking to internationalise.

The main funding avenue available to NZTE customers is its International Growth Fund (IGF). Consistent with the direction of the Partnerships Fund and MBIE's Endeavour Fund, the IGF was created in 2009 when three separate precursor funds were disestablished to achieve greater value for money and economic outcomes through having a single better-targeted programme. The IGF is open to NZTE's Focus (or "F700") customers – approximately 700 companies through which it believes it can deliver the biggest impact. The fund provides up to \$900,000 over three years to invest in international growth projects and, similar to the Partnerships Fund and MBIE's Partnerships Scheme, it is a co-investment/co-funding model with a 40:60 co-investment ratio between NZTE and customer funding.

Unlike the Partnerships Fund where the onus of initial application is on the applying organisation, applications for the IGF are done more heavily in consultation with the NZTE customer manager. The NZTE customer manager initiates project consideration, after which a decision whether to proceed with an application is made. After approval is given, a business case is co-developed, with one section written by the customer manager and one by the customer. An NZTE General Manager panel, the CEO or the NZTE Board then make the funding decisions, depending on the amount of funding sought.

The process appears to have a strong degree of support amongst NZTE customers. Ninety-five percent of NZTE customers surveyed in 2015 felt that compliance costs were worthwhile, with only two reporting the application process as being too burdensome.<sup>25</sup> Greater involvement from the customer manager throughout the process appears to help, leading to less uncertainty around funding outcomes and lower compliance costs for customers.

However, needless to say, it is a more resource-intensive model. In addition, unlike the Partnerships Fund, the IGF is only open to NZTE's F700 customers – a selected subset of its customers already assessed as having the ability to compete internationally. This differs slightly to the Partnerships Fund's open application process that, although typically dominated by repeat users, is open to any qualifying organisation. As a result, the application process for the Partnerships Fund does need to adequately assess organisations without proven records of accomplishment

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<sup>25</sup> *Evaluation of the NZTE International Growth Fund*, MBIE, April 2015. Retrieved from: <http://www.mbie.govt.nz/publications-research/publications/evaluation-of-government-programmes/evaluation-nzte-international-growth-fund.pdf/view>.

## Appendix 2 Allocation of partnerships Fund support

Consistent with the Fund’s mandate, activities have been concentrated in the Pacific. Almost two-thirds of funding has been allocated to activities in Pacific countries (Figure 7). Of these, Melanesian countries have figured prominently (Figure 8), with Papua New Guinea the single largest beneficiary country (\$21 million of funding), followed by Vanuatu (\$19 million) and Fiji (\$18 million). Within Polynesia, Tonga has been the largest beneficiary (\$7 million). While the Pacific region is the main priority, just over a quarter of funding has been allocated to activities in Southeast Asia – Timor-Leste (\$9 million) and Myanmar (\$7 million) the two largest recipients – with the remainder going to “Rest of World” countries including Sri Lanka (\$5 million) and India (\$3 million). Six of the seven largest recipient countries are Small Island Developing States (SIDS).

**Figure 7 Allocation of Partnerships funding by region**

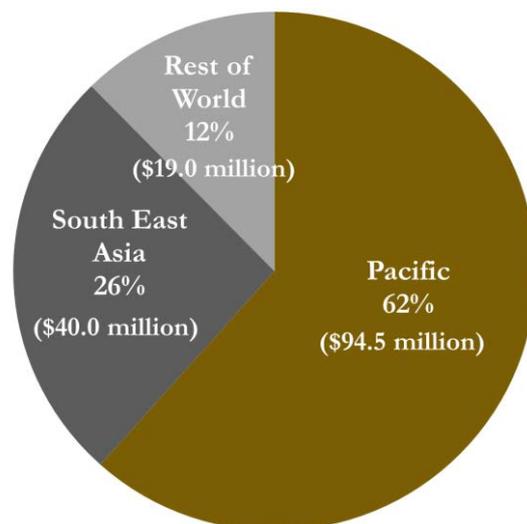
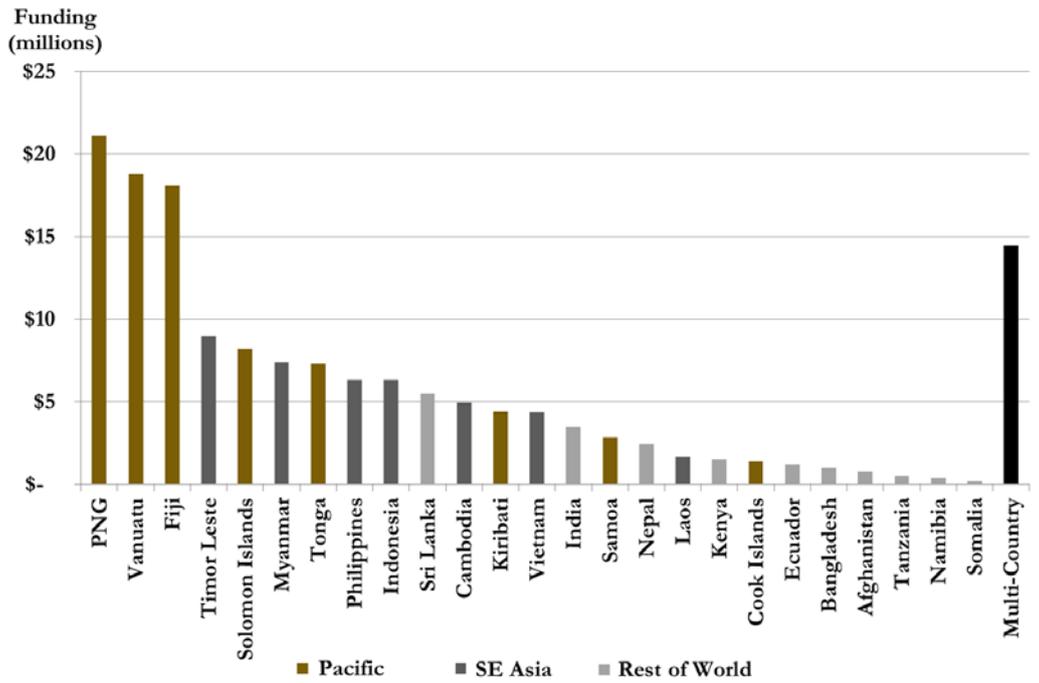


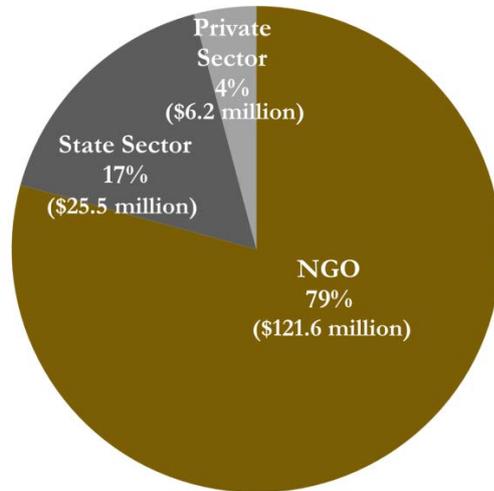
Figure 8 Allocation of Partnerships funding by country



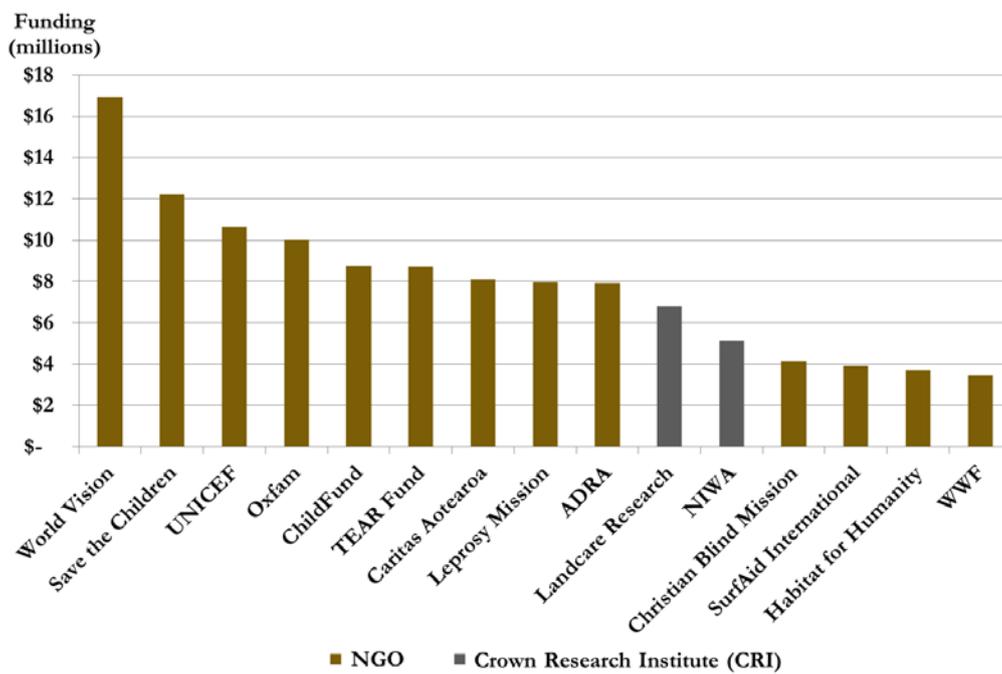
Despite an objective of the Fund being to build relationships with new development partners, the vast majority of funding to date has been allocated to traditional charitable and other not-for-profit organisations (Figure 9). Almost 80 percent of funding has gone to NGOs. Of these, World Vision has received the largest amount (\$17 million), while Save the Children (\$12 million), UNICEF (\$11 million), and Oxfam (\$10 million) have also been common lead partners (Figure 10). In the list of the top 15 funded partner organisations, only two are non-NGOs. These are the Crown Research Institutes (CRIs) Landcare Research (\$7 million) and NIWA (\$5 million). Just 4 percent of Partnerships funding has gone to activities led by private sector organisations, with SPS Biosecurity Ltd the single largest private sector recipient (\$1.4 million).

In saying this, despite the dominance of traditional development partners, the Fund has provided funding to 46 different New Zealand lead organisations in total. Almost a quarter of total Partnerships funding has been provided to organisations outside the top 15, with the average amount received by these smaller organisations being \$1.1 million.

**Figure 9 Partnerships funding by type of lead partner organisation**

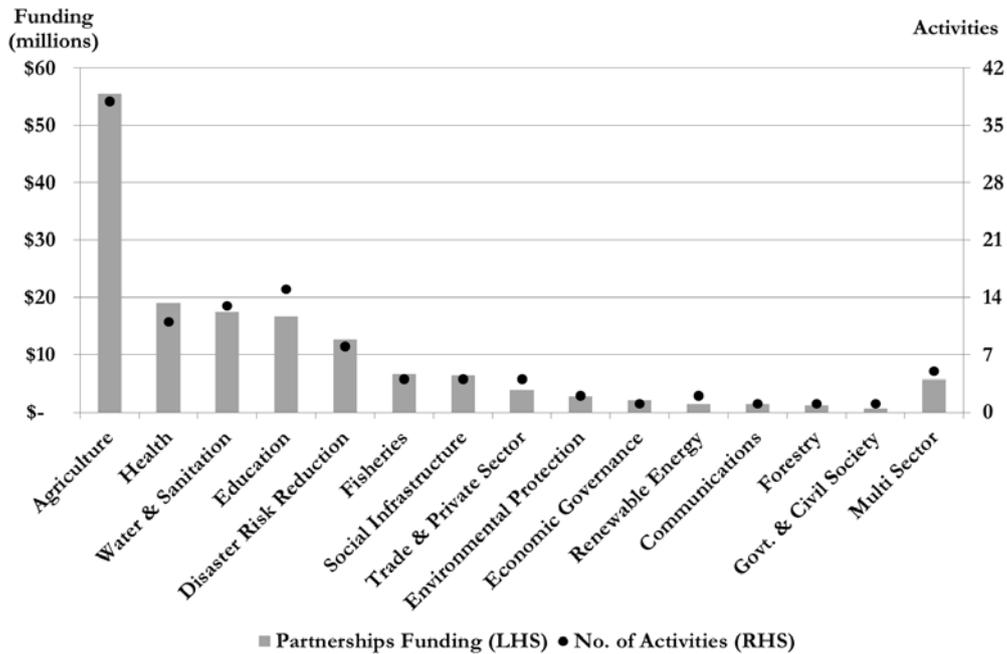


**Figure 10 Partnerships funding by top 15 recipient organisations**



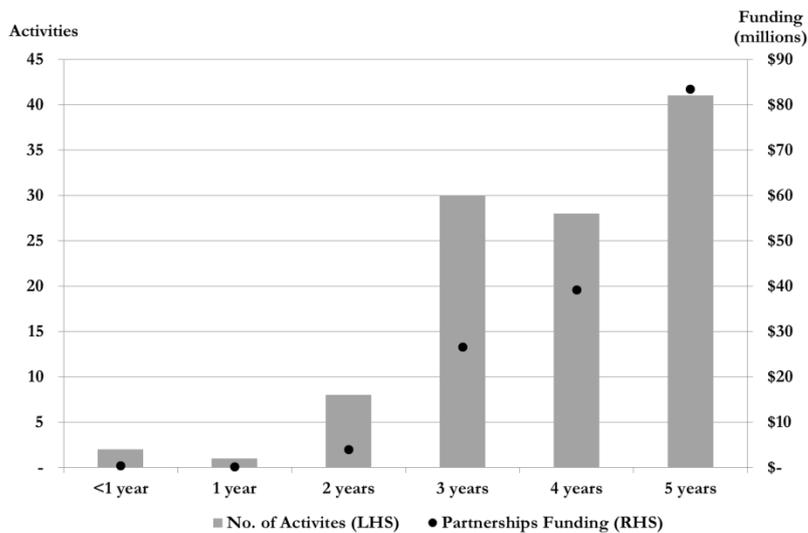
In terms of sectoral focus, the funding allocation has been relatively concentrated by the usual standards of development aid funding, but has been broadly consistent with the strategic sectoral priorities of the NZ Aid Programme (Figure 11). Agriculture has received a strong focus, with 36 percent of funding allocated to activities in this sector. Health, WASH, education, and disaster risk reduction have been the next most common sectors, but these have averaged 10 percent of funding each – significantly behind agriculture. Interestingly, despite renewable energy being a priority sector, only 1 percent of Partnerships funding has been allocated to these activities.

**Figure 11 Partnerships funding by sector**



For the purposes of this evaluation, it is important to note also that the vast majority of Partnerships activities approved to date are still in the implementation or design phases. As of September 2017, only six activities had been completed, while 86 were being implemented and 18 still in the design phase. This reflects the fact that, although the Fund has been running for five years, it typically takes over a year to move from design to implementation and the majority of activities are then implemented for three to five years (Figure 12). The implication of this for the evaluation is that there is a very limited sample from which to draw views about completed activities and long-term effectiveness.

**Figure 12 Duration of Partnerships activities approved**



## Appendix 3 Previous reviews of the Partnerships Fund

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There have been a number of reviews of the fund either directly or indirectly as part of country reviews.

### 2015 DAC peer review

In 2015, the OECD’s Development Assistance Committee (DAC) conducted a peer review of New Zealand’s aid programme to analyse its programmes and policies (including carrying out fieldwork in Kiribati) critically. On the Partnerships Fund, the DAC peer review noted (p. 15):

*“The Partnerships Fund, an interesting experiment to create a single funding tool for a very diverse range of partners, does not seem to be providing the right incentives to promote sustained engagement in the Pacific, nor to be attracting partners in a strategic, effective way. In addition, there is scope to improve overall engagement with civil society organisations (CSOs) to reach New Zealand’s development goals.”<sup>26</sup>*

The peer review also questioned whether the Partnerships Fund was working to attract partners in an efficient and effective way, noting a number of issues raised to/by the team including:

- the challenges of establishing new project operations outside countries where NGOs are already engaged;
- challenges with match funding requirements;
- a lack of interest from the private sector; and
- sustainability concerns in the case of Crown Research Institute (CRI) engagement in Kiribati if follow-on projects were not approved (p. 60).

The peer review recommended that NZ “*review the Partnerships Fund against the commitments made in Busan to inclusive development partnerships, and to CSOs*” (p. 19).

### MFAT Mid-term Stocktake

In 2015, MFAT prepared a Mid-term Stocktake on the Partnerships Fund, noting that the views in the Stocktake were MFAT perspectives only and that they had not consulted externally. This internal document noted that the Partnerships Fund was working well for “*traditional development partners*”, with 80 percent of funding to the date of the Stocktake supporting NGO-led activities. Other comments on what was working well included the following:

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<sup>26</sup> <http://www.oecd.org/dac/peer-reviews/peer-review-newzealand.htm>

- the view that the Partnerships Fund had successfully refocused NZ partners on the Pacific, followed by SE Asia, in line with the geographic focus of the NZ Aid Programme;
- an increase in the proportion of economic development activities;
- a high level of engagement from NGOs, CRIs, and tertiary institutes, with some new civil society partners coming on board;
- new and collaborative partnerships being fostered, with multi-sector consortia and NGO and private sector partnerships noted; and
- a move towards larger and longer investments.

The Stocktake also noted many challenges that had been encountered. These are as follows:

- limited appeal to private sector organisations, especially as lead applicants;
- difficulties in testing new ideas, including from the private sector;
- a lack of applications for some countries, noting Kiribati in particular; and
- ongoing issues with coherence, despite efforts to increase alignment with the NZ Aid Programme Strategic Plan and specific objectives for partner countries.

## MFAT country evaluations

In the recent past, MFAT has commissioned independent evaluations of a number of its country programmes.<sup>27</sup> Findings from the published reports on the operation of the Partnerships Fund by two of these evaluations are provided below.

The evaluation of the MFAT country programme in Tonga provided a number of observations. They were as follows.

1. Donor support for education is important but highly fragmented. These initiatives are delivered through a range of modalities, and the majority partner is Tonga's Ministry of Education and Training (MET). New Zealand has contributed significantly to this fragmentation. For example, there are six different funding pathways used by MFAT to fund non-bilateral activities in Tonga. MFAT has funded seven separate education programmes in Tonga since 2013, all of which include the MET as a partner.
2. Four of the seven education activities are funded through the Partnerships Fund,<sup>28</sup> two from SED<sup>29</sup> and one from the bilateral programme.<sup>30</sup> The Fund activities focus on both

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<sup>27</sup> MFAT in 2015 commissioned independent evaluations of its country programmes in Samoa, Niue, Cook Islands, Tonga, and Tokelau. These evaluations did not make statements or recommendations specific to the Partnerships Fund, apart from the observation that donor support is highly fragmented across these four countries, and that NZ has contributed significantly to this fragmentation, noting that the NZ aid programme in these countries is delivered through bilateral and non-bilateral programmes, including the Partnerships Fund, SED Division, and Regional Programme. MFAT also commissioned in 2017 an independent evaluation of its country programme in Kiribati. It made brief reference to the above-mentioned Kiribati Window, but stopped short of providing conclusions regarding the performance of the activities supported under it and recommendations for the Fund in Kiribati.

<sup>28</sup> Science for Health Literacy Programme (NZD \$1.7 million across three countries), funded by the Partnerships Fund and delivered by the Liggins Institute. Quality Teaching and Learning for Basic Education

a human and an economic development perspective, with the aim that Tongan students become more employable in local and regional labour markets.

The evaluation of the MFAT country programme in Tuvalu noted the following:

1. A variety of NZ agencies could be involved in a “*consistent NZ whole-of-government approach*” to improving economic governance – calling for “*a more strategic use of Partnerships Funds and other modalities*”.

Overall, these findings across the country evaluations point to the need for the Partnerships Fund to be used more strategically. The key element emerging is the need for greater synergy between the Fund activities in any given country and the broader bilateral programme, through a better strategic steer from MFAT and perhaps more involvement of Post and the bilateral teams.

## Council for International Development 2016 Member Survey

The Council for International Development (CID) 2016 Member Survey<sup>31</sup> noted some important trends affecting the NGO landscape in New Zealand, and also analysed MFAT funding of the sector and associated views from the sector.

The most relevant comment from the CID survey was that the “*survey responses held generally positive views of the NZ Aid Programme’s geographic priorities and approach*”: 54 percent of respondents either ‘strongly agreed’ or ‘agreed’ with the statement “*My organisation’s priorities are aligned to the NZ Aid Programme’s geographic investment priorities*”, against 25 percent who either ‘strongly disagreed’ or ‘disagreed.’

The CID survey also showed mixed results around alignment, with NGOs’ thematic priorities aligning most closely with the MFAT investment priorities of health, education, resilience, agriculture, and humanitarian response, but less on the market-focused sectoral priorities (fisheries, tourism, ICT, economic governance, and trade and labour mobility). This potentially suggests that a future iteration of the Partnerships Fund, if for NGOs only, should have a smaller range of thematic priorities better linked to the priorities and expertise of the NZ NGO sector.

The CID survey also noted the following:

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in Tonga Project (NZD \$436K), funded by the Partnerships Fund and delivered by Accent Learning. Secondary Tertiary Development Project (NZD \$350K), funded by the Partnerships Fund and delivered by the Manukau Institute of Technology in partnership with the Tonga Institute of Science and Technology (TIST). Just Play Programme (NZD \$147K), funded by the Partnerships Fund and managed by the Oceania Football Confederation.

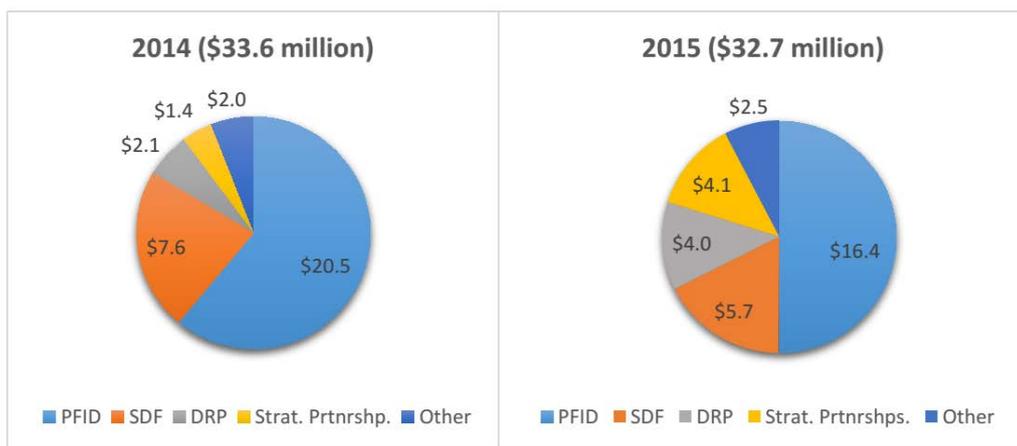
<sup>29</sup> Pacific Literacy and School Leadership Programme (NZD \$6.8 million across three countries), funded through the SED Division and delivered by Auckland University and Maritime School Support (NZD \$430K), funded through SED and delivered in cooperation with TIST.

<sup>30</sup> Tonga Education Support Programme II (NZD \$9 million over three years), funded through the bilateral programme.

<sup>31</sup> <http://www.cid.org.nz/assets/Financial-summary-CID-Member-Survey-2016.pdf>

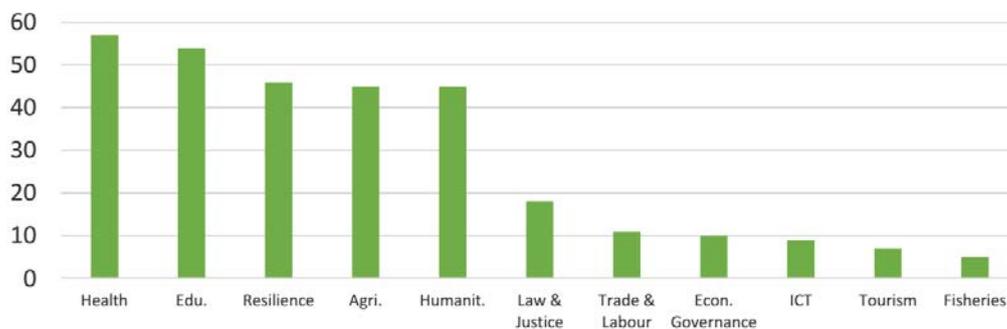
- There is a shifting funding landscape for the sector, with pertinently a downward trend in public donations.
- MFAT continues to be an important partner for CID members, with MFAT providing 18 percent of survey respondent revenues (see Figure 13). The survey also noted that government funding to NGOs has declined significantly over the last decade, but has largely stabilised since 2012.
- Sixty-three percent of survey responses reported at least one collaboration with another NZ-based NGO in the preceding year.
- Sixty-nine percent of respondents reported at least one partnership with a private sector partner.
- These mixed results are reflected in CID members’ perceptions of the alignment of the Aid Programme’s priorities with their own. When asked, less than half of respondents (42 percent) ‘agree’ or ‘strongly agree’ with the statement “*My organisation’s priorities are aligned to the NZ Aid Programme’s thematic investment priorities*”, with 25 percent disagreeing. Some respondents noted in their comments the discrepancy between the economic development focus within the Aid Programme and their distinct NGO priorities.

**Figure 13 MFAT funding to NZ NGOs, by source, 2014 and 2015**



Source: CID Member Survey 2016, p. 3

**Figure 14 Relevance of MFAT priorities to CID members (weighted ranking)**



Source: CID Member Survey 2016, p. 7

## PDG quality review

The recent internal quality review of activity and programme management of the Partnerships and Funds Programme found that the areas of focus in the Partnerships Fund are consistent with the government's International Development Policy Statement, as well as with the New Zealand Aid Programme Strategic Plan. These priorities are also set out in the Partnerships Fund Guidelines on the Ministry's website.

While this review included other funds as well as the Fund, it noted there are a number of features that make the Partnerships Fund atypical at the programme level. These include the high number of activities, activities being partner-initiated, a wide geographical spread, and generally limited contact with partner governments. The review added that this creates some issues in applying the programme policy in areas such as the Strategic Results Framework, financial forecasting and monitoring requirements, and the approach to monitoring progress.

## Appendix 4 Evaluation design

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Empirical information was collected and analysed using a combination of qualitative and quantitative methods in a mixed-method approach, as standard in evaluations of development cooperation programmes. The purpose of such an approach is to strengthen the reliability of data and their interpretation with respect to the validity of evaluation findings and recommendations. This approach enhances understanding of the processes through which programme outcomes and impacts are achieved, and also how these are affected by the context within which the programme is implemented. These methods were used in a complementary way to interrogate different types of evidence about the context and outcomes of the Partnerships Fund.

### **Semi-structured interviews, an e-survey and focus groups**

Contact was made with over 150 key informants in New Zealand, Tonga, Fiji, Cambodia, and Thailand. These included NGO, state sector and private sector partners, MFAT High Commission staff, Government of Tonga officials, local government officials in Cambodia, MFAT officials, officials from New Zealand state sector agencies, civil society representatives, and NGO sectoral experts.

Eighty organisations were engaged. These comprised 36 NGOs,<sup>32</sup> 15 state sector and 9 private sector partners, and 20 other stakeholder organisations.

The evaluation included country visits to Fiji, Tonga, and Cambodia, which involved nine site visits to a sample of ten activities (projects) supported by the Fund, and interviews and focus group sessions with in-country partners and beneficiaries. These activities are treated as case studies in this evaluation, although their examination is not as intensive as is typically the case in case study investigations in development evaluations, owing to time constraints. These countries were chosen after extensive consultation with MFAT. The bulk of Fund support is allocated to the Pacific. Within the Pacific, most has gone to Melanesia. It was on these grounds that one Melanesian country (Fiji) plus one other from the Pacific (Tonga) were chosen. Cambodia was chosen because of Southeast Asia being the second largest recipient region of Fund support. Logistical considerations, in particular the availability of NZ MFAT officials in-country, were taken into account in the selection of countries within these regions.

### **Review of documentation**

The evaluation team reviewed a range of documents to understand the context of the Fund and to assess aid quality and impact better. The following categories of documents were available to the evaluation team.

- Partnerships Fund activity-related documentation, including Activity Design Documents, Activity Monitoring Assessments (AMAs) and Activity Completion Assessments (ACAs).

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<sup>32</sup> New Zealand and in-country partner NGOs.

- Independent evaluations.
- Policy and planning documents from New Zealand and partner governments (e.g. strategic plans, aid priorities).
- Academic literature on donor-funded programmes.

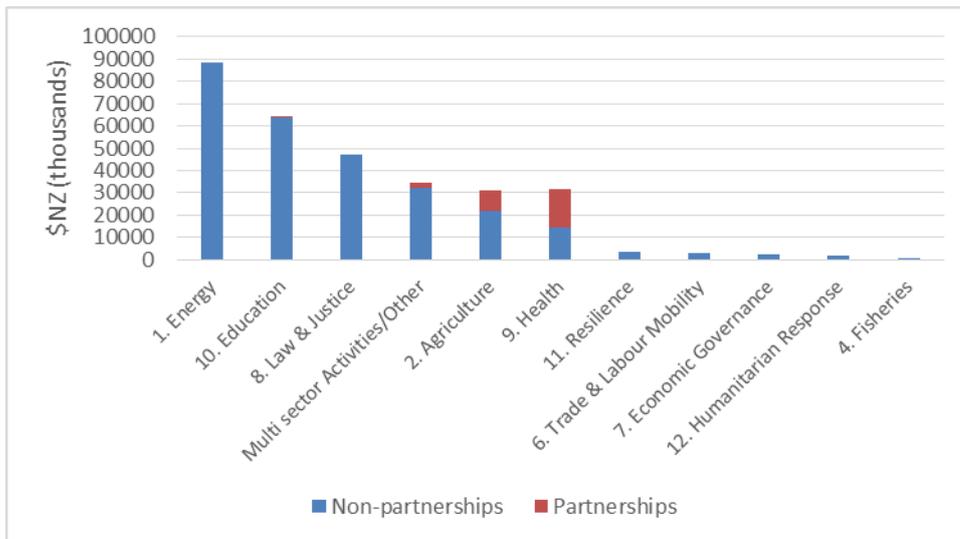
### **Analysis of Total Country Aid Flow, Forward Aid Plan, and Partnerships Fund Quantitative Data**

Total Country Aid Flow (TCAF) data and Partnerships Fund data were analysed to assess alignment and coherence. Partnerships Fund data were also used to provide descriptive insights into the Fund, as presented in Appendix 2.

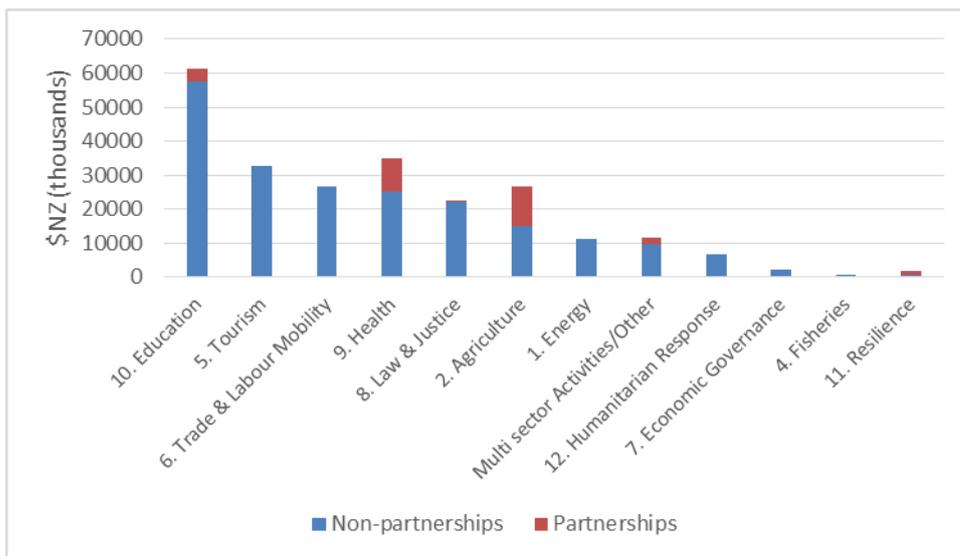
# Appendix 5 Coherence of Fund support

In the figures from 15 to 21, MFAT funding for each investment priority is shown.

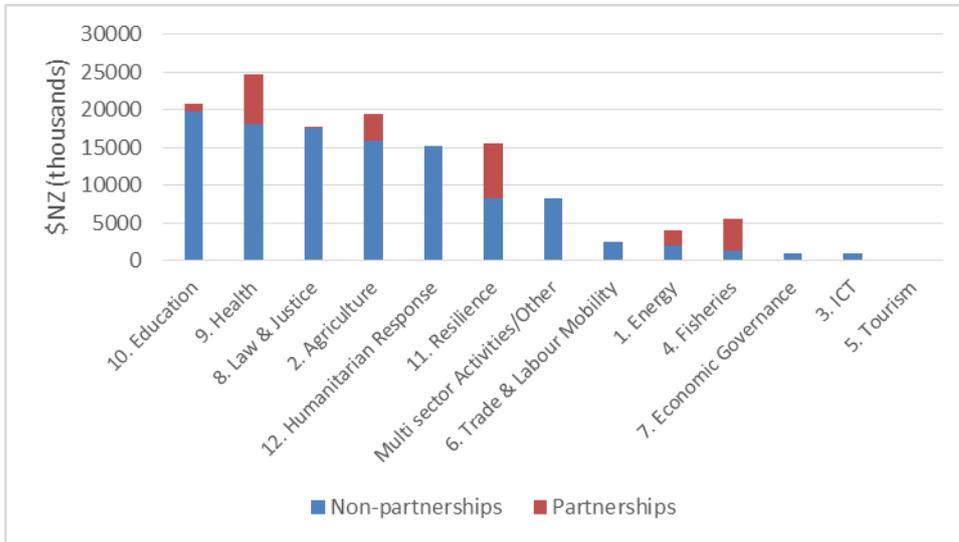
**Figure 15 Allocation of TCAF (Partnerships and non-Partnerships) funding among investment priorities, PNG, 2012 to 2021**



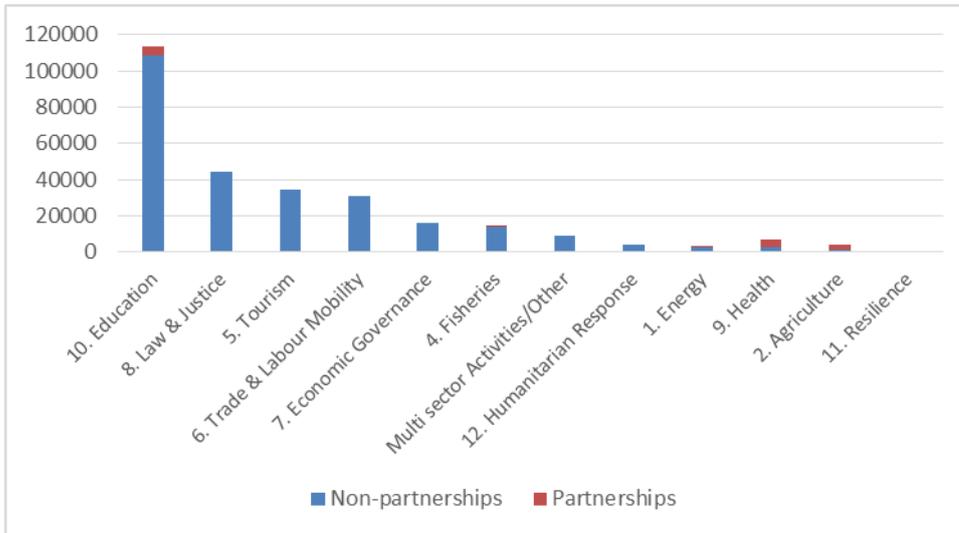
**Figure 16 Allocation of TCAF (Partnerships and non-Partnerships) funding among investment priorities, Vanuatu, 2012 to 2021**



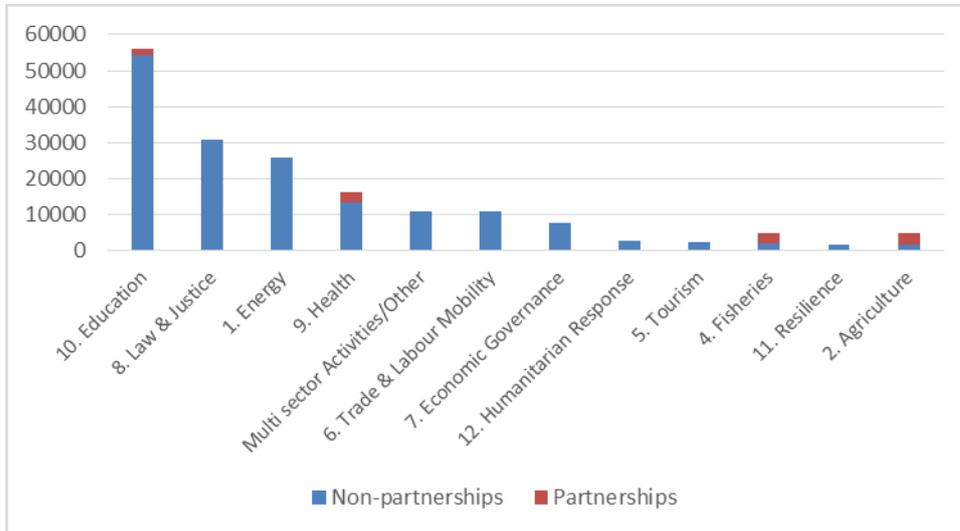
**Figure 17 Allocation of TCAF (Partnerships and non-Partnerships) funding among investment priorities, Fiji, 2012 to 2021**



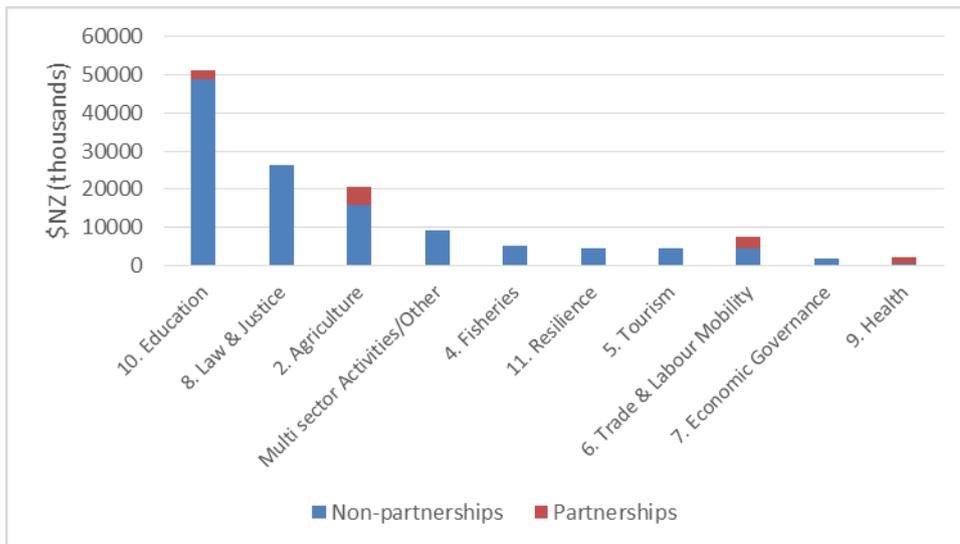
**Figure 18 Allocation of TCAF (Partnerships and non-Partnerships) funding among investment priorities, Solomon Islands, 2012 to 2021**



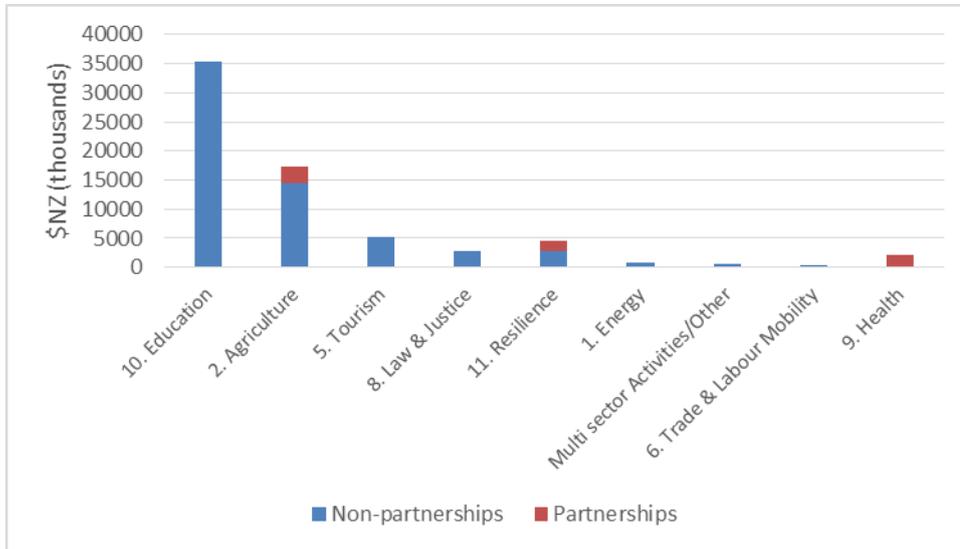
**Figure 19 Allocation of TCAF (Partnerships and non-Partnerships) funding among investment priorities, Tonga, 2012 to 2021**



**Figure 20 Allocation of TCAF (Partnerships and non-Partnerships) funding among investment priorities, Timor-Leste, 2012 to 2021**



**Figure 21 Allocation of TCAF (Partnerships and non-Partnerships) funding among investment priorities, Cambodia, 2012 to 2021**



## Appendix 6 Case studies

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This appendix contains the case studies based on visits to Cambodia, Tonga and Fiji.

### Case studies of a sample of Partnerships Fund activities in Cambodia, Tonga and Fiji

The case studies are based on key documents (including ADDs, AMAs, ACAs, evaluation reports, and OECD DAC data) and interviews with New Zealand (NZ) and in-country partners, beneficiaries, Ministry of Foreign Affairs and Trade (MFAT) officials, and other key stakeholders.

Most of the case studies look at a sample of activities supporting New Zealand's investment in Agriculture, as it is the most supported sector, with 50 percent of Partnerships Fund money having been allocated to this investment since 2012.

Other case studies also use a sample of activities supporting other investments (including Health and Fisheries) to examine Partner relationships (including NGOs, CRIs, academic institutes, and the private sector), as these are key to the effectiveness of the Fund.

### Cambodian case studies

In these case studies, we examine how three NGO-led Partnerships Fund activities have delivered or are delivering development outcomes for targeted communities in rural Cambodia. One activity is in the WASH sector and the other two in agriculture.

#### Background

Cambodia has experienced more than two decades of strong economic growth, although challenges and poverty still remain. The MFAT website notes, for example, that Cambodia is still ranked only 143 out of 188 countries in the United Nation's Human Development Index and 14 percent of the population are living below the poverty line.

According to MFAT's website, NZ's aid engagement in ASEAN countries is focused on "*using New Zealand's expertise in agriculture, knowledge and skills, and disaster risk management to support sustainable economic development*".<sup>33</sup> This engagement is informed by two main documents:

- *Joint ASEAN-New Zealand Leaders' Statement on the 40<sup>th</sup> Anniversary of ASEAN-New Zealand Dialogue Relations: Advancing our Strategic Partnership towards greater mutual benefit and prosperity*,<sup>34</sup> and

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<sup>33</sup> <https://mfat.govt.nz/en/aid-and-development/our-work-in-asia/aid-partnership-with-the-association-of-south-east-asian-nations-asean/>

<sup>34</sup> <https://mfat.govt.nz/assets/Aid-Prog-docs/ASEAN/ASEAN-NZ-Joint-Leaders-Statement.pdf>

- *Plan of Action to Implement the Joint Statement for ASEAN-New Zealand Strategic Partnership 2016–2020.*<sup>35</sup>

While broad, these documents reference the promotion of inclusive and sustainable economic growth as a priority, as well as the provision of support and cooperation in areas where New Zealand has specific skills to offer – in particular agriculture, trade, investment, SME development, energy, and tourism.

In Cambodia specifically, NZ's aid support is concentrated in agriculture, developing a more highly skilled and educated workforce, and building resilience to disasters.<sup>36</sup> These are seen as areas that are both prioritised by the Cambodian government and where NZ's expertise is most valued. All three feature in the government of Cambodia's *Rectangular Strategy for Growth, Employment, Equity and Efficiency Phase III* – its main vision document for development.<sup>37</sup> The strategy aims to “*pursue and strengthen long-term sustainable development aimed at promoting economic growth, creating jobs, equitable distribution of the fruits of growth, and ensuring effectiveness of public institutions and management of resource*”. As a result, the agriculture activities in particular represent strong strategic alignment between MFAT (as agriculture is one of MFAT's flagship investment priorities) and the priorities of the Cambodian government.

The activities considered also align with the SDGs. The two agriculture activities align with SDG 2: “*To end hunger, achieve food security, and promote sustainable agriculture*”, while the WASH activity aligns with SDG6: “*To ensure the availability and sustainable management of water and sanitation for all*”.

It is worth noting that New Zealand's aid activities in Cambodia are managed from the Embassy in Bangkok. This means that the depth of New Zealand's engagement with the Cambodian government around plans, priorities, and policy is more limited than in countries such as Fiji and Tonga, which have in-country Posts.<sup>38</sup>

### **Case Study 1: ADRA NZ ‘Bakan Water, Sanitation and Hygiene (B-WASH)’ activity**

This activity, completed in mid-2017, was aimed at “*improving public health, wellbeing, and economic security for community households in the Bakan District of the Pursat Province*”. It delivered this through a programme involving community hygiene promotion and education, installation of water supply equipment and latrines, and training of local staff in WASH disaster risk reduction analysis and planning.

The activity was implemented for 3.5 years from August 2013 to May 2017 and targeted 2,000 households across 30 villages. It had a total budget of \$720,000, of which \$540,000 was provided by the Partnerships Fund. It was led by ADRA NZ in partnership with ADRA Cambodia, which has been active in Cambodia since 1989.

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<sup>35</sup> <https://mfat.govt.nz/assets/Aid-Prog-docs/ASEAN/PoA-to-Implement-the-Joint-Statement-for-ASEAN-NZ-Strategic-Partnership-pdf>

<sup>36</sup> <https://mfat.govt.nz/en/aid-and-development/our-work-in-asia/aid-partnership-with-the-association-of-south-east-asian-nations-asean/cambodia/>

<sup>37</sup> [http://cnv.org.kh/wp-content/uploads/2013/10/26sep13\\_rectangular-strategy\\_phaseIII.pdf](http://cnv.org.kh/wp-content/uploads/2013/10/26sep13_rectangular-strategy_phaseIII.pdf)

<sup>38</sup> KI053.

The initial need for the project was identified by ADRA Cambodia during a previous agriculture activity in the same district. During that project, they had noted high open defecation rates in local communities and resulting health effects. This motivation was supported in the ADD by the following observations:

- 30–35 percent of Cambodia’s population is below the national poverty line of NZ\$1.56 per day.
- Cambodia has high open defecation rates in rural areas (72 percent, 2012 figures).
- Cambodia has the lowest water and sanitation coverage in East Asia and one of the lowest in the world.
- The activity supports the (then) MDGs as well as the post-2015 target of the *National Rural Water Supply, Sanitation and Hygiene Strategy* of 100 percent rural coverage by 2025.
- A 2011 World Bank study found that a \$1 sanitation investment in Cambodia had a return of \$2.

To ensure the activity was well targeted, target households were initially identified using the Cambodian Ministry of Planning’s ‘*ID Poor*’ database – a three-yearly donor-supported process identifying the poorest households across Cambodia.<sup>39</sup> Local means tests were then used to refine this list through village-based ‘Learning Groups’. The ADD notes that ADRA staff “*guided and monitored the process to ensure transparency, accountability, and inclusivity*” in the selection of beneficiary households.

**By the end of the activity, all output targets were achieved within budget, including installation of 72 open ring wells, 60 water ponds, 397 water storage tanks, 1,200 water filters, and 616 sanitary latrines. Almost all medium-term outcomes were achieved and long-term outcomes exceeded targets. The only outcome target not fully met was for an increase in sustained use of drinking water, which fell just shy of the target percentage of households, but was ‘predominantly met’. A disaster risk reduction component was also incorporated into the activity, ensuring that newly installed latrines were raised to minimise risk of water contamination in times of flood.**

No MFAT AMA was required for this activity as expenditure only just reached threshold level required for compliance purposes. An Activity Completion Report was not due until after the evaluation visit took place.

## **Case Study 2: HOPENZ ‘Livelihoods and Integrated Farming Enterprises (LIFE)’ activity**

This activity, also located in Pursat Province, is an agricultural project with a total budget of \$501,000 (including \$375,000 from the Partnerships Fund). The activity’s goal is “*to improve the livelihoods and self-sufficiency of rural farmers (women, men, young females, and young males) of Pursat province*” through providing community-level agricultural equipment (such as water pumps, rice mills, seed banks, animal banks, and revolving loan funds) and associated training. It targets 1,175 rural households across 29 villages, and began in mid-2015 with an expected end date in mid-2018.

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<sup>39</sup> <http://www.idpoor.gov.kh/en/home>

The activity is led by HOPENZ in partnership with HOPE Cambodia. HOPENZ is a small NGO, aiming to work in areas of high development need with projects in just a few countries globally, including Cambodia, the Philippines, and Ethiopia.<sup>40</sup> HOPE Cambodia is also small, with just eight staff. However, any scale constraints are offset by concentrating its activities only in Pursat Province – where it has a long track record and strong knowledge of local communities – and by sub-contracting another local organisation, Development Family Programme (DFP), to deliver training and other support. HOPENZ, HOPE Cambodia, and DFP have been working together in Pursat Province for 17 years, including on two earlier MFAT-funded Sustainable Development Fund projects.

The ADD notes that the rationale for the activity was that: (1) three in every four Cambodians are engaged in agriculture; (2) rural subsistence farmers make up the majority of Cambodia’s poor; and (3) there are strong linkages to the government of Cambodia’s policy priorities around improved seed varieties and social nutrients, improving agricultural extensions, increasing rice production, and improving critical agricultural infrastructure. The activity includes a focus on increasing dry-season (irrigated) rice farming. The benefits of this method, which permits multiple crops per year, were highly praised to the evaluation team by a Department of Agriculture official who cited HOPE Cambodia as the first NGO to focus on it in the province. HOPENZ has also made several visits to the activity to share expertise with project beneficiaries about free-range pig farming, veterinary practices, and maintenance of mechanical equipment.

**While the activity is only two years into its three-year duration, project reporting suggests it has achieved all output delivery targets to date and is meeting short- and medium-term outcome targets.**

No MFAT AMA was required for this activity given the expenditure level, and the activity is still in early implementation.

### **Case Study 3: Caritas NZ ‘Promoting Security, Resilience and Economic Development for Indigenous Communities’ activity**

Of the three activities considered in Cambodia, this is the largest with a total budget of approximately \$2.4 million (\$1.8 million from the Partnerships Fund). It is implemented by Caritas NZ in partnership with local NGO Development Partners in Action (DPA). It is a five-year activity begun in mid-2016 and finishing mid-2021. It follows an earlier Sustainable Development Fund project by the same partners and is based on learnings from that earlier project, extending the reach to new communities.

The activity targets 19,700 people in 36 rural indigenous communities, with a goal of “*improving security, resilience and economic development of indigenous communities in Mondulakiri and Ratanakiri Provinces*” through agricultural development and land security. Outputs are focused around: (1) supporting agricultural product processing and marketing; (2) improving sustainable agricultural production; (3) installing water management systems; and (4) supporting community land titling.

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<sup>40</sup> KI052.

The rationale for the activity provided in the ADD centres around: (1) a continuing prevalence of subsistence-level agriculture in the targeted communities; (2) a lack of organisation in production, processing, storage, transport and marketing that limits value obtained from crops; (3) an exposure to droughts and floods in the region; and (4) threats from illegal logging and other deforestation. The activity's focus on community land titling to negate the threat of illegal land grabbing was motivated by DPA's previous work in the region. Seven indigenous communities are targeted based on their vulnerability to land grabbing and the willingness of the community to undertake the long process to secure claims to customary land.<sup>41</sup>



A key feature of the activity is the establishment of community groups to encourage shared learning of agricultural techniques and improve the market power of individual farmers. This includes establishing 104 non-formal 'Agricultural Groups' (AGs) across 106 villages as well as five formally accredited 'Agricultural Cooperatives' (ACs). The ACs are supported through the provision of micro-loans, business management training, mentoring, and high-yield seeds and basic farming inputs. The crops supported by

the activity are based on DPA's market analysis of high-yielding cash crops in the local area. One hundred and thirty-three existing AGs established during the earlier Sustainable Development Fund activity will also continue to be supported.

**The activity has only recently finished its first year. However, information on first-year output delivery provided to the evaluation team during fieldwork suggests it is largely on track. Early delays during recruitment for the project team saw slower initial progress than expected, but this is being made up now the full team is in place.**

Caritas NZ also note the activity has had high exposure in the Catholic community in New Zealand. For example, the activity (and its Sustainable Development Fund predecessor) are profiled in 250 Catholic schools in New Zealand and approximately \$80,000 of match funding came from a school fundraising campaign.<sup>42</sup> This has helped raise awareness in New Zealand about international development needs and the NZ Aid Programme.

The first AMA for this activity is not due until January 2018.

## Common success factors

These three NGO-led activities share some common success factors we believe strongly support the successful delivery of targeted outputs and outcomes:

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<sup>41</sup> KI050.

<sup>42</sup> KI050.

- **Strong, very committed, and relatively high-capacity local partners.** All three in-country partners have been operating in Cambodia since the early 1990s, receive funding from a range of countries, and two of the three had multiple projects underway across several provinces. Strength and capacity also extend to effective results measurement, enabled by the local teams of the local partners.
- **Strong track records of Cambodian partners in targeted communities.** All three partners had operated in the respective districts and communities for two decades. Each activity typically included/includes some villages that had been beneficiaries of previous projects as well as a number of new communities. This means they can leverage community governance arrangements and relationships established in previous activities, as well as having strong knowledge of local needs, constraints, and dynamics.
- **Established working relationships between NZ NGOs and local partners.** All three local partners had undertaken at least one previous Partnerships Fund or Sustainable Development Fund activity with the NZ NGO.
- **Effective co-ordination with local government** (at provincial and/or district level). All three activities appear to have constructive working relationships with their provincial-level authorities, with the local Department of Agriculture contributing to training in two of the three activities and appearing knowledgeable about the activities during fieldwork. In the ADRA WASH activity, the District Governor, for example, chaired the project governance group and was strongly engaged.
- **Community-level activity structures established and seemingly working well.** Each activity had established community governance groups using local voting systems, which appeared to have good buy-in from communities. These included 'REFLECT Groups' in the ADRA activity, 'Village Agricultural Committees' in the HOPE activity, and 'AGs' and formalised 'ACs' as well as 'Indigenous Peoples Community Committees' in the Caritas NZ activity.
- **Simplicity of partnership arrangements.** Each activity had fairly simple arrangements, with the local partner being the only delivery organisation in two of the three activities.

Overall, the three NGO-led Partnerships Fund activities in Cambodia are working well, and providing impact for targeted communities. Local NGOs are key delivery agents.

### **Sustainability of benefits**

It is early to assess sustainability given the stages of activities – one had been only recently completed while the other two are ongoing. However, the designs of all three included features aimed at supporting benefits to endure. These primarily involved supporting community ownership, combining delivery of equipment with education about why it was important and how to use it properly, and (where equipment would need ongoing maintenance) providing the basis for a self-sustainable financing model if implemented properly. Benefits are also expected to be supported by the long-term commitments of each local partner to the communities.

Long-term sustainability of these three activities, though, may depend on whether local partners remain engaged in targeted communities. This is dependent on whether funding is obtained for future, linked projects (including from non-NZ funds). For example, ADRA is extending support to the Bakan WASH communities via a separate Australian-funded nutrition project that also has some WASH components. In addition, both HOPE and DPA have a long-term approach in targeted communities.

### Other observations and learnings

The nature of NZ's development engagement in Cambodia is different from much of the South Pacific where NZ is typically a very significant development partner. The fact that engagement is managed out of Bangkok also limits engagement with the government of Cambodia on plans, priorities and policies. Overall, for the Bangkok Post, the focus is on the delivery of the NZ Aid Programme activities in Cambodia, with particular focus on the bilateral programme. In this context, the Partnerships Fund is important for “*adding bulk*”<sup>43</sup> – essentially extending the reach of NZ's engagement in Cambodia.

The development environment in Cambodia is different to some other areas that the Partnerships Fund operates in, particularly in the South Pacific. For example, there is a very high number of international development partners active in Cambodia. Many international and local NGOs are also active, many with relatively high levels of capacity. Caritas NZ, for example, views the maturity and capacity of DPA as far higher than current and potential partners in the Pacific.<sup>44</sup> **In all three activities visited in Cambodia it was clear that local partners – with significant capacity, expertise, and local knowledge – were the key delivery agents.** NZ partners were able to be relatively hands-off without compromising delivery and effectiveness, instead focusing mostly on MFAT liaison, quality assurance of reporting, and periodic monitoring.

## Tongan agriculture activity case studies

In these case studies, we examine how an adaptive management approach was used to ensure:

- completion of one agriculture Partnerships Fund activity (the Tongatapu Landcare activity), and
- the refocus of another agriculture Partnerships Fund activity, the Rural Enterprise Sustainable Livelihood in Tonga (RESULT) activity, which was allowed time to redevelop its business plan.

There are often complex dimensions to implementing agriculture initiatives in a development context (especially for Pacific Island countries dealing with the effects of climate change) and they often require donors and partners to work in more adaptive ways. Adaptive management in international development work is characterised by a flexible, exploratory approach in the face of uncertainty and complexity, involving testing, monitoring and getting feedback and making course corrections if necessary.<sup>45</sup>

### Background

The objective for both activities is to improve and contribute to sustainable livelihoods in rural communities. Tonga's rural communities are mainly resource-poor, and its economy is characterised by large volumes of subsistence agriculture. Tonga relies heavily on external finance, and between 2012 and 2016, New Zealand contributed approximately NZD 6.4

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<sup>43</sup> KI053.

<sup>44</sup> KI050.

<sup>45</sup> Bond (2016), *Adaptive Management: What it Means for Civil Society Organisations*. London: Bond.

million to the agriculture sector, which is almost 5 percent of NZ's total ODA to Tonga over the period.<sup>46</sup>

Both Tonga-based partners, the Tonga Community Development Trust (TCDT or the Tonga Trust) and the Tonga National Youth Congress (TNYC), are well-known and established civil society organisations working to improve rural community livelihoods and resilience to changing conditions in Tonga. As well, both NZ-based partners (Rotary NZ and Oxfam NZ) have developed long-standing relationships with their Tonga-based partners and have previously worked with them on earlier projects.

### **Both activities align broadly with the strategic priorities of MFAT and the government of Tonga**

Both activities broadly align with MFAT's and government of Tonga's priorities. Previous high-level consultations highlighted the need for ongoing support in areas like agriculture and fisheries as they, along with tourism, are considered the main drivers of economic growth.

The agriculture sector is one of MFAT's flagship investment priorities and Tonga's Strategic Development Framework II (TSDF II) aims to develop the primary sector (agriculture, forestry and fisheries) and tourism further, while addressing human development challenges. Another TSDF II objective is for strong inclusive communities, engaging districts/villages/communities in meeting their prioritised service needs and ensuring equitable distribution of development benefits. The Tongan government wants to engage local communities in planning and implementing community development activities to improve their daily living standards, especially health, food, water, sanitation, etc.

TSDF II also notes that it would be impossible for Tongans to make a basic livelihood and pursue long-term inclusive and sustainable development without natural resources and a stable environment. *“To move beyond a very basic level of material consumption, the appropriate use, access, protection, and management of our natural resources and environment is essential.”* (p.76)

The 2016 evaluation of MFAT aid investment in Tonga stated that:

*Growth is inclusive when it takes place in the sectors in which the poor work (e.g. agriculture, service industries); occurs in places where the poor live (e.g. undeveloped areas with few resources); uses the factors of production that the poor possess (e.g. unskilled labour); and reduces the prices of consumption items that the poor consume (e.g. food, fuel and clothing).*

The activities also align with the Sustainable Development Goal (SDG) to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture, which also aligns with most of the government of Tonga's National Outcomes for Tonga (A,B,E,F,G). For inclusiveness to occur there needs to be growth in sectors that benefit the poor.

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<sup>46</sup> <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Evaluations/2016/Sept-2016/Tonga-Programme-Evaluation-Final-5-September-2016.pdf>, p. 66.

## Agriculture activity case study 1: the Tongatapu Landcare activity (aka Tongatapu Market Gardens)

The Landcare activity addressed the immediate needs of the target group – households living on low-lying areas in the villages of Popua, Sopus, and Pea. The activity provided crushed rocks and top soil for home gardening, chicken wire, chickens, and ducks. These helped households address their needs for food security, meet social obligations to families and church, generate extra income, and build resilience in the face of climate change impacts.

The Tongatapu Landcare activity focused on agricultural development and increased food security for Tongan communities. The activity was undertaken in partnership with Rotary New Zealand (Rotary NZ) and the Tonga Community Development Trust (Tonga Trust) from 1 April 2014 to 31 May 2016 (including an extension). When completed the total cost of the project was \$299,947.

As well as its focus on food security, the activity also aligned closely to Tonga’s policy on climate change. This encourages community participation in activities that will build awareness of and resilience to climate change impacts.

The Tongatapu Landcare activity was a response to the threat of climatic instability in rural communities. It harnessed the well-developed organisational structures of Tongan village communities to improve the way resources are accessed and used. The activity focused on providing households in three villages near Nuku’alofa (Popua, Sopus, and Pea villages) with improved food security for community members, improved livestock management, and land management training.<sup>47</sup>



The partnership originated through the Tonga Trust’s work with Rotary Australia. After the Tonga Trust had completed its Australian Aid-funded activity, they completed a rapid assessment and it was through this exercise the connection to Rotary NZ was made. Rotary NZ then partnered with the Tonga Trust on a legacy activity via the former New Zealand Aid Programme Sustainable Development Fund (SDF). Key informants we interviewed in Tonga thought that this helped make the

partnership with the Tongatapu Landcare activity “*more cohesive and constructive*”.<sup>48</sup>

Shared decision-making increased ownership of the activity by the in-country partner, whose work continued after the activity was completed.

The Tongatapu Landcare activity provided 302 households in three villages with training on a variety of topics, including garden site selection and organic vegetable gardening. The target

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<sup>47</sup> Activity Completion Report: Tongatapu Market Gardens, Tonga (12 October 2016).

<sup>48</sup> KI019.

for end of year one was 120 and end of year two was 320. Three hundred households were targeted and 322 eventually engaged in the activity (including 20 households from the pilot phase in Popua village). However, not all participants followed through to take up all aspects of the activity. Due to the progressive approach to implementing the activity (with training followed by practical demonstrations, etc.), the ACR noted that it was not possible to bring new participants in later. This resulted in some numerical targets not being fully met.<sup>49</sup>

The Tonga Trust key informants commented that they appreciated being given the ownership to select according to their criteria the most vulnerable communities to be involved, and the low socio-economic situation of the families was also factored in. They added that giving villages an opportunity to select which households were to be involved increased an expectation to monitor and own the initiative.

In-country key informants acknowledged the ability to add a third village, Pea, to the activity enabled them to respond to a village in need of assistance following a flash flood. They also saw the value in bringing together all the relevant stakeholders during the design process, so that all technical expertise was considered early for added value.

### **Community organisations can benefit from partnering with NZ organisations**

Tonga Trust key informants recognised that community organisations in Tonga often lack the capacity to work directly with donor agencies, and that the Partnerships Fund programme allowed them to gain access that they would not otherwise have had to funds and expertise.

Partnering with a local NGO provides an efficient mechanism for engaging with the local community and identifying need. Their local knowledge helped to reassess the types of plant that would be drought resistant and adapt to the changing weather patterns communities are facing. There were capability and capacity issues within the Tonga Trust, and Rotary NZ was proactive in ensuring the Tonga Trust met its monitoring and reporting obligations for the activity. *“Rotary provided us with a template for funding, finance, as well as advice on what is needed in our reporting”*.<sup>50</sup>

Rotary NZ volunteers specialising in landcare contributed to the design of the Tongatapu Landcare activity, piloting the approach with 20 households in Popua on a voluntary basis. In addition to monitoring visits, Rotary NZ and the Tonga Trust worked closely with Tonga’s Ministry of Agriculture, Forestry, Fisheries and Food (MAFFF) to provide technical advice to communities during training workshops and also coaching, without reimbursement.

### **The adaptive approach to the project has enabled the activity to deliver positive outcomes**

The Tongatapu Landcare activity has been deemed a success by both partners. The key factors that led to this assessment included:

- **The adaptive nature of the activity.** For example, a drought and water shortage in year 1 delayed planting of seedlings, which affected the production of vegetables. With

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<sup>49</sup> Activity Completion Report, Tongatapu Market Gardens, Tonga (12 October 2016).

<sup>50</sup> KI019.

advice from MAFFF, local crops were planted that were more resilient to drought. In addition, a simple and inexpensive water irrigation system was implemented, using water bottles to release water into the plant root zone. The activity had originally intended to plant fruit trees but the Tonga Trust planted sandalwood and other plants more suitable to Tonga's climate. Sandalwood is now seen as a very lucrative export product and will act as a long-term investment, with 'retirement benefits'.<sup>51</sup>

In addition, towards the end of the activity, MFAT granted a two-month time extension to allow the distribution of higher quality topsoil to some participants who had received poorer quality soil in the initial distribution.

- **Regular communication between the partners and MAFFF.** Rotary NZ and the Tonga Trust worked together with regular communication around project cycle monitoring visits. This meant that early issues such as drought and the loss of Trust staff were able to be managed efficiently. MAFFF staff were able to provide technical advice on vegetable gardening and poultry farming. They also prioritised the activity by distributing juvenile chickens and ducks to participating households in the three villages as part of a joint venture between the government of China and government of Tonga to address food security.
- **The Tonga Trust's reputation within the community.** The Tonga Trust's wide experience in working with communities, as well as developing partnerships with key government stakeholders like MAFFF, was seen as beneficial to the management and implementation of the activity. The Tonga Trust's Deputy Director has also established a community nursery to propagate seed collected from the community until there is no further need for tree seedlings for participating households.

#### **Early indications are encouraging that the initiative can be sustained**

The activity design showed a cost-effective way to reduce the reliance of vulnerable communities on buying fresh produce. Although one of the objectives was to increase self-sufficiency that would improve women's lives, the in-country partner we interviewed argued that it was important to have the whole family involved to ensure the ownership and sustainability of the initiative: "*Our focus is the family*".

There are elements of the Tongatapu Landcare activity that will contribute to the goal of sustainable economic development in Tonga, such as selling any excess produce and planting sandalwood as an investment for the future (retirement fund).

Key informants commented that although the activity was completed in 2016, the Tonga Trust staff still monitor and evaluate those households who continue to participate in the initiative. This is done via regular visits, with distribution of equipment and seedlings. There is also a growing element of self-reliance due to the success of the activity, as the participants increase their ability to maintain their home gardens.

The Landcare activity is a good example of how the Partnerships Fund can leverage NZ expertise to help a small Trust deliver a cost-effective initiative. The Trust identified the need, was respected within the community (which helped increase buy-in for the initiative),

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<sup>51</sup> Sandalwood investment is long-term; it can take 15–20 years for trees to grow into a profitable value, with buyers mainly from Asia.

and also communicated closely with MAFFF to access expert advice and link with other initiatives underway.

**Overall, participation in the activity has increased community and household cooperation and self-sufficiency. All 302 households have planted more than 1,500 combined of fruit or sandalwood trees. Over half (167) of households involved in the activity have continued to maintain their garden, 184 households have built an improved poultry house, and 218 households are raising poultry for domestic consumption, sharing with others and selling.**

It is possible that this type of project could be extended to other communities. However, further scoping work would need to be done to ensure there is 'buy-in' from community elders and MAFFF, and capacity for training, measuring progress and monitoring sites.<sup>52</sup>

## **Agriculture case study 2: Rural Enterprise Sustainable Livelihood in Tonga (RESULT) activity**

The RESULT activity at the time of this evaluation was due to recommence after MFAT allowed the partners, Oxfam NZ and Tonga National Youth Congress (TNYC), to redesign the business plan. Funding commenced in early 2015 and the funding arrangement is due to end 30 June 2020, with a total cost of \$1,955,777.

The goal for the RESULT activity is to implement an agro-economic livelihoods programme with TNYC to build viable business opportunities for rural communities in Tonga to create sustainable livelihoods.

The RESULT activity is a response to the growing number of unemployed youth in rural communities, as well as aiming to improve access to business opportunities for small-scale farmers and their families. RESULT has a social enterprise component. While a commercial status is a move away from their core purpose, their long-term goal is eventually to develop into a business enterprise that becomes a financially commercial entity.

The activity's long-term goal is to become a nationwide cooperative production and processing network for virgin coconut oil (VCO) and dried vanilla bean.

### **Adaptive management approach allowed for the redesign of the business plan, which will help the long-term sustainability of the activity**

The locally based buyer's failure to secure export sales of VCO in Japan and the subsequent unexpected and abrupt exit by the buyer from the arrangement left the RESULT activity in a precarious position, having to seek – with limited marketing capability – other markets to sell the 12 tonnes of VCO stock that had been produced in order to meet indicated demand from the original buyer.<sup>53</sup>

This situation revealed a need for TNYC to improve its internal processes. It also underscored the importance of an informed business plan, driven by external market realities. MFAT's agreement to allow time for the partners to redevelop the business plan

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<sup>52</sup> Rotary NZ unsuccessfully submitted a concept for a follow-up phase.

<sup>53</sup> Activity Progress Report, 2017.

was viewed positively by key informants we met. Despite having worked successfully together on an earlier project, TNYC acknowledged early in the implementation of the activity that each partner had different expectations for the activity. This followed a realisation that the objectives of the two partners did not match.

The lack of clear, accepted and shared objectives at the beginning was the real issue, along with conflicting expectations.

Key informants we talked with in Tonga acknowledged that more face-to-face discussions in Tonga between the partners might have helped the NZ partner appreciate that its in-country partner business enterprise was still at the social enterprise phase.<sup>54</sup> MFAT officials also added that the two organisations had different views on the business enterprise.

The issue became critical when the activity's locally based buyer with links to the international market pulled out of its agreement with TNYC. This was due to a combination of failing to secure access to a large international market, and sensitivities surrounding the establishment of formal contractual agreements. It put the activity at risk as TNYC had already produced a large amount of VCO with no other buyer. With no revenue source, a contingency not covered in the activity budget, this affected RESULT's ability to secure organic certification, Hazard Analyses and Critical Control Point (HACCP), and laboratory testing.

With its sole buyer withdrawing from a more commercial relationship with the RESULT activity, TNYC looked to improve its internal processes, and sought out other buyers and markets.

Over the last ten months, the RESULT activity has continued to support and organise certification for farmers through selling its stockpile of VCO to the local market. This is based on an expectation that a guaranteed supply of certified VCO will help open access to domestic markets in Tonga and internationally. To manage future risk, the activity has also diversified into producing coconut milk for the local market.

## **Learnings from the two agriculture Fund activities**

Promoting ongoing open communication between partners and donor builds trust and mutual understanding, and this can enhance speed of decision-making around proposed changes in interventions. MFAT's willingness to allow the partners to adapt the Tongatapu Landcare activity ensured that the activity realised its objective of improving food security in three rural communities.

While its Results Framework was seen by the Landcare activity NZ partners as very useful, as it provided clear targets and expected outcomes for all parties to work towards, they acknowledged that some of the targets were hard to measure, and may have been set too high to achieve (e.g. aiming for 100 percent success leaves little room for an adaptive approach).<sup>55</sup> Reviewing and adapting results frameworks once implementation has started is

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<sup>54</sup> KI021.

<sup>55</sup> Activity Completion Report: Tongatapu Market Gardens, Tonga (12 October 2016).

a recognition that that an activity can still deliver with outputs and outcomes that were not originally planned, and still contribute to positive change.

MFAT's willingness to use an adaptive management approach and to encourage collaboration with other stakeholders also means that the RESULT activity has an improved likelihood of being an effective initiative.

Whether working in simple funder-implementer relationships, or more complicated partnerships with multiple actors, the key learning from RESULT is that it is important to seek alignment in activity objectives, attitudes, risk appetite, and flexibility of processes among all involved if an adaptive management approach is to be adopted.

## Tongan state sector Partnerships Fund activities (health and education)

In these case studies, we examine two Partnerships activities between state sector agencies:

- The Healthy Tonga Environments activity between the Institute of Environmental Science and Research Ltd (ESR) and Tonga's Ministry of Health's Environmental Health Department (Phase 2)
- Quality Teaching and Learning for Basic Education in Tonga activity between Accent Learning (a division of Victoria Link Ltd, Victoria University of Wellington) and Tonga's Ministry of Education and Training (MET) and the Tonga Institute of Education (TIOE).

### Background

MFAT has a 'whole of government' approach to working with the state sector through ongoing consultation and engagement on international development priorities. This includes major partnerships with state sector agencies that provide hands-on practical support to their counterpart organisations in Pacific Island countries.<sup>56</sup> The wider NZ state sector (e.g. Crown Research Institutes and tertiary institutes) is eligible to apply to the Partnerships Fund for international development work in their areas of expertise with in-country partners. The state sector organisations do not need to go through the Partnerships Fund accreditation process.

Both NZ state sector partners in this case study have partnered with government of Tonga agencies to harness New Zealand's expertise and knowledge in the health and education sectors. The government agencies in Tonga identified a need for the initiatives, and capacity and capability gaps within the agencies tasked with implementing the work.

Both activities align with MFAT and government of Tonga strategic objectives – Education and Health are two of MFAT's investment priorities, as they underpin economic and social development, and support future growth in the Pacific. However, Health is not a priority of

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<sup>56</sup> For example, NZ Police to build safer communities, MPI to develop biosecurity and fisheries, NZ Customs on leadership development and institutional strengthening, MBIE to lead the RSE Scheme, MCDEM to build disaster resilience, and peer-to-peer support activities, e.g. legislative drafting support through the Parliamentary Counsel Office.

the Tonga bilateral programme. These priorities are outlined in more detail in the following sections.

### **Donor harmonisation**

The Ministries of both Health and Education in Tonga acknowledge that the Partnerships Fund activities fill a need in the health and education sectors. However, senior officials we spoke with in Tonga would like more oversight of Partnerships Fund activities with government agencies at the concept design stage to avoid replication, and to help with planning and management of staffing.

The Ministry of Health is DFAT's sectoral focus, and one key informant, while acknowledging that the Healthy Tonga Environments activity is an important and priority project, wanted to comment on a wider issue facing the Ministry in regard to coherency and alignment of donor projects across the health sector.

This official added that some health officials know about the Fund and apply, even if the proposed activity is not a priority area for the Ministry.

*"It is the tail wagging the dog, and the challenge is how to ensure the most strategic projects are approved, rather than those based on personalities. DFAT is working hard with the Ministry on donor harmonisation, and MFAT has a very low profile although they do have health projects [as part of the Fund]. It would be good for Post to report to the Minister and CEO on what they are doing in the health space to help with our planning."<sup>57</sup>*

The Ministry of Education officials we interviewed held similar views but added the issue is largely due to the government department CEO three-year contract cycle. This can mean new CEOs bring new priorities for their agency with them. Although Quality Teaching and Learning for Basic Education in Tonga achieved early buy-in from the Ministry, staffing changes meant that the NZ partner had to keep regular contact and communication with education officials to ensure momentum for the activity continued within the Ministry.

The second phase of the health activity is still in the implementation phase and the education activity is completed. Most key informants we interviewed for these two activities:

- acknowledged that the Fund allows for more collaboration and more say on what they receive financial assistance for, and
- emphasised the importance of face-to-face interaction in building and maintaining strong working relationships within the Tongan cultural framework throughout the life of the activity.

### **State sector case study 1: the Healthy Tonga Environments activity**

The Healthy Tonga Environments activity is a partnership between the Institute of Environmental Science and Research Ltd (ESR) and the Ministry of Health's Environmental Health Department. It is a five-year \$1.47 million activity with start date July 2016 and end date June 2021.

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<sup>57</sup> KI021.

Water quality is important, especially in the outer islands, and the activity aligns with Tonga's Strategic Development Framework and Section 4.6 in the National Plan. The activity followed on from an earlier phase to continue to build the Environmental Health Department's capability to ensure it will be able to take actions to prevent, mitigate, and respond to environmental exposures affecting water quality.

The activity goal is to reduce the burden of disease in Tonga caused by preventable environmental exposures.<sup>58</sup> It intends to do this by:

1. enhancing the depth and breadth of Ministry of Health staff expertise through formal qualification and practical training;
2. formalising environmental public health (EPH) protection and enforcement priorities and practices in an EPH strategy, an action plan and an inspector's manual;
3. addressing the barrier of an inadequate evidence base of hazards and exposures by establishing an EPH laboratory service; and
4. developing a system for integrated EPH data storage, analysis and reporting.

The activity design takes a 'whole of system' approach, and key informants we interviewed refer to this approach as a good model. The design factors and outputs are seen to increase the likelihood that the activity will be effective and sustainable after the funding ends. Key success factors in this partnership are the strength of the relationship built during the first phase, as well as frequent visits (nearly every month) to Tonga by the ESR programme manager.

These key success factors include:

- ESR's collaborative approach to decision-making. In addition, its focus on building capacity within the Environmental Health Department is encouraging. Over the next four years, ESR will slowly withdraw as capacity is built within the in-country partner. ESR has also focused on embedding adequate regulatory resources for monitoring and reporting to mitigate any issues that may occur. It is envisaged that by year five, in-country partner staff will be able to undertake their own strategic review of the activity.
- The NZ partner had worked in-country prior to the activity being approved, and so is aware of social, cultural, and environmental conditions in Tonga.<sup>59</sup> This helped maintain good relationships with the in-country partner, which were built in the first phase of the project between the Ministry of Health and ESR, and ensured buy-in both at an operational level, and also at a management level.
- The NZ partner was willing to provide additional support and advice outside of its contractual obligations. "*We can pick up the phone to sort out any issues as soon as they appear.*"<sup>60</sup>

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<sup>58</sup> The activity Design Document for Healthy Tonga Environments, 21 April 2016.

<sup>59</sup> Part of their strong working relationship stems from experience working together on the Tonga Safe Rainwater Harvesting Guidelines, which was successfully launched.

<sup>60</sup> KI020.

- The four key outputs focus specifically on the sustainability of the activity after the funding ends. The concept design phase (although lengthy at 1–1½ years) was seen as important to firstly maintain trust between partners for this initiative, and secondly to identify the capacity needs with the in-country partner for it to be able to efficiently implement the activity.

The first year of implementation was used to ensure processes and systems were still in place, to get the tertiary qualification agreed with Fiji National University, and to confirm the appointment of an in-country project officer to provide surveillance for the remainder of the activity in regard to the infrastructure of the project.

#### **In-country partner capacity issues have delayed recruiting an in-country project officer**

The Healthy Tonga Environments activity has seen some delay, specifically in recruitment and ensuring the right resources are in place.

The engagement of an in-country project officer has proven problematic. Although there is a budget for this four-year role, it has meant that the candidate needs to resign from their current position, leaving a staffing gap for their employer. The chronic capacity issue within government agencies can mean delays in recruitment. To try and overcome these issues, other partners we interviewed were using young graduates to fill the gaps.

#### **A review of contract outputs at year two will ensure the activity is responsive to changing priorities**

Having monitoring and reporting systems implemented in the activity's first year will be useful to identify and address any issues with the activity. Both in-country and NZ partners added that a review of the contract outputs, for example, at year two of a five-year project would provide the flexibility needed to respond rapidly and address any pressing issues.

*“It is often apparent to those working in-country when an emerging issue has become significant enough to require external support for amelioration.”<sup>61</sup>*

It may also help address potential issues, such as planned revenue from laboratory services, as the expectation is that revenue collected will help sustain and maintain the laboratory. However, this will depend on whether the revenue is returned to the Ministry or is centralised and goes to the Ministry of Finance, which is the current system. Discussions with the Ministry of Finance early in the life of the activity may help put a system in place whereby revenue raised is tagged for the maintenance of the laboratory.

## **State sector case study 2: Quality Teaching and Learning for Basic Education in Tonga activity**

This three-year pilot activity addressed the needs of the stakeholders at the time of concept design and implementation, and is still aligned to current priorities.

Education is one of MFAT's investment priorities, with the goal to improve knowledge, skills, and basic education, and strengthen the provision of education. This may be achieved

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<sup>61</sup> KI007.

through improving attendance, teaching methods, leadership and management, and the use of assessment information.

The Tonga Education Support Program II (TESP II) concluded in 2016 and supported the Education Policy of the government of Tonga. It aimed to improve equitable access, improve early grade student learning outcomes, and strengthen the capacity of the Ministry of Education and Training (MET).

In 2011, the newly appointed Minister of Education in Tonga emphasised the need to focus on strengthening the professional development of teachers. At that time, field officers and the Professional Development team were not in a position to support teachers effectively, as they did not have the capacity to identify elements of good teaching practice.<sup>62</sup> To add to this, the Tonga Education Lakalaka Policy Framework 2012–2017 states, “*Development cannot occur effectively and efficiently without educated and skilled manpower*”.

As a result of this identified pressing issue, Accent Learning (a division of Victoria Link Ltd, Victoria University of Wellington) met with the Tongan Minister of Education, the Dean of the Tonga Institute of Education, officials in charge of teaching and learning, and the NZ Deputy High Commissioner. All expressed concern with teaching quality in primary school basic education. Accent Learning then worked with the Tongan Ministry of Education and Training to identify existing gaps in teaching and learning, in order to focus on professional development training in literacy.<sup>63</sup>

The Quality Teaching and Learning for Basic Education in Tonga activity is an outcome of these discussions. It aligned well with MET’s strategic plans, the new school curriculum, and the priorities outlined by the then Minister of Education. The activity started June 2014 and ended August 2017. Its total budget was \$417,076.

The three-year pilot was to reframe the teaching approach in Tongan primary schools through a programme of professional development focused on inquiry-based teaching and learning. The activity up-skilled MET field officers, and teacher educators from the Institute of Education, to improve their ability to deliver professional development and teacher-training, and pass their knowledge on to teachers and trainees. By improving the approach to teaching and learning in Tonga, it would improve literacy success for Tongan children.

**Effectiveness of the activity relies on regular communication between partners, and regular visits to Tonga by the NZ partner to keep the momentum going in light of changes to in-country partner personnel**

Institutional capacity, along with political and institutional change, can limit the level of activity progress. Successful implementation relies on the NZ partner’s commitment and regular engagement to keep the momentum of the activity going within a government agency, during either political or institutional changes.

Effectiveness of the activity relied on applying a good-practice model to the Tongan context, and having it implemented by the Tongan field officers and Professional Development team.

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<sup>62</sup> Activity Completion Assessment for Quality Teaching and Learning for Basic Education in Tonga, 24 July 2017.

<sup>63</sup> Activity Design Documents for Quality Teaching and Learning for Basic Education in Tonga.

This also increased ownership of the activity by these stakeholders, who understood the value of the model.

Key informants we spoke with in New Zealand and in Tonga,<sup>64</sup> as well as the Activity Completion Assessment report, assessed that the activity was successfully delivered and achieved its intended short-term and medium-term outcomes.

The approach to work within the curriculum and syllabus, as well as using the Professional Development team and field officers to implement the Inquiry Model (which was the core focus of the activity), was key to the successful implementation of the activity.

The Professional Development team and field officers were provided with the necessary tools (training resources including videos and handbooks) to identify and practice good teaching. The Inquiry Model was also adapted to the Tongan context and the resources are still being used by Ministry staff.<sup>65</sup>

### **The three-year cycle for Tonga government CEOs can affect the continuity of partnering with government agencies**

Key informants acknowledge that government agencies operate “*under a volatile environment of a constant change of key officials, personnel, and policy*”, which can make buy-in and ownership difficult. Often the trigger for policy change is at the highest level and is politically driven:

*“... change occurs when a new Minister or CEO start and they have different priorities from what is already being implemented and this can affect the momentum of implementing activities.”<sup>66</sup>*

The Ministry of Education officials acknowledge that the current policy of contracting a CEO for three years appears to be limiting the ability to effectively manage the Ministry and implement strategic policies on the ground. The TESP II report documented, and MFAT official commented, that the issue over this period was the quick succession of acting CEOs, not that CEOs are appointed for a three-year term. However, key informants in Tonga commented that the constant change of CEOs has caused frustration amongst officials, with the loss of institutional knowledge specific to the Fund activity. Other situations are that the activity encounters hesitation at the official level, where an understanding of the partnership needs more clarity through dialogue and negotiation, even where it has already been endorsed at the ministerial level. This is “*taken as a challenge but has to be done*” – that is, despite officials not being involved at the initial stages, the activity nonetheless has to be implemented.

### **It can take up to a year to refine the design and assess the capacity of the partners to implement the activity**

Key informants reflected that a three-year period was optimistic for a number of reasons. This has also come through in interviews about other projects. Accent Learning was new to working with the Ministry, and in Tonga it takes time to build relationships and trust. As well

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<sup>64</sup> KIs 002, 014, 017, 018, 022, 024.

<sup>65</sup> KI024.

<sup>66</sup> KI014.

as being a new partner with MET, Accent Learning was new to working in a development context in a Pacific country.

The first year for Partnerships Fund activities in Tonga can be spent on the ground working through capacity issues with the implementing partner, and adapting to changes in the political environment and to changes of personnel. For example, it took time for the field officers and Professional Development team to understand the Inquiry Model's relevance in the Tongan context, but once they did understand it, it was well received.

Measuring long-term outcomes for a three-year period is difficult. In addition, Accent Learning had trouble obtaining baseline and control data for comparison. There had been an issue around selecting the pilot schools, and as noted in the ACA, in the interests of unity Accent Learning dropped the idea of having 'control' schools (to be used in comparison to the pilot schools). This was because the proposed 'control' schools were being used as part of other donor-funded activities, including other MFAT-funded activities.

Although this activity was viewed positively by Ministry of Education senior officials, they did express some frustration at having to deal with multiple donors and multiple activities within the Education sector. They commented that this was placing pressure on staff, with unrealistic timeframes to achieve milestones. This builds pressure within the Ministry, especially with a new CEO who may have different priorities for the Ministry.

Regarding Partnerships Fund activities, one key informant commented that often the Ministry of Education feels "*ambushed/surprised*" and is not fully aware of an activity until the implementation stage. They would like more inclusion in the decision-making process of the activity at an earlier stage. *Donors do not have a consistent approach when working with them and this trickles into challenges for monitoring.* This key informant did acknowledge that churn within the Ministry can contribute to this, but suggested that a briefing by Post when there is a new Education CEO will help the new CEO understand the MFAT-funded activities underway in the Education sector.

## Common learnings from these case studies

The four activities in this case study generally align with the strategic priorities of MFAT and the government of Tonga, and the in-country partners stressed that these Partnerships Fund activities encouraged shared decision-making, which increased the likelihood of ownership after the activities were completed. Other learnings include the following:

- In-country partners in Tonga benefit from partnering with NZ partners, largely because of their lack of capacity to partner directly with MFAT.
- An adaptive approach to project management:
  - enables the NZ partner to refine the activity design and assess the capacity of its in-country partner to implement the activity;
  - enables Partnerships Fund activities to deliver positive outcomes;
  - increases the likelihood of long-term sustainability of the activity; and
  - ensures the activity is responsive to changing priorities in-country.
- Increased ownership by the in-country partner and other beneficiaries during implementation increases the likelihood that an activity will be sustainable after funding ends.

- Effectiveness of an activity relies on regular communication between partners. For Tonga, this may include regular visits to Tonga by the NZ partner to keep the momentum going when there are changes to in-country partner personnel.
- There was a series of acting CEOs over this period, and the three-year cycle for Tonga government CEOs can affect the continuity of partnering with government agencies. Addressing this requires more deliberate action to brief CEOs and maintain momentum for funded activities by NZ partners and Post.

## Fijian case studies

In what follows, we examine two case studies, both focusing on Fund activities delivered by NGOs.

The first is a WASH sector activity delivered under the MFAT Health Investment priority. The name of the activity is *Increasing Access to Safe Water and Sanitation Facilities and Services with the Maritime Islands of Fiji*. The lead partner organisation is Rotary New Zealand, while the in-country implementing partner is Rotary Pacific Water for Life Foundation (RPWLF). The activity was funded under Funding Round 3 of the Partnerships Fund, and its implementation commenced in June 2014 and was expected to end in late 2017. The activity's budget was \$1,212,379, of which \$969,903 was requested from MFAT.

The second case study is a Fisheries sector activity delivered under the MFAT Fisheries Investment priority. The name of the activity is *Securing Food, Fisheries and a Sustainable Seafood Future in Fiji*. The lead partner organisation is the World Wide Fund for Nature (WWF) New Zealand, in association with Le Cordon Bleu New Zealand, while the implementing partners are WWF Pacific Office and the Fiji Fishing Industry Association. The activity was funded under Funding Round 1 of the Partnerships Fund, and its implementation commenced in January 2014 and was expected to end in December 2016. It was still being implemented as of late October 2017. The activity's budget was \$2,100,000, of which \$1,680,000 was requested from MFAT.

The case studies are based on key informant interviews in Wellington and Fiji, on Activity Design Documents (ADDs), MFAT Activity Monitoring Assessments and on information presented in the independent Country Programme Evaluation of the MFAT development cooperation programme in Fiji. The conclusions and reflections derived from the case studies were also informed by a site visit of the *Consolidating Rural Training in the Northern Provinces of Fiji* Fund-supported activity led by Caritas Aotearoa New Zealand and implemented by the Tutu Rural Training Centre in Taveuni, Fiji. Key informant meetings were also held with representatives from each of these organisations. Conclusions were also informed by meetings with key informants in Wellington and Suva from private sector firm Sunergise International Limited regarding the Fund-supported activity SUNACCESS. This activity is at too early a stage of implementation to inform perspectives.

### Background

MFAT faces a rather complex operating environment in Fiji. This is primarily a function of the challenging political context but also of a number of economic challenges, including the contraction of the sugar industry. The 2006 coup in Fiji was at odds with New Zealand's interests and principles. New Zealand's reaction to it, through the imposition of sanctions, had a significant impact on relations between the two countries and created a level of political tension that hitherto did not exist and is likely to have ongoing effects for some

time. The Fijian elections of 2014 saw political re-engagement with Fiji, but New Zealand has opted for a cautious approach. Risk aversion and maintaining a low profile are the key MFAT relationship management strategies.

New Zealand has scaled up its development cooperation with Fiji since the 2014 Fijian elections. Its response to the impact of Cyclone Winston in Fiji has intensified this process, but even in the absence of this response a scale-up is evident.

New Zealand's cautious approach to its re-engagement has significantly restricted its choice of aid modalities. New Zealand (and Fiji) are more comfortable, at present, with lower-order modalities as this limits the need for engagement at a high level on transformative issues. The Partnerships Fund modality is clearly within the choice set, and this is reflected in the 12 activities it has funded in Fiji. An avoidable consequence of the limited choice of modalities has been the proliferation and fragmentation of the New Zealand aid programme in Fiji, with the number of activities funded under it having increased from 51 in 2013 to 68 in 2016.

### **Case study 1: Rotary's Increasing Access to Safe Water and Sanitation Facilities and Services with the Maritime Islands of Fiji activity**

As outlined in its ADD, this activity targets Maritime Islands and Bua Province, Vanua Levu, with the aim of providing 22 communities in Maritime Fiji (8 villages, 9 settlements, and 5 primary schools) with improved access to potable water and improved sanitation. In addition to providing drinking water and sanitation infrastructure, the activity intended to work with communities to increase knowledge and improve water source management and sanitation practices, and in so doing promote gender equality by facilitating women's participation in community discussions and decision-making.

The activity had four immediate or **short-term outcomes**:

- improved access to safe drinking water sources and sanitation services;
- strengthened capacity in remote rural communities to operate and maintain water systems and sanitation facilities;
- communication plan implemented in target communities in collaboration with government and civil society groups; and
- knowledge in households and schools increased on safe hygiene and sanitation practices.

There were three **medium-term outcomes** expected from the activity:

- increased equitable use of improved water supply and sanitation facilities;
- water sources protected from environmental destruction due to farming and animal husbandry; and
- enhanced practice of safe hygiene and sanitation at household and school level.

The activity aimed to achieve one major **long-term outcome**. It was:

- a healthier population with reduced risk of water-related disease.

Each of these groups of outcomes were thought to be causally linked, with the achievement of the short-term outcomes leading to achievement of medium-term outcomes, which in turn would lead to the long-term outcome.

Key to the activity were the outputs to be delivered in the short-term. They were the establishment of community or school water systems and basic sanitation, provision of technical training and mentoring for field staff of RPWFL on water, sanitation and hygiene, establishment of a communication plan to promote healthy WASH habits, production and dissemination of a self-help maintenance guide for target communities, and WASH training and mentoring provided by RPWFL.

An MFAT AMA finalised in July 2017 favourably reported on the activity. Progress in delivering outputs and in achieving short- and medium-term outcomes was given a rating of Adequate. The activity's plan for ensuring the sustainability of benefits in transition and exit was also rated as Adequate. The most significant achievements of the activity were that 2,398 people in 21 of the 22 targeted sites were using new or improved water and sanitation infrastructure. This was higher than the target of 1,300 people, owing to adjacent communities benefiting from improved water supply at targeted schools; fixing water supply problems at these schools required upgrading of systems in some adjacent communities.

This achievement was notwithstanding damage to sites and water structures caused by TC Winston and delays at the commencement of implementation owing to questions regarding the capacity of the implementation partner to raise required match funding.

RPWFL staff based in Suva conveyed very candid views on the sustainability of the project, and of the Partnerships Fund more generally. These staff were of the view that sustainability is a major issue and a core challenge for the future of the activity. Sustainability was thought to be a problem owing to insufficient beneficiary community ownership of the project and the associated problem of a reluctance in these communities to maintain the infrastructure provided by RPWFL. It was pointed out that an expectation within these communities was that RPWFL would continue to provide maintenance, even after the completion of the activity. It was emphasised, however, that RPWFL, as an organisation that had been in Fiji for many years and one with close links to beneficiary communities, would continue to provide this maintenance after the end of the activity, if necessary raising additional funds to do so.

On the Partnerships Fund itself, RPWFL staff were rather complimentary about it overall. It was considered less onerous than funding schemes operated by other donors, and its relatively short-term transactional nature encouraged more timely delivery of development benefits. There were concerns, however, on the match funding requirement, which had been difficult to meet. There were also concerns about what was seen as an excessive amount of time to move from the submission of concept notes to the approval of ADDs. This concern was also strongly expressed by the leadership of the Tutu Rural Training Centre in Taveuni, responsible for implementing the *Consolidating Rural Training in the Northern Provinces of Fiji* activity, who noted that it took two years from the submission of the concept note to the initial receipt of funds for activity implementation.

There was also concern about MFAT staff from the New Zealand High Commission in Suva. It was felt that there was too little engagement. Greater engagement would not only provide greater NZ visibility around the activity, but also provide opportunities for mutual learning, especially about what NZ was hoping to achieve in Fiji and the priorities for its

development cooperation. It was specifically stated that a more direct line of communication with the High Commission, with more frequent engagement, is warranted. This was also the strong view of the leadership of the Tutu Rural Training Centre.

## **Case Study 2: WWF's Securing Food, Fisheries and a Sustainable Seafood Future in Fiji**

As outlined in its ADD, the overall goal of the activity is to promote the wellbeing of coastal communities in Fiji through sustainable in-shore fishing. This is to be achieved by empowering Vanua Levu Qoliqoli communities, building district fisheries management capacity, engaging seafood supply chains and enabling the hospitality sector to source seafood sustainably and return economic benefits to these communities. Essentially, it aimed to supply fish to hotels in a sustainable manner to bring revenues back to the fishing communities.

The activity sought to achieve two long-term outcomes between 2013 and 2016. They were:

- increased benefits to community members from better-managed in-shore fishing; and
- sustainably managed in-shore fisheries.

These benefits enhanced the financial wellbeing of communities, by obtaining better fish pricing and by maintaining and sustainably managing the reef ecosystems to preserve the cultural wellbeing of communities and the biological value of the inshore fisheries. While focused on four districts, a perceived innovation of the activity is the building of links between the hospitality sector and the Qoliqoli District.

The activity was intended to achieve these benefits through the delivery of four outputs, as follows.

- **Output 1: community support and empowerment.** The intention was to build community capacity in best practice fisheries management, post-harvest fish handling, and gender-targeted business and household financial management. Village communities within four target north coast districts of Vanua Levu were targeted: Dreketi, Sasa, Macuata and Mali (Macuata Qoliqoli Cakovata).
- **Output 2: district-level sustainable development planning.** This output involved working with communities and the four district authorities to support the development of community-led sustainable development plans, and the mechanism by which funds from hotels are returned to communities and managed, allocated and reported on.
- **Output 3: responsible seafood sourcing by the hospitality sector.** The delivery of this output involved working with the Fijian hospitality sector, including the Shangri-La Fijian, Hilton and Sheraton hotels, to ensure the benefits from responsibly sourced coastal seafood flow back to the community to support well-managed fisheries.
- **Output 4: mapping and engaging the supply chain.** This involved documenting and making transparent the complex seafood supply chain from fishers to traders, traders to processors and suppliers, and suppliers to the end users such as the hospitality sector, supermarkets or export consumer markets.

MFAT undertook two AMAs of the activity. The first was finalised in December 2015, covering the period March 2014 to February 2015. It received a rating of Not Adequate in delivering on outputs owing to implementation delays. These delays were due to the “lengthy

recruitment of the WWF project team”.<sup>67</sup> The AMA, however, noted that the activity was well placed to achieve short-term objectives in year 2, with “*healthy relationships*” between hotel partners and communities having been built and with “*enthusiastic buy-in*” being achieved.<sup>68</sup>

The second AMA was finalised in June 2016 and covered the period March 2014 to February 2016. A much more positive assessment was provided.

- It was reported that all of the above-outlined outputs were either on track or had exceeded their targets.
- A key conclusion was that the activity “*will have a significant impact on the community especially for women who in a traditional Fijian community can be marginalised*”.<sup>69</sup>
- Progress in delivering outputs was rated Very Good and progress against short-term outcomes was rated Good.
- On sustainability, it was commented that “*new supply chains are being finalised linking communities to hotels*”<sup>70</sup>

These positive assessments notwithstanding, a number of fundamental sustainability issues have since become apparent. These point to the high ambitions associated with the activity, and limits on what can feasibly be achieved in a reasonably small project, in a comparative sense, with a budget of \$2.1 million. They also point to fundamental activity design issues. The evaluation team became aware of the sustainability issues during key informant discussions with WWF and MFAT staff in Suva and Wellington. Arguably, the most serious is a supply chain problem. The activity design assumed that the beneficiary communities would be ready to act as middlemen and totally take over the supply of fish to the hotels. This has not been the case. Suitable transport options have not been identified and facilitated. Another assumption was that a certifying body and independent assessor would certify that fish were caught in a sustainable manner. However, these entities do not exist and their establishment was not factored into the activity budget as outputs. WWF instead encourages and reports on the “*responsibly caught*” seafood.

On the first of the issues, WWF Pacific Office staff have committed to continuing to fund the transport of fish supplies to the hotels until at least 2020. Unless the beneficiary communities can facilitate this transport in the meantime, then sustainability benefits are in peril.

## Common learnings

### Case study investigation: effectiveness, capability and sustainability

There are four dominant messages that come from the two case studies.

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<sup>67</sup> Activity Monitoring Assessment for PF 1-326 WWF Sustainable Fisheries, Fiji, 1 December 2015, p. 1.

<sup>68</sup> Ibid., p. 2.

<sup>69</sup> Activity Monitoring Assessment for PF 1-326 WWF Sustainable Fisheries, Fiji, 2 June 2016, p. 2.

<sup>70</sup> Ibid., p. 3.

1. Both the **activities examined are effective** in that outputs and outcomes have been achieved, sustainability concerns notwithstanding. The same conclusion regarding effectiveness also applies to the activity delivered by the Tutu Rural Training Centre, although it is too early to judge the likely sustainability of this activity's benefits.
2. The second message concerns the **capability** of the implementation organisations, which is clearly very high. This is also evidently the case with the Tutu Rural Training Centre. While the latter noted that it requires a partner with proposal-writing capability (including the ability to write 'development speak' that appropriately articulates links between activity outputs and outcomes to themes in international development thinking), it is reasonably clear the RPWLF and WWF Pacific Office could submit competitive funding proposals without a New Zealand-based partner.
3. The third concerns **sustainability**. The question is whether sustainability, viewed as the capacity and willingness of beneficiaries to act in a self-reliant manner, ensuring the continuation of intended activity outcomes, is a reasonable expectation of activities on the scale of those supported by the Partnerships Fund. This question is of course not just about activities supported by the Fund, but any activities that are small in a budgetary sense and delivered over three years.
4. The fourth concerns New Zealand's **visibility** as an aid donor in Fiji. Post's limited engagement and light management touch (mentioned below) limit New Zealand's visibility as an aid donor. New Zealand's broader foreign policy interests are promoted by it being associated with or having visibility around good activities delivered by locally respected and well-known organisations, such as the Tutu Rural Training Centre, WWF and RPWLF.

### **Post perspectives**

NZ Fiji Post perspectives are also relevant here, as they relate to the general delivery of the Partnerships Fund in Fiji. Key informants from Post provided the following perspectives.

- There can be a lack of clarity over who is responsible for Fund activities. For example, confusion can arise over whether partners communicate with the Fiji High Commission or Wellington.
- MFAT Fund staff in Wellington are faced with the daunting challenge of seeking at a distance to understand the local Fijian context, which can be extremely complex.
- In terms of coherence and alignment, a view was expressed that Fund activities were often not aligned with objectives but that this did not always matter as the smaller, shorter nature of the Fund activities, and the 'quick wins' they could deliver, were a bonus.
- Line of sight at Post regarding these activities is not very clear, and this often means a 'lighter touch' is shown towards Fund activities.
- There is significant potential merit in engaging with the private sector in the delivery of activities in Fiji, despite risks associated with increased innovation, but this is perhaps better facilitated by direct contracting through the bilateral programme.
- The Fund is seen as a useful way to engage with New Zealand civil society, rather than the best modality for delivering aid.

## Appendix 7 AMA and ACA data

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This appendix contains the independent analysis of MFAT's self-assessment Activity Monitoring Assessment and Activity Completion Assessment documents and data. See Limitations in Section 1 on potential bias of the data.

### Background

MFAT has two standard reporting formats to record activity monitoring:

- **Activity Monitoring Assessment:** AMAs are the main mechanism through which MFAT reflects on and records the performance of activities each year. Each AMA focuses on recording results (outputs and outcomes) and brings together MFAT's assessment of the activity's effectiveness, relevance, efficiency and sustainability. They are intended to be candid assessments of activity performance undertaken by the activity manager based on their best judgement of available evidence, in consultation with other relevant staff.

At least one AMA must be completed each year for any activity with annual expenditure of over \$250,000 or smaller Activities with a high-risk profile. Discretion is provided to staff to choose the most appropriate time each year to complete them.<sup>71</sup>

- **Activity Completion Assessment:** ACAs are similar to AMAs, but completed at the end of an activity. Assessments look at largely the same criteria as the AMA, but the focus is on overall achievement of results and whether corrective actions were taken from previous AMA recommendations.

An ACA must be completed for any activity with a total expenditure of over \$500,000, but can be prepared for smaller activities in view of factors such as risk profile or learning benefits to be gained. ACAs should be completed within one month of MFAT receiving the final completion report from partners.<sup>72</sup>

### Assessment framework used

For each activity, the evaluation team compiled ratings for three criteria from the AMA(s). In that respect, note that the analysis here is a summary of the results contained in the AMAs rather than an independent assessment of the activities themselves. As already discussed in the Limitations section, we place a caveat on this self-reported data, and they are used to supplement our own observations from case studies and interviews rather than as direct evidence.

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<sup>71</sup> *Preparing an Activity Monitoring Assessment (AMA) Guideline*, provided to the evaluation team by MFAT.

<sup>72</sup> Ibid.

The three ratings compiled were:

### 1. **Effectiveness**

Each AMA contained ratings from the activity manager for *Progress delivering the activity's outputs*, *Progress against short-term outcomes*, and *Progress against medium-term outcomes*. As per MFAT's activity Quality Rating Scale, these were on a sliding scale from Very Good, Good, Adequate, to Not Adequate, or Not Rated. Not Rated was used where the activity manager felt insufficient progress had been made on the activity to make an assessment (e.g. for several activities, the effectiveness of medium-term outcomes was not rated in the activity's first or second years).

### 2. **Efficiency**

Unlike Effectiveness, the activity manager's assessment of Efficiency in each AMA was in the form of a qualitative comment. To permit quantification, these qualitative comments were assigned a rating, similar to those used for Effectiveness, by the evaluation team based on our best judgement. These ratings were:

- Very Good, if the activity had delivered better-than-expected results to date given the amount of actual/planned expenditure;
- Good, if the activity was on track and had delivered the expected results given the amount of actual/planned expenditure;
- Adequate, if the activity was broadly on track with its results given expenditure, but some issues or concerns were noted; or
- Not Adequate, if the activity had delivered fewer results than expected given the amount of expenditure to date.

### 3. **Sustainability**

Again, the activity manager's assessment of Sustainability in each AMA was in the form of a qualitative comment. To permit quantification, these qualitative comments were assigned a rating by the evaluation team on the following basis:

- Yes, if measures were being taken to ensure the activity's benefits continued beyond MFAT funding and no concerns were cited;
- Uncertain, if risks about sustainability were flagged but these were raised as potential risks that could still be addressed; or
- No, if serious concerns were raised and the comments suggested the issues were real, substantial, and would likely prevent sustainability.

Each AMA was also reviewed for a range of other information including how it was addressing cross-cutting themes, the reported quality of the activity's co-ordination and governance, and whether the partner organisation was meeting reporting requirements.

A similar approach was used for the results of each ACA. However, ACAs also include ratings from the activity manager relating to Relevance and Impact that we also compiled.

**Effectiveness: Progress towards delivery of outputs**

Very Good	10
Good	36
Adequate	9
Not Adequate	4
Not Rated	0

**Effectiveness: Progress towards short-term outcomes**

Very Good	4
Good	34
Adequate	13
Not Adequate	0
Not Rated	9

**Effectiveness: Progress towards medium-term outcomes**

Very Good	0
Good	28
Adequate	10
Not Adequate	1
Not Rated	20

**Efficiency**

Very Good	8
Good	40
Adequate	8
Not Adequate	3
Not Rated	0

**Sustainability**

Yes	37
Uncertain	15
No	2
Not Rated	5

## Findings from AMAs

### Effectiveness of activities

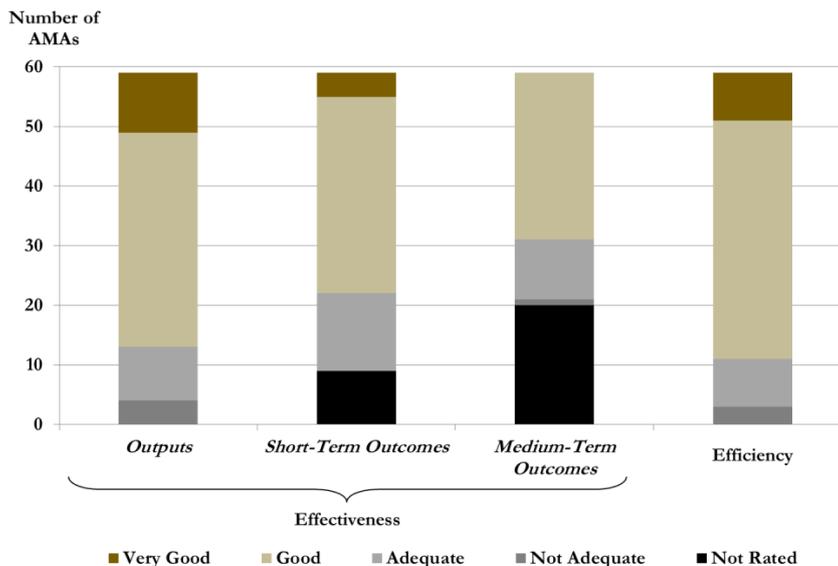
In terms of effectiveness of output delivery, a large majority (78 percent) of AMAs rated progress towards the delivery of outputs as Very Good or Good, with a further 15 percent rated as Adequate. Only four AMAs (7 percent) reported progress as Not Adequate.

In the cases where output delivery was deemed inadequate, this was typically due to significant delays involving in-country governments or (in one case) challenges recruiting the project team. In this case, the subsequent year’s rating was Very Good as the newly established project team made up for early delays. However, for the other three projects subsequent reporting is not available so it is not possible to know whether the inadequate output delivery was rectified.

The progress towards short-term outcomes was also widely positive, with no AMAs rated Not Adequate. However, this appears partly due to a tendency of activity managers to not rate an activity if there was limited evidence of outcomes being achieved. For example, in three of the cases mentioned above where delivery of outputs was behind schedule, the activity manager gave a Not Rated rating for progress towards outcomes as they felt insufficient progress had been made to be able to assess whether the outputs were achieving their intended results.

Progress towards medium-term outcomes was less clear, with no activities rated Very Good and over a third of activity managers deeming it too early to tell whether medium-term results were being achieved. However, as many of the AMAs relate to earlier years of implementation this is not surprising. Only one AMA contained a Not Adequate rating, but this was in the first year of the activity and the second year’s AMA raised the rating to Adequate.

**Figure 22 AMA ratings for effectiveness and efficiency**



## Efficiency of activities

Overall, the vast majority of AMAs reported that activities' outputs and results were on track relative to expenditure. Around two-thirds of the AMAs (68 percent) reported that the activity's results were tracking as expected relative to expenditure, while a further 14 percent reported outputs and/or results to date had been better than expected given expenditure.

Only three AMAs noted concerns about the activity not delivering value for money. Two of these were the same activities mentioned above as being Not Adequate in terms of progress delivering outputs. In the first, the NGO provided additional funding to cover the early overspend, the work plan's initial costings were revised, and the following year the activity was back on track; while in the other case, significant delays getting curriculum approval from the Ministry of Education meant the NGO's fixed costs were accrued while almost no outputs or results were delivered (subsequent reporting for the activity was not available). In a third activity, poor design of WASH infrastructure installed by the project caused reinstallation costs and delays, along with issues arising from poor coordination and clarity of responsibilities. This ultimately resulted in the NZ NGO creating a plan to deliver all outputs to an acceptable standard, and monthly reporting to Post.

Many other AMAs noted activities were behind schedule or had experienced delays, but these were almost always associated with corresponding underspends and progress was expected to be made up in the activity's remaining years.

## Sustainability of activities

Almost all AMAs contained positive expectations around sustainability. Sixty-three percent of AMAs reported no concerns about sustainability, due to the measures being implemented and the early behavioural changes or local ownership seen (i.e. rated Yes). A further 17 percent reported sustainability was likely, but that risks existed that should be monitored (i.e. rated Uncertain). The nature of the risks varied, but several related to an observed waning of local enthusiasm or engagement, neglect of already provided equipment, or a need to obtain stronger commitments from local authorities (e.g. in the form of an MoU). Five AMAs (8 percent) reported it was too early to provide an assessment on the likelihood of sustainability.

All activities included design elements to ensure outcomes from the activity endured after PFID funding finished. These typically involved measures aimed at supporting local ownership (e.g. establishing local governance groups and/or encouraging strong involvement from local partners/authorities) and diffusing knowledge, skills, or awareness to beneficiaries through training and education. Where equipment was provided, several activities included some form of fee-paying or revenue structure to ensure self-financing of maintenance.

Only two AMAs reported significant concerns about the likelihood of benefits enduring after funding. In one case, it related to an unexpected policy change from the in-country government and in the other, it related to the capabilities of local trainers to sustain a youth training initiative. In the latter case, it led the local partner to secure a separate contract with another provider to consolidate progress and processes after PFID funding finishes.

## Findings from ACAs

There were only two ACAs provided to the evaluation team – one for an agriculture and WASH project in the Philippines and the other for a teacher-training project in Tonga. The low number of ACAs partly reflects the low number of PFID activities completed to date. As the Fund has only been up and running for five years and it often takes a year or so to begin implementation from initial approval, only a few two-to-three year activities from the earliest funding rounds have been completed.

### Relevance of activities

Both of the ACAs report a strong degree of relevance throughout the life of the activity. The Tongan teacher-training activity directly responded to a policy priority of the Tongan Ministry of Education to strengthen professional development of teachers. The Philippines agricultural activity responded to a need identified by an in-country partner to raise the agricultural capacity of communities for whom capacity was particularly low and susceptible to seasonal/environmental variability.

### Effectiveness of activities

Both ACAs report that all agreed outputs and short-to-medium-term outcomes were delivered, with the Philippines agricultural/WASH activity exceeding output targets.

*The agricultural/WASH ACA has fairly strong outcomes measurement achieved through an end-of-project survey. For example, it reports that 92 percent of beneficiary families reported increased harvests as a result of the techniques and equipment received; 85 percent found their food supply was now more sufficient for their needs; 81 percent reported an increase in their farm incomes, with the average increase reported being \$505 per year (a 27 percent increase); and there was a 91 percent decrease in waterborne/diarrhoeal diseases from a random sample of beneficiary families taken six months after project completion.*

The outcomes measurement of the education activity is slightly weaker, in part, it notes, because of challenges getting good baseline data. However, it still reports short-to-medium-term outcomes were met. For example, the rate of use by observed beneficiary teachers of planning, assessment, and teaching techniques at the end of the project ranged from 80–100 percent. It does note though that there was little evidence yet of longer-term educational outcomes for children being observed (e.g. higher test scores). It concludes that the three-year timeframe for the project was not enough for these to be seen.

### Impact of activities

Both report positive impacts. In the agricultural/WASH activity, this included observed unintended positive impacts for community harmony and confidence because of the community cooperation and leadership process established through the activity.

### Efficiency of activities

Both ACAs reported the activities were efficiently managed, with both remaining in budget. The agricultural/WASH activity spending was able to exceed the intended budget by making use of exchange rate gains. It also achieved support/admin costs of only 4 to 5 percent of the total activity spend, compared to the 10 percent permitted for PFID activities. Both

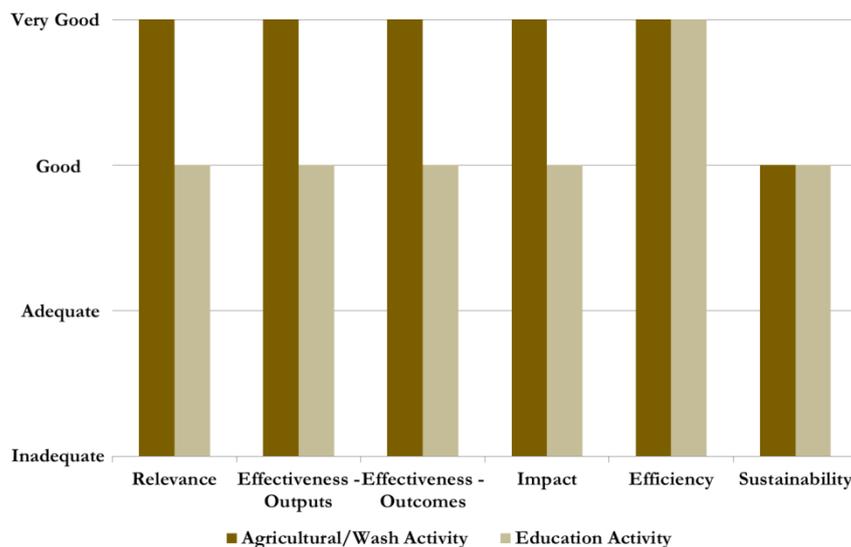
activities also reportedly made use of relationships with local partners to leverage their resources where possible.

### Sustainability of activities

Sustainability appears more questionable for both activities, with some concerns raised about the Tongan training initiative. The ACA notes that although teacher resources will remain available, the Exit Plan was relatively weak and a lot of the tasks in it were still “ongoing” or “indefinite” at the time of writing the ACA.

The agricultural/WASH activity reported stronger sustainability, with good behavioural changes observed and strong ongoing involvement of communities (six months after project completion, 98 percent of beneficiaries were still members of local farming associations). However, at least part of the sustainability relies on ongoing commitment from local partners, as both partners have long-term commitments to those communities and will continue to monitor and encourage engagement after PFID funding ends.

**Figure 23 ACA ratings for activity criteria**



### Completeness of AMA and ACA reporting

The set of AMAs provided to the evaluation team appears to be incomplete. While it is hard to calculate the number of missing reports accurately – given the discretion provided to activity managers around the timing for report completion and whether activities not meeting the expenditure threshold should have them in view of other factors – a number of AMAs are missing.

We note that in total 59 AMAs were provided to the evaluation team from 39 different activities. While acknowledging the constraints above, we make a simple estimate of the number of activities missing a single AMA, based on the number of activities with annual budgets over \$250,000 that were either in implementation or completed as at September 2017 and had a start date before 2017. This estimate suggests that a third of activities meeting the spending threshold to qualify for the preparation of AMAs did not have a single

AMA provided to the evaluation team. In terms of all PFID activities reported to be in implementation or completed, the 39 activities represent only 42 percent of activities.

However, unlike the AMAs, the ACA reporting appears to be complete. Only one activity completed to date has required an ACA based on the total budget threshold of \$500,000 – the agriculture/WASH activity discussed above. The budget for the education activity was below the threshold, and therefore an ACA was not required under MFAT guidelines, but an ACA appears to have been completed to ensure learning benefits were gained and shared.

## Appendix 8 Key themes from the focus group sessions and interviews

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### Focus group sessions

The focus group sessions were held in Wellington and Auckland, 17–24 October 2017. Discussion was used to identify key issues and to inform the survey questions. Key issues were also discussed further in the interviews.<sup>73</sup>

#### **Observations of the Fund by partners**

- The Fund has made partners more accountable.
- The Fund currently works but can be made more effective.
- Partners understand the Fund objectives and goals but there is a lack of clarity over the drivers of the Fund’s activities.
- Partners understand that the Fund will always be driven by what MFAT and the government think NZ as a country can offer. However, partners believe it also needs to be driven by the development needs and demands of local communities. There can be a tension if partners identify a genuine need that does not fit with the Fund’s criteria. Both are valid approaches. Nevertheless, better alignment between the two is needed.
- Predictability of funding. There are a number of NGOs in NZ with high operating costs who are highly dependent on government funding. These organisations face significant risks if there are changes to the government funding mechanism (e.g. if priorities change). So if the Fund had a stronger focus on collaboration with other partners (e.g. private sector, philanthropy), this would have the added benefit of diversifying funding and making the sector more resilient.
- Fund does not require state sector partners to find match funding and so some of the issues faced by NGOs are not relevant to this sector.

#### **Areas for concern**

- There is an emphasis on competition not collaboration.
- Some NGOs are having difficulties with match funding requirements, particularly small NGOs, or NGOs with limited access to funds or public donations.
- The time and effort needed for concepts with no guarantees of success.
- Mixed views on whether time spent up front on the design phase is a good or bad thing. Some partners think that this increases the likelihood of positive long-term outcomes.

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<sup>73</sup> We originally organised a focus group session in each city and invited 20 partners from the NGO and state sectors. However, due to availability issues, we added an additional session. Ten partners attended, and those who were unable to attend were either interviewed or completed the survey.

- Smaller NGOs feel they have specialist expertise (e.g. cross-cutting sectors), or influence within a country, which MFAT can benefit from.
- The Fund currently does not respond to the budgetary realities facing NGOs: “*it’s getting harder and harder to raise match funding from public donations*”. The Fund needs to be aware of this pressing issue, and what it will mean for NGOs in the future.
- The Fund provides opportunities for innovative thinking but is set up as a competitive mechanism where partners come to MFAT with competing ideas. “*This goes against the idea of a coordinated and synergistic mapping of the whole of NZ Inc’s contributions.*”
- MFAT through the Fund can help bring the different sectors (NGO, state and private sectors) together to work more effectively.
- NGOs are keen on collaboration and innovation but awareness of current ‘windows’, if they are to continue, needs to be increased.

### **Match funding**

Most people are supportive of match funding in principle, but criteria could be broadened. Currently it is seen as an overly complex process and a barrier for smaller NGOs. MFAT could redefine what match funding can include.

To encourage collaboration, there is a need to broaden the requirements for match funding to enable NGOs to source match funding from the private sector, another donor, or another NGO.

### **The application process**

- The application process is well facilitated by MFAT.
- The turnover of staff at MFAT is significant and affects relationship building.
- Some partners would rather have a much shorter concept note and then invest more in the design document. The application process discourages some smaller agencies from applying.
- Streamlining the concept design contracting process. “*Is there scope for partners with a good track record to be rewarded more?*” “*Or a stricter accreditation process but once approved, the process is more streamlined.*”

### **Other models**

- The Fund is less burdensome than other similar international development models. The Fund should still look to other NZ and international donor models for learnings.

### **Private sector collaborations**

- Partnerships with the private sector are another area that has grown in response to government incentives, but the way the model is set up does not encourage collaboration with the private sector. More can be done in this space.
- The Fund struggles to invest in and support the small social enterprises that often fall between public and private (organisations who are doing great work but whose missions often are for-profit).
- There is a drive from NGO members for CID to set up a business advisory panel to work better together and define what the shared values are between NGOs and the private sector. This would support better cooperation in the future.
- MFAT/the Fund could support collaboration between the private sector and other

NGOs (e.g. host sessions).

#### **The independent panel**

- There is little engagement between partners and panel, although it has consulted with CID about some issues.
- The membership could be more diverse and it could reach out to other similar bodies.

#### **PFID reporting requirements**

- One of the big challenges for partners is findings measures of impacts for the 3–5 year timeframe of the project.
- There are challenges with the results measurement framework and the ability to tell stories and illustrate quantitatively and qualitatively the impact the project is providing. *“More flexibility in the reporting process to be able to tell the story, and to describe impact would be helpful rather than just reporting against imperfect measures.”*
- Assistance is needed in the M&E part of the project to find realistic or proxy measures. Look to other donors in this space.

#### **Future look of the Fund**

- Predictability is the main feature organisations want in a funding mechanism.
- Partners to have an opportunity to be involved in the country strategy design process.
- Fund to consider a social investment model – finding profitable solutions to social development problems
- Fund to consider an investment model rather than the project-by-project model currently in place, e.g. longer-term projects or a series of related projects.
- A revised and simplified approach to monitoring and measuring impacts.
- Options for flexibility/broadening of match funding.
- A funding avenue that is targeted at supporting innovative ideas and that sits outside the usual process.
- More engagement with Post.
- A mechanism that applies across the aid programme, e.g. NGOs are treated similarly to the private and state sector providers.

## **Interviews with key informants**

Interviews were undertaken in New Zealand with key informant Fund partners, MFAT officials, and other stakeholders either in person or by phone (October to December 2017) and focused on the three key evaluation questions. The key themes from these interviews are outlined below. The account of the Evaluation design in Appendix 4 provides more detail on these interviews.

## Key points

### Overview of Fund by key informants

- There is sufficient clarity about the Fund objectives and priorities, but there is some lack of clarity over how the key objectives work together, and how objectives are implemented.
- The Fund has led to positive development outcomes in the countries and sectors in which it operates.
- It provides an opportunity to work in partnership with MFAT.
- The contestable Fund encourages more accountability.
- Engagement with MFAT is a positive feature of the Fund process.
- The Fund makes good use of partners' expertise and knowledge.
- The competitive nature of the Fund limits collaboration within the sector, restraining the NZ approach to delivering aid.

### Positive aspects of Fund

- Builds local capacity.
- Opportunity to work with state and private sectors.
- Encourages innovative designs.
- Builds long-term relationships and trust in-country and with MFAT.
- Access to additional funds.

### Issues with the Fund

- Length of time to work through concept design phase and move into implementation (issue could be with MFAT or partner, or both).
- Encourages competition amongst partners, not collaboration.
- Lack of access to MFAT strategic thinking
- Lack of capacity and capability of local in-country partners
- Takes time to build trust in-country and with MFAT.

### Role of NZ partners

- Specialist skills (e.g. sectors such as gender issues or climate change; monitoring and reporting; design applications).
- In-country knowledge not easily accessible to MFAT officials.
- Access to parts of the world MFAT is not currently involved in, but where there is a pressing need.
- Managing the contract and relationship with MFAT for local partner, including taking a lead role in the application concept design phase, undertaking regular monitoring visits, and co-ordinating transaction costs MFAT would otherwise bear.
- Managing the risk and potentially providing additional budget to ensure the activity is implemented.
- Building capacity to help local partners implement the activity.
- Providing access to resources for activities that local partner would not otherwise be able to access.

- Providing support to ensure the in-country partner has good governance and reporting systems in place.

#### **Local in-country partners**

- Identifying pressing needs.
- Providing expert local knowledge, and contacts within the community and government.
- Capacity and capability of local partners need to be assessed country by country.

#### **Factors that contribute to delivering positive outcomes**

- High-capacity local partners and capability to implement by local partners.
- Use of adaptive management.
- Established working relationships and regular communication between partners.
- Partners with strong track records.

#### **Sustainability**

- Fund activities can be small projects, and can be component parts of larger programmes juggled by NGOs to deliver longer-term outcomes.
- For larger NGOs, larger longer projects or core funding would provide a level of continuity and efficiency, which would mean partners avoid juggling funding from different sources internationally, permitting them to undertake long-term programmes in set communities.

#### **Elements that can contribute to the likelihood of longer-term sustainable outcomes**

- The capacity of the in-country partner and its beneficiaries' willingness to be self-reliant and continue with the activity outcomes.
- The NZ partner encourages shared decision-making, and embedding the Fund activity within the in-country context.
- Good concept design.
- The ability of the Fund activity to build in-country partner capacity.

#### **What does a well-designed activity look like?**

- Supports local partner and community ownership.
- Combines delivery of equipment or service with education about the equipment or service.
- Is a self-sustainable model.
- Is supported by the long-term commitments of local partners and their communities.
- Takes a 'whole of systems' approach.
- Includes relevant SDG goals to benchmark and measure activity against.
- Uses the most appropriate partners, not partners that will help the design be accepted.
- Design that factors in-country policy changes and adverse events.

#### **Applying SDG goals**

- Designs should include relevant SDG goals, and be responsive to individual country SDG progress.

- NZ's commitment could be met through the Fund activities that focus on cross-cutting issues.

#### **What does partnership mean?**

- Term needs to be clarified by MFAT, as there is confusion over what the term means.
- Role of local partner also needs to be clarified.

#### **Match funding and other funding mechanisms**

- Match funding encourages accountability but the criteria risk excluding potentially useful partners.
- Opportunity for MFAT to take stock and take learnings from other funding mechanisms.
- It is time to look at different ways partners can match fund. Suggestions include looking at other funding sources, e.g. DFAT, ADB, World Bank, Green Climate Fund.
- Broaden the criteria to include innovative financing such as crowdsourcing mechanisms.
- Increase the types of 'in-kind' contributions for smaller NGOs, e.g. including voluntary assistance and non-monetary donations (e.g. donated equipment).
- Reduce the amount NGO partners need to raise.

#### **Activity management can be improved by**

- Streamlining processes to reduce the compliance burden for partners and the administrative burden on MFAT Fund officials.
- Activity managers with development experience or relationship management experience, not just contract management experience.
- Rebalancing activity managers' workload.
- Managing turnover amongst MFAT activity managers as this affects continuity, institutional knowledge, and relationships.
- Modifying the contract process to allow for extensions of well-performing activities.
- Updating the accreditation process. An opportunity to reduce the amount (and duplication) of information required.

#### **Future look of the Fund**

- Streamline concept design and contract process.
- Extensions of well-performing activities.
- Partners to have better oversight of MFAT's country strategies.
- Match funding criteria broadened.
- Encourage social enterprise activities, enterprise initiatives, and innovative ideas to be tested.
- More involvement by Post with local partners.
- Make the Fund easier for partners from different sectors (NGO, state and private sectors) to collaborate in.
- Designs that factor in capacity building.
- Allow for longer-term investments.

- Review results management framework and make available appropriate measures of impact.

## **Themes from key informant groups**

### **MFAT key informants**

- Sectoral focus of non-Fund support in partner countries is not without gaps, and Fund can be used to offset these gaps: *“a little bit of non-alignment is not necessarily a bad thing”*.
- The Fund provides a sectoral presence that MFAT programmes would not otherwise have. The Fund can usefully add ‘bulk’ to these programmes.
- There is a ‘light touch’ by MFAT during implementation as the NZ partner takes on the lead responsibility for monitoring and reporting.
- MFAT Posts have limited visibility around Fund activities. This means that New Zealand does not derive full acknowledgement as a supportive donor, which limits visibility and foreign policy dividends from the Fund.
- Lost opportunities for harmonisation and cooperation more generally.
- Desirable to review the Fund windows, noting low number of successful applications.
- Much of Fund activity managers’ time spent upfront working with partners (in particular small NGOs) on concept design and contracting phases.
- Match funding provided an efficient mechanism by which MFAT was able to manage the numbers of NZ NGOs operating in the international development space.

### **State sector informants**

Key factors of the Fund that contribute towards delivering positive outcomes:

- Constructive working relationships and effective co-ordination between partners.
- Good systems embedded at the start of the project.
- Open communication with MFAT.
- Ability for MFAT and partners to take an adaptive approach to deliver positive outcomes.
- SSOs do not need match funding.
- Time spent on good design increases the likelihood that the activity will support enduring benefits.

## Appendix 9 Survey results

The Partnerships Fund evaluation e-survey is part of a suite of tools we used to inform our evaluation findings. This was done in addition to our interviews and focus groups sessions (Appendix 8), to ensure that all partners on the MFAT Partnerships Fund contact list had an opportunity to engage in the evaluation.

### The survey

Originally, MFAT identified 50 NZ partner organisations to send the survey to.<sup>74</sup> To ensure a wider level of engagement we sent the survey to all 157 on the MFAT partner contact list.<sup>75</sup> These included NGOs not listed as accredited, partners who were not successful with their concept proposals and NZ partners who may have already been interviewed or attended a focus group session.<sup>76</sup>

**Table 5 Number of partner organisations consulted for the evaluation**

	Survey (NZ only)	Interviewed (NZ and in-country)
NGOs	18 <sup>77</sup>	14
Private sector	7	2
State sector	10	8
<b>Total</b>	<b>35</b>	<b>24</b>

### Results

This section presents the survey results by partner sector and also by total responses. Where applicable we have used percentages. Open-ended responses have been analysed using thematic analysis and these are also reported in this section. We were unable to analyse NGO responses by size of organisation as there are different interpretations of what constitutes a large NGO. Some NGOs assess this by number of staff, and others by turnover or level of influence they have in-country.

<sup>74</sup> Seventeen from this list of 50 completed the survey and a further seven partner organisations were interviewed.

<sup>75</sup> The original total was 170, but 13 emails were not delivered so the revised total was 157. Seventy-one were from NGOs (including 30 NGOs not accredited), 61 were from the private sector, and 25 from the state sector.

<sup>76</sup> We advised those who were interviewed or attended a focus group session that they did not have to complete the survey, to avoid evaluation fatigue.

<sup>77</sup> Includes 7 from the top 15 PF partners, and four from non-accredited NGOs.

## Sixty-three percent of respondents thought there is sufficient clarity about the Fund objectives and priorities

Table 6 shows that most state sector respondents (80 percent) said there is sufficient clarity about the Fund objectives and priorities, followed by 61 percent of NGO respondents. Just over two-fifths (43 percent) of private sector respondents thought there is sufficient clarity.

**Table 6 Is there sufficient clarity about objectives and priorities of the Partnerships Fund? (N=35)**

	Yes	No	Don't know
<b>NGO (n=18)</b>	11 (61 percent)	7 (39 percent)	0 (0 percent)
<b>Private sector (n=7)</b>	3 (43 percent)	3 (43 percent)	1 (14 percent)
<b>State sector (n=10)</b>	8 (80 percent)	2 (20 percent)	0 (0 percent)
<b>Total (N=35)</b>	<b>22 (63 percent)</b>	<b>12 (34 percent)</b>	<b>1 (3 percent)</b>

We asked those who said 'no' why they think this is. Most responses refer to the following:

- a lack of clarity about how objectives are to be implemented and criteria assessed; and
- MFAT priority areas for the Fund are too narrow, which leads to it not being responsive to changes in-country.

*The objectives of what the fund wants to achieve are clear, however it is unclear how the fund or MFAT will use or support the mechanisms, expertise and partnerships post activity. (NGO, 027)*

*The Partnerships Fund was set up as a catch all apparently to streamline administration. As such, it takes a number of disparate streams of work into a single administrative structure. It ends up lacking in focus, as one programme does not have the flexibility to respond to different situations/objectives. (state sector, 007)*

*There needs to be a wider engagement with private sector of how the fund works. (Private sector, 014)*

*Clarity can only come from the partners. It is their objectives and priorities that should be taken into consideration. To achieve this, programmes/projects should not be given objectives or priorities unless long and careful negotiations are entered into with the partners. This means sitting with them, living with them and asking them questions as to how the Partnerships Fund can assist them. (NGO, 019)*

## Seventy-two percent agreed the Fund has led to positive development outcomes in the countries and sectors in which it operates

Private sector respondents were less likely to agree, which may reflect the lack of successfully implemented private sector Fund activities.

**Table 7 Has the Partnerships Fund led to positive development outcomes in countries and sectors in which it operates? (N=32)<sup>78</sup>**

	Yes	No	Don't Know
<b>NGO (n=17)</b>	13 (76 percent)	2 (12 percent)	2 (12 percent)
<b>Private sector (n=6)</b>	2 (33 percent)	2 (33 percent)	2 (33 percent)
<b>State sector (n=9)</b>	8 (89 percent)	0	1 (11 percent)
<b>Total (N=32)</b>	<b>23 (72 percent)</b>	<b>4 (13 percent)</b>	<b>5 (16 percent)</b>

Respondents added that where the Partnerships Fund has not led to positive development outcomes, they thought this was due to the narrow and short-term focus of the Fund, lack of clarity over Fund objectives, and the need for more support from Post. Improvement in these areas would enable the Fund to be more effective.

### **Seventy-two percent thought the Fund does respond to the development needs of developing countries**

Respondents who did not agree commented that this could be improved by having the Fund better aligned with in-country priorities and SDG goals, and broadening its geographical and sectoral focus.

**Table 8 How well do you think the Fund reflects and responds to the development needs of developing countries? (N=32)**

	Not well	Partially well	Well	Very well	Don't know
<b>NGO (n=17)</b>	5	8	2	1	1
<b>Private sector (n=6)</b>	1	0	4	1	0
<b>State sector (n=9)</b>	1	5	2	0	1
<b>Total</b>	<b>7 (22%)</b>	<b>13 (41%)</b>	<b>8 (25%)</b>	<b>2 (6%)</b>	<b>2 (6%)</b>

### **Positive aspects of the Partnerships Fund**

Respondents were asked what they see as the positive aspects of the Partnerships Fund. They responded to a list of options that had been identified from earlier focus group sessions and interviews with key stakeholders, including Partnerships Fund partners.

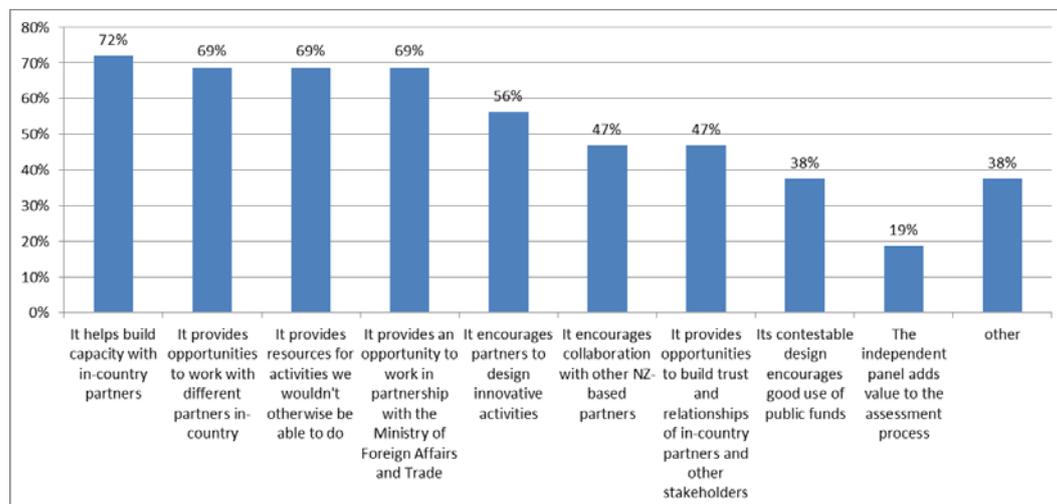
<sup>78</sup> Percentages have been rounded.

Figure 24 shows total responses and Table 9 (overleaf) shows the results by partner sector. The majority of respondents agreed the positive aspects of the Partnerships Fund are that it:

- helps build capacity with in-country partners (72 percent);
- provides opportunities to work with different partners in-country (69 percent);
- provides resources for activities they wouldn't otherwise be able to do (69 percent); and
- provides an opportunity to work in partnership with MFAT (69 percent).

Other positive aspects identified by respondents included that the five-year scope enables projects to develop and mature with sustainable outcomes; the contracting model; and the clarity of focus and alignment with the rest of MFAT priorities.

**Figure 24 What do you see as the positive aspects of the Partnerships Fund? (N=32)**



The following responses describe how the Fund encourages collaboration and closer working relationships with MFAT.

*It provides an opportunity to work with commercial collaborators. (Private sector 018)*

*Being able to discuss the ADD and contract variations with a project manager is helpful. More of this sort of interaction would benefit the PF even more as more trust/confidence between MFAT and NZ partners could be built up. (State sector 022)*

*The 'encourages collaboration with other NZ-based partners' needs to be read with the understanding that most NGOs have relationships with a specific community/ies, which is not always the interest area of others. The Fund has encouraged NGOs to consider ways in which they can collaborate – so, for instance, share sectoral expertise or resources, or spread an activity over a greater geographic space. (NGO 020)*

**Table 9 What do you see as the positive aspects of the Partnerships Fund?**

	It helps build capacity with in-country partners	It provides opportunities to work with different partners in-country	It provides resources for activities we would not otherwise be able to do	It provides an opportunity to work in partnership with MFAT	It encourages partners to design innovative activities	It encourages collaboration with other NZ-based partners	It provides opportunities to build trust and relationships of in-country partners and other stakeholders	Its contestable design encourages good use of public funds	The independent panel adds value to the assessment process	Other
<b>NGO (n=17)</b>	11	10	10	13	8	11	11	6	5	5
<b>Private sector (n=6)</b>	5	5	4	2	5	2	0	2	1	3
<b>State sector (n=9)</b>	7	7	8	7	5	2	4	4	0	4
<b>Total</b>	<b>23</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>18</b>	<b>15</b>	<b>15</b>	<b>12</b>	<b>6</b>	<b>12</b>

## Seventy-eight percent reported that Fund activities they have been involved in made good use of their expertise and knowledge

Those who said ‘no’ (9 percent) commented that there was a lack of trust or understanding of the development context by MFAT. Those who responded ‘don’t know’ said this was because their bids to date have been unsuccessful.

**Table 10 Have the Fund activities which you have been involved in made good use of your expertise and knowledge? (N=32)**

	Yes	No	Don’t know
NGO (n=17)	13	2	2
Private sector (n=6)	4	1	1
State sector (n=9)	8	0	1
<b>Total</b>	<b>25 (78%)</b>	<b>3 (9%)</b>	<b>4 (13%)</b>

## Constraints preventing the Fund from being as effective as it could be

Respondents were asked what they think prevents the Fund from being as effective as it could be. They responded to a list of options that had been identified from earlier focus group sessions and interviews with key stakeholders, including Partnerships Fund partners.

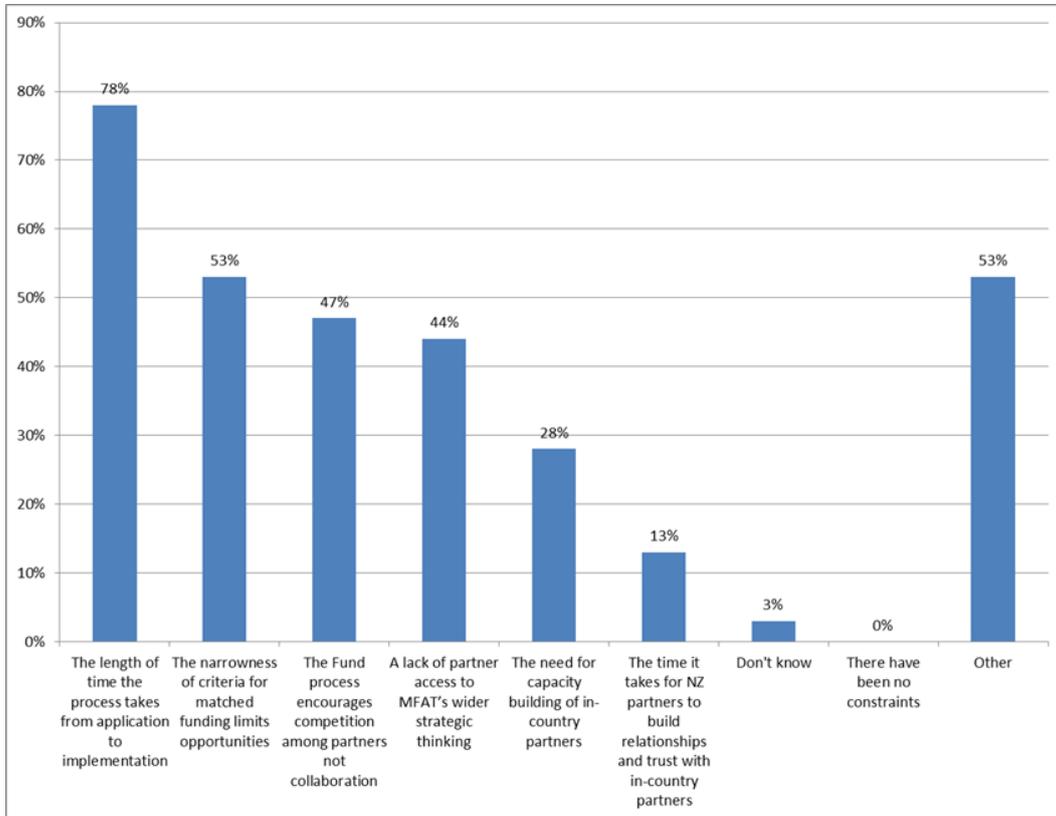
Figure 25 (overleaf) shows total responses and Table 11 shows the results by partner sector.

- Most respondents (78 percent) said the length of time the process takes from application to implementation helps build capacity with in-country partners.
- Around half (53 percent and 47 percent respectively) said the narrowness of criteria for match funding limits opportunities, and the Fund process encourages competition among partners rather than collaboration.
- Just over two-fifths (44 percent) said a lack of partner access to MFAT’s wider strategic thinking limited effectiveness.

Other constraints noted by respondents were MFAT’s processes and the Fund’s model itself.<sup>79</sup>

<sup>79</sup> MFAT processes (9); the PF model (4); match funding (2); local in-country partner capacity (1); sectoral focus too narrow (1).

**Figure 25 Constraints preventing the Fund from being as effective as it could be (N=32)**



**Table 11 What do you think prevents the Fund from being as effective as it could be?<sup>80</sup>**

	The length of time the process takes from application to implementation	The narrowness of criteria for match funding limits opportunities	The Fund process encourages competition among partners not collaboration	A lack of partner access to MFAT's wider strategic thinking	The need for capacity building of in-country partners	The time it takes for NZ partners to build relationships and trust with in-country partners	Don't know	Other
<b>NGO (n=17)</b>	13	11	10	7	7	4	0	8
<b>Private sector (n=6)</b>	5	5	2	2	0	0	0	4
<b>State sector (n=9)</b>	7	1	3	5	2	0	1	5
<b>Total</b>	<b>25</b>	<b>17</b>	<b>15</b>	<b>14</b>	<b>9</b>	<b>4</b>	<b>1</b>	<b>17</b>

<sup>80</sup> We added 'There have been no constraints' to the list of options but there were no responses to this option.

## **Improvements to help partners deliver Partnerships Fund activities more effectively**

Respondents were asked what improvements they think could be made to help partners deliver Fund activities more effectively. They responded to a list of options that had been identified from earlier focus group sessions and interviews with key stakeholders, including Partnerships Fund partners.

Figure 26 (below) shows total responses and Table 12 shows the results by partner sector.

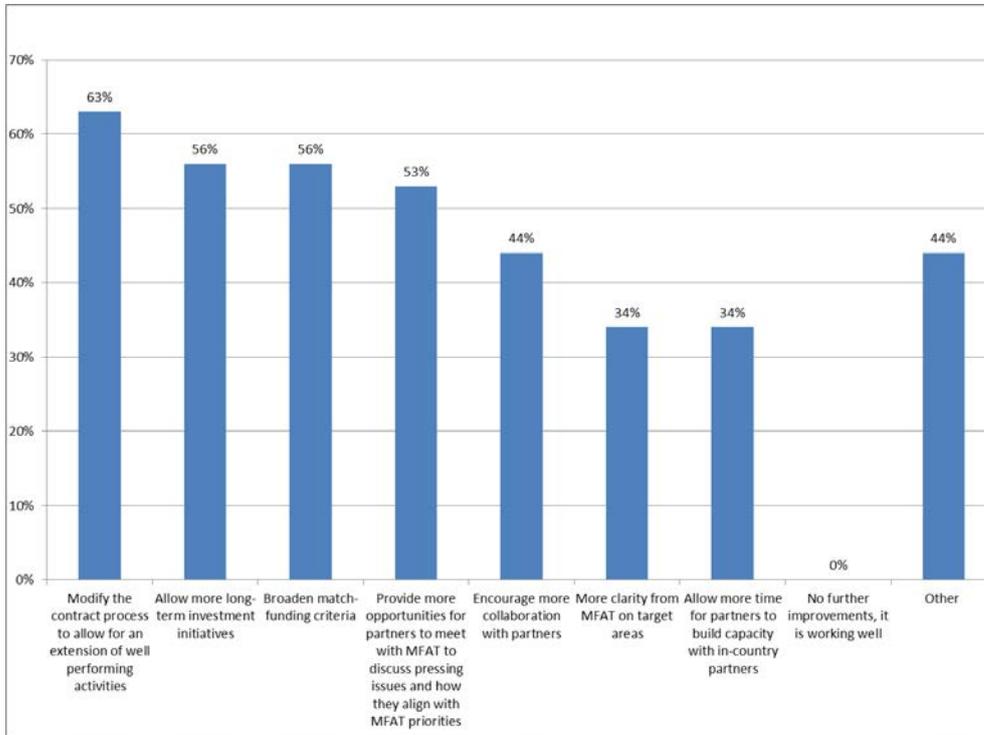
Almost two-thirds (63 percent) said to modify the contract process to allow for an extension of well-performing activities.

Just over half of respondents said to allow more long-term investment initiatives (56 percent), broaden match funding criteria (56 percent), and provide more opportunities for partners to meet with MFAT to discuss pressing issues and how they align with MFAT priorities (53 percent).

Other improvements suggested by respondents include:

- streamlining of the PF process, including clarity and consistency of advice (4);
- broadening the geographical and sectoral focus (3);
- more strategic engagement with the private sector, and encouragement of Māori and Pasifika partners (2);
- exclude match funding as a criterion to encourage small NGO initiatives (2);
- greater involvement by Post with in-country partners (1); and
- review funding mechanism (1).

**Figure 26 Improvements that could be made to help partners deliver Fund activities more effectively**



**Table 12** What improvements do you think could be made to help partners deliver Fund activities more effectively? (N=32)<sup>81</sup>

	Modify the contract process to allow for an extension of well performing activities	Allow more long-term investment initiatives	Broaden match funding criteria	Provide more opportunities for partners to meet with MFAT to discuss pressing issues and how they align with MFAT priorities	Encourage more collaboration with partners	More clarity from MFAT on target areas	Allow more time for partners to build capacity with in-country partners	Other
<b>NGO (n=17)</b>	11	12	12	10	5	8	5	7
<b>Private sector (n=6)</b>	4	2	5	1	4	2	1	2
<b>State sector (n=9)</b>	5	4	1	5	5	1	4	4
<b>Total</b>	<b>20</b>	<b>18</b>	<b>18</b>	<b>16</b>	<b>14</b>	<b>11</b>	<b>10</b>	<b>13</b>

<sup>81</sup> We added 'No further improvements, it is working well' to the list of options, but there were no responses to this option.

## Other comments referred to potential improvements and overall support for the Partnerships Fund

Respondents were provided with an opportunity to add any further comments on the Partnerships Fund. Those who did respond mainly commented on the need for MFAT to:

- Streamline its processes.

*NGOs try to anticipate whether or not it is worth investing in submitting a concept application (it is a time consuming process for both the NZ-NGO and local partner). It does this initially by 'sounding out' the Partnerships Team and Embassy staff. However, these groups are not privy to the thinking of the Independent Assessment Panel. These groups should meet prior to concepts being developed, so they can give a clear steer and consistent message to NGOs about their project suggestions. (NGO 020)*

*The meetings at MFAT need to be drastically improved and strengthened. (Private sector 024)*

- Broaden the Fund's sectoral and geographical scope, including increasing its focus on activities building local in-country partner capacity.

*The operation and expectations of the Fund have led to many NGOs establishing their own offices (or organisations) in-country rather than working with and strengthening existing local NGOs. In some places, this has weakened local civil society networks. As part of the drive for localisation (outcome of World Humanitarian Summit), the Fund should encourage partnering with existing or new local NGOs, and support/encourage their networking to strengthen their capacity and voice in advocating for the rights of communities, and establishing their development priorities, plans and activities. (NGO 10)*

Other comments referred to the need to improve engagement with the private sector, review the Partnerships Fund model, and ensure the panel has appropriate NGO knowledge, and awareness of other MFAT activities.

The responses below show overall support for the Partnerships Fund:

*I think that the Partnerships Fund style of project are some of the best that the NZ AID programme operates as they are built from a local need and they take advantage of NZ expertise and resources to achieve development goals. I think that these "bottom-up" projects have been far more successful than "top-down" projects implemented for political expediency. The Partnerships Fund can be good. We need to learn from the successes and build on them. This will take a more active and supportive role from MFAT. (State sector 007)*

*I am a great fan of this funding model and would give it an 8 or 9 out of 10. The sort of project I am implementing would not be possible otherwise. I find it sufficiently flexible to respond to changes in the project, but still meet the original goal. I am really engaged with the design and implement approach. It has shifted the relationship from what could have been a very transactional relationship to a true long term partnering relationship. There have been some significant difficulties, but this is developing country work, so no one should be surprised with that. As noted above, longer term relationships with MFAT technical staff (say 12 + months) would be really useful. 6 months or less is too short. (State sector 012)*

*The PF is a great opportunity for NZ to provide support to countries in all sectors irrelevant of whether they are a bilateral priority or not. Furthermore, it filters faster to grassroots and sees results in a shorter time (as compared to bilateral aid). (NGO 027)*

*The early days of the Fund's inception were, understandably, difficult from the point of view of NGO engagement. The sudden, dramatic shift to an SED-based approach posed its challenges, and at the same time, it appeared that there was a lack of clarity and understanding within MFAT Aid Programme officials, in terms of their own internal brief and deliverables. Over time, working relationships grew strong again, and the clarity of PF guidelines and briefs improved. The development of clear Strategic Investment Priorities helped. One of the positive effects of the fund is, I believe, stronger multi-sector collaboration between NZ agencies, organisations, and companies in aid delivery. There are now some positive precedents that have been created by the PF, which should inspire more of this going forward. A further challenge is how do we draw more strongly on our rich heritage of Maori and Pasifika development here at home, and bring this into our PF applications. There are many culturally and contextually relevant elements that Aotearoa NZ can bring in our Pacific development mahi and relationships – which we are not fully utilising at present. (State sector 028)*