
Independent Evaluation

Tropical Cyclone Pam Recovery Program

June 2018



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AID INVESTMENT SUMMARY

Aid Investment Name	Tropical Cyclone Pam Recovery Program		
AidWorks investment number	INL372		
Commencement date	1 July 2015	Completion date	30 June 2018 (extended to 30 June 2019)
Total Australian dollars	AUD35 million		
Total other dollars	N/A		
Delivery organisation	N/A		
Implementing Partner(s)	Prime Minister's Office		
Country/Region	The Republic of Vanuatu		
Primary Sector	Disaster Recovery (infrastructure)		

ACKNOWLEDGEMENTS

This evaluation was commissioned by the recovery program team within the Australian High Commission, Port Vila. The evaluation team wishes to thank DFAT's program team for managing the mission; DFAT management and advisers for their cooperation and assistance; Government of Vanuatu and development partners for the generous time given for interviews.

AUTHOR DETAILS

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Kirstin Donaldson is an officer with the Australian Department of Foreign Affairs and Trade with eight years of experience in international development, including in international NGOs and the United Nations system. She has experience in multilateral development policy and in bilateral programs and has worked across the Asia-Pacific region.

Program features and achievements:

- TC Pam damage was estimated at 64 per cent of Vanuatu's GDP. It was one of the most significant weather events to hit a Pacific neighbour.
- The package represented Australia's largest response and recovery program in the Pacific
- Program supported the Government of Vanuatu to lead national recovery efforts
 - working with the private sector in Vanuatu to deliver economic benefits to local communities and contractors
 - in accordance with good humanitarian donorship and aid effectiveness principles

As of June 2018 the program has supported:

- 65 classrooms, with a further 100 under construction
- 33 public buildings, with a further 10 close to completion
- 80 restored or constructed water systems to provide safe drinking water, with 23 more planned
- 16 health facilities comprising 52 buildings, including major repairs and upgrades to the Vila Central Hospital
- 37 tourism businesses operators
- 18 fish aggregating devices and 21 solar freezers have been distributed to all provinces of Vanuatu, with seeds, seedlings and cattle going to 279 farmers.
- Small livestock breeding centres have been established in all six provinces.

EXECUTIVE SUMMARY

This document reports findings from an independent evaluation of the Tropical Cyclone (TC) Pam Recovery Program. TC Pam struck southern parts of the Republic of Vanuatu on 13 March 2015 and is considered the most significant disaster to affect Vanuatu. Following initial humanitarian relief and early recovery funding of AUD15 million, Australia's Foreign Minister announced a further AUD35 million in support of the Government of Vanuatu's (GoV) National Recovery Plan. This evaluation assesses the merits of this latter Australian Government support, capturing lessons to inform future recovery planning in Vanuatu and the Pacific more broadly. An evaluation plan identified nine evaluation questions aligned under four domains of inquiry, which in turn provide the structure for this report: i) Alignment with strategy; ii) Use of Vanuatu Government systems; iii) Contribution to recovery; iv) Good practice considerations.

Alignment with Strategy

In general, there was alignment between the bilateral partners concerning the strategic importance of addressing Vanuatu's recovery and reconstruction needs following TC Pam. AUD34.7 million was transferred to the Reserve Bank of Vanuatu in June 2015 in a single payment governed by a Direct Funding Agreement (DFA). This arrangement was consistent with good humanitarian donorship and aid effectiveness principles, but nevertheless represented an untested bilateral aid modality for DFAT.

Australia's ODA priorities for Vanuatu are set down in an Aid Investment Plan (AIP 2015-16 to 2018-19) which provides for support for cyclone recovery and reconstruction. The Australia-Vanuatu Aid Partnership Arrangement 2016 – 2019 also reflects these priorities. On 22 June 2015, Vanuatu's Council of Ministers (CoM) endorsed the 'National Recovery Plan' and asked all bilateral donors to align. The National Recovery Plan identified VUV34.1 billion (approx. AUD426 million) of investment across almost all sectors of Vanuatu's economy. Australia's AUD35 million represented 72 per cent of total bilateral funds received from donors.

In negotiating the recovery program with DFAT, the GoV highlighted two key issues: i) ensuring strategic authority over recovery programming; ii) requesting a capacity development dividend for ni-Vanuatu from the program. These two key issues reveal a subtle tension faced by GoV: on one hand ensuring authority over the recovery program was essentially a rejection of foreign assistance; but on the other hand, the demand for capacity building support implicitly recognised weak institutional capacity—and hence a need for foreign assistance. Arguably, the aid modality adopted by Australia helped GoV to balance this tension, but also introduced complexity.

Australia intended for the program to focus on sectors already prioritised in bilateral agreements but GoV was firmly of the view that, as the major bilateral donor to Vanuatu's recovery, Australian funds should support the full spread of sectors identified in the National Recovery Plan. Ultimately, the recovery program engaged in health, education, water, agriculture/livelihoods, public infrastructure, tourism, cooperatives. Arguably, DFAT's initial concerns about sectoral dilution have been borne out with the most timely and successful programming being done in sectors where the AHC had existing working relationships, technical experience and a long-term commitment.

The geographic scope of the recovery program was also challenging. Australia had assumed investments would concentrate in the most affected southern provinces. However, GoV was responding to other drivers—dilapidated infrastructure across the country as well as political and cultural considerations. Ultimately, the recovery program invested in education, health and public buildings in southern provinces, but other sectors adopted a broader geographic focus.

Use of Government of Vanuatu Systems

DFAT's chosen modality meant the recovery program was governed and managed through GoV systems, which ultimately led DFAT to compromise on some donor expectations and obliged GoV to accept more risk than is common with other modalities. By definition, the modality ensured alignment with Vanuatu priorities. For the purposes of the TC Pam Recovery Program, the 'GoV systems' comprised: i) Pam Recovery Committee (PRC); ii) Department of Strategic Planning, Policy and Aid Coordination (DSPPAC); iii) Central Tenders Board (CTB); iv) Ministry of Finance and Economic Management (MFEM); v) Project Steering Committees (PSC); vi) Project Management Units (PMUs).

The *PRC* was established to coordinate and approve recovery projects submitted by line ministries. Australia sought to be involved in the PRC but this was not agreed by GoV. While this was seen as problematic by Australian stakeholders, some interviewees also noted that the arrangement ensured clear ownership of the program by GoV—a universal donor aspiration.

DSPPAC was to be the secretariat for the PRC, coordinating the preparation and submission of project proposals by line ministries. In practice it played a more active decision-making role, negotiating directly with DFAT. The initial programming of the funds was delayed, with GoV and DFAT stakeholders apportioning responsibility for the delays differently.

The *CTB* is responsible for administering all government tenders above VUV5 million (approximately AUD60,000). The mechanism is widely considered to be under-resourced. There are emergency provisions that permit a more streamlined procurement process under a State of Emergency; however, these provisions were not applied for the duration of the recovery program.

MFEM is widely considered a strong institution and has previously been the recipient of significant investment by DFAT's Governance for Growth (GfG) program.

PSCs were established for each sector. Although DFAT was unable to obtain membership of the PRC, staff actively engaged with PSCs; which had the unexpected benefit of fostering greater insight into implementation risks, but arguably increased the workload for DFAT staff.

PMUs are a long-standing mechanism of the GoV. *DSPPAC* insisted PMUs be established within line ministries based on three arguments:

- i) **Control:** The argument that PMUs would strengthen GoV control of the program was weakened by the limited availability of ni-Vanuatu PMU staff with the requisite skills, necessitating reliance on foreign technical advisers.
- ii) **Cost:** The argument for cost savings achieved by using the PMU model rather than managing contractors is difficult to verify. PMUs were heavily reliant on international TA—arguably at similar costs to those a managing contractor would have carried. Further, and perhaps unforeseen, were costs associated with the management intensity required by DFAT. Also unforeseen was that additional costs arose due to the proliferation of PMUs which then competed for scarce skills and resources. DFAT's preferred scenario was to expand the scope of services of existing contracts in health and education, thereby enabling faster mobilisation.
- iii) **Capacity:** The argument for a capacity building benefit is also difficult to categorically defend with many interviewees questioning the efficacy of the recovery program as a platform for capacity building because pressure for fast rollout of recovery assistance was in conflict with the long-term investment required to build sustainable capacity. Also, the use of contracted PMU staff rather than permanent civil servants meant that capacity will likely be lost to Vanuatu's civil service at the end-of-program.

Contribution to Impact

A systematic impact measurement system was not established at the outset, and so a definitive statement of impact is not possible within the scope of this evaluation. Nevertheless, a range of perspectives and observations about program impact were compiled, noting positive and negative/unintended impacts.

Most significant unintended impacts have arisen from slower than expected implementation. However, as implementation has progressed, many people have come to see a net benefit from TC Pam. In many communities, infrastructure has been restored to the highest standard it has ever been. Investments in village water supplies have evidently been especially well regarded. The distribution of breeding livestock and planting materials was also appreciated by community members, and in some instances, was the first practical assistance received in the recovery phase. Nevertheless, global experience in the water, sanitation and hygiene (WASH) sector questions the sustainability of community-managed water schemes; and the impact and sustainability of the distributed livestock and planting materials could have been improved if part of a wider livelihoods and market development strategy. Both these cases illustrate challenges associated with DFAT being drawn into unfamiliar program sectors.

Overall, there is a sense that GoV institutions have benefited from the recovery program. The most obvious institutional impacts derive from investments that have increased the capacity for services; for example, constructing a tuberculosis ward on Tanna. The most consistently reported impact of the recovery program relates to a perceived increase in the capacity of small contractors within the construction sector. One adviser argued that the program had fostered an overall improvement in the construction industry; although the medium-term economic prospects for local contractors is uncertain. For one large Port Vila-based contractor, the recovery program was transformative—enabling a ten-fold expansion and employment of more than 120 fulltime staff. Beyond the construction industry, investments in tourism have seemingly generated a positive return for the economy, at both the national and local levels.

Good Practice Considerations

Australia earmarked AUD2 million to contribute to gender outcomes in line with the prioritisation of gender in the Australian aid program. The Department of Women's Affairs within the Vanuatu Ministry of Justice and Community Services (MJCS) submitted a proposal for the use of these funds, which was developed by a consortium of NGOs. This proposal was not accepted by GoV for a range of reasons, including a concern that using NGOs to implement the proposed activities was at odds with other recovery projects open to the private sector. There was also a view that such work was not a priority for the recovery program—otherwise mostly oriented towards infrastructure development. Some stakeholders questioned if earmarking funds specifically for gender work may have potentially weakened the overall program in terms of its ability to integrate gender concerns across other sectors. More broadly, there was little evidence of systematic consultation with female community members, and the economic benefits of the program in terms of employment opportunities appeared to have largely been skewed towards men.

Disability issues were evidently considered across the program taking into account significant constraints in the Vanuatu context. The Vanuatu Society for People with a Disability (VSPD) and the MJCS were integral in ensuring disability was considered as projects were developed. The evaluation team visited a number of program sites where disability access (ramps, rails, wide doors and corridors) were incorporated into new buildings.

Environmental sustainability was not a strong focus for the program.

There was broad agreement that repairs to infrastructure undertaken by the recovery program should align with the principle of ‘build back better’. However, a definition of ‘build back better’ was not attempted, and (therefore) application of the principle was not consistent. Much of the infrastructure included in the program’s scope was not only affected by TC Pam, but also deteriorated or in a state of disrepair due to its age.

CONSOLIDATED RECOMMENDATIONS

Recommendations for DFAT:

1. DFAT should base future recovery programs on planning that considers the merits of different modality options in the country context, including implications for implementation timeframes and management resources.....8
3. DFAT's future recovery programming should minimise engagement in sectors in which there is limited prior experience and undeveloped working relationships. 12
5. If the TC Pam recovery modality is employed in the future, DFAT should moderate expectations in relation to Australian aid policy priorities to reflect reduced donor control, in line with the use of general/sector budget support. 15
8. Future recovery programs should define principles such as 'build back better' in locally relevant ways and confront the issue of pre-disaster decline. 26

Recommendations for joint AHC-GoV consideration:

2. The AHC should work with DSPPAC to convene a reflection and review exercise that enables stakeholders to capture lessons for future recovery programs in Vanuatu..... 9
 4. DFAT should offer technical support to GoV to strengthen the NRC, given its likely role in future recovery efforts..... 14
 6. DFAT could support GoV to review recovery program procurement, with a view to developing provisions that enable more efficient tender processes. 16
 7. AHC-GoV should consider augmenting CTB capacity during future recovery programs involving significant procurement through GoV systems. 16
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LIST OF ACRONYMS

AHC	Australian High Commission
AIP	Aid Investment Plan
AUD	Australian Dollars
CoM	Council of Ministers
CTB	Central Tenders Board
DFA	Direct Funding Agreement
DFAT	Department of Foreign Affairs and Trade
DSPPAC	Department of Strategic Planning, Policy and Aid Coordination
GDP	Gross Domestic Product
GfG	Governance for Growth
GoV	Government of the Republic of Vanuatu
M&E	Monitoring and evaluation
MFEM	Ministry of Finance and Economic Management
MJCS	Ministry of Justice and Community Service
MoET	Ministry of Education and Training
NDC	National Disaster Committee
NDMO	National Disaster Management Organisation
NGO	Non-government Organisation
NRC	National Recovery Committee
ODA	Official Development Assistance
PMO	Prime Minister's Office
PMU	Project Management Unit
PRC	Pam Recovery Committee
PSC	Project Steering Committee
TA	Technical Assistance
TC	Tropical Cyclone
ToR	Terms of Reference
UN	United Nations
USD	United States Dollars
VSPD	Vanuatu Society for People with a Disability
VUV	Vatu

1. INTRODUCTION

1.1 Document Purpose

This document reports findings from an independent evaluation of the *Tropical Cyclone Pam Recovery Program*—an investment by Australia’s Department of Foreign Affairs and Trade (DFAT) in support of the Government of Vanuatu’s (GoV) recovery from Tropical Cyclone Pam (TC Pam). The evaluation mission was conducted in Vanuatu over the period 4 – 15 June 2018.

1.2 Background

Vanuatu context

TC Pam struck southern parts of the Republic of Vanuatu on 13 March 2015, impacting 195,000 people or around two thirds of the population. The World Bank’s Post Disaster Needs Assessment estimated total damage and loss at around USD600 million, or 64% of GDP¹. The greatest impacts were felt across the provinces of SHEFA—where the capital, Port Vila, is located; and TAFEA, which includes Tanna—one of the most populous islands in the country with notable tourism and agricultural assets.

According to UN metrics², Vanuatu is the country most vulnerable to disasters in the world. TC Pam was the most significant disaster to affect Vanuatu in memory; although with surprisingly low loss of life³. TC Pam struck Vanuatu at a time of political change, with Sato Kilman returning as Prime Minister in June 2015, followed by the election of Charlot Salwai Tabimasmās in February 2016. These changes affected some program-related decision-making and planning processes, given the program was ultimately delivered through Vanuatu government systems. A further contextual factor was the onset of *El Niño* drought following TC Pam—which compounded the loss and damage sustained during TC Pam.

Australian context

The Australian Government has had an official presence in Vanuatu since 1978 (in then New Hebrides) and has continued to develop strong diplomatic, trade and development ties with the Republic. Australia’s Official Development Assistance (ODA) to Vanuatu is set out in an Aid Investment Plan (AIP: 2015-16 to 2018-19), the fourth objective of which is to support cyclone recovery and reconstruction.

Immediately following TC Pam, Australia provided AUD10 million in humanitarian relief implemented through Australia’s Humanitarian Partnership with selected non-government organisations (NGO), followed by AUD5 million for early recovery. On 23 May 2015, Australia’s Foreign Minister announced a further AUD35 million in support of the GoV’s National Recovery Plan. This evaluation concerns this third stage of funding⁴.

¹ World Bank (2015) *Post-Disaster Needs Assessment Report*, World Bank Group.

² UN, World Risk Report 2015, UNU-EHS, 2015 www.WorldRiskReport.org

³ An estimated 11 people died compared with 6,300 estimated deaths following Category 5 Typhoon Haiyan in the Philippines in 2013 (<http://www.worldbank.org/en/news/feature/2015/09/29/vanuatu-six-months-after-cyclone-pam>).

⁴ N.B. The response and early recovery investments have been previously evaluated by the Office of Development Effectiveness, available at <https://dfat.gov.au/aid/how-we-measure-performance/ode/other-work/Pages/evaluation-of-effectiveness-australias-response-cyclone-pam.aspx>.

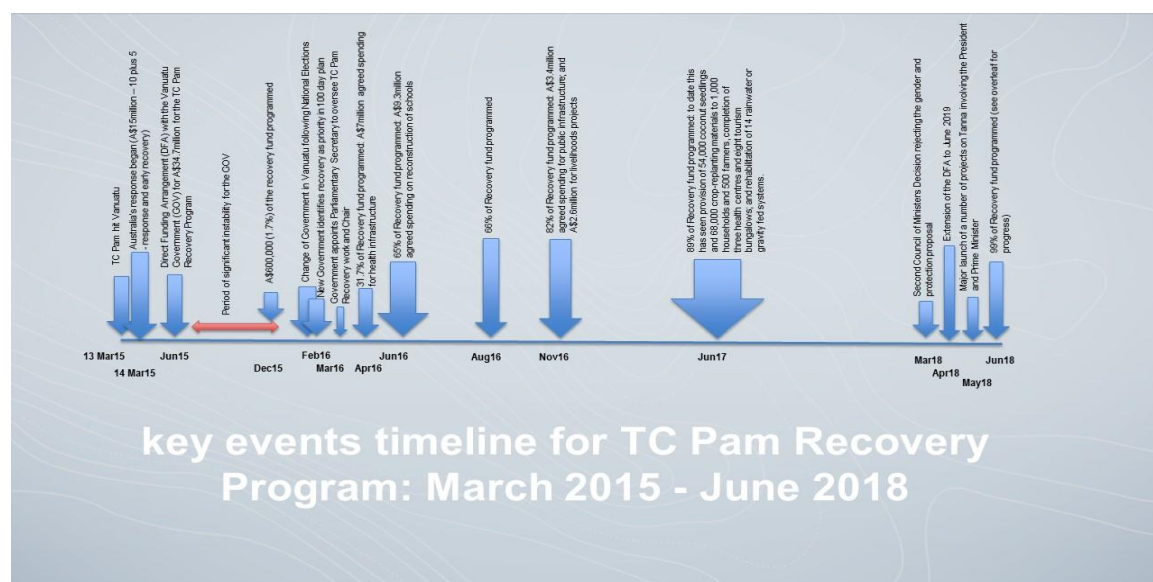


Figure 1: Key events of Tropical Cyclone Pam Recovery Program

1.3 Program Overview

The *TC Pam Recovery Program* was designed to be implemented over three years (1 July 2015 – 30 June 2018). The opportunity for DFAT to provide rapid and sizeable support for GoV's recovery plan was in part made possible because funds were available at the end of the 2014-15 Australian financial year. AUD34.7 million⁵ was transferred to the Reserve Bank of Vanuatu in June 2015 in a single payment, governed by a Direct Funding Agreement (DFA). This arrangement was in alignment with good humanitarian donorship and aid effectiveness principles, but nevertheless represented an untested bilateral aid modality for DFAT.

DFAT initially anticipated that the recovery program would align with the sectoral and geographic priorities of ongoing bilateral programs. However, the final program spans health, education, water, tourism, agriculture/livelihoods, cooperatives and public infrastructure. Progress rates vary across the program sectors, and funds were not fully programmed until late 2017. Due to slower than anticipated implementation, the program was listed by DFAT as an Investment Requiring Improvement in 2016-17 and was monitored against a remediation plan, but removed from the list after making significant progress. To enable completion of planned activities, a 12 month no-cost extension has been agreed (to 30 June 2019).

Notwithstanding a range of challenges discussed in this report, most stakeholders concur that the recovery program has successfully addressed key national priorities and has strengthened the bilateral relationship between Australia and Vanuatu.

Key features of the untested aid modality:

- the transfer of funds in a single tranche to a Reserve Bank of Vanuatu trust fund;
- essentially autonomous governance of the program by the partner government;
- the management of implementation by Project Management Units (PMUs) within each ministry.

Alternative modalities considered but rejected:

- utilising a World Bank Trust Fund arrangement;
- extending investment in an existing DFAT-supported program such as Port Vila Urban Development Project (PVUDP);
- progressively rolling out a recovery program by using freed up funding over subsequent years.

N.B. A key rationale for the chosen modality was that such a sizeable budget would not have been available in the new financial year—notwithstanding the high-profile nature of the disaster and the strong political support in Australia. There is no way to test the counterfactual.

⁵ i.e. AUD300,000 was retained to cover administrative and staffing expenses.

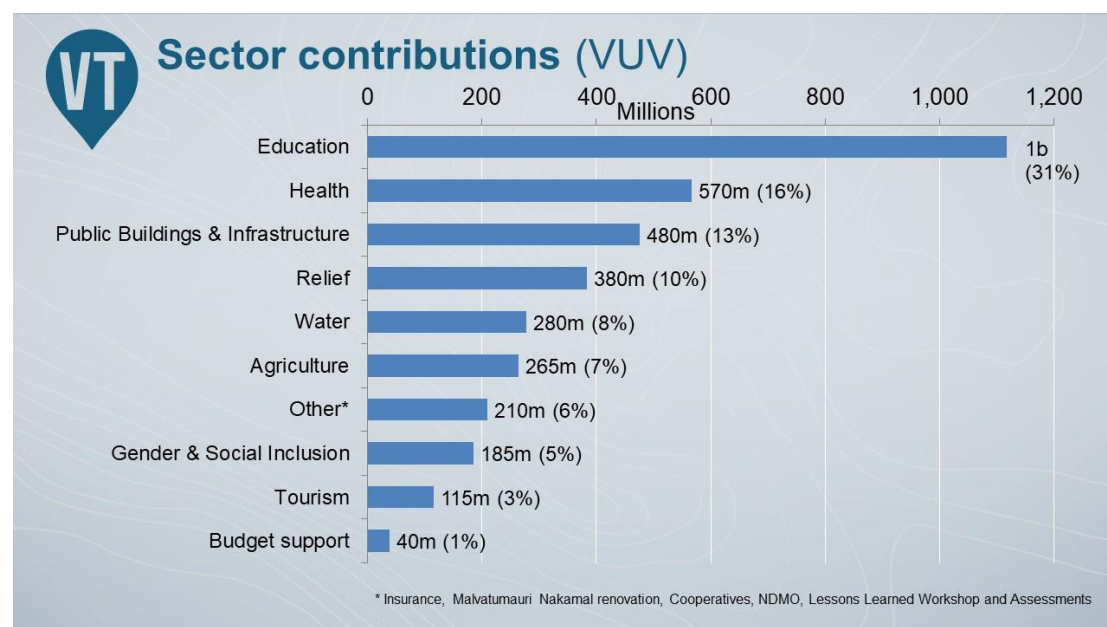


Figure 2: Breakdown of program investment by sector

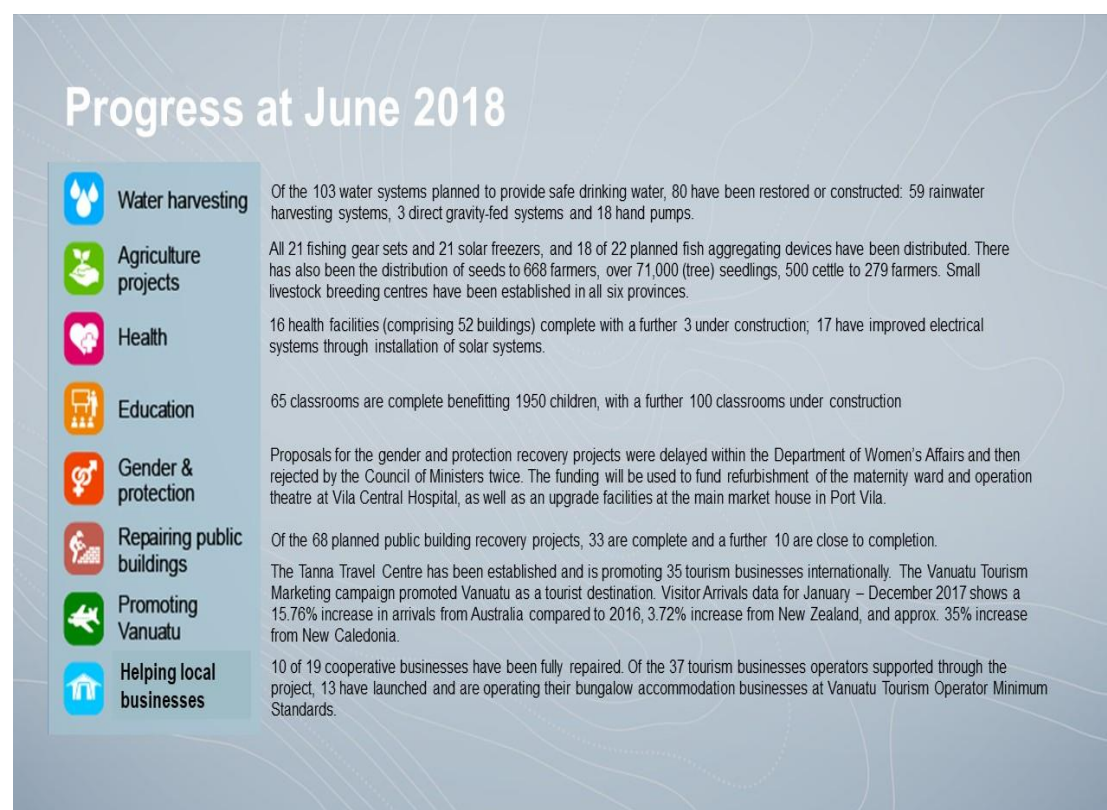


Figure 3: Program progress at June 2018

2. METHODOLOGY

2.1 Scope

The broad purpose of this evaluation was to assess the merits of Australian Government support for Vanuatu's recovery from TC Pam, capturing lessons to inform future recovery planning in Vanuatu and the Pacific more broadly. DFAT defined the scope of the evaluation in Terms of Reference (ToR), which were then expanded in an evaluation plan that identified nine evaluation questions aligned under four domains of inquiry⁶:

- **Alignment with strategy:** assessment of the relevance of the program *vis-à-vis* the intent and strategy of the Australian and Vanuatu Governments.
- **Use of Vanuatu government systems:** assessment of the relative effectiveness and efficiency of program approaches, with particular emphasis on use of GoV systems, the establishment of Project Management Units (PMU) within line Ministries, and the appropriateness of resource allocation.
- **Contribution to recovery:** assessment of the extent to which the program impacted communities, including any local economic stimulatory effects. This involved assimilating the perspectives of a range of stakeholders rather than systematic measurement.
- **Good practice considerations:** assessment of the extent to which policy priorities such as gender equality, disability access, child protection and environmental safeguards were addressed at program level, and any evidence of sustainable changes.

The primary emphasis of the review was on the second and third points above, with the first and fourth points being addressed mainly for the purposes of framing the program and documenting any high-level lessons rather than as systematic technical reviews⁷. A question guide used to inform semi-structured interviews is provided in Appendix A.

2.2 Sample

Key informant interviews were purposively (rather than randomly) drawn from among DFAT staff, GoV officials, delivery team members (advisers and PMU staff), informed third party actors (private sector, NGO and multilateral agency stakeholders) and community members. A list of interviewees is provided in Appendix B.

2.3 Methods

The broad methodology for data collection was qualitative:

- **Document reviews:** a comprehensive review of key documents produced by the program along with relevant sector literature helped to identify key issues ahead of the mission and has provided the basis for factual data presented in this report.
- **Key informant interviews:** around 70 purposively selected individuals (a third female⁸) provided the backbone of the primary data collection.

Interview notes were coded against the evaluation questions using qualitative data analysis software⁹ to identify common and exceptional themes. Synthesis of these themes underpins the findings presented in Section 3.

⁶ N.B. the four domains of inquiry broadly aligned with the Development Assistance Committee (DAC) evaluation criteria (respectively): relevance, effectiveness and efficiency, impact, sustainability and gender equality.

⁷ The evaluation team was not resourced with a gender and social inclusion (GESI) specialist; and no baseline and systematic measurement architecture was put in place to enable technical impact measurement.

⁸ The majority of female interviewees were DFAT staff and advisers.

⁹ <http://www.qsrinternational.com/nvivo/nvivo-products>

2.4 Limitations

The mission proceeded as outlined in the evaluation plan approved by DFAT. Nevertheless, minor factors may have affected the findings, including:

- **Immersion:** a recognised limitation of program evaluations is that external/independent evaluators are constrained to the extent that they can become immersed in the history, technical and managerial nuance, geopolitical context and cultural norms associated with a complex program. To some extent this limitation was mitigated by DFAT's appointment of a ni-Vanuatu officer to support the review. Also, a Canberra-based officer with long-standing involvement with the program supported the whole evaluation.
- **Stakeholder access:** despite the best efforts of all involved, it was not possible to meet with all desired stakeholders—or indeed revisit themes or issues with some stakeholders. Importantly, no GoV Director Generals were able to be consulted.
- **Gender equity:** around a third of interviewees were female. The evaluation was led by an Australian male. Despite best efforts, a gender bias is implicit. The evaluation team was not resourced with a GESI specialist.

2.5 Document structure and format

The following sections present the key findings of the evaluation in line with the four domains of inquiry identified in Section 2.1. Three tiers of heading are used to signpost content for the reader. At the start of each section, green boxes present high-level strengths and weaknesses. Recommendations are numbered and presented in blue boxes at the relevant point in the narrative and also consolidated in a single list at the start of the document (page v). De-identified quotations from key informant interviews are presented in italicised text to substantiate or illustrate findings.

3. FINDINGS

3.1 Overview

This section presents the evaluation findings in line with the four domains of inquiry identified in Section 2.1.

In general, the review found that the TC Pam Recovery Program has been highly relevant for both the GoV and the Australian Government, serving to strengthen the bilateral relationship. Differences were accommodated by the bilateral partners in relation to geographic and sectoral foci—with DFAT encountering management challenges in sectors where there was limited prior exposure or working relationships. Australia was also challenged by having less influence over programming decisions and governance than was anticipated at the outset—a consequence of the modality and the strict application of terms in the Direct Funding Agreement (DFA). These factors compromised effectiveness in some instances. Of particular note, DFAT struggled to achieve gender equality outcomes in the form expected. Most stakeholders consider that implementation took longer than anticipated, though some suggested that initial expectations may have been unrealistic in the context. Given the strong infrastructure focus of the program, ‘Build Back Better’ was stated to be an important principle, but this was not defined in practical terms and so was not applied consistently. GoV systems were tested and largely responded, albeit with delays. There were reportedly some capacity development benefits (though with limited enduring effect within the Vanuatu civil service) and economic stimulatory benefits—particularly accruing to ni-Vanuatu building contractors.

Key lessons learned:

The absence of a clear articulation of the expectations and requirements of each party to the Direct Funding Agreement (DFA) contributed to frustration and delays in programming the funds and commencing implementation.

Implementing projects in new sectors in a recovery program introduced inefficiencies and risks.

Alternative or blended modalities may have enabled more timely and efficient implementation, while still achieving capacity development benefits.

Use of GoV systems fostered clear ownership of the program by GoV and reduced DFAT’s risk exposure in Vanuatu, but not in Australia.

DFAT’s internal design processes and policy priorities were not amended to reflect reduced donor control in line with a partner-led modality.

The TC Pam modality involved more intensive program management by DFAT than is typical with an outsourced program of this budget.

The proliferation of discrete PMUs created competition for skills and inefficiency due to duplication of functions across ministries, compared with a modality that pools human resources and centralises procurement and supply chain management.

The underlying arguments for PMU-led implementation (greater operational control by GoV, reduced cost and civil service capacity development) were not clearly borne out.

Tendering was a bottleneck in implementation, which suggests the need for additional resources for the Central Tender Board (CTB) and/or provisions that enable more efficient tenders during recovery operations.

Being absent from the program governance arrangements meant that DFAT’s policy priorities and design processes were not readily addressed—most notably in relation gender equality—but arguably fostered greater GoV ownership of the program.

Principles such as ‘Build Back Better’ were not clearly defined in locally relevant ways.

3.2 Alignment with Strategy

Relative strengths and weaknesses:

- ☑ Strong ownership of program by GoV.
- ☑ Clear demonstration of Australia's commitment to 'good donorship' principles.
- ☑ Strengthened bilateral relationship and positive public diplomacy.
- ☒ Both Australia and Vanuatu adjusted strategy as the program evolved rather than purposefully developing a formal recovery program strategy or design.
- ☒ Program diverged from sectors where Australia had strength and prior exposure.
- ☒ GoV systems ill-prepared to lead a recovery program of this scale.
- ☒ Misalignment between Australia and Vanuatu on expectations of program governance, sectors of intervention and geographic targeting.

Australia's strategic intent

From a general standpoint, DFAT's engagement in the recovery was informed by the principles and practice of *Good Humanitarian Donorship*, to which Australia has been a signatory since 2003¹⁰. In addition, DFAT's Pacific Humanitarian Strategy¹¹ outlines the objective of supporting the transition from humanitarian relief to longer-term recovery and development. DFAT has not developed an overarching disaster recovery strategy, although it is recognised as a critical phase in programming which sits uncomfortably between the clear-cut mandate of a disaster response, and the more established norms of programming for sustainable development¹². A Guidance Note for early recovery programming was prepared in 2018¹³ and indicates a period of up to 24 months for recovery programming—half the time ultimately required for implementation of the TC Pam recovery program.



Figure 4: DFAT's guidance indicating a recovery and reconstruction phase of between two and 24 months

¹⁰ <https://www.ghdinitiative.org/ghd/gns/principles-good-practice-of-ghd/principles-good-practice-ghd.html>

¹¹ <http://dfat.gov.au/about-us/publications/Documents/dfat-humanitarian-strategy.pdf>

¹² <http://dfat.gov.au/aid/topics/investment-priorities/building-resilience/stabilisation-and-recovery/Pages/stabilisation-and-recovery.aspx>

¹³ DFAT (2018) *Early Recovery—Humanitarian Strategy Guidance Note*, July 2018, Canberra.

Following TC Pam and TC Winston (Fiji, 2016) DFAT's Humanitarian section made several recommendations and changes to better support Posts with the transition from relief to early recovery. There are now two fulltime staff dedicated to supporting recovery programs. However, the tendency for recovery programs to become protracted, and the complex array of factors that extend beyond typical development program requirements managed by Posts, suggests that there could be value in DFAT going further to clearly articulate plans following a major disaster, taking account of factors like existing staffing levels at Post, sectors of engagement in the ongoing bilateral program, other donors' plans and the capacity of the national government to lead a major recovery effort.

Recommendation:

1. DFAT should base future recovery programs on planning that considers the merits of different modality options in the country context, including implications for implementation timeframes and management resources.

Specifically concerning Vanuatu, and as noted in Section 1.2, Australia's ODA priorities for Vanuatu are set down in the AIP (2015-16 to 2018-19) which provides for (Strategic Objective 4) support for cyclone recovery and reconstruction¹⁴. This strategic document in turn informed the *Australia-Vanuatu Aid Partnership Arrangement 2016 – 2019*¹⁵, signed by the Prime Minister of Vanuatu and Australia's Minister for Foreign Affairs.

For the recovery program, internal documents indicate that DFAT initially set out how the program could be operationalised and managed. Ultimately, the modality involved a transfer of decision-making authority to GoV, rendering DFAT's articulation of these matters somewhat redundant, and suggesting the implications of the modality were not fully appreciated.

The Australian Government has a shared agenda for maintaining security and prosperity in the region.¹⁶ The bilateral relationship with Vanuatu encompasses a development partnership, but also significant cooperation on security, trade, and cultural exchange. The majority of Vanuatu's international tourists come from Australia, and more than 3,000 Australians reside in Vanuatu. DFAT offers scholarships for ni-Vanuatu to study in Australia, and a labour mobility program¹⁷ that facilitates seasonal workers to obtain employment engaged more than 3,000 ni-Vanuatu in 2017 – 18. Against this backdrop, several DFAT officials noted that the investment has ultimately generated considerable public profile and strengthened the bilateral relationship.

GoV strategic intent

Vanuatu's National Disaster Management Organisation (NDMO) is mandated to coordinate disaster response; however, overall responsibility for managing the recovery phase for TC Pam lies with the Department of Strategic Planning, Policy and Aid Coordination (DSPPAC) within the Prime Minister's Office (PMO)¹⁸ with project implementation responsibility resting with line Ministries. On 22 June 2015, Vanuatu's Council of Ministers (CoM) endorsed '*Strengthening ni-Vanuatu Resilience–National Recovery and Economic Strengthening Program Plan*' (known as the 'National Recovery Plan'). The GoV asked all bilateral donors to

¹⁴ With a focus on: i) restoring livelihoods and supporting economic and private sector recovery; ii) repairing and rebuilding damaged critical public infrastructure, and iii) restoring damaged health and education facilities.

¹⁵ <http://dfat.gov.au/about-us/publications/Documents/vanuatu-australia-aid-partnership-arrangement.pdf>

¹⁶ 2018 Foreign Policy White Paper, see chapter 7. <https://www.fpwwhitepaper.gov.au/foreign-policy-white-paper>

¹⁷ <https://www.lmaprogram.org/>

¹⁸ N.B. The same Director led the coordination of both phases.

align with this plan under the coordination of DSPPAC. The National Recovery Plan identified VUV34.1 billion (approx. AUD426 million) of investment required across almost all sectors of Vanuatu's economy. Australia's AUD35 million represented 72 per cent of total bilateral funds received from donors; though the plan as articulated by Government of Vanuatu was not fully funded.

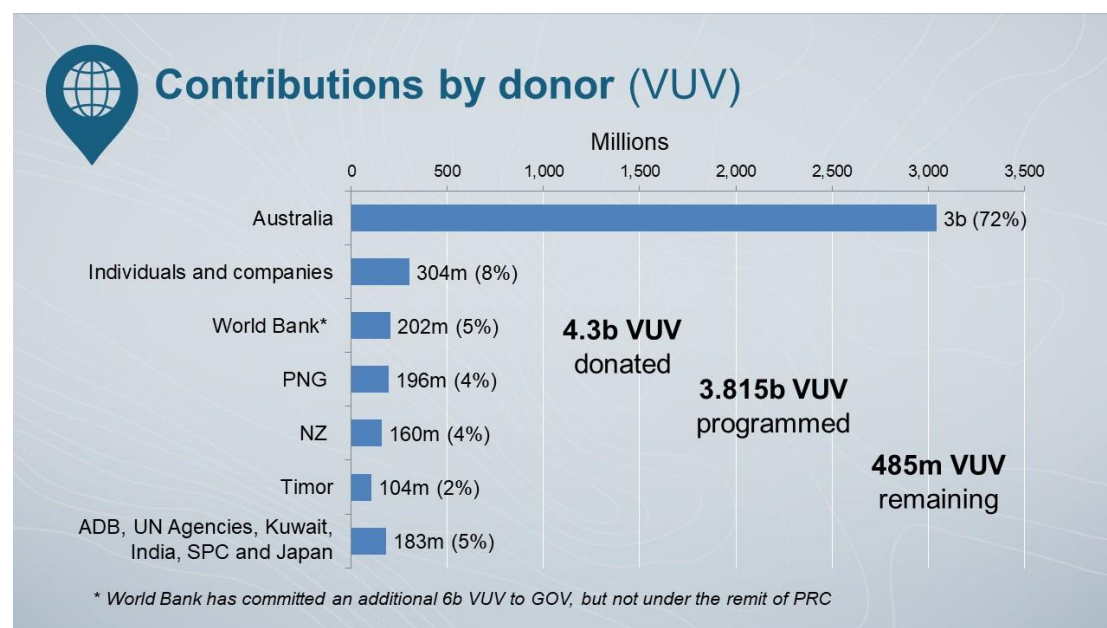


Figure 5: Donor contributions to Tropical Cyclone Pam recovery

The scale of the disaster was unprecedented in Vanuatu—as was the scale and complexity of the recovery program. A senior GoV official stated:

“TC Pam was a wake-up call for the Government. We didn’t have a resilient institutional mechanism to respond to a major disaster. It was a classroom for us...there is a lot of room for improvement...TC Pam was a blessing in disguise...it shook our institutions and we ended up in a position where we acknowledged weaknesses. We need to have a review and bring stakeholders together to ask about lessons learned”.

Recommendation:

2. The AHC should work with DSPPAC to convene a reflection and review exercise that enables stakeholders to capture lessons for future recovery programs in Vanuatu.

In negotiating the parameters of the recovery program with DFAT, GoV officials highlighted two priorities: i) ensuring strategic authority over recovery programming; ii) requesting a capacity development dividend for ni-Vanuatu from the program. It is possible that these concerns arose from the GoV's experience during the response phase, as summarised by an evaluator of the response program:

“A lot of the wishes of the Vanuatu Government were ignored...[they] wanted to run the response themselves but struggled. While Australia had invested in the capacity of the NDMO, international agencies came in and took control...there were meetings in which every face was foreign; and the Government felt it was losing control...”.

These issues were confirmed by multiple interviewees, including one GoV official who underlined the importance of demonstrating government leadership in recovery, including in decisions on how to prioritise and allocate resources among communities in need. He felt that the high profile of international organisations in communities during the response phase eroded the standing of the GoV.

In retrospect, the emergence of these two key issues—asserting strategic authority over recovery programming and demanding a capacity dividend—are understandable. However, they reveal a subtle tension for GoV:

on one hand asserting authority over the recovery program was essentially **a rejection of foreign assistance**; but on the other hand, the demand for capacity build support implicitly recognised weak institutional mechanisms—and hence **a need for foreign assistance**. Arguably, the aid modality adopted by Australia helped GoV to balance this tension, but also introduced complexity (see Section 3.3).

In general, and notwithstanding the different drivers discussed above, there was alignment between the bilateral partners concerning the strategic importance of addressing Vanuatu's recovery and reconstruction needs following TC Pam.

Programming choices

While the broad strategic intent of GoV and DFAT was aligned in relation to *why* a recovery program was relevant, a range of differences became evident in relation to the management and governance of the program (*'how'*); the technical focus (*'what'*); and the geographic targeting (*'where'*).

The *'how'*

A fuller discussion of the program management arrangements is provided in Section 3.3; however, the matter of the chosen modality and governance arrangements had several implications.

For Vanuatu, Australia's choice to transfer recovery program funding in a single payment to the Reserve Bank of Vanuatu was a strong signal of support for sovereignty, authority and institutional trust. As noted above, this helped GoV respond to internal drivers.

For Australia, the decision to transfer the full recovery program commitment addressed the administrative need to expend the available funds before the end of the 2014 – 15 financial year. The modality also demonstrated commitment to the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008)¹⁹, and Australia's desire to support Vanuatu in a time of need. However, the full governance and management implications of this modality do not appear to have been fully appreciated at the time. For instance, Australia anticipated retaining influence over funding priorities and decisions, and the right to assert design control and policy priorities into project designs. Yet Australia did not obtain membership or observer status on the Pam Recovery Committee (PRC)—the peak governance body responsible for program oversight. One practical consequence was that GoV largely set the agenda, though DFAT concurrence was required before funds were released. A former DFAT staff member recalled: *"DFAT's traditional program management model was*

"This was a bold decision by Australia. It was a big leap of faith, but a great demonstration of commitment to the Paris Declaration."

(Informed third party, Vanuatu)

"A technical assessment might conclude we should've used a different modality; but neglects the politics at the time. What we ended up with was imperfect but other options weren't perfect either."

(DFAT Official)

"DFAT had to give up control, which was a big change from the usual modality. I would've been very apprehensive in their shoes as well."

(GoV Official)

¹⁹ <http://www.oecd.org/dac/effectiveness/34428351.pdf>

thrown out the window." Ultimately Australia was able to engage intensively at the more operational level of Project Steering Committees (PSC) for each sector, but the negotiation of governance arrangements—and the model that ultimately emerged—consumed considerable staff time.

There are essentially two divergent characterisations of the modality and governance arrangements:

- **High risk:** DFAT hurriedly negotiated a funding agreement before transferring a large sum of money to the reserve bank of a country experiencing political upheaval. Australia was excluded from the main governance body managing the funds, leading to diminished influence on policy or program priorities. Australia was drawn into program sectors in which DFAT had limited exposure and undeveloped working relationships. Consequences included considerable delays and fiduciary risks.
- **Managed risk:** DFAT exemplified aid effectiveness principles, demonstrating confidence in Vanuatu's Ministry of Finance and Economic Management (MFEM), which had previously been the focus of considerable capacity development by Australia's Governance for Growth (GfG) program. Although excluded from the PRC, the release of funds required DFAT's concurrence. Technical advisers were embedded in PMUs to assure quality, and Australian High Commission (AHC) staff managed operational risks through engagement in PSCs. Consequences included strengthened bilateral relationship and evidence of Australia's commitment to Paris principles.

Seemingly, as implementation has progressed, the risks inherent in the former characterisation have not been borne out, enabling more stakeholders to align with the latter characterisation. A finding of this evaluation is that the apparent fiduciary risks at the outset proved less significant to aid effectiveness than matters relating to sectoral engagement and supply chain management (see below). Regardless, the program has become lauded from a public diplomacy standpoint.

The 'what'

The matter of technical or sectoral focus for the program also consumed considerable time before being resolved. As noted in Section 1.3, DFAT had anticipated that the recovery program would focus on sectors already prioritised in bilateral programs—and in fact could be implemented by expanding existing arrangements with managing contractors. However, DSPAC was firmly of the view, that as the major bilateral donor to Vanuatu's recovery, Australian funds should support the full spread of sectors identified in the National Recovery Plan. A GoV official stated: *"we prioritised four areas: food, water, health and education...we had already agreed in the DFA that GoV would set the priorities"*. The matter was not easily resolved. A DFAT officer involved at the time reflected: *"We couldn't agree on sectors...It was a stressful period with lots of talking but little action"*.

Ultimately, the recovery program engaged in health, education, water, agriculture/livelihoods, public infrastructure, tourism, cooperatives. An Australian official reflected:

"The modality diminished our power of choice. Saying no to proposals posed a relational risk, so we went from two sectors to six or eight, with multiple sub-projects...in the future I would argue to do less but do it better by investing more in design".

Arguably, DFAT's initial concerns about sectoral engagement have been borne out with the most timely and successful programming being done in sectors where the AHC had existing working relationships and technical experience.

Recommendation:

3. DFAT's future recovery programming should minimise engagement in sectors in which there is limited prior experience and undeveloped working relationships.

The 'where'

The geographic scope of the recovery program was also challenging. Australia had assumed investments would concentrate in the most affected southern provinces. However, GoV was responding to other drivers—including dilapidated infrastructure across the country. One Australian adviser noted: *"The Government seemed to direct investments nation-wide; but DFAT wanted to focus on cyclone affected areas. There were divergent priorities."*

As noted above, this divergence may have arisen from the response phase, when many actors apparently made unilateral decisions about target locations resulting in reported cases of duplication and redundancy. In the recovery phase, GoV sought to ensure authority over targeting. There were also domestic political and cultural factors. A GoV official reflected that: *"There was a change of government...aid sent south was criticised by political opponents for being unfair or biased."* There were also cultural norms in relation to expectations of equitable distribution of benefits. An independent civil society observer stated: *"The geographic focus was a mess. Investments were expected to be equally divided across all provinces regardless of need. This was about domestic politics, but also a cultural issue."*

Ultimately, recovery investments in education, health and public buildings focussed on southern provinces, but other sectors adopted a broader geographic focus. Water schemes were planned nationwide; agriculture inputs were mostly delivered in Tafea and Shefa provinces but solar freezers, fish aggregating devices and livestock breeding centres were delivered in all provinces. The tourism initiative was appropriately focussed at the national level, with international marketing used to promote Vanuatu as a holiday destination.

3.3 Use of Government of Vanuatu Systems

Relative strengths and weaknesses:

- ☒ Endorsement of counterpart autonomy and institutions.
- ☒ Clear and transparent financial management.
- ☒ Effective international TA expedited program implementation.
- ☒ GoV systems and strategies unprepared for a disaster of the scale of TC Pam.
- ☒ Early challenges in PRC oversight.
- ☒ Significant program delays accrued at multiple points.
- ☒ Diverse application of 'PMU model' with questionable capacity development and cost saving benefits.

DFAT's chosen modality meant the recovery program was governed and managed through GoV systems, ultimately leading DFAT to compromise on some donor expectations and obliging GoV to accept more risk, responsibility and ownership than is common with other modalities. By definition, the modality ensured alignment with Vanuatu priorities.

As noted in Section 3.2, it seems that GoV systems were unprepared for the scale of TC Pam. Likewise, there seem to have been aspects of the modality that were unanticipated by DFAT. A former DFAT staff member reflected:

“The governance to administer this amount of money; the procurement systems; the financial systems...all this had to be built.”

For the purposes of the TC Pam Recovery Program, the ‘GoV systems’ comprised:

- **Pam Recovery Committee (PRC):** the GoV body with delegated responsibility by the CoM to approve and oversee the recovery program.
- **Department of Strategic Planning, Policy and Aid Coordination (DSPPAC):** is a department within the PMO and appointed as the secretariat of the PRC, responsible for coordinating the preparation and submission of project proposals by line Ministries²⁰.
- **Central Tenders Board (CTB):** the central government agency responsible for tendering recovery program contracts above VUV5 million.
- **Ministry of Finance and Economic Management (MFEM):** the central government agency responsible for disbursing funds from a central development account to project accounts following approval by the PRC and signed concurrence by DFAT.
- **Project Steering Committees (PSC):** project-level management committees attended by DFAT, relevant ministry officials and advisers.
- **Project Management Units (PMUs):** temporary structures within ministries, supported by foreign TA, established to design and implement recovery projects.

An indicative structure is presented below.

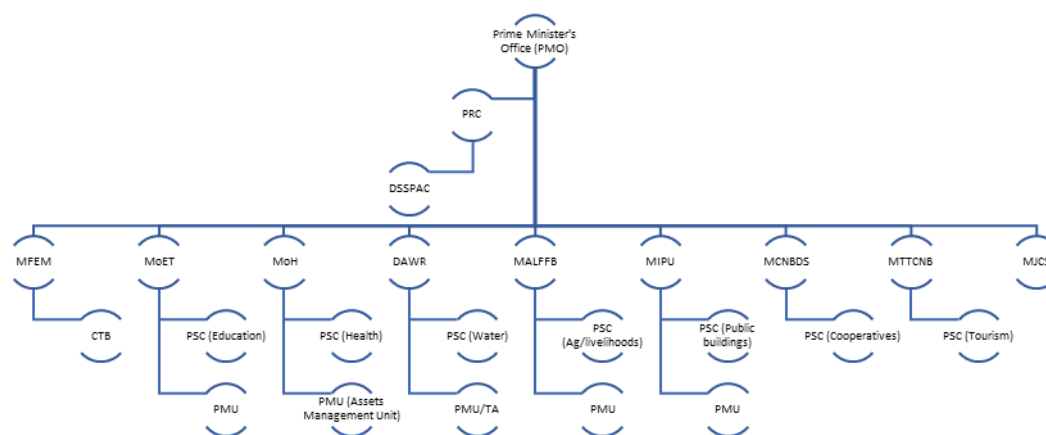


Figure 6: An indicative structure of the TC Pam Recovery Program governance and management arrangements

Each of the above elements of the ‘GoV systems’ are discussed in turn.

PRC

The PRC was established to coordinate and approve recovery projects submitted by line ministries. The PRC comprises Director Generals, Members of Parliament and Permanent Secretaries—although the rationale for the membership is unclear. As noted in Section 3.2, Australia sought to be involved in the PRC but this was not agreed by the GoV. While this was

²⁰ Including: the Ministry of Education and Training (MoET), Ministry of Health (MoH), Ministry of Infrastructure and Public Utilities (MIPU), Ministry of Agriculture, Livestock, Forestry, Fisheries and Biosecurity (MALFFB), Ministry of Justice and Community Services (MJCS), Minister for Trade, Industry, Commerce, Tourism, and Cooperative Development. These line ministries were responsible for sectoral planning and the development and submission of recovery program proposals to DSPPAC.

seen as problematic by Australian stakeholders, some interviewees also noted that the arrangement ensured clear ownership of the program by GoV—a universal donor aspiration—and mitigated against claims that DFAT dominated decision-making. However, a DFAT staff member countered that issues arose in the PRC which could have been efficiently addressed if DFAT was present. Instead the process of seeking clarification contributed to significant early delays because it necessitated additional meetings outside the PRC.

An Australian official recalled that early in the recovery phase the PRC rarely met and made little progress with deliberations—possibly a function of wider political uncertainty at the time. In practice, decision-making fell to out-of-session negotiations between DFAT and DSPPAC. Following the election of the Salwai government in February 2016—on a campaign platform which included expediting recovery—a new Parliamentary Secretary for recovery was appointed and the PRC became more active. DFAT officials concur that progress improved from this point, with all parties affirming the workability of the current arrangements.

Some interviewees see a conflict between the respective mandates of the PRC and the NDMO. However, a decision by Vanuatu’s CoM on 12 March 2018 to formalise the PRC as a permanent structure (and rename it the National Recovery Committee or NRC) suggests the GoV sees value in discrete bodies to address *recovery* programming and the management of *responses*. At the time of this evaluation the details of the NRC were unclear, but it appears the GoV intends for DSPPAC to continue as the operational body of the NRC in relation to recovery programming in the same way that the NDMO is the operational body of the National Disaster Committee (NDC). This permanent separation of mandates may be pragmatic, given several interviewees expressed the opinion that the NDMO is unlikely to have had the capacity and authority to manage both the response and recovery phases, noting the authority afforded to PRC/DSPPAC under the auspices of the PMO. Further, since TC Pam, the NDMO has dealt with TC Cook, TC Donna, TC Gita, TC Hola, two evacuations of Ambae as a result of volcanic activity and several landslides. In this context, it is plausible that a broad mandate for response and recovery could compromise the NDMO.

Recommendation:

4. DFAT should offer technical support to GoV to strengthen the NRC, given its likely role in future recovery efforts.

DSPPAC/PMO

As noted above, DSPPAC was effectively the governing body for the recovery program until the PRC began fully functioning after the February 2016 election. Officially, DSPPAC acts as the secretariat for the PRC, coordinating the preparation and submission of project proposals by line ministries. In practice it played a more active decision-making role, negotiating directly with DFAT concerning the allocation of program funds against sectoral priorities. This was a source of significant delay, with reasons apportioned differently by various stakeholders.

Some pointed to the pace at which GoV ministries could produce proposals. Others expressed concern about the extent to which DFAT could undertake quality assurance processes and ensure Australian development policy priorities were met in the program (in particular, gender, disability and social inclusion policies; see Section 3.5).

Regardless of reasons, both bilateral partners agree that timeframe is an important success criterion for recovery. A Canberra-based DFAT officer stated: *“I would argue that any recovery program should be judged on speed.”* In a similar vein, a senior GoV official stated: *“following a disaster, time should be the priority.”* Virtually all interviewees were of the view that the

time taken to implement the TC Pam Recovery program has been too long; but equally many conceded that there is no clear benchmark for recovery programming, and further, in the Vanuatu context perhaps three or four years is more realistic for a program of this kind. A locally engaged DFAT staff member encapsulated this view:

“In the end I don’t think we’re really that far off track. If you look at the places on the map where we [implemented activities], these are very remote places. Our work progress is not slower than [similar donor programs]. Consider the logistics of getting a single nail from Port Vila to a remote village in Tanna. It couldn’t really be done faster. Sometimes the recovery program is unfairly judged.”

Both governments felt considerable pressure from their constituencies to expedite the recovery program but were also responding to other drivers that compromised speed. From the GoV standpoint, speed of implementation was in tension with the desire for capacity development of ni-Vanuatu (see discussion below regarding PMUs). From DFAT’s standpoint, the pressure for speed was in tension with the need to manage risk and integrate Australian policy priorities. A DFAT official succinctly reflected the sentiments of several interviewees: *“Even though we had handed over all the money up front, we still bore the risk of things going wrong.”* In effect, the funding modality reduced DFAT’s usual control over program governance and management, but seemingly with no commensurate reduction in responsibility—at least within Australia. An interesting case is the health sector proposal which was assisted by a pre-TC Pam asset inventory and a functioning Asset Management Unit that immediately mobilised as the *de facto* ‘Health PMU’. Even in this case, an AUD7 million health proposal took around three months to negotiate because DFAT was concerned about quality parameters and a risk of harm. A DFAT officer recalled: *“[DSPPAC] was frustrated with the time taken, but DFAT needed to appraise project designs...needed confidence in what they were funding”*. It is evident that DFAT’s program staff felt exposed if established quality assurance processes were not followed; but were then criticised by both GoV and Australian stakeholders for accruing delays.

A DFAT official wondered if the program had given mixed messages: *“We are supportive of counterparts taking ownership of programs, but when they do we are not always prepared for the implications internally.”*

Recommendation:

5. If the TC Pam recovery modality is employed in the future, DFAT should moderate expectations in relation to Australian aid policy priorities to reflect reduced donor control, in line with the use of general/sector budget support.

CTB

The CTB is responsible for administering all government tenders above VUV5 million (approximately AUD60,000). The mechanism is widely considered to be under-resourced (involving two key people) and compliance requirements are considered onerous—particularly from the perspective of ni-Vanuatu contractors tendering for packages of construction work. One adviser stated: *“The paperwork you have to get through is horrific”*. Other advisers described having to intensively follow-up to ensure tenders progressed through the system.

Several interviewees advised that there are emergency provisions that permit a more streamlined procurement process under a State of Emergency; however, these provisions were not applied for the duration of the recovery program. GoV officials expressed interest in

exploring ways to expedite tendering during future recovery efforts. A senior GoV official stated: *“The Government needs to create avenues for more efficient coordination. There is potential to install provisions for [recovery] procurement in the same way we have the Disaster Act that prescribes the role of the NDMO and Cluster Coordination system”*. Evidently the Procurement Act was revised in 2008 with support from Australia but was never operationalised.

Recommendations:

6. DFAT could support GoV to review recovery program procurement, with a view to developing provisions that enable more efficient tender processes.
7. AHC-GoV should consider augmenting CTB capacity during future recovery programs involving significant procurement through GoV systems.

For the recovery program, the practice of reducing the size of work packages below VUV5 million had the dual benefit of avoiding the need to tender through CTB and providing opportunities to small island-based contractors. However, there is internal debate within GoV concerning the propriety of this approach.

MFEM

MFEM is widely considered a strong institution—evidenced by being one of two national finance agencies endorsed by the United States Government to administer Millennium Challenge Account funds through government systems. MFEM has previously been the recipient of significant investment by DFAT’s Governance for Growth (GfG) program. An independent observer of the recovery program noted:

“It has been useful to put a significant sum of money through the GoV system to reveal where it gets stuck. MFEM is a very strong institution and has been through significant reforms. At the time of TC Pam, MFEM’s status should’ve given Australia confidence.”

Evidently a point of difference arose between MFEM and the Reserve Bank of Vanuatu about holding the recovery program funds. The DFA stipulated that the funds should be held in an account that bears interest, and MFEM formally followed up on this matter at least twice with the Reserve Bank Governor with no result. While this is largely a domestic matter, it is inconsistent with DFAT policy. This matter must be reconciled before any discussion about a future deployment of the TC Pam modality can be held.

PSCs

PSCs have been established for each sector. As discussed above, DFAT was unable to obtain membership of the PRC, but actively engaged with PSCs. A former DFAT staff member recalled: *“because we weren’t in the PRC we used the project steering committees, side meetings, every avenue available to us to understand what was happening”*. Some interviewees suggested that this had the unexpected benefit of fostering greater DFAT insight into implementation risks and issues than would ordinarily have been possible. Others felt that this practise unnecessarily increased the workload for DFAT staff who could have relied on reporting from the PMUs to gather insights about implementation.

PMUs

PMUs are a long-standing mechanism of the GoV, although their resourcing and prominence has fluctuated with donor aid flows. DSPPAC insisted PMUs be established within line

ministries to manage recovery program implementation. This push seems to have stemmed from three arguments:

- **Control:** desire within GoV for greater authority and control over recovery program implementation.
- **Cost:** individuals within GoV were firmly of the view that the program could be implemented less expensively by PMUs than by managing contractors owing to the former not requiring management fees.
- **Capacity:** expectation within GoV that foreign TA should generate a capacity development dividend within Vanuatu's civil service.

There are diverse views about the merits of the PMU model. Debate is complicated by the fact that no two PMUs have identical structures, and none has achieved 100% capacity in terms of anticipated staff levels. Each of the three arguments listed above is discussed in turn.

Control

First, the argument for greater strategic control of the program by GoV was largely borne out in terms of Vanuatu setting program priorities (as discussed above in relation to the PRC). However, at an operational level, control of the program by GoV was limited by the availability of ni-Vanuatu PMU staff with the requisite skills. One adviser reported: *"the fundamental problem with the PMU structure across the whole recovery program was the limited project management capacity available in the country."* Another adviser stated that the department they worked in had rhetorically committed to a PMU but the human resources had never materialised. The practical effect of this was that the program was implemented largely by international advisers (TA). A former DFAT staff member noted: *"The government systems just weren't ready to absorb that much money and rollout projects quickly"*.

Cost

Second, the argument for cost savings achieved by using the PMU model rather than managing contractors is difficult to verify. The PMU model did not attract the management fees typical of a managing contractor. However, PMUs were heavily reliant on international TA—arguably at similar costs to those a managing contractor would have carried. Further, and perhaps unforeseen, were costs associated with the management intensity required by DFAT. A DFAT official noted:

"There was an expectation that implementation would require only a light touch from DFAT, but actually the PMU model demands more human resources on the DFAT side than an outsourced program: project steering committees, tender evaluations, other meetings."

As the cost of DFAT's additional human resources has been absorbed by DFAT, it has not compromised program scope—a fact not widely understood by GoV counterparts. Nevertheless, multiple interviewees concurred that the recovery program placed an exceptional strain on the AHC.

Further—and also seemingly unforeseen—additional costs arose as a function of the proliferation of PMUs across line ministries because of competition for scarce skills (engineers, architects and procurement officers) and resources (hardware and transport). Some interviewees argued compellingly that this could have been avoided by pooling human resources and centralising procurement and supply chain management for the entire recovery

program. An expanded version of the model employed by the health component of the recovery program was suggested²¹.

Arguments were also proffered that even if the PMU model was cheaper than a managing contractor, it probably incurred costs as a result of being slower to mobilise—especially compared with DFAT’s preferred scenario of expanding the scope of services of existing contracts in health and education. A senior DFAT official involved at the time reflected:

“[Key people in GoV] were averse to the idea of a managing contractor, preferring to use a modality which built local capacity. They successfully argued for the PMU model, but it’s not really clear if the pay-off was there. Arguably [a contractor] would’ve been faster at mobilising and procuring, because they were already active in Vanuatu and performing these very functions”.

Notwithstanding the challenges and delays, the program has ultimately progressed and achieved much of the intended scope. An independent observer commented: *“The [PMU] model has worked. Things got done—maybe not as fast as possible, or as well as expected in some cases—but overall it worked”.*

Capacity

Third, the argument for a capacity building benefit is also difficult to categorically defend. Several GoV officials expressed strong support for the notion that a bilateral partnership should invest in on-the-job mentoring for ni-Vanuatu staff; but most people recognised that time pressure is in conflict with the long-term investment required to build capacity. A senior GoV official reflected: *“There is a conflict in the expectations between time and capacity...it doesn’t happen overnight”.* A DFAT official posed the Socratic question: *“What’s more important? Capacity or speed?”.* Staff in DFAT’s Humanitarian Section respected the underlying existential tension: *“Implementing a rapid recovery program may compromise capacity building and a transition to sustainable development; but then again, having children still attending school in leaky tents years after the emergency is also unacceptable”.*

Regardless of the debate about balancing priorities, many interviewees questioned the efficacy of the recovery program as a platform for capacity building:

- **Reliance on international TA:** TA were focussed on expediting implementation which made the mentoring required to achieve substantive capacity gains difficult. A DFAT official recalled that the PMU model was *“predicated on local ownership and strengthening of government capacity...but the PMUs were staffed with expats who acted in a largely substitutionary way”.*
- **Recruitment of already-capacitated local professionals:** the nature of the program and associated challenges demanded recruitment of skilled local professionals rather than deliberately investing in those with less experience.
- **Contracted rather than permanent staff:** PMU staff were hired on fixed term contracts, and hence are likely to be lost to Vanuatu’s civil service at end-of-program. Even one of the most vocal proponents of the PMU model within GoV conceded: *“the problem is that once trained, people move onto other opportunities”.* PMU staff moving into future non-government roles will nonetheless retain capacity within Vanuatu’s economy.

Notwithstanding the difficulty of combining recovery programming and capacity development of the civil service, many stakeholders agree that the breadth and scale of the recovery

²¹ Some interviewees rejected this proposition on the basis of the poorly performing VPMU—a similarly centralised structure. However, stakeholders close to this mechanism described a more complex set of issues than the concept of the mechanism *per se*.

program had a general human resource development effect—especially in relation to the impact on small island-based contractors (see discussion in Section 3.4).

A notable successful PMU was the agriculture/livelihoods PMU, which worked across all departments within its Ministry, demonstrating sufficient value to be resourced as a permanent fixture. Stakeholders cited the benefits of improved transparency and efficiency in procurement and planning.

Leadership and vision are also cited as key success factors for PMUs. The education and public buildings PMUs are widely appreciated for their achievements and are seen as having a discrete focus on recovery activities. In both cases, TA provides an overt capacity substitution function. The health ‘PMU’ was deemed to have performed strongly but is not a dedicated recovery PMU—recovery work has been absorbed by the ongoing assets management unit. In the water sector, TA supports both recovery activities and wider ministry priorities with few ni-Vanuatu staff. The PMU model is not evident. Work within the tourism and cooperatives sectors has not involved the establishment of PMU structures. Tourism marketing has relied on foreign TA already embedded in the Vanuatu Tourism Office. The small portfolio of work within the Department of Trade on cooperative buildings could arguably have been handled more efficiently by the PMU in the Public Works Department.

3.4 Contribution to Impact

Relative strengths and weaknesses:

- ☒ Community members—especially in remote areas—expressed deep appreciation for the program.
- ☒ Significantly improved public infrastructure, and emerging evidence of improved services.
- ☒ Strong anecdotal evidence of improved capacity of local construction contractors.
- ☒ Evidence of positive return on investment in tourism sector.
- ☒ Longer than expected implementation has consequently delayed impact in communities.
- ☒ Uncertain sustainability of some project impacts.

In program theory convention, ‘impact’ concerns significant and lasting changes influenced by a program within a target population. A technical assessment of impact requires the identification of a ‘baseline’ against which changes can be benchmarked. A systematic impact measurement system was not established at the outset, and so a definitive statement of impact is not possible within the scope of this evaluation²². Nevertheless, this section presents stakeholder perspectives on impact, framed at a personal/community level, institutional level and economy level.

The diversity of impacts reflects the breadth of the sectoral focus of the recovery program. Some investments involve short ‘causal links’ between deliverables and household/community impact (e.g. construction of water supplies or distribution of livestock); while others have longer lines of logic (e.g. construction of a new tuberculosis ward or repair of cooperative buildings).

There have been a range of negative or unintended impacts. For example, the local cost of sand and aggregate has increased and the *kastom* ways that these resources are accessed by inland communities has changed. One Australian official identified an unintended positive impact for DFAT through broader networks, such as in the Ministry of Trade. Arguably the most significant unintended impacts arise from slower than anticipated implementation, which have undoubtedly created frustration. A civil society observer noted: *“Even when DFAT had allocated 70% of the funds there was still very little actual impact on the ground”*.

²² N.B. A possible exception could be to utilise an asset inventory of health infrastructure that was compiled shortly before TC Pam as the basis for measuring the impact of the recovery program in the health sector.

However, paradoxically, some interviewees suggested that the delays have mattered less with the passing of time. A building contractor observed: *“People accept how long things take. They have low expectations; especially in remote areas. People know that the schools will be evacuation centres in future disasters, so it’s worth waiting for”*.

Personal and community impact

Several interviewees reflected on the trauma that affected people in the aftermath of TC Pam. A senior Australian official stated: *“[TC Pam] was the biggest thing ever to happen to the country—a really big deal. It affected the whole southern half of the country”*. A locally engaged DFAT staff recalled: *“Everyone was hit really hard by [TC] Pam. The people dealing with the response were themselves traumatised. The Government closed down for two weeks.”* Given the negative personal impact of TC Pam, it is perhaps unsurprising that the recovery program has seemingly had a correspondingly positive personal impact. One building contractor observed:

“People are really happy with the schools, especially in remote communities. In one place the classroom is the first modern building they have had. Women would touch the walls and then cry. I was crying too. They couldn’t sleep the night it was opened.”

As implementation has progressed, many people have come to see a net benefit from TC Pam. One adviser noted that handover speeches have routinely included words to the effect: *“Thank God TC Pam came because we finally got money that enabled us to get things done”*. Another adviser stated: *“Many of the buildings we worked on were affected by a lack of maintenance over the long term, as well as damage from TC Pam.”* The effect in many communities is that key infrastructure is restored to the highest standard it has ever been.



Figure 7: Rain harvesting shelter and water tank also used as a community venue

Although problematic for other management reasons, work in the water sector has been highly regarded by communities. Around 64 rain harvesting systems have been constructed in rural communities, comprising a 50 square metre roofed structure connected to a 10,000 litre tank. Aside from providing an additional water supply, these structures have become valued as community meeting spaces or market places. An adviser noted:

“The rain water harvesting is great. We should be calling them houses or community buildings more so than water supplies. On the eastern side of islands with higher rain there should be enough for five litres per day for 40 people throughout year...this is seen as an emergency supply.”

Nevertheless, global experience in the WASH sector suggests that the impact and sustainability of improved water supplies could be augmented if integrated with a wider strategy for improving sanitation, hygiene behaviour and infrastructure maintenance/governance.

The distribution of breeding livestock and planting materials was also appreciated by community members, and in some instances was the first practical assistance received in the recovery phase. An adviser reported:

“The plan to stock breeding centres with goats, pigs, ducks and chickens is now seen as super successful. Instead of just buying local animals, we provided genetically improved livestock like Sussex chickens that are good for eggs and meat. Farmers then buy these animals from breeding centres and so are more likely to care for them and breed from them...farmers are getting up to 14 piglets instead of around six.”

As with the water supplies, experience suggests that the impact and sustainability of the distributed livestock and planting materials could have been improved if part of a wider livelihoods and market development strategy. Both these cases illustrate challenges associated with DFAT being drawn into unfamiliar program sectors (as per Recommendation 3).



Figure 8: Livestock at the breeding centre on Tanna

Institutional impact

Understandably for a small country, TC Pam created significant institutional impacts. Both Australian and ni-Vanuatu officials noted that institutional constraints were compounded by the social and economic impact of TC Pam, and then the period of political upheaval. As discussed elsewhere in this report, the recovery program encountered some delays and constraints, but ultimately has fostered positive results, although with arguably less capacity development gains than some anticipated.

Positive institutional impacts range between subtle changes in priority to tangible changes in services. Overall, there is a sense that GoV institutions have benefited from the process. A former DFAT officer stated: *“This was the largest recovery program managed by the Government, entirely through government systems. It has given them confidence they can do it again.”* An example of changes in priority or emphasis were reflected by a senior representative of the Vanuatu Society for Persons with Disability (VSPD):

“Since [TC] Pam there has been a change in the way that organisations work together for the disability sector. Mainstreaming people with disability is now a policy priority

in the Ministry of Justice, and it has become a stronger priority for the Government overall.”

The most obvious institutional impacts derive from investments that have increased the capacity for services; for example, constructing a tuberculosis ward on Tanna, which has typically had one of the highest TB rates in the Pacific. Previously, TB was treated in a room attached to the main hospital building with capacity for only 10 patients, but frequently accommodating more. In relation to the new dedicated ward, a hospital staff member stated: *“The TB house is one of best quality buildings in the province. It is designed to withstand Category 5 cyclones and has very strong foundations.”*



Figure 9: Dedicated TB unit at the hospital on Tanna

There are also long causal links between the rehabilitation of police housing and wider community impacts. Nevertheless, there is little doubt about the positive impact on officers and their families; and more broadly a sense of community pride (see box).

Makenzie Tameta, Police Officer

Makenzie is a Police Officer who has been posted in Lenakel since 1998. Along with his wife and five children, he lived in a Police house constructed by the British colonial administration. Among other issues, the roof had several large holes. *“When it rained, we had to move the children’s beds and place buckets around the house”*. When TC Pam struck, a branch fell onto the roof causing it to collapse. *“We went to the school building to shelter until the cyclone passed, then moved into another Police house, but it didn’t even have doors and windows. We stayed in that house from 2015 up to 2018. Some Police Officers with even more damage to their houses had to return to their villages”*. The poor living conditions created considerable stress within the family. *“If I was out of town working and it started to rain, I would have to hurry home. We had no electricity or water...it doesn’t look right for a Police Officer to live in a bad house”*.

The recovery program repaired 12 police houses and completely rebuilt two. The houses are based on the original design, but now have a sizeable veranda, a water tank, toilet and shower and electricity connection.

“Our house took eight months to be completed because of delays with material shipments. We’ve just recently moved in and my wife is very happy. We’ve been struggling for 19 years, but now things are good. The community is happy to see Police Officers being supported.”

More broadly, several DFAT officials argued for tacit institutional strengthening arising from the process of GoV managing a relatively large program that exposed top level government representatives to the workings of a body such as the PRC and the work of PMU staff within line ministries.

Economic impact

The most consistently reported impact of the recovery program relates to a perceived increase in the capacity of small contractors within the construction sector. A supervision contractor engaged by the recovery program reflected:

“Some contractors didn’t even know how to invoice. Our role was just supervision, but if they needed help we’d provide advice. We were more like a coach. At times we even had to help them with reading drawings...we’ve worked with at least 20 contractors and at least half of them are continuing to be used by the Ministry.”

Corroborating this view, an official within the Ministry of Health reported: *“There is evidence of stronger local contractor capacity. We have seen an increase in the proportion of good quality buildings. There has been a noticeable increase in the number of concrete block-making businesses in the islands”.*

An adviser argued that the program had fostered an overall improvement in the construction industry:

“The majority of the local enterprises feel there has been a capacity building benefit...They now know how to respond to government expressions of interest and they’ve picked up new skills through supervision by local engineering companies. There’s been a benefit from actually getting their work assessed. Capacity building [of the sector] wasn’t something that we set out to do, but along the way it has happened.”

The medium-term economic prospects for local contractors is uncertain. One construction industry observer noted: *“Some local contractors will continue to get work, perhaps ending up in Port Vila. In Tanna there is always bits of work around. There are other donors with work in the pipeline. It’s been good training and has raised hopes”.* However, this optimistic perspective was countered by a building contractor who stated: *“I don’t know what will happen to most of these contractors. The market in Vila is already saturated. The contractors may try to get work [in the provinces], but there isn’t much work around”.* In the case of at least one of the larger local contractors, TC Pam has been transformative:

“Since [TC] Pam, we’ve ended up doing more construction work. Previously the company only did one contract at a time; but since Pam we have up to 11 contracts at a time. We’ve had to hire more staff and engage project management capability. We now have 123 fulltime staff. We’re grateful that DFAT contracts helped to grow the financial base of the company.”

Beyond the construction industry, investments in tourism have seemingly generated a positive return for the economy, at both the national and local levels.

Evidently an international marketing campaign to promote Vanuatu as a post-cyclone tourist destination was modest in relative terms in the tourism industry²³, but was important for Vanuatu given figures suggesting that tourism nets 42% of GDP, generates 11,000 direct jobs and an estimated 30,000 indirect jobs. Data presented by the Vanuatu Tourism Office indicates that 8,833 extra people have visited Vanuatu over 2016 levels.

The recovery program also invested in local tourism operators in Tanna. A tourist bungalow operator interviewed during this evaluation had two of seven bungalows destroyed by TC Pam in addition to the restaurant and reception area. With assistance from the program he has reconstructed and improved the damaged facilities and added a further three new bungalows. He reported that business has increased since TC Pam with the highest occupancy rate he has ever had. He attributed this to the improved facilities and to the marketing support at national level and also a marketing bureau at the local airport.

A former DFAT officer summarised the overall impact of the recovery program:

²³ The Vanuatu Tourism Authority invested AUD1.6 million in a tourism marketing campaign, which has been compared to regular threshold campaigns by Tourism Tasmania or Queensland of around AUD2 million.

“Overall, I think we got things done with what we were given. Schools and health centres went up. Did it help the country recover? To an extent. It was late, but there probably wasn’t a quicker way given the challenges we face in the Pacific.”

3.5 Good Practice Considerations

<p>Relative strengths and weaknesses:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Disability issues considered across the program with the support of VSPD, resulting in improved accessibility in many public buildings. <input checked="" type="checkbox"/> Improved maternity and market facilities likely to yield tangible benefits for many women. <input checked="" type="checkbox"/> Environmental sustainability was not a strong feature of infrastructure planning. <input checked="" type="checkbox"/> The concept of ‘build back better’ was not made relevant in the local context. <input checked="" type="checkbox"/> Convoluted and unproductive process of negotiating how to address DFAT’s Gender Equality policy priority within the program.

Gender equality

Australia earmarked AUD2 million of the AUD34.7 million to contribute to gender outcomes, in line with the prioritisation of gender in the Australian aid program. The Department of Women’s Affairs within the Vanuatu Ministry of Justice and Community Services (MJCS) submitted a proposal for the use of these funds, which was developed by a consortium of NGOs, which also comprise the gender and protection cluster in Vanuatu. This proposal was not accepted by GoV, despite attempts to advocate the importance of its proposed outcomes (to strengthen the gender and protection cluster through a series of workshops and community outreach in SHEFA and TAFEA provinces.) Eventually, the funds were reprogrammed, and will support the refurbishment of the maternity ward at the Vila Central Hospital and improvements to Port Vila’s central market house, where women trade produce.

The Government of Vanuatu’s decision not to support the proposal was based on a perception that it focussed on social outcomes and empowering certain stakeholders, while the rest of the recovery program centred on rebuilding infrastructure. There was also hesitation about using NGOs to deliver the program, while other program components were seen to be more directly benefitting ni-Vanuatu businesses. Within government there was a perception that the proposal’s supporters were not open to negotiating a mutually acceptable outcome; however, many in the gender sector felt that significant time, resources, effort and energy had gone into consultation and negotiation. Several interviewees commented that the impasse went on for a long time.

Ultimately, earmarking funds specifically for gender work also potentially weakened the overall program in terms of its ability to integrate gender concerns across other sectors. While health and education facilities built under the program undoubtedly improved the services available to women and men, girls and boys, there was little evidence of deliberate consultation with female community members as worksites were identified and plans developed for new structures. Furthermore, the economic benefits of the program in terms of employment opportunities appear to have largely been skewed towards men. While some women were employed in PMUs, most downstream work (in construction, site management etc) was undertaken by men. Some local contractors, when questioned, mentioned that if contracts had stipulated that a certain proportion of women needed to be employed, this could have been done in a culturally appropriate way. In line with Recommendation 5, DFAT should be mindful that a decision to deploy the TC Pam modality should accompany reduced expectations of the extent to which Australian aid policy priorities will be prioritised.

Disability

Disability issues were evidently considered across the program taking into account significant constraints in the Vanuatu context. In Vanuatu, a disability access policy was approved in 2017, but it is not clear where the responsibility for compliance lies between the relevant Government ministry and local councils. The Vanuatu Society for People with Disability (VSPD) and the MJCS were integral in ensuring disability was considered as projects were developed. VSPD representatives participated in the gender and protection cluster, and MJCS staff noted that they had worked closely with the Ministry of Education and Training (MOET), promoting good practise considerations for work in outer islands, and were part of the coordinating team in the public works project. While it seems that the Recovery Program has helped to elevate awareness of disability access issues, it is unclear what significant and lasting changes have been fostered.

The evaluation team visited a number of program sites, including classrooms, health centres, Lenakel and Vila Central Hospitals, Lamenu stadium, police housing, cooperatives and the refurbished VSPD headquarters. Disability access (ramps, rails, wide doors and corridors) were incorporated into new buildings constructed under the program (with the exception of police houses for individual officers and their families) and into some renovation work²⁴. Interviewees were aware of the need to factor disability access into design considerations but were not always able to incorporate these measures into refurbished buildings, as the original designs did not allow for them (see ‘build back better’ section below). Some interviewees noted the wider contextual challenges in Vanuatu; for example, noting cases where ramps were newly installed in public buildings, but the buildings themselves were not accessible by wheelchair.

Environmental sustainability

Environmental sustainability was not a strong focus for the program. One example of integrated thinking in this regard was in the water project, where new or repaired water systems included water safety planning and the establishment of water management committees at the community level. Under the education and public works projects, communities were responsible for the provision of locally available building materials such as sand and gravel, as is common practise in Vanuatu. Some stakeholders noted that some communities have easier access than others to these resources, and cash payment or other *kastom* practices were employed in order for inland communities to access these resources. Interviewees did not voice concerns around environmental sustainability of the program, although some noted that shortages of building materials (presumably included those provided locally) contributed to delays in implementation. Conversely, however, it is possible that slower implementation in fact spread out the demand for these materials over a longer period of time, mitigating environmental impacts like erosion that would have been worse if the program had been implemented over a shorter timeframe.

‘Build back better’

There was broad agreement that repairs to infrastructure undertaken by the recovery program should align with the principle of ‘build back better,’ both to upgrade the quality of infrastructure in program sectors but also to ensure resilience to further natural disasters and to improve disability access. However, a definition of ‘build back better’ was not attempted, and (therefore) application of the principle was not consistent across the program. Much of the infrastructure included in the program’s scope was not only affected by TC Pam, but also deteriorated or in a state of disrepair due to its age. In assessing each individual building, therefore, PMUs had to consider:

²⁴ Such work was informed by DFAT’s Accessibility Design Guide: <https://dfat.gov.au/about-us/publications/Pages/accessibility-design-guide-universal-design-principles-for-australia-s-aid-program.aspx>

- whether to fix TC Pam-related damage only, or undertake more substantive repairs to bring buildings to an acceptable standard; in many cases doing only the former would still have left buildings unusable and/or dangerous;
- balancing the inherent tension between expending recovery program budget on a smaller number of high-quality buildings, *versus* investing in a larger number of public buildings but to a lower standard;
- the relative costs and benefits of renovating damaged buildings, which involves more complex assessments and tailored approaches, against building new structures which avoids certain risks and increases certainty with regards to building quality, safety, and the materials and budget required.

While renovation works are planned under the education project, only new buildings have been completed to date. This decision is likely related to the remoteness of many school sites and the considerations above. It was also noted that early on in the program significant time was devoted to considering the merits of building pre-fabricated classrooms, with individual providers advocating directly to the Government of Vanuatu. Ultimately, it was decided to pursue more traditional building methods using the MoET standard classroom design, and to trial pre-fabricated building methods in only a small number of sites. Wider use of pre-fabricated classrooms would have compromised the ability of the education project to include renovation works.

Notably, the education project did not include installing WASH facilities at all schools within the project's scope, although a 10,000 litre water tank was installed at the majority of schools where classrooms were constructed. While these facilities did not exist pre-cyclone, an interpretation of the 'build back better' principle with a strong focus on development effectiveness and gender and social inclusion may have also invested in toilets. There is evidence in development literature showing that girls in particular are more likely to attend school when adequate WASH facilities are provided.²⁵ Accessible WASH facilities are also an important enabler for children with mobility impairments attending school.

The health and public buildings projects undertook significant renovation work, notably to the Vila Central Hospital, Lenakel Hospital, police housing and the VSPD headquarters. Interviewees working in these sectors noted that uncertainty over how to interpret 'build back better' had led to some issues balancing expectations and budgets. For example, the septic system at the Vila Central Hospital has been repaired to pre-TC Pam functionality, but it was commissioned in the 1960s. Bringing the system up to modern standards was costed and designed, but ultimately not pursued under the program. Arguably, upfront clarity over how the principle should be applied would have either negated the need for the design work to be done or delivered a more modern waste management system for Vanuatu's main hospital.

Recommendations:

8. Future recovery programs should define principles such as 'build back better' in locally relevant ways and confront the issue of pre-disaster decline.

²⁵ Anjali Adukia American Economic Journal: Applied economics Vol 9 No 2 April 2017, p23-59; also ample observed experience through DFAT's Civil Society WASH Fund which implemented 29 WASH projects in 19 countries, including in Vanuatu.

4. CONCLUSION

DFAT adopted an untested bilateral aid modality for the TC Pam Recovery Program which fostered strong ownership by GoV and provided an endorsement of Vanuatu's autonomy and financial institutions. It also provided a clear demonstration of Australia's commitment to 'good donorship' principles. The use of 'GoV systems' reduced Australia's control over the program and as such reduced Australia's exposure to risk in Vanuatu—but not in Australia. The program was monitored against a DFAT remediation plan for one year due to delays. Nevertheless, many of the fiduciary risks initially associated with the modality were not borne out or were managed; and were less significant to aid effectiveness than matters relating to sectoral engagement and supply chain management. The program, although delayed and necessitating a one-year no-cost-extension, is widely acknowledged to have contributed to significantly alleviating the impact of TC Pam and strengthening the bilateral relationship between Australia and Vanuatu.

APPENDIX A: QUESTION GUIDE

Domain of Inquiry	Topic	Opening Question	Intent
1 Alignment with strategy	1.1 What was the original strategic intent?	To what extent was there (mis)alignment between Australian and Vanuatu priorities?	Assess the strategic context or framework for the program.
		In retrospect, did the strategy provide relevant focus/emphasis?	Assess the extent to which the program was systematic/strategic versus reactive.
	1.2 What processes were employed to make key programming choices?	To what extent were programming decisions informed by strategy?	Assess the extent to which the program was systematic/strategic versus reactive.
		What additional considerations informed programming decisions?	Identify other non-strategic factors that impinged in implementation.
2 Use of Vanuatu Government systems	2.1 What were the key considerations and trade-offs made in relation to the financing and delivery approaches?	To what extent were these considerations and trade-offs different for Australian and Vanuatu partners?	Assess any divergent priorities/drivers.
		How were any differences or trade-offs dealt with or accommodated?	Appreciate processes for managing divergent priorities.
	2.2 To what extent was the model of embedded PMUs considered successful?	In what ways did the structure and delivery approach enable (in)effectiveness	Assess the merit of the PMU and governance structures relative to the strategy and purpose.
		In what ways did the structure and delivery approach enable (in)efficiency	Assess the merit of the PMU and governance structures relative to meeting time, cost and progress targets.
		Were there notable differences between PMU performance across the Ministries?	Identify any lessons in relation to the operations of the various PMUs.
	2.3 What aspects of the program management arrangements were especially (un)successful?	To what extent were the resources allocated by Australia and Vanuatu sufficient?	Assess the adequacy of resources to manage and implement the program.
		To what extent should similar processes and structures be employed in	Assimilate stakeholder perspectives in relation to the merit of the program

Domain of Inquiry	Topic	Opening Question	Intent
		a future recovery program?	(including the funding arrangements).
3 Contribution to recovery	3.1 What evidence suggests that the program stimulated economic activity?	What were the relative strengths and weaknesses of engaging local contractors to deliver outputs?	Assess the efficiency and efficacy of implementation modalities in meeting local needs.
		To what extent did program outputs directly assist communities in recovery and resuming normal activities?	Assess the effectiveness of implementation partners and modalities in addressing local priorities.
4 Good practice considerations	4.1 How was the 'build back better' principle applied?	To what extent did the various PMUs, sectors or contractors apply the principle differently?	Interpret how good practice principles such as build back better were accommodated in the local context.
		Are there any notable implications arising from the way the principle was applied?	Assess any unintended consequences, and implications for sustainability and resilience.
	4.2 To what extent were gender equality, child protection and disability access considered?	What actions were taken at program and activity level to ensure these priorities were addressed?	Assess the merit of program level and activity initiatives to address policy priorities.
		Is there any evidence of any significant or lasting changes?	Assess sustainability prospects.
	4.3 In what ways were environmental safeguards assured?	Were there any particular strategies or actions at program or activity level?	Assess the merit of program level and activity initiatives to address policy priorities.
		Is there any evidence of any significant or lasting changes?	Assess sustainability prospects.

APPENDIX B: LIST OF INTERVIEWEES

Date	Stakeholder
Fri 1 Jun	DFAT Gender Adviser
	DFAT Humanitarian section
	Former HOM to Vanuatu
	Karen Ovington (ODE)
	Mathew Harding, former GfG Director
	Patrick Haines, former SPO
Mon 4 Jun	DFAT Senior Program Managers and Program Managers
	HOM, DHOM and GfG Director
	Recovery Team briefing
Tue 5 Jun	Ted McDonnell
	John Gideon and Roy Obed - Directors, MOET
	Harold Qualao, Contract Supervisor
	Charles Andrews, Infrastructure Adviser
	PRC M&E Unit
	Charlie Namaka and Mattia De Biasi
	Clinton, Liku and Jennifer, Government for Growth
Wed 6 Jun	Jed Abad, First Secretary
	Benjamin Shing, Acting Director General (MALFFB)
	Gordon Craig, Education Infra Adviser
	Jerry Lapi and Jodie Clark, MALFFB PMU
	Bungalow proprietor, Tanna
Thu 7 Jun	Bungalow proprietor, Tanna
	Jeffrey Iausalok Sel, Tanna Tourism Recovery Coordinator
	Joe Lautim, Manager, Tafea TVET Centre
	Marie Manu and Silvaine Nako
	Nathan Tabi, PWD Divisional Manager Tafea Province
	Tuhu school, Lamnatou french school and Fokona Cooperative
Fri 8 Jun	Robert Moise, Hospital Manager
	Alfred Konmawi, Acting Chief Inspector Tafea Command
	Dennis, Qualao Consulting, Education projects Manager
	Sam Nalin (New Kids Construction) and Albert Lowaisia (Lowaisia Construction)
	Thomas Iaru (Livestock), Sam Naiu (Agriculture) and Simon Naupa (Forestry)
Mon 11 Jun	Kieren Davis (Water Supply)
	Megan Chisholm, Country Director, Care
	Joe Lani and Charlesly Kanas
	Gregoire Nimbtik, Acting Director General PMO
	Tim Egerton and Scott Monteiro (Health)
	George Taleo, Director General, Ministry of Health
Tue 12 Jun	Andrew Parker, Head of UN Mission in Vanuatu
	Pamella, MIPW PMU
	Ellinson Bovu, Knox Morris, Jeannette, VSPD
	Jenny Da Rin, Australian High Commissioner

	Sandra Douglas, Wilco Hardware
	Jimca Loli
Wed 13 Jun	Sue Ryle, Deputy Australian High Commissioner
	Adela Aru, CEO, Vanuatu Tourism Office (VTO)
	Karldon Sam, Cooperatives
	Mangalilu (water); Ekiye (cooperative)
Thu 14 Jun	George Borugu, A/g DG of Trade, Tourism and Ni-Vanuatu Business
	Aide memoire with DFAT program managers, HOM, DHOM
Fri 15 Jun	Aide memoire with GoV stakeholders

Key stakeholders not interviewed:

Names	Positions	Organization
Jimmy Kawiell	Tourism Development Officer	DOT Tafea
Joe Lani		Dept of Water
Charlesly Kanas		Dept of Water
Sandrine Douglas/Jenneth Bakokoto	Project Officer	Wilco Hardware
Dorosday Kenneth	Director	Dept of Women's Affairs
Erickson Sami	Director	Dept of Water
George Borugu	Acting Director General	Ministry of Trades & Tourism